

PRELIMINARY OFFICIAL STATEMENT DATED JULY 15, 2021

**NEW AND RENEWAL ISSUES
BOOK-ENTRY-ONLY BONDS**

RATINGS: (See “RATINGS” herein)

In the opinion of Bond Counsel to the County, 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 Series A Bonds 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. In the opinion of Bond Counsel, interest on the Series B Bonds is NOT excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds 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 Bonds. See “TAX MATTERS” herein.

The Series A Bonds 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**

\$92,945,000*

**PUBLIC IMPROVEMENT SERIAL BONDS – 2021 SERIES A
(the “Series A Bonds”)**

Date of Issue: August 13, 2021

**Maturity Dates: June 15, 2022-2034
(as shown on the inside cover)**

\$6,915,000*

**SEWER DISTRICT SERIAL BONDS – 2021 SERIES B (FEDERALLY TAXABLE)
(the “Series B Bonds” and together with the Series A Bonds, the “Bonds”)**

Date of Issue: August 13, 2021

**Maturity Dates: June 15, 2022-2036
(as shown on the inside cover)**

The Bonds 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 Bonds 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 Series A Bonds are dated the Date of Issue thereof and will bear interest from such date until maturity at the annual rate or rates as specified by the purchaser of the Series A Bonds, payable on June 15, 2022, December 15, 2022 and semi-annually thereafter on June 15 and December 15 in each year until maturity. The Bonds will mature on June 15, as shown on the inside cover page hereof. The Series A Bonds maturing in certain years are subject to optional redemption prior to their stated maturity. (See “THE BONDS – Optional Redemption,” herein.)

The Series B Bonds are dated the Date of Issue thereof and will bear interest from such date until maturity at the annual rate or rates as specified by the purchaser of the Series B Bonds, payable on June 15, 2022, December 15, 2022 and semi-annually thereafter on June 15 and December 15 in each year until maturity. The Bonds will mature on June 15, as shown on the inside cover page hereof. The Series B Bonds maturing in certain years are subject to optional redemption prior to their stated maturity. (See “THE BONDS – Optional Redemption,” herein.)

The Bonds 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 Bonds. 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 Bonds. Payment of the principal of and interest on the Bonds 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 Bonds as described herein. See “THE BONDS – Book-Entry-Only System” herein.

The Bonds of each series are offered when, as, and if issued by the County and accepted by the purchaser(s) thereof, subject to the receipt of the respective 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. Capital Markets Advisors, LLC has served as Municipal Advisor to the County in connection with the issuance of the Bonds. It is expected that delivery of the Bonds 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, or 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 BONDS AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKINGS” HEREIN.

Dated: July __, 2021

* Preliminary, subject to change pursuant to the accompanying Notice of Bond Sale, as described on the inside cover page hereof.

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final Official Statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

The Series A Bonds mature on June 15 in each year, subject to optional redemption, as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
2022	\$8,935,000	%	%		2029	\$6,645,000	%	%	
2023	8,965,000				2030	6,750,000**			
2024	6,890,000				2031	6,860,000**			
2025	6,890,000				2032	6,980,000**			
2026	6,650,000				2033	7,110,000**			
2027	6,475,000				2034	7,240,000**			
2028	6,555,000								

* The aggregate principal amount of the Series A Bonds and the principal maturities thereof are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Bond Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law and to permit the County to comply with the applicable Federal tax law restrictions.

** Subject to optional redemption prior to maturity (See “THE BONDS – Optional Redemption” herein).

*** CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the holders of the Series A Bonds. The County is not responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Series A Bonds or as indicated above.

The Series B Bonds will mature on June 15 in each year, subject to optional redemption, as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
2022	\$400,000	%	%		2030	\$465,000**	%	%	
2023	400,000				2031	475,000**			
2024	405,000				2032	490,000**			
2025	415,000				2033	505,000**			
2026	420,000				2034	520,000**			
2027	430,000				2035	540,000**			
2028	440,000				2036	560,000**			
2029	450,000								

* Preliminary, subject to change.

** Subject to optional redemption prior to maturity (See “THE BONDS – Optional Redemption” herein).

*** CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the holders of the Series B Bonds. The County is not responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Series B Bonds or as indicated above.

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

Capital Markets Advisors, LLC
Great Neck and New York, 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 by the County. 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 Bonds 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.

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OFFICIAL STATEMENT

of the

COUNTY OF SUFFOLK, NEW YORK

Relating to

\$92,945,000*

PUBLIC IMPROVEMENT SERIAL BONDS – 2021 SERIES A

and

\$6,915,000*

SEWER DISTRICT SERIAL BONDS – 2021 SERIES B (FEDERALLY TAXABLE)

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 \$92,945,000* Public Improvement Serial Bonds – 2021 Series A (the “Series A Bonds”), \$6,915,000* Sewer District Serial Bonds – 2021 Series B (Federally Taxable) (the “Series B Bonds” and together with the Series A Bonds, the “Bonds” and each is a “Series of the Bonds”), 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 Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the County’s overall economic situation and outlook (and all of the specific County-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. (See “RISK FACTORS,” “IMPACT OF COVID-19” and “FINANCIAL FACTORS” herein.)

THE BONDS

Description

The Series A Bonds are dated their Date of Issue and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser, payable on June 15, 2022, December 15, 2022 and semi-annually thereafter on June 15 and December 15 in each year until maturity. The Series A Bonds shall mature on June 15 in each year in the principal amounts specified on the inside cover page hereof. The Series A Bonds maturing in certain years will be subject to optional redemption prior to their stated maturity. (See “THE BONDS – Optional Redemption” herein).

The Series B Bonds are dated their Date of Issue and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser, payable on June 15, 2022, December 15, 2022 and semi-annually thereafter on June 15 and December 15 in each year until maturity. The Series B Bonds shall mature on June 15 in each year in the principal amounts specified on the inside cover page hereof. The Series B Bonds maturing in certain years will be subject to redemption prior to their stated maturity. (See “THE BONDS – Optional Redemption” herein).

* Preliminary, subject to change

The Bonds 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 Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds.

Payments of principal of and interest on the Bonds 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 Bonds as described under “THE BONDS – Book-Entry-Only System,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

The record date for payment of principal of and interest on the Bonds will be the last business day of the calendar month preceding each interest payment date.

Authority for and Purpose of the Series A Bonds

The Series A Bonds 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 on the following pages. A portion of the proceeds from the sale of the Series A Bonds in the amount of \$3,000,000 together with the proceeds from the sale of the Series B Bonds will be used to redeem the County’s \$9,915,000 Bond Anticipation Notes – 2021 Series B (Federally Taxable) at maturity. A portion of the proceeds from the sale of the Series A Bonds in the amount of \$2,557,682 will be used to redeem a portion of the County’s outstanding \$20,000,000 Bond Anticipation Notes – 2021 Series A at maturity on November 10, 2021. The balance of the proceeds from the sale of the Series A Bonds 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 to Bonds</u>
744 2011	Downtown Revitalization Program - Phase X	\$ 35,000
1149 2011	Construction of the Restoration of Smith Point County Park	250,000
134 2012	Improvements to Red House at Inlet Pond County Park	15,000
481 2012	Planning for the Riverhead County Center Power Plant Upgrade	50,000
608 2013	Site Improvements to the Suffolk County Farm	25,000
149 2014	Construction of Energy Conservation and Safety Improvements to the H. Lee Dennison Building	210,000
951 2014	Infrastructure Improvements for Workforce Housing/Incentive Fund	272,000
273 2015	Renovations at County Owned Health Centers	50,000
359 2015	Reconstruction of County Route "CR" 97, Nicolls Road	300,000
602 2015	Construction Improvements Suffolk County Farm	750,000
798 2015	Downtown Revitalization Program - Phase XIII	20,830
826 2015	Improvements to the Water Supply System at Various County Facilities	39,504
961 2015	Purchase and Installation of an Automated Vehicle Locator System (AVL) for Suffolk County Transit Buses	33,132
467 2016	New Enhanced Suffolk County Water Quality Protection Program-2014 Referendum-Land Purchases	25,610
680 2016	Suffolk County Fire Rescue Main Building Renovations and Improvements	50,000
689 2016	Construction Modifications for Compliance with Americans with Disabilities Act	60,000
693 2016	Planning for Alterations to Public Works Materials Testing Lab, Yaphank	40,000
902 2016	Planning and Design Costs Associated with the Sayville Extension	1,000,000

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
996 2016	Planning for the Restoration and Preservation of the Cedar Island Lighthouse	\$ 22,500
996 2016	Construction for the Restoration and Preservation of the Cedar Island Lighthouse	125,000
1082 2016	Downtown Revitalization Program - Phase XIV	148,335
1157 2016	Infrastructure Improvements for Workforce Housing/Incentive Fund	628,000
1168 2016	Construction Improvements to County Marinas	1,000,000
1182 2016	Planning for Improvements Suffolk County Farm	30,000
202 2017	Installation of Fire Security and Emergency Systems at County Facilities	40,000
204 2017	Sewering Feasibility Study for Brentwood	100,000
389 2017	Planning for the Strengthening and Improving of County Roads	75,000
470 2017	Removal of Toxic and Hazardous Materials in County Parks	50,000
473 2017	Construction of the Communication System Site Rehabilitation	3,170
538 2017	Construction Upgrades at Vanderbilt Museum County Park Under the Enhanced Suffolk County Water Quality Protection Program-2014 Referendum	167,000
560 2017	Construction Improvements to Gardiner County Parks/Sagtikos Manor	50,000
651 2017	Underground Injection Control Management	125,000
703 2017	National Fish and Wildlife Foundation Wetland Restoration in Suffolk County Project, Under the New Enhanced Suffolk County Water Quality Protection Program	100,000
720 2017	Construction for Improvements and Lighting to County Parks	200,000
735 2017	Upgrades and Improvements to Fire Rescue C.A.D. System	642,489
824 2017	Downtown Revitalization Program - Phase XV	179,160
856 2017	Planning Costs Associated with Improvements to CR4, Commack Road in the Hamlets of Deer Park, Brentwood, Commack and Dix Hills	70,000
860 2017	Construction Improvements to CR 35, Park Avenue, Town of Huntington	750,000
1095 2017	Improvements to County Center C-001, Riverhead	75,000
1209 2017	Planning for Safety Improvements at Various Intersections	50,000
1211 2017	Engineering Costs in Connection with Traffic Signal Improvements	50,000
1213 2017	Application and Removal of Lane Markings	250,000
109 2018	Planning and Design for a New Police Fingerprint Accredited Laboratory	378,065
292 2018	Construction Modifications for Compliance with Americans with Disabilities Act	100,000
389 2018	Wastewater Treatment Upgrades at West Sayville Golf Course at Charles R. Dominy County Park Under the New Enhanced Suffolk County Water Quality Protection Program-2014 Referendum-Water Quality Projects	324,000
588 2018	Site Improvements in Connection with the Restoration of Canaan Lake	90,000
611 2018	Mud Creek Watershed Aquatic Ecosystem Restoration Project	500,000
728 2018	Upgrades to Sewer Disposal Systems at Various County Park Locations, Pursuant to The Enhanced Suffolk County Water Quality Protection Program-Sewer Improvement Projects	2,500,000
814 2018	Construction Renovations to the Yaphank Correctional Facility	150,000

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
815 2018	Construction Improvements to the County Correctional Facility C-141 Riverhead	\$ 1,050,000
950 2018	Restoration of West Neck Farm (AKA Coindre Hall), Town of Huntington	250,000
976 2018	Improvements to CR 1, County Line Road	1,500,000
981 2018	Installation of Fire Security and Emergency Systems at County Facilities	200,000
983 2018	Building Improvements to the Wildlife Rescue and Education, Marine Science Center	50,000
997 2018	Construction Alterations to Criminal Courts Building, Southampton	50,000
1001 2018	Renovations to Public Works Building, Yaphank	50,000
1016 2018	Construction for the Riverhead County Center Power Plant Upgrade	100,000
1021 2018	Construction for the Rehabilitation of Guggenheim Lake (Deer Lake) in the Towns of Babylon and Islip	390,000
1023 2018	Construction for Security-Related Improvements to the Bomarc Site, Westhampton	30,000
1095 2018	Planning Improvements to the Mental Hygiene Consolidated Data Management System	177,219
1158 2018	Reconstruction of CR 48, Middle Road from Horton Avenue to Main Street	875,000
49 2019	The New Enhanced Suffolk County Water Quality Protection Program-2014 Referendum-Engineering and Design Costs Associated with the Carmans River Fish Passage Project	49,781
222 2019	Renovations to Long Island Maritime Museum	300,000
227 2019	Purchase of Equipment for Med-Legal Investigations and Forensic Sciences	45,000
239 2019	Planning Costs Associated with Improvements to CR 21, Yaphank Avenue/Middle Island-Yaphank Road	75,000
319 2019	Planning for Building Renovations, Upgrades and Improvements to the Forensic Sciences Medical and Legal Investigative Consolidated Laboratory	100,000
319 2019	Construction for Building Renovations, Upgrades and Improvements to the Forensic Sciences Medical and Legal Investigative Consolidated Laboratory	150,000
343 2019	Replacement of Major Building Operations Equipment Various County Facilities	100,000
351 2019	Purchase of Hybrid-Electric Transit Buses for Suffolk County Transit	408,269
358 2019	Construction Renovations and Improvements to the Cohalan Court Complex	250,000
360 2019	Construction of Energy Conservation Improvements at Various County Facilities	1,000,000
362 2019	Replacement/Clean-Up of Fossil Fuel, Toxic and Hazardous Material Storage Tanks	150,000
428 2019	Equipment for Replacing the Suffolk County Police Department's Police Information Technology Records Management System	715,000
446 2019	Replacement of Bus Stop Sign for the Suffolk County Transit Bus System	25,000
454 2019	Replacement of Dredge Support Equipment	50,000
468 2019	Construction Improvements to CR 35, Park Avenue, Town of Huntington	500,000
472 2019	Construction Improvements to Buildings and Facilities Countywide	265,000

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>	
472	2019	Equipment for Improvements to Buildings and Facilities Countywide	\$ 95,000
480	2019	Building Safety Improvements	100,000
584	2019	Acquisition of Heavy Duty and Other Equipment for County Parks	75,000
590	2019	Safety Improvements at the Police Firearms Range in Westhampton	130,000
594	2019	Renovations to Bathrooms in Police Headquarters	125,000
608	2019	Sewering Feasibility Study for Centereach-Selden	250,000
612	2019	Fuel Management/Preventative Maintenance and Parts Inventory Control System	100,000
702	2019	Planning for the Public Works Material Testing Laboratory	50,000
762	2019	Improvements to Vector Control Buildings-Yaphank	175,000
764	2019	Improvements to Building 158-Civil Service/4th District Court, Hauppauge	100,000
768	2019	Construction Improvements Suffolk County Farm	40,000
768	2019	Equipment for the Suffolk County Farm	50,000
770	2019	Traffic Signal Improvements	100,000
777	2019	Replacement of Major Building Equipment at the County-Owned Building Located at 423 Griffing Avenue, Riverhead	450,000
822	2019	Acquisition of an Electronic Data Content Management System	255,920
851	2019	Reconstruction of CR 48, Middle Road from Horton Avenue to Main Street	1,125,000
1104	2019	Renovations and Alterations to Probation Buildings	200,000
1132	2019	Improvements to CR101, Patchogue-Yaphank Road	1,600,000
1136	2019	Improvements to Environmental Recharge Basins	105,000
1146	2019	Planning Costs Associated with the Development of a Tick Control Plan	100,000
1158	2019	Planning for Legislature Technology Upgrades and Maintenance	50,000
1158	2019	Equipment for Legislature Technology Upgrades and Maintenance	60,000
1249	2019	Construction Improvements to the Suffolk County Fire Training Center	200,000
1272	2019	Construction Improvements to CR 2, Straight Path	300,000
1275	2019	Reconstruction of CR 97, Nicolls Road	300,000
1297	2019	Site Improvements in Connection with the Restoration of Canaan Lake	35,000
149	2020	Sheriff Correctional Facility Security Modernization Project	500,000
151	2020	Acquisition of a Heavy Duty Vehicle for use by the Sheriff's Office	25,000
161	2020	Strengthening and Improving County Roads	2,000,000
163	2020	Reconstruction of Drainage Systems on Various County Roads	250,000
165	2020	Construction Renovations and Improvements to the Cohalan Court Complex	500,000
233	2020	Purchase of Equipment for Med-Legal Investigations and Forensic Sciences	345,000
237	2020	District Attorney Crime Fighting Technology Project	300,000
239	2020	Purchase of Replacement Public Safety Vehicles	800,000
246	2020	Replacement of Major Building Operations Equipment Various County Facilities	500,000
252	2020	Weatherproofing of County Buildings	100,000
254	2020	Construction of Sidewalks on Various County Roads	250,000
256	2020	Installation of Guide Rail and Safety Upgrades at Various Locations	300,000

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
258	2020 Replacement of Dredge Support Equipment	\$ 380,000
262	2020 Planning Costs Associated with Improvements to CR 83, North Ocean Avenue-Mt. Sinai Road, Town of Brookhaven	42,000
266	2020 Removal of Toxic and Hazardous Materials and Components at Various County Facilities	50,000
275	2020 Construction Alterations to Criminal Courts Building, Southampton	50,000
303	2020 The New Enhanced Suffolk County Water Quality Protection Program-2014 Referendum Water Quality Projects	1,079,348
312	2020 Construction Renovations to the Yaphank Correctional Facility	500,000
397	2020 Traffic Signal Improvements	600,000
516	2020 Acquisition of Equipment for the Environmental Health Laboratory	104,739
542	2020 Median Improvements to Various County Roads	300,000
579	2020 Acquisition and Installation of Equipment for Legislature Technology Upgrades and Maintenance	190,000
593	2020 The Stabilization, Preservation and Restoration of Historic Structure and Buildings at County Parks, Historic Restoration and Preservation Fund	250,000
629	2020 Planning and Design for the Rehabilitation of Guggenheim Lake (Deer Lake) in the Towns of Babylon and Islip	30,000
639	2020 Dredging of County Waters	1,000,000
645	2020 Improvements to County Center C-001, Riverhead	30,000
740	2020 Purchase of Equipment for the Radiation Program	53,000
795	2020 Planning for Replacing the Suffolk County Police Department's Police Information Technology Records Management System	111,855
838	2020 Construction of the Communication System Site Rehabilitation	200,000
838	2020 Equipment for the Communication System Site Rehabilitation	200,000
902	2020 Purchase of Sheriff Tasers and Other Equipment	1,026,000
992	2020 Replacement of Hazardous Material Detection Equipment	250,000
1007	2020 Reconstruction of the Shinnecock Canal Locks, Town of Southampton	300,000
1020	2020 Strengthening and Improving County Roads	1,700,000
115	2021 Acquisition and Installation of Equipment for Legislature Technology Upgrades and Maintenance	70,000
170	2021 Installation of Guide Rail and Safety Upgrades at Various Locations	460,000
171	2021 Dredging of County Waters	1,000,000
187	2021 Acquisition of an Electronic Data Content Management System	852,045
244	2021 Public Works Buildings Operations and Maintenance Equipment	100,000
246	2021 Planning Improvements to CR4, Commack Road	190,000
210	2015 Planning for Construction and Rehabilitation of Highway Maintenance Facilities	50,000
850	2018 Planning for Upgrades and Improvements to the County's Integrated Financial Management System (IFMS)	200,000
452	2019 Construction and Rehabilitation of Highway Maintenance Facilities	400,000
708	2019 Purchase of Replacement Non-Public Safety Vehicles	75,000
222	2020 Planning for Fiber Cabling Network and WAN Technology Upgrades	50,000
222	2020 Acquisition of Equipment for Fiber Cabling Network and WAN Technology Upgrades	450,000
224	2020 Planning for the Suffolk County Disaster Recovery Project	50,000

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
224 2020	Acquisition of Equipment for the Suffolk County Disaster Recovery Project	\$ 450,000
228 2020	Countywide Replacement of Computer Equipment/Infrastructure	202,640
260 2020	Purchase of Public Works Highway Maintenance Equipment with a Temporary Increase in the Highway Fleet	2,500,000
306 2020	Planning for Technology Modernization	250,000
306 2020	Equipment for Technology Modernization	100,000
308 2020	Planning for Payroll and Personnel Related Software and Equipment Replacement	100,000
573 2020	Planning for Upgrades and Improvements to the County's Integrated Financial Management System (IFMS)	450,000
733 2020	Countywide Replacement of Computer Equipment/Infrastructure	781,560
734 2020	Planning for Payroll and Personnel Related Software and Equipment Replacement	1,192,190
97 2021	Payroll and Personnel Related Software and Equipment Replacement	4,800,000
705 2020	Settlement in a Liability Case Against the County	200,000
884 2020	Settlement in a Liability Case Against the County	200,000
964 2020	Settlement in a Liability Case Against the County	200,000
611 2017	Planning for the Building Extension for the Property Bureau	150,000
611 2017	Construction for the Building Extension for the Property Bureau	127,000
1116 2018	Construction for the Range Berm Reconstruction at the Firearms Range	150,000
1118 2018	Renovations to the Marine Bureau Facility	100,000
239 2020	Purchase of Replacement Public Safety Vehicles	3,425,000
317 2020	Purchase of Marine Bureau Engines	80,380
427 2020	Acquisition of a Heavy Duty Vehicle for the Police Department	250,000
840 2020	Equipment for Cyclical Replacement of Mobile Data Terminals in Police Vehicles	350,000
902 2020	Purchase of Police Tasers and Other Equipment	7,199,000 ⁽¹⁾
219 2018	Planning Improvements to Suffolk County Sewer District No. 1-Port Jefferson	20,000
1138 2019	Construction Improvements to Suffolk County Sewer District No. 1-Port Jefferson	50,000
1038 2011	Construction Improvements to the Facilities of Sewer District No. 3-Southwest (Infiltration/Inflow)	1,500,000
90 2017	Improvements to Suffolk County Sewer District No. 3-Southwest(Ronkonkoma Hub Project)	3,000,000 ⁽²⁾
997 2017	Construction Improvements to Suffolk County Sewer District No. 6 - Kings Park	1,400,000
230 2018	Planning Improvements to Suffolk County Sewer District No. 6 - Kings Park	100,000
1036 2013	Construction Improvements to Suffolk County Sewer District No. 9-College Park	25,000
1133 2015	Construction Improvements to Suffolk County Sewer District No. 11-Selden	130,000
892 2016	Construction Improvements to Suffolk County Sewer District No. 11-Selden	370,000
1034 2013	Construction Improvements to Suffolk County Sewer District No. 12 - Birchwood/Holbrook	509,756

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
1008 2018	Construction Improvements to Suffolk County Sewer District No. 12 - Birchwood/Holbrook	\$ 128,244
1136 2015	Construction Improvements to Suffolk County Sewer District No. 13- Windwatch	350,000
999 2017	Construction Improvements to Suffolk County Sewer District No. 14- Parkland	399,704
1200 2017	Construction Improvements to Suffolk County Sewer District No. 14- Parkland	250,000
264 2020	Planning Costs Associated with Improvements to the Suffolk County Sewer District No. 14-Parkland	200,000
1099 2016	Construction Improvements to Suffolk County Sewer District No. 16- Yaphank	150,000
1128 2012	Construction Improvements to Suffolk County Sewer District No. 20- William Floyd (Leisure Village)	650,000
501 2016	Planning Improvements to Suffolk County Sewer District No. 20- William Floyd (Leisure Village)	625,000
1130 2012	Construction Improvements to Suffolk County Sewer District No. 23- Coventry Manor	750,000
932 2017	Construction Improvements to Suffolk County Sewer District No. 23- Coventry Manor	4,500,000
646 2018	Construction Improvements to the Suffolk County Ballpark, Central Islip	500,000
622 2019	Construction Improvements to the Suffolk County Ballpark, Central Islip	780,000
1108 2011	Construction of Aviation Utility Infrastructure at Francis S. Gabreski Airport	225,555
540 2017	Safety Improvements at Suffolk County Vanderbilt Museum	110,000
107 2018	Construction of Façade Restoration at Suffolk County Vanderbilt Museum	600,000
157 2019	Waterproofing, Roof and Drainage Improvements at Suffolk County Vanderbilt Museum	200,000
159 2019	Environmental Controls at the Suffolk County Vanderbilt Museum	175,000
692 2019	Construction of Façade Restoration at Suffolk County Vanderbilt Museum	1,000,000
382 2012	Planning of Infrastructure Improvements for Suffolk Community College(SCCC)-Collegewide	100,000
692 2015	Construction of the Renewable Energy and STEM Center-Grant Campus	5,000,000
692 2015	Equipment for the Renewable Energy and STEM Center-(SCCC)Grant Campus	50,000
934 2016	Construction of the Plant Operations Building-(SCCC)Grant Campus	250,000
934 2016	Equipment for the Plant Operations Building-(SCCC)Grant Campus	<u>50,000</u>
	Total:	<u>\$92,945,000</u>

- (1) A \$2,557,682 portion of the proceeds from the sale of the Series A Bonds will be used to redeem a portion of outstanding bond anticipation notes.
- (2) This \$3,000,000 portion of the proceeds from the sale of the Series A Bonds will be used to redeem a portion of outstanding bond anticipation notes.

Authority for and Purpose of the Series B Bonds

The Series B Bonds are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter, and Bond Resolution No. 90-2017 duly adopted by the County Legislature on March 7, 2017

authorizing the issuance of up to \$25,000,000 in serial bonds of the County to finance the cost of improvements to the Suffolk County Sewer District No. 3 – Southwest – Ronkonkoma Hub Project. The proceeds from the sale of the Series B Bonds together with a portion of the proceeds from the sale of the Series A Bonds in the amount of \$3,000,000 will be used to redeem the County’s \$9,915,000 Bond Anticipation Notes – 2021 Series B (Federally Taxable) at maturity.

Optional Redemption

The Series A Bonds maturing on or before June 15, 2029 are not subject to redemption prior to their stated maturity. The Series A Bonds maturing on or after June 15, 2030 will be subject to redemption prior to their stated maturity, at the option of the County, on any date on or after June 15, 2029, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Series A Bonds to be redeemed, plus accrued interest to the date of redemption.

The Series B Bonds maturing on or before June 15, 2029 are not subject to redemption prior to their stated maturity. The Series B Bonds maturing on or after June 15, 2030 will be subject to redemption prior to their stated maturity, at the option of the County, on any date on or after June 15, 2029, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Series B Bonds to be redeemed, plus accrued interest to the date of redemption.

The County may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County Comptroller. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Nature of Obligation

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

The Bonds 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 Bonds, 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 (See “TAX LEVY LIMITATION LAW” herein).

Book-Entry-Only System

The Depository Trust Company (“DTC”), Jersey City, New Jersey, will act as securities depository for the Bonds. The Bonds 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 bond certificate will be issued for each maturity of each series of Bonds, in the aggregate principal amount of such maturity, 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 and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each bond (“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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds 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 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 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, bond and 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, bond and 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 may take 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.

RISK FACTORS

There are certain potential risks associated with an investment in the Bonds, 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:

Financial Condition of the County

The financial condition of the County as well as the market for the Bonds 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 Bonds. 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 Bonds, 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 Bonds.

If and when an owner of any of the Bonds should elect to sell a Bond 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 Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bond is sold prior to its maturity.

Changes in Law

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 Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see "TAX MATTERS FOR THE SERIES A BONDS" and "TAX MATTERS FOR THE SERIES B BONDS" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire district 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 Bonds. See "TAX LEVY LIMITATION LAW" herein.

Reliance on and Uncertainty of State Aid

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; however, the impact of the COVID-19 pandemic may cause additional stress on the State budget and may cause delays and/or elimination of State aid payments to the County. 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. See "IMPACT OF COVID-19" and "State and Federal Aid" under "FINANCIAL FACTORS" in APPENDIX A herein.

Environmental Factors

Environmental factors, including climate change, pose significant risks to the region and the County. The magnitude of the impact on the County's operations, economy and financial condition of rising sea levels, coastal flooding and more frequent and extreme weather events is indeterminate and unpredictable. No assurance can be given that the County will not encounter natural disaster risks, such as hurricanes, tropical storms, heatwaves or catastrophic sea level rise in the future, or that such risks will not have an adverse effect on the operation, economy or financial condition of the County.

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.

IMPACT OF COVID-19

The World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. On March 22, 2020, all non-essential businesses statewide closed when Governor Cuomo announced the "New York State on PAUSE" executive order, a 10-point policy which aimed to assure uniform safety for everyone. New York State on PAUSE imposed restrictions on the operation of businesses, other than those deemed essential, and banned non-essential gatherings, in addition to other restrictions. The New York State on Pause restrictions remained in place for Long Island through May 26, 2020. Starting May 27, 2020, the Long Island region entered Phase 1 of reopening. The Phase 2 reopening was June 10, 2020; Phase 3 reopening was June 24, 2020; and Phase 4 reopening started July 8, 2020. In May 2021, the Governor announced significant easing of COVID-19 pandemic restrictions on businesses, gatherings and venues, and the state of emergency ended on June 24, 2021. The ability to reallocate resources has helped the County maneuver through this unprecedented event. On April 22, 2020, the County received \$257.8 million of CARES Act Funding. Furthermore, the County continued to address these revenue declines through a series of mitigation measures in Fiscal Year 2020. See "RISK FACTORS" and "FINANCIAL FACTORS – 2020 Adopted Budget with Updates" herein.

The 2021 Recommended Operating Budget was submitted to the County Legislature (the "2021 Recommended Budget") on October 9, 2020. The Legislature adopted amendments to the 2021 Recommended Budget on November 16, 2020. The 2021 Recommended Budget was adopted with amendments on November 30, 2020. Due to the COVID-19 pandemic, the County was simultaneously confronting a public health and safety crisis, as well as the economic crisis resulting from the pandemic. The uncertainty that surrounded federal assistance at the time of the adoption of the 2021 Recommended Budget meant the County, like many other counties across the nation, was forced to make historic budget cuts in 2021 to offset estimated operating deficits. The 2021 Adopted Operating Budget was 2.8% less than the 2019 Adopted Budget. Mitigation efforts included reductions in transit services, public safety academy trainings and contract agency services among other considerations (see "Summary of Major Initiatives" and "FINANCIAL FACTORS – 2021 ADOPTED BUDGET" herein). The 2021 Adopted Budget was predicated on most of the expense cuts not being implemented until July 1, 2021. On March 11, 2021, the US American Rescue Plan ("ARP") was signed into law. The County's share of ARP funds is approximately \$286 million, to be paid over a two-year period. The County received the first half of these funds, approximately \$143 million, in May 2021. On March 31, 2021, the County Legislature adopted Resolution No. 204-2021, modifying the 2021 Adopted Budget (the "2021 Modified Budget") to restore the drastic budget cuts included in the 2021 Adopted Budget.

The County budget includes ongoing financial assistance from the State in the form of State aid. The impact of the COVID-19 pandemic may continue to cause additional stress on the State budget and may cause delays and/or elimination of State aid payments to the County. However, in the budget, the State restored all but 5% of the cuts to the County so the actual impact was minimal. See "RISK FACTORS" and "FINANCIAL FACTORS – State and Federal Aid" herein.

Although the ultimate impact and cost to the County of the COVID-19 pandemic cannot be determined at this time, the outbreak has had and is expected to continue to have an adverse impact on the County and the County's financial condition in fiscal year 2020 and upcoming future fiscal years but significantly less than was previously anticipated by the County. The receipt of Federal aid as well as better than expected sales tax collections (beginning in the fourth quarter of 2020) (see "Sales Tax" herein), vaccine administration programs and economic recovery indicators are expected to substantially mitigate the adverse effects of the COVID-19 pandemic on the County's 2021 finances. The financial impact on future fiscal years cannot be determined at this time.

TAX MATTERS FOR THE SERIES A BONDS

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 the Series A Bonds is excluded from gross income for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed 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 Series A Bonds in order for interest on the Series A Bonds 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 Series A Bonds, as applicable, and in certain circumstances, payment of amounts in respect of such proceeds to the Federal government. Failure to comply with the requirement of the Code may cause interest on the Series A Bonds to be includable in gross income for purposes of Federal income tax, possibly from their respective dates of issuance. In the Arbitrage and Use of Proceeds Certificate of the County to be executed in connection with the issuance of the Series A Bonds, 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 with respect to the Series A Bonds. 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 Series A Bonds should be aware that ownership of the Series A Bonds, 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 Series A Bonds and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The Series A Bonds 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 the Series A Bonds 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 date of issuance and delivery of the Series A Bonds may affect the tax status of interest on the Series A Bonds.

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 Series A Bonds to be subject to Federal or State income taxation, or otherwise prevent Bondholders 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 Series A Bonds for audit examination, or the course or result of any Internal Revenue Service examination of the Series A Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Series A Bonds. Prospective purchasers of the Series A Bonds 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 SERIES A BONDS 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 SERIES A BONDS.

TAX MATTERS FOR THE SERIES B BONDS

In the opinion of Bond Counsel, interest on the Series B Bonds is NOT excluded from gross income for federal income tax purposes.

General

The following discussion summarizes certain United States (“U.S.”) federal tax considerations generally applicable to holders of the Series B Bonds that acquire the Series B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, and any such change could have retroactive effect. Prospective investors should also note that no rulings have been or are expected to be sought from the Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, financial institutions, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, persons holding the Series B Bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire the Series B Bonds pursuant to this initial offering for the issue price that is applicable to the Series B Bonds (i.e., the price at which a substantial amount of the Series B Bonds are sold to the public) and who will hold the Series B Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Series B Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust).

As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Series B Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series B Bonds (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

Interest on Series B Bonds. Payments of interest on the Series B Bonds will be included in gross income for U.S. federal income tax purposes of a U.S. Holder as ordinary income at the time the interest is paid or accrued in accordance with the U.S. Holder’s regular method of accounting for tax purposes, provided such interest is “qualified stated interest,” as defined below.

U.S. Holders may generally, upon election, include in income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) that accrues on a debt instrument by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions. This election will generally apply only to the debt instrument with respect to which it is made and may be revoked only with the consent of the IRS.

Premium. If a U.S. Holder purchases a Series B Bond for an amount that is greater than the sum of all amounts payable on such Series B Bond after the purchase date, other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased such Series B Bond with “amortizable premium” equal an amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of such Series B Bond and may offset interest otherwise required to be included in respect of such Series B Bond during any taxable year by the amortized amount of such premium for the taxable year. Premium on a Series B Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or decrease the amount of loss otherwise recognized on the disposition of such Series B Bond. Any election to amortize premium applies to all taxable debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Disposition of Series B Bonds. Except as discussed above, upon the sale, exchange, redemption or retirement of a Series B Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or retirement (other than amounts representing accrued and unpaid interest) of such Series B Bond and such U.S. Holder’s adjusted tax basis in such Series B Bond. A U.S. Holder’s adjusted tax basis in a Series B Bond generally will equal such U.S. Holder’s initial investment in the Series B Bond increased by accrued market discount, if any, if the U.S. Holder has included such market discount in income, and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable premium taken with respect to such Series B Bond. Such gain or loss generally will be long-term capital gain or loss if the Series B Bond has been held by the U.S. Holder at the time of disposition for more than one year. If the U.S. holder is an individual, long-term capital gain will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Non-U.S. Holders

A Non-U.S. Holder who is an individual or corporation (or an entity treated as a corporation for U.S. federal income tax purposes) holding Series B Bonds on its own behalf will not be subject to U.S. federal income tax on payments of principal of, or premium (if any), or interest (including original issue discount, if any) on Series B Bonds, unless the Non-U.S. Holder is a bank receiving interest described in Section 881(c)(3)(A) of the Code. To qualify for the exemption from taxation, the Withholding Agent, as defined below, must have received a statement from the individual or corporation that:

- is signed under penalties of perjury by the beneficial owner of the Series B Bonds,
- certifies that the owner is not a U.S. holder, and
- provides the beneficial owner’s name and permanent residence address.

A “Withholding Agent” is the last U.S. payor (or non-U.S. payor who is a qualified intermediary, U.S. branch of a foreign person or withholding foreign partnership) in the chain of payment prior to payment to a non-U.S. holder (which itself is not a Withholding Agent). Generally, this statement is made on an IRS Form W-8BEN (“W-8BEN”), which is effective for the remainder of the year of signature plus three full calendar years thereafter, unless a change in circumstances makes any information on the form incorrect. Notwithstanding the preceding sentence, a Form W-8BEN with a U.S. taxpayer identification number will remain effective until a change in circumstances makes any information on the form incorrect, provided the Withholding Agent reports at least annually to the beneficial owner on IRS Form 1042-S. The beneficial owner must inform the Withholding Agent within 30 days of any change and furnish a new Form W-8BEN. A Non-U.S. Holder that is not an individual or corporation (or an entity treated as a corporation for U.S. federal income tax purposes) holding Series B Bonds on its own behalf may have substantially increased reporting requirements. In particular, in the case of Series B Bonds held by a foreign partnership or foreign trust, the partners or beneficiaries rather than the partnership or trust will be required to provide the certification discussed above, and the partnership or trust will be required to provide certain additional information.

A Non-U.S. Holder of Series B Bonds whose income from such Series B Bonds is effectively connected with the conduct of a U.S. trade or business generally will be taxed as if the holder were a U.S. Holder, provided the holder furnishes to the Withholding Agent a Form W-8ECI.

Certain securities clearing organizations and other entities that are not beneficial owners may be able to provide a signed statement to the Withholding Agent. In that case, however, the signed statement may require a copy of the beneficial owner's Form W-8BEN (or substitute form).

Generally, a Non-U.S. Holder will not be subject to U.S. federal income tax on any amount that constitutes capital gain upon retirement or disposition of Series B Bonds, unless the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the retirement or disposition of such Series B Bonds, and that gain is derived from sources within the United States. Certain other exceptions may apply, and a Non-U.S. Holder in these circumstances should consult his tax advisor.

Series B Bonds will not be includible in the estate of a Non-U.S. Holder unless, at the time of the decedent's death, income from such Series B Bonds was effectively connected with the conduct by the decedent of a trade or business in the United States.

Information Reporting and Backup Withholding

Backup withholding of U.S. federal income tax may apply to payments made in respect of the Series B Bonds to registered owners who are not "exempt recipients" and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Series B Bonds to a U.S. Holder must be reported to the IRS, unless U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those Non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Series B Bond to or through a broker, the broker must report the sale and withhold the entire purchase price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller certifies that such seller is a Non-U.S. Holder (and certain other conditions are met). Certification of the registered owner's Non-U.S. status would be made normally on an IRS Form W-8BEN under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

State and Local Income Taxes

In the opinion of Bond Counsel, interest on the Series B Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series B Bonds.

Interest on the Series B Bonds may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion, however, as to the tax treatment of the Series B Bonds under other state or local jurisdictions. Each purchaser of the Series B Bonds should consult his or her own tax advisor regarding the taxable status of the Series B Bonds in a particular state or local jurisdiction other than the State of New York.

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 SERIES B BONDS 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 SERIES B BONDS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the respective approving legal opinions of Harris Beach PLLC, Hempstead, New York, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto as Appendix C.

Certain legal matters will be passed upon for the County by its County Attorney.

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

DISCLOSURE UNDERTAKING

At the time of the delivery of each series of the Bonds, the County will provide, with respect to each such Series of the Bonds, an executed copy of its "Undertaking to Provide Continuing Disclosure" (each, a "Bond Undertaking"). Each such Bond Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the respective Series of the Bonds, 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 or to the functions of such Board contemplated by the Bond Undertaking:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement in Appendix A under the headings: "THE COUNTY OF SUFFOLK," "INDEBTEDNESS OF THE COUNTY," "CAPITAL PLANNING AND BUDGETING," "FINANCIAL FACTORS," "ADDITIONAL FINANCIAL INFORMATION," "REAL PROPERTY TAXES," "STATISTICAL INFORMATION" and "LITIGATION" on or prior to the end of the sixth month following the end of each fiscal year, commencing with the fiscal year ending December 31, 2021 and (ii) the audited financial statement, if any, of the County for each fiscal year commencing with the fiscal year ending December 31, 2021 on or prior to the end of the six month following the end of such fiscal year, unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be provided by the end of the sixth month following the end of such fiscal year and an audited financial statement shall be provided within 60 days after it becomes available and in no event later than the end of the twelfth month after the end of each fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the County has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933.

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (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 Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of such Series of the Bonds, 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 Bonds or a Series thereof; but the County does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, notice of a failure to provide the annual financial information by the date specified.

The County may disseminate any other information in addition to that referred to in paragraph (1) above in the manner described herein or in any other manner. If the County disseminates any such other additional information, it shall have no obligation to update such information or to include it in any subsequent materials disseminated pursuant to the Undertaking.

Each Bond Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the respective Series of the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Bond Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under a Bond Undertaking is an action to compel specific performance of the undertakings of the County, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with a Bond Undertaking will not constitute a default with respect to the applicable Series of the Bonds.

The County reserves the right to amend or modify the Bond 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 amended, and provided further that such amendment or modification shall not adversely affect the interests of the holders of the respective Series of the Bonds in any material respect. In making such determinations, the County shall rely upon an opinion of nationally recognized bond counsel.

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 require 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.

Due to factors related to the COVID-19 pandemic, the County was unable to timely finalize its audited financial statements for the fiscal year ended December 31, 2019. As such, neither the County’s audited nor unaudited financial statements for the fiscal year ended December 31, 2019 were timely filed pursuant to the County’s prior undertakings under Rule 15c2-12. On June 26, 2020, the County filed a notice of failure to timely file such audited or unaudited financial statements. The County filed its audited financial statements for the fiscal year ended

December 31, 2019 once they became available on September 2, 2020.

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 applied to S&P Global Ratings ("S&P") and Fitch Ratings, Inc. ("Fitch") for ratings on the Bonds. Such applications are pending at this time. The County did not apply to Moody's Investors Service ("Moody's") for a rating on the Bonds.

On October 1, 2020, Fitch affirmed the County's long-term underlying credit rating of 'BBB+' with a negative outlook.

On October 2, 2020, S&P affirmed the County's long-term underlying credit rating of 'BBB+' with a negative outlook.

On November 13, 2020, Moody's downgraded the County's long-term underlying credit rating from 'Baa1' to 'Baa2' and revised the outlook to negative.

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 Bonds.

MUNICIPAL ADVISOR

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

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 Department of Audit and Control 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, 9th Floor, 100 Veterans Memorial Highway, Hauppauge, New York 11788, telephone (631) 853-5040.

The County Comptroller will act as Fiscal Agent/Paying Agent with respect to the Bonds. The County Comptroller, John M. Kennedy, Jr., (631) 853-5040, john.kennedy@suffolkcountyny.gov shall be the Fiscal Agent/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 Bonds.

Any statements made in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County's management's beliefs as well as assumptions made by, and information available to, County management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County files with EMMA. When used in County documents or oral presentations, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

The prospective financial information set forth in this Official Statement, except for certain information sourced to parties other than the County, is solely the product of the County. Neither the County's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to, or been consulted in connection with the preparation of, the prospective financial information contained herein. The County's independent auditors assume no responsibility for the content of the prospective financial information set forth in this Official Statement, disclaim any association with such prospective financial information, and have not, nor have any other independent auditors, expressed any opinion or any other form of assurance on such information or its achievability.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at 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.

This Official Statement has been prepared only in connection with the sale of the Bonds 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: July __, 2021

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APPENDIX A

THE COUNTY OF SUFFOLK

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THE COUNTY OF SUFFOLK

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 Queens and the greater New York City area. 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, 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

According to the U.S. Census Bureau, the County had a population of 1,476,601 in 2019, a decrease of 1.1% 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 26th in population out of all 3,142 counties in the United States, and has a larger population than 12 states.

According to the U.S. Bureau of Economic Analysis, total personal income of all County residents amounted to \$106.1 billion in 2019, an increase of 4.1% over the 2018 figure. The County’s 2019 per capita personal income was \$71,911, ranking 5th highest out of the 62 counties in New York State and 109th (in the top 4%) out of all counties in the nation.

As the table below shows, the median household income in the County was \$106,228 in 2019, 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 6.5% in 2019, significantly lower than the State and the United States.

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

Area	2014		2019	
	Median Household Income	Persons Below Poverty (%)	Median Household Income	Persons Below Poverty (%)
Suffolk County	\$86,266	7.4%	\$106,228	6.5%
Nassau County	99,035	6.4	118,453	5.4
New York State	58,818	15.9	72,108	13.0
United States	53,657	15.5	65,712	12.3

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

According to the U.S. Bureau of Labor Statistics, the average annual pay in 2020 amounted to \$68,824, an increase of 22% in the five years since 2015. This increase was greater than the rate of inflation over the same period, which was 8.7%.

According to the U. S. Census Bureau, the County has a relatively well-educated population. Among residents age 25 and over in 2019, 91% were high school graduates and 36% held a bachelor’s degree or higher. These figures compare to 88% and 32%, respectively, for the nation as a whole.

Governmental Organization

The County is the easternmost county in New York State and is composed of 10 towns: Babylon, Brookhaven, East Hampton, Huntington, Islip, Riverhead, Shelter Island, Smithtown, Southampton and Southold. These towns are further broken down into 33 villages and over 100 hamlets and provide a myriad of local governmental services. The County provides police and law enforcement in five of these towns, along with economic assistance, health and nursing care, preservation of open space and numerous other services. The County also maintains many roads, parks, and waterways and operates the largest community college in the State University of New York (“SUNY”) system, a comprehensive publicly-supported, two-year, open enrollment institution, with campuses in Selden, Riverhead and Brentwood, and downtown centers in Sayville and Riverhead.

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.

Economic Indicators

According to the U. S. Bureau of Economic Analysis, the County had a gross domestic product of \$97 billion in 2019. 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 has been severely affected by the economic impacts of COVID-19, as expected. According to the New York State Department of Labor, as of April 2021, there were 1,228,000 jobs in the region, an increase of 197,100 or 19.1% since April 2020. The following table shows the employment by industry sector in the region in 2020 versus 2021, along with the percent change in that period.

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

Industry	April 2020	April 2021	% Change
Goods Producing			
Natural Resources, Mining & Construction	51.7	72.1	+39.5%
Manufacturing	55.6	66.0	+18.7%
Service Providing			
Wholesale Trade	55.7	60.4	+8.4%
Retail Trade	104.8	139.8	+33.4%
Transportation, Warehousing & Utilities	32.2	40.0	+24.2%
Information	14.2	13.6	-4.2%
Financial Activities	65.7	67.5	+2.7%
Professional & Business Services	139.9	164.9	+17.9%
Education & Health Services	235.8	264.5	+12.2%
Leisure & Hospitality	51.1	98.1	+92.0%
Other Services	33.5	49.0	+46.3%
Government	190.7	192.1	+0.7%
TOTAL	1,030.9	1,228.0	+19.1%

Source: New York State Department of Labor

As of May 2021, the County’s unemployment rate was 4.6%, lower than the 13.5% figure recorded in May 2021, and substantially lower than the peak of 17.9% in April of 2020. The County unemployment rate in May 2021 was lower than the rate in the State (6.9%) and in New York City (9.8%). As of May 2021, there were 712,200 employed residents in the County. This figure was 10.2% higher than the May 2021 figure (646,200).

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 are headquartered in the County and have made Forbes America’s Best Employers list for 2020 (Canon), and the Best Companies to Work For in New York list from Best Companies Group and NYSHRM (Henry Schein, Bohler Engineering, American Portfolio & SupplyHouse).

Mid-size to Large Employers in Suffolk County

Firm Name	Industry	Location	Total Number of Employees
Canon	Optical, Imaging and Industrial Products Medical Products and Services	Melville	182,000
Northwell Health	Health Care System	Melville	70,000
Henry Schein	Telecommunications	Melville	20,000
Zebra Technologies	Marking, Tracking & Printing Technologies	Holtsville	7,400
Leviton	Electrical Products & Services	Melville	6,000
MSC Industrial Direct	Metalworking Products and Services	Melville	6,000
The Bountiful Company (Nature’s Bounty)	Vitamins and Nutritional Products	Ronkonkoma	4,500
Verint	Customer Analytics Software & Hardware Products	Melville	4,300+
Geico	Insurance	Woodbury	3,000
American Portfolio Group	Financial Services	Holbrook	1,000+
Bohler Engineering	Civil Engineering Consulting	Hauppauge	1,000+
Kurt Weiss Greenhouses	Growing & Affiliate Delivery	Center Moriches	1,000
Dime Community Bank	Business Banking & Commercial Lending	Hauppauge	800+
SupplyHouse	Plumbing/HVAC Products Supplier	Melville	500+

Source: Suffolk County Planning Department, June 2021.

According to the U.S. Bureau of Labor Statistics, there were 52,824 private business establishments located in the County in the first quarter of 2020, an increase of 4% since the first quarter of 2016 (50,596). The County has a mix of large and small employers. According to the U.S. Census Bureau, as of 2019, there were 25 businesses in the County that employed 1,000 or more persons yet a majority are small businesses, as 62% have 5 or fewer employees and 78% employed fewer than 9 persons. In addition, according to the U.S. Census Bureau, in 2018, the County had 137,044 “non-employer” firms, mostly self-employed individuals. The number of these businesses increased by 11% in the five years between 2013 and 2018.

The County has experienced an economic recovery from the COVID-19 pandemic lockdowns. The number of unemployed residents peaked in April 2020 at the height of the pandemic at 129,200, however, the number of unemployed dropped precipitously by 85,600 to 43,600 by November 2020 to 34,500 in May 2021. The unemployment rate in the County dropped commensurately, from an April 2020 peak of 17.9% to 5.7% in November 2020 to 4.6% in May 2021.

In July 2020, the Nassau County Industrial Development Agency and Suffolk County Industrial Development Agency released a study, conducted by HR&A Advisors (the “HR&A Study”), on the economic impact of the COVID-19 pandemic in the Long Island region. The region’s hospitality sector experienced the greatest decline during initial months of the crisis, with employment down two-thirds. Since the initial impact of the COVID-19 pandemic, the hospitality industry has performed well in comparison to regional counterparts with regards to room

and occupancy rates. As of the 1st quarter of 2021, Long Island's Revenue per Available Room ("RevPAR") is above the national average at 64% compared to 60.3%, of 2021 RevPAR as a percent of 2019, according to CBRE's U.S. Hotels' 2021 Lodging Forecast.

County Initiatives to offset the Economic impacts of COVID-19

In March 2020, the County launched a Business Recovery Unit to address concerns and questions that arose for businesses amidst the outbreak. Suffolk County Department of Labor, Licensing and Consumer Affairs employees were allocated to answer questions and track data and information as provided by local businesses. A call line (Suffolk 311), dedicated email (Business.Recovery@suffolkcountyny.gov), and web presence (suffolkcountyny.gov/bru) were established to offer guidance on reopening, provide guidelines set forth by the State, and consolidate available resources for employers and their workforce. Thousands of survey results were compiled from the webpage, as it included a comprehensive survey for local businesses to complete. This helped identify the local sectors hit hardest by the crisis and inspired the development of a comprehensive recovery plan.

In May 2020, the County and Stony Brook University launched Suffolk Forward. The initiative consists of several different programs designed to support small businesses during the COVID-19 pandemic. Businesses can receive assistance in implementing new technology into their business, speak with professors on a range of business topics, sell gift cards to local residents, participate in business response and recovery webinars and utilize the Suffolk Forward Job Board to find a job, post a job or access career resources. The goal of the programs is to help County businesses adjust and respond to the current business climate and close critical gaps in available resources. In addition to the pandemic shift workshops, available resources include the Suffolk Forward Job Board, the Suffolk Forward Gift Card Platform, the Technology Enhancement Assistance Program, and the Suffolk Forward Virtual Expert Network.

The Technology Enhancement Assistance Program was launched in partnership with the Stony Brook Small Business Development Center ("SBDC") and Stony Brook University College of Business and College of Engineering & Applied Sciences ("CEAS") to help small business owners in the County enhance online technology capabilities to compete in a rapidly increasing e-commerce environment. The Technology Enhancement Assistance Program assesses small businesses' current technology profile, pinpoints needs and assists in developing solutions. Through the various programs, businesses will have the opportunity to learn new ways to increase their revenue, be connected to talented workforce, enhance their technology tools, refine their business model, and get individualized expert business advice.

Through the County's first round of its COVID-19 Small Business Assistance Program, 67 small businesses located across the County have received a total of nearly \$500,000 in grant funding. Awardees include gyms, salons, restaurants, and bars. A second round of funding was opened in April 2021 and the County hopes to award close to another \$500,000 in grants in round two. This safety net program ensures that small businesses in the County have access to a financial lifeline at a time when many are adjusting or repurposing their operations as the State works towards the full reopening of the economy. In addition, the County is administering various emergency rental assistance programs. The County received \$7 million in funding through the Federal Emergency Rental Program. In addition, the County allocated \$575,000 from Community Development funds for Emergency Rental Assistance.

Technology Sector

The County is well positioned to foster innovation as the home of multiple key science and research institutions. Cold Spring Harbor Laboratory is shaping contemporary biomedical research and education with programs in cancer, neuroscience, plant biology and quantitative biology. The private, not-for-profit Laboratory employs 1,000 people including 600 scientists, students and technicians, hosts more than 12,000 scientists from around the world each year and has won eight Nobel Prizes.

Primarily supported by the U.S. Department of Energy's ("DOE") Office of Science, Brookhaven National Laboratory ("BNL") is a multidisciplinary laboratory with seven Nobel Prize-winning discoveries, 37 R&D 100 Awards and more than 70 years of pioneering research. Stony Brook University became a partner in managing BNL for the DOE in 1998 and encourages cooperative initiatives that deliver discovery science and transformative technology to power and secure the nation's future. BNL employs more than 2,500 people, attracts more than 5,000 guest researchers annually and regularly welcomes more than 30,000 students and teachers for education and workforce development programs each year.

In January 2020, the DOE 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. In July 2020, the DOE committed \$115 million to BNL to establish one of five National Quantum Information Science Research Centers. BNL will lead a team of researchers from Stony Brook University (“SBU”), IBM and MIT to help resolve performance issues with today’s quantum computers where quantum computers outperform classical computers. Previously, the DOE selected BNL for construction of the \$912 million National Synchrotron Light Source II (“NSLS II”) facility, which opened in 2015.

Researchers at SBU and BNL are also working on the building blocks of a “quantum internet,” which, still decades away from fruition, would be capable of sending enormous amounts of data faster than the speed of light. Qunnect LLC — a three-year-old spinoff company from the Quantum Information Technology group at SBU — is licensing quantum networking technology developed at SBU. The company plans to market a quantum memory device that can operate at room temperature. 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, the Center for Excellence in Wireless Information Technology and the Innovation and Discovery Center. at the Research and Development Park, and the Institute for Discovery and Innovation in Medicine & Engineering expected to open in December 2021.

The County is the site of two of the State’s five off-shore wind projects in development, Sunrise Wind and South Fork Wind Farm. Through a partnership between SUNY’s Farmingdale State College and Stony Brook University, skilled workers will be trained as part of the largest public investment in offshore wind workforce development by any state in the country. Sunrise Wind, estimated to be operational in 2024, will connect to New York’s electricity grid at the Holbrook substation at an 880-megawatt capacity. The South Fork Wind Farm, an Ørsted and Eversource commercial partnership, is expected to be the State’s first operational offshore wind farm, operational by the end of 2023. With 15 turbines and a state-of-the-art transmission system, it will generate enough clean energy to power 70,000 average homes and offset tons of emissions each year, helping to meet the Town of East Hampton’s 100% renewable energy goal.

Economic Base

The County has a substantial commercial office building market. According to the County’s Department of Economic Development & Planning, there are 22.4 million square feet of commercial office buildings located in the County. This figure includes more than 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 14.3% in the 1st quarter of 2021, yet rental rates have consistently increased at 8% since 2016, to \$25.09 in the 1st quarter of 2021. 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 \$25.75 per square foot in the 3rd quarter of 2020, an increase of 1.5% over the 3rd quarter 2019 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. Sandoz Pharmaceuticals, formerly known as Fougera, spent \$88 million through 2021 to consolidate Melville and Hicksville manufacturing facilities in Melville, retaining all 400 employees. They were also recognized as a Top Global Employer in 2019 by the Top Employer’s Institute, a global authority on corporate excellence. Melville is also home to large corporate headquarters, such as 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 107.8 million square feet, according to the commercial real estate advisory firm Newmark Knight Frank. The industrial market fundamentals remained very strong in the County through the 3rd quarter of 2020. According to Newmark, the County's 3.9% industrial vacancy rate in the 3rd quarter of 2020 was among the lowest in the nation and the industrial asking rent was \$12.02 per square foot, an increase of 5.9% 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 12,106 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. Before the COVID-19 pandemic hit the Long Island region in the spring of 2020, the County's hotel businesses were enjoying strong and steady growth. 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 pandemic has had a substantially negative effect on this industry on Long Island. While it was negative, the County fared much better than other locales and seems to have come back strong in terms of recent vacancy according to Discover Long Island.

The County is a major retail market, with a total annual retail demand of \$27.3 billion in sales reported in 2020, according to Gale Business Insights. Retail sales per household in the County amounted to \$53,845 in 2020, 8.9% higher than the nation as a whole and ranking it among the highest markets in the country. Between 2012 and 2017, per capita retail sales in the County increased by 20.8%, compared to 13.9% for the nation as a whole. 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 41.0 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.

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The following table lists the major retail centers in the County.

Major Retail Centers in the County

Retail Center	Location	Anchor Stores
Smith Haven Mall	Lake Grove	Macy's, Dick's, H&M, Barnes & Noble
Walt Whitman Shops	South Huntington	Macy's, Bloomingdales, Saks, Pottery Barn
Westfield South Shore	Bay Shore	Macy's, Dick's, Forever 21, Footlocker
Tanger Outlets at the Arches	Deer Park	Saks Off 5 th , BJ's, Regal Cinema, Christmas Tree Shops
Tanger Outlet Center	Riverhead	Saks Off 5 th , Pottery Barn, Nike, Polo, Banana Republic
Huntington Business District	Huntington	Wild by Nature, Stop & Shop, Rite Aid, Value Drugs
Southampton Business District	Southampton	Hildreth's, Stop & Shop, CVS, Rite Aid, Citarella
Great South Bay Shopping Center	West Babylon	Old Navy, Bed Bath & Beyond, Marshalls, JoAnn
Airport Plaza	East Farmingdale	Home Depot, Staples, Stew Leonard's, PetSmart
Riverhead Centre	Riverhead	Home Depot, Best Buy, Michael's, ShopRite, Petco
Bay Shore Business District	Bay Shore	Boulton Center for the Performing Arts, Bridal Suite
Veterans Memorial Plaza	Commack	Target, Whole Foods, LA Fitness, Hobby Lobby
Babylon Business District	Babylon	Village Pharmacy, Sole Provisions, Plesser's Appliances
Centereach Square	Centereach	Walmart, JoAnn, Big Lots, Party City, Planet Fitness
Crooked Hill Commons	Commack	Home Depot, Walmart, Kohl's
Sayville Plaza	Bohemia	Old Navy, Bed Bath & Beyond, Jennifer Furniture
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	Long Island Aquarium, Music & Arts
Town Center at Central Islip	Central Islip	Home Depot, Target, Davis Visionworks
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, Ecolin Jewelers, LI Explorium
Nicolls Plaza II	Centereach	Target, Home Depot, Best Buy, Guitar Center
Bridgehampton Commons	Bridgehampton	K Mart, TJ Maxx, King Kullen, Staples, Marders

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 and agricultural production which 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 May 2021, there are 56 shellfish aquaculture leases in place, which cover 800 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. 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, a central pedestrian plaza and two multi-story mixed use buildings with a combined 177 rental units and 35,000 square feet of retail space. In 2018, a new LIRR train station and pedestrian overpass was completed and in 2020, a 119-unit apartment building north of the plaza was completed. The residential units throughout the development have consistently experienced very low vacancy rates. Construction is currently underway on an affordable senior residential development with in-house social-service and programs. This facility is operated by Selfhelp, Inc., one of New York’s oldest and most respected not-for-profit senior service agencies. 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 (14 affordable condominiums for Veterans) was recently completed. Gateway Plaza, a three-story mixed-use building with 66 residential units and 16,500 square feet of ground floor commercial space was completed in 2020. 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 former 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 the developer has not yet begun construction. In 2020, the Suffolk County Sewer Agency granted a one-year extension for County Legislature approval of the sewer connection agreement, which it will look to extend again in 2021.

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, completed in 2021 and includes 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 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 currently 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. At full completion in 2027, the Ronkonkoma Hub 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 downtown Riverhead, the 45-unit workforce housing complex Peconic Crossing was completed in 2018. Riverview Lofts, a \$56.8 million, 116-unit mixed-use apartment complex, was completed in 2021 and on an adjacent site, a 170-unit apartment building is proposed. A new town square is proposed to be developed on the south side of East Main Street, opposite the Suffolk Theater. The Town of Riverhead has also recently released a Request for Qualifications for the redevelopment of a large parking lot immediately across from the Riverhead Train Station under their recently developed Transit-Oriented Development overlay zoning. 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 opened in 2020. Triple Five Group plans to purchase 1,644 acres at Calverton Airpark from the Town of Riverhead 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. Completion is expected in the Summer of 2021. 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 to allow for new apartments and expanded dining options in the downtown village. Construction on the new sewer project began in April 2021.

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, completed construction in 2020, having received \$5.7 million in financing from the State in partnership with the Community Development Corporation of Long Island. In Lindenhurst, construction of Tritec's "The Wel," a 260-unit residential development immediately across from the Lindenhurst Train Station and a block away from Lindenhurst's downtown, is nearing completion estimated in August 2021 with some rentals available. In addition, several new restaurants, bars and cafes have opened in Lindenhurst in recent years. A recent code change in Smithtown will now permit residential construction on some parcels in the Long Island Innovation Park at Hauppauge, representing a major opportunity for the future of what is one of the largest industrial parks in the northeast and employs more than 55,000 people across Long Island.

Housing

According to the U. S. Census Bureau, as of 2019, there were 577,512 housing units situated in the County. Single family homes dominate the housing stock, comprising 81% of all units. The County has 489,301 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 64 multi-family housing complexes containing a total of 4,500 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, 113 multi-family housing complexes are currently proposed for construction in the County, which could add more than 14,000 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. Through August 2020, figures appear to be tracking to 2019, with 357 housing units authorized by building permit.

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

Year	Housing Units	Value of New Residential Construction (in millions)
2020 (through August)	357	N/A
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 September 2020 were about 69.1% higher than the national median as reported by the National Association of Realtors for the first quarter of 2020. As reported by the New York State Association of Realtors, and indicated in the table below, in September 2020, the median selling price of a home in the County was \$464,375, an increase of 13.3% compared to the median price in September 2019.

Existing Home Sales in the County, September of Each Year

Year	Median Sales Price	Percentage Change From Previous Year	Number of Homes Sold
2020	\$464,375	13.3%	1,770
2019	410,000	7.2%	1,425
2018	382,500	6.3%	1,477
2017	360,000	3.2%	1,593
2016	349,000	5.1%	1,445
2015	332,000	0.6%	1,294

Source: New York State Association of Realtors

According to data provided by RealtyTrac, in October 2020, 0.02% of homes in the County were in some stage of foreclosure, slightly higher than the national percentage of 0.01%.

County Initiatives – Environment

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 May 2021, the County has purchased the development rights to 11,165 acres of farmland under the program.

The County continues to work 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. 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. Construction had been expected to begin in early 2021, but the COVID-19 pandemic has delayed the project timetable and increased project cost estimates. In April 2021, the County announced it had secured \$70 million necessary to cover the increased project costs. \$46 million will come from the County’s allocation under the American Rescue Plan (“ARP”) and \$24 million from the County sewer reserve fund. The County is working to address those issues and anticipates letting of construction contracts in early 2021.

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 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 May 1, 2021, 2,337 property owners have applied and 782 advanced nitrogen reducing systems have been installed as part of the Septic Improvement Program. Another 250 installations are currently pending. In addition, more than 700 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. As of May 1, 2021, over \$7.8 million in County funds and almost \$7 million in State funds have been expended as part of the program. Due to the overwhelming success of the County grant program, the State awarded the County an additional \$10 million in SSRP funds in 2021. 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 2020, the County Legislature approved changes to the Suffolk County Sanitary Code to require the installation of advanced septic systems for new residential construction effective July 1, 2021 and to permit wastewater treatment systems to double the sanitary flow up to 30,000 gallons per day, allowing for greater flexibility of small wastewater plants in downtown areas.

The Suffolk County 1/4% Sales Tax Drinking Water Protection Program for Environmental Protection was created by Resolution 659-2002; amended by Resolution 770-2007 and by voter approval this program has been extended 17 years (until 2030). The program provides funding for the Water Quality Protection and Restoration Program ("WQPRP") and Land Stewardship Initiatives. Through the WQPRP, the County has funded more than \$45 million in projects to reduce stormwater runoff, mitigate and prevent pollution of groundwater and surface waters, and to restore natural water habitats and wetlands. The WQPRP currently supervises more than 71 on-going water quality improvement projects including the East End's Peconic Estuary Project, the Living Shorelines, the Wetlands Restorations and the Habitat Restorations. Also included in the program, construction began in 2018 on the Mud Creek Watershed Aquatic Ecosystem Restoration – a 45.8 acre freshwater wet land restoration site in the County, which is estimated to be completed in May 2022. (See "FINANCIAL FACTORS – Drinking Water Protection, Environmental Protection and Property Tax Mitigation Programs" herein.)

In close coordination with the County Comptroller's Office and Department of Health Services, the County Landbank has facilitated the sale, remediation and redevelopment of 15 tax delinquent brownfields, generating over \$2.5 million dollars in sales revenue and over \$350,000 in annual taxes. Additionally, since the creation of the Landbank in 2013, over \$7 million in back taxes have been collected from 96 formerly tax delinquent property owners. To further this goal, the Landbank has conducted 70 Limited Phase I Environmental Site Assessments and 40 Phase II Environmental Site Assessments in an effort to provide prospective purchasers with information regarding environmental contamination and associated remediation costs.

County Initiatives – Transportation

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 2021. 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 Patchogue, the Ronkonkoma HUB and Long Island Islip MacArthur Airport, Stony Brook University and Brookhaven National Lab. In 2020, the County launched its Reimagine Transit initiative, the first comprehensive redesign of the County Transit bus network since its inception, to ensure the County is making efficient use of its transit resources. This initiative will be completed by the end of 2021 with potential implementation in 2022.

County Initiatives – Housing and Economic Development

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. Construction is expected to begin on a fourth building in the

summer of 2021 totaling 91,000 square feet. At completion, this eight building business park will total approximately 500,000 square feet and is expected to employ 1,100 people.

Through the County's Housing Opportunities Program, the County has committed more than \$30 million since 2012 to assist in the construction of 2,091 housing units, 1,603 of which are affordable to families earning at or below 120% 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.

Through its Acquire and Renovate Bank Owned Residences program, the County Landbank has invested over \$3.5 million in local communities, acquiring and renovating zombie properties and generated \$4.1 million in sales revenue to be reinvested into the program. To date, 18 affordable homes have been sold to income qualified first time homebuyers, 2 homes have been donated to the Town of Brookhaven for wetlands restoration and 5 properties have been donated to Habitat for Humanity for the construction of new homes built by the community and future homeowners. In addition to the homes sold and donated, 4 homes are currently under construction and/or pending sale.

In April 2019, the County launched the Sewer Infrastructure Pilot program, providing \$2 million in wastewater infrastructure funding for projects designed to meet the regional need to develop new housing opportunities for people with intellectual and developmental disabilities. To date, the program has funded the creation of 18 units of inclusive housing with \$900k of the initial \$2 million appropriated, with 10 units filled in Riverhead.

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 2019, 82.5% 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 MTA plans to spend \$5.7 billion in the coming years on LIRR infrastructure including funds to modernize switch and signal systems and purchase 160 new train cars, subject to any possible change based on pandemic-related MTA fiscal challenges. The LIRR is also evaluating proposals for studying the potential electrification of the LIRR Port Jefferson Branch. The LIRR's Third Track project between Floral Park and Hicksville in neighboring Nassau County is under construction. In 2018, the LIRR completed the 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 East Side Access project. When fully completed, 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.

With the discussion of a proposed multi-trillion dollar federal infrastructure bill in recent months, local efforts have focused on securing federal funding to advance high speed rail in the New England and North Atlantic region. The proposed North Atlantic Rail plan would connect New York to Boston in 100 minutes with a 200+ mph high speed rail line via Long Island and Ronkonkoma. This estimated \$100 billion project would be transformational on climate change, environmental justice, job creation and regional mobility, and would more directly integrate Long Island into the regional geography and create the world's largest innovation economy.

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 8th busiest airport in the State, based on passenger volume. In 2018, the airport had 811,535 passenger enplanements, a 21.5% increase since 2012. 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 2021 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, base building completed in 2020 and construction of additional research and chemistry labs commenced Spring 2021. 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. The County represents 54% of the region's tourism sales, with \$3.4 billion in direct tourism spending, as of 2019, according to the consulting firm Tourism Economics. Tourism supports 43,000 local jobs in the County and generates \$394 million in local and state tax revenues annually and has consistently increased at a growth rate of 3.1% since 2017. The County is also home to 26 State parks attracting more than 16 million attendees annually according to the New York State Department of Parks and Recreation. The State parks in the County that were most frequently visited in 2019 were Robert Moses State Park (with 4.3 million visitors), Sunken Meadow State Park (with 3.6 million visitors), Captree State Park (with 1.4 million visitors), Heckscher Park (with 1.1 million visitors) and Montauk State Park (with 1.1 million visitors). In spite of travel restrictions in 2020, local attendance in some cases has increased, notably at Sagamore Hill National Historic Site in Oyster Bay, per National Park Service statistics. Even with the closure of the Theodore Roosevelt Museum, park attendance more than doubled between 2019 and 2020, from 36,700 to 105,000 visitors, as its 83 acres of park grounds, beach, walking paths and trails remained open to visitors. The current increase in local awareness of our resources and focus on health and wellness will in the long term improve brand perception of Long Island as tourist destination, according to CEO Kristen Jarnagin of Discover Long Island, the region's official destination marketing organization. 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.

The County has the largest County-owned parks system in the U.S. with 78 County parks and still hundreds more town and village parks and open space. More than 60,000 acres of trails, gardens, farmlands, woodlands, waterways, day camps, ball fields, and playgrounds provide County residents with recreation, relaxation and beauty. With 986 miles of shoreline, industries such as recreational boating, boat sales and service, marinas, and charter boat fishing

are prominent in the County. Moreover, the beaches in the County are top ranked. Coopers Beach in Southampton has again been ranked fourth among the top ten beaches in the United States in 2019 by Florida International University.

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 East End of the County. According to the County Department of Economic Development & Planning, the County has 71 vineyards, 38 craft breweries (the most of any county in the State), 6 cideries and 6 distilleries. According to the New York Wine & Grape Foundation the County's wine and grape industry generates \$686.65 million in direct economic activity and draws 763,700 tourist visits annually.

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 2019 there were 52,000 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. Seasonal second homes on Long Island generated significant economic activity in 2019, \$439 million, according to Tourism Economics.

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 New York City residents.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

For the thirty-sixth 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, 2019.

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 that has been prepared for the fiscal year ended December 31, 2020 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>
2017	\$ 275,268,903,698
2018	285,017,347,513
2019	298,662,597,127
2020	320,677,173,986
2021	<u>330,390,670,260</u>
Total Five-Year Valuation.....	<u>\$1,510,016,692,584</u>
Five-Year Average Valuation.....	302,003,338,516
Debt Limit - 7% of Average Five-Year Full Valuation.....	<u>\$ 21,140,233,696</u>

See “Calculation of Total Net Indebtedness” herein.

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 budget, 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, 2020, 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 30, 2021 appearing therein. The independent auditors' report includes a reference to other auditors wherein the financial statements of the County. The independent auditors' report also includes an emphasis paragraph related to the County adopted Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities.

Cash Flow Borrowings

On April 9, 2020, the County issued \$104,170,000 in revenue anticipation notes in anticipation of the receipt of State and Federal Aid. Such notes matured on March 19, 2021.

On November 30, 2020, the County issued \$100,000,000 in tax anticipation notes in anticipation of the receipt of delinquent real property taxes for the years 2017, 2018, 2019 and 2020. Such notes will mature on September 24, 2021.

On December 18, 2020, the County issued \$327,940,000 in tax anticipation notes in anticipation of the receipt of real property taxes levied for the year 2021. Such notes will mature on July 22, 2021.

On January 6, 2021, the County issued \$79,480,000 in tax anticipation notes in anticipation of the receipt of real property taxes levied for the year 2021. Such notes will mature on August 19, 2021.

The County currently anticipates issuing approximately \$410,000,000 in tax anticipation notes in anticipation of the collection of real property taxes levied for 2022 in January of 2022.

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 2021:

	<u>Cash Flow Notes</u>				
	<u>(\$ in millions)</u>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021⁽¹⁾</u>
Revenue Anticipation Notes	\$ 45	\$ 45	\$ 45	\$104	\$ 0
Tax Anticipation Notes	<u>510</u>	<u>504</u>	<u>508⁽²⁾</u>	<u>507⁽³⁾</u>	<u>0</u>
Total	<u>\$555</u>	<u>\$549</u>	<u>\$553</u>	<u>\$611</u>	<u>\$0</u>

(1) Projected.

(2) Inclusive of \$79,480,000 Tax Anticipation Notes for 2020 Taxes – Series II which closed on January 3, 2020 as part of the County’s annual December tax anticipation note issuance.

(3) Inclusive of \$79,480,000 Tax Anticipation Notes for 2021 Taxes – Series II which closed on January 6, 2021 as part of the County’s annual December tax anticipation note issuance.

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 law. The 2021 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 July 14, 2021)

The debt limit of the County is \$21,140,233,696. (See “Computation of Debt Limit” herein.) The County’s total net indebtedness represents approximately 5.95% of the debt limit.

Inclusions:

Outstanding General Obligation Bonds:

General Purpose and Improvement Bonds and Refunding Bonds	\$1,071,625,977	
Refunded General Purpose and Improvement Bonds	29,370,000	
County Sewer District No. 1 (Port Jefferson)	1,284,423	
County Sewer District No. 3 (Southwest)	99,183,701	
County Sewer District No. 5 (Strathmore-Huntington)	1,671,628	
County Sewer District No. 6 (Kings Park)	905,844	
County Sewer District No. 7 (Medford)	4,497,626	
County Sewer District No. 9 (College Park)	750,656	
County Sewer District No. 10 (Stony Brook)	390,631	
County Sewer District No. 11 (Selden)	7,196,962	
County Sewer District No. 12 (Birchwood)	913,985	
County Sewer District No. 13 (Windwatch)	181,669	
County Sewer District No. 14 (Parkland)	2,117,427	
County Sewer District No. 15 (Nob Hill)	72,668	
County Sewer District No. 16 (Yaphank Municipal)	316,212	
County Sewer District No. 18 (Hauppauge Industrial)	51,057,417	
County Sewer District No. 20 (William Floyd-Leisure Village)	1,093,759	
County Sewer District No. 21 (SUNY)	713,915	
County Sewer District No. 23 (Coventry Manor)	<u>570,500</u>	
Subtotal: Outstanding Bonds		\$1,273,915,000

Outstanding General Obligation Notes:

Bond Anticipation Notes – 2021 Series A	\$ 20,000,000	
Bond Anticipation Notes – 2021 Series B (Federally Taxable)	9,915,000	
Tax Anticipation Notes – 2020 (Series I)	100,000,000	
Tax Anticipation Notes for 2021 Taxes	407,420,000	
NYS EFC Clean Water Facility Note – 2015A	7,956,064	
NYS EFC Clean Water Facility Note – 2016A	7,406,780	
NYS EFC Clean Water Facility Note – 2020	153,923,903	
Subtotal: Outstanding Notes		<u>706,621,747</u>

Total Inclusions

\$1,980,536,747

Exclusions and Assets on Hand for Debt:

Tax Anticipation Notes	\$507,420,000	
Sewer District Bonds and Refunding Bonds ⁽¹⁾	<u>128,223,451</u>	
Subtotal: Exclusions		\$ 635,643,451

Assets on Hand for Debt:

Appropriations (other than for debt already excluded):		
Outstanding Bonds	\$ 58,405,307	
Sewer District Bonds and Refunding Bonds ⁽²⁾	<u>29,370,000</u>	
Subtotal: Assets on Hand		<u>87,775,307</u>

Total Exclusions and Assets on Hand for Debt:

\$ 723,418,758

Total Net Indebtedness ⁽³⁾

\$1,257,117,989

(1) Excluded pursuant to certificates issued by the Comptroller of the State of New York dated October 5, 2020.

(2) Excluded pursuant to Section 136.00 (10-a) of the Local Finance Law.

(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 July 14, 2021)

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	09/24/21	\$ 7,956,064 ⁽¹⁾⁽⁴⁾
NYS EFC Clean Water Facility Note – 2020	08/06/20	09/15/21	153,923,903 ⁽²⁾⁽⁴⁾
NYS EFC Clean Water Facility Note – 2016A	08/04/16	03/30/22	7,406,780 ⁽³⁾⁽⁴⁾
Bond Anticipation Notes – 2021 Series A	04/14/21	11/10/21	20,000,000 ⁽⁵⁾
Bond Anticipation Notes – 2021 Series B (Federally Taxable)	06/24/21	08/27/21	9,915,000 ⁽⁶⁾
Tax Anticipation Notes – 2020 (Series I)	11/30/20	09/24/21	100,000,000 ⁽⁷⁾
Tax Anticipation Notes for 2021 Taxes (Series I)	12/18/20	07/22/21	327,940,000 ⁽⁸⁾
Tax Anticipation Notes for 2021 Taxes (Series II)	01/06/21	08/19/21	79,480,000 ⁽⁸⁾

- (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 2021, unless otherwise extended.
- (2) The maximum principal amount of this EFC note is \$189,101,217. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2021, unless otherwise extended.
- (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 2022, unless otherwise extended.
- (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 State and Federal aid expected to be received by the County and a \$2,557,682 portion of the proceeds from the sale of the Series A Bonds.
- (6) A \$3,000,000 portion of the proceeds from the sale of the Series A Bonds together with the proceeds from the sale of the Series B Bonds are expected to redeem these notes at maturity.
- (7) Expected to be paid from the collection of real property taxes or assessments for fiscal years 2017, 2018, 2019 and 2020.
- (8) Expected to be paid from the collection of real property taxes levied for fiscal year 2021.

Source: Suffolk County Comptroller’s Office

Summary of Bonded Debt (in thousands)

(as of December 31 in each year):

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Bonded Debt	\$ 1,386,049	\$ 1,386,076	\$ 1,360,421	\$ 1,361,650	\$ 1,320,100
Bonded Debt Excluded from Debt Limit	<u>(10,912)</u>	<u>(2,138)</u>	<u>(1,137)</u>	<u>(158)</u>	<u>(132,613)</u>
Bonded Debt Subject to Debt Limit	<u>\$ 1,375,137</u>	<u>\$ 1,383,938</u>	<u>\$ 1,359,284</u>	<u>\$ 1,361,492</u>	<u>\$ 1,187,487</u>

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 July 15, 2021, the County had authorized and unissued indebtedness for general capital purposes of approximately \$456,373,000. Included in that amount is approximately \$207,694,000 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 Resolutions 290-2020 and 666-2020 authorizing, in aggregate, the issuance of up to \$331,900,000 bonds to refund certain outstanding bonds of the County. As of July 15, 2021, the County has \$197,510,000 remaining authorized and unissued pursuant to these resolutions.

Anticipated Capital Borrowings

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

During the Fall of 2021, the County anticipates issuing new money and renewal bond anticipation notes of approximately \$20,000,000 for general capital purposes, of which approximately \$8,300,000 will be new money for the purchase of public safety vehicles and equipment. During the Spring of 2022, the County anticipates issuing serial bonds of approximately \$75,000,000 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. \$198,173,717 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 \$20,485,289. 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. 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 June 30, 2021, 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	\$8,553,564	\$597,500	\$7,956,064
NYS EFC Clean Water Facility Note – 2020, Outfall Replacement Pipe, Sewer District No. 3 – Southwest	189,101,217	16,857,789	155,369,403	1,445,500	153,923,903
NYS EFC Clean Water Facility Note – 2016A, Suffolk County Coastal Resiliency Initiative	20,395,377	0	11,592,404	4,185,624	7,406,780

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 \$16,312,500 and notes in the amount of \$9,915,000 pursuant to these resolutions. A portion of the proceeds from the sale of the Series A Bonds in the amount of \$3,000,000 together with the proceeds from the sale of the Series B Bonds will be used to redeem such notes in full at maturity.

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, 860-2016, 862-2016, 972-2016, 989-2016, 76-2017, 538-2017, 703-2017, 389-2018, 705-2018, 728-2018, 49-2019 and 303-2020 authorizing, in the aggregate, the issuance of \$29,400,000 in serial bonds to finance projects under the New Enhanced Drinking Water Protection Program. \$22,740,998 in bonds has been issued pursuant to these resolutions. A portion of the proceeds from the sale of the Series A Bonds in the amount of \$4,245,739 will be used to fund these projects. (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⁽¹⁾⁽²⁾</u>
Towns	12/31/19	\$ 1,329,360
Villages	Various 2019	99,582
School Districts	06/30/19	2,200,020
Fire Districts	12/31/19	<u>145,530</u>
	Totals	<u>\$ 3,774,492</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 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> ⁽¹⁾⁽²⁾⁽³⁾
2021	\$ 138,250,000	\$ 49,040,010	\$ 187,290,010
2022	140,715,000	43,482,079	184,197,079
2023	143,585,000	37,950,827	181,535,827
2024	138,125,000	32,544,724	170,669,724
2025	143,140,000	27,259,640	170,399,640
2026	142,755,000	21,605,105	164,360,105
2027	124,015,000	15,949,386	139,964,386
2028	99,620,000	11,471,202	111,091,202
2029	61,230,000	8,094,419	69,324,419
2030	45,895,000	5,808,054	51,703,054
2031	47,205,000	4,382,308	51,587,308
2032	26,000,000	2,994,442	28,994,442
2033	23,415,000	2,172,062	25,587,062
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>\$1,319,845,000</u>	<u>\$269,862,304</u>	<u>\$1,589,707,304</u>

- (1) On August 20, 2015 the County issued \$27,438,877 Environmental Facilities 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 Facilities 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.

Lease Payments

The following table sets forth the annual lease payments due on March 2nd and September 2nd 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 2021, this amount will be \$104,539 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>	Total Debt <u>Service⁽¹⁾</u>
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>\$51,435,000</u>	<u>\$18,850,794</u>	<u>\$70,285,794</u>

(1) For the entire fiscal year.

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CAPITAL PLANNING AND BUDGETING

The County annually adopts a capital program which sets forth the capital projects, both new and previously authorized, expected to be undertaken or continued in the ensuing 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. Due to the COVID-19 pandemic, the 2021-2023 Proposed Capital Budget and Program submission date to the County Legislature was extended via Executive Order to September 18, 2020 and the adoption date for the 2021-2023 Proposed Capital Budget and Program was also extended to not later than November 30, 2020. The 2021-2023 Proposed Capital Budget and Program was submitted to the County Legislature on September 18, 2020 and adopted by the County Legislature with amendments on November 4, 2020. The County Executive approved the 2021-2023 Adopted Capital Budget and Program on November 6, 2020. 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.

Due to the continued threat posed by the COVID-19 pandemic, the 2022-2024 Proposed Capital Budget and Program submission date to the County Legislature was extended via Executive Order to July 30, 2021.

The 2021-2023 Adopted Capital Budget and Program (the “2021-2023 Proposed Capital Program”) includes the following:

	2021-2023 Capital Program (\$000s)
Home & Community Services: Sanitation	\$ 463,558 ⁽¹⁾⁽²⁾
Transportation: Highways	163,290 ⁽³⁾
Transportation: Other	145,449 ⁽⁴⁾
Public Safety and Law Enforcement	90,648
General Government Support: Shared Services	46,738
Education: Community College	35,580 ⁽⁵⁾
General Government Support: Judicial	33,705
Culture, Recreation and Preservation	27,465
Transportation: Waterways	21,600
Economic Assistance and Opportunity	20,800
Home & Community Services: Other	13,000
Health: Public Health	1,100
General Government Support: Elections	<u>200</u>
Total Program:	<u>\$ 1,063,133</u>

- (1) Includes anticipated State aid of \$75,461.
- (2) Proposes to fund County Sewer District No. 3 (Southwest) projects in the amount of \$76,577 through the Southwest Assessment Stabilization Reserve. (See “Anticipated Capital Borrowings” herein.)
- (3) Includes amount anticipated to be funded by Federal aid of \$57,542 and State aid of \$1,875.
- (4) Includes amount anticipated to be funded by Federal aid of \$103,731 and State aid of \$5,656.
- (5) Community college projects include anticipated 50% State aid.

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 work to advance its Coastal Resiliency Initiative (“CRI”), which will utilize \$390 million in federal and state financial aid and lending programs to connect more than 6,000 parcels along river corridors on the County’s south shore to sewers as part of the State’s Post-Sandy Resiliency initiatives. The project represents the largest investment in sewer infrastructure in the County in more than 40 years and will eliminate more than 6,000 cesspools and septic systems that have been identified as a primary source of nitrogen pollution that has degraded water quality in local bays. Construction had been expected to begin in early 2021, but the COVID-19 pandemic has delayed the project timetable and increased project cost estimates. In April 2021, the County announced it had secured \$70 million necessary to cover the increased project costs, \$42 million from the County’s allocation under the American Rescue Plan (“ARP”) and \$24 million from the Sewer District No. 3 – Southwest Reserve Fund. Construction contracts for the project have been let and the County is working with funding agencies to obtain all necessary approvals to allow construction to begin in the third quarter of 2021.

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 52nd 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 10th day subsequent to submission of budget amendment resolutions to the County Executive. On September 18, 2020, the County Executive issued Local Emergency Order No. 130 extending the date for the submission of the County's Proposed Budget. Said Executive Order extended the due date for the submission of the 2021 Recommended Operating Budget to the County Legislature (the "2021 Recommended Budget") from September 18, 2020 to October 2, 2020 and extended all associated actions required by the County Executive's office and the County Legislature following the submission of the proposed budget by two weeks. An additional extension was issued via Executive Order No. 148 extending the 2021 Recommended Budget submission date to October 9, 2020. The County Executive submitted the 2021 Recommended Budget to the County Legislature on October 9, 2020. The Legislature adopted amendments to the 2021 Recommended Budget on November 16, 2020. The 2021 Recommended Budget was adopted with amendments on November 30, 2020. The 2021 Adopted Operating Budget ("2021 Adopted Budget") is in compliance with the Tax Levy Limitation Law and local budget cap laws.

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 Commuter Transportation Mobility Tax ("MTA 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 58 of the Laws of 2020, the County is authorized to continue to impose an additional sales and compensating use tax for a three-year period, beginning December 1, 2020 and ending November 30, 2023. The County Legislature authorized this extension via Resolution 584-2020, which was adopted July 21, 2020.

The Office of the State Comptroller ("OSC") is now required by Chapter 59 of the New York 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. The 2019-20 Enacted State Budget amended State tax law to provide that a portion of county-imposed sales tax revenues be withheld and distributed this year, and every future year, to fund the gap in revenues resulting from the elimination of AIM moneys for such towns and villages. For the County, the AIM Related Expense withheld from sales tax collections each year is \$7.5 million. In addition, as part of the 2020-21 Enacted New York State Budget, the OSC is required to withhold county and New York City sales tax revenues and place it in a Distressed Provider Assistance Account to support financially distressed hospitals and nursing homes throughout the State. Withholdings for Distressed Provider Assistance began in January 2021 and will end in January 2022. The County's share of the first year's withholding (based on collections from December 1, 2018 through November 30, 2019) is \$8,903,119. This amount was withheld from the February 4, 2021 sales tax remittance (December 2020 sales tax) to the County. The amount due for year two (based on collections from December 1, 2019 through November 30, 2020) totals \$8.7 million payable in quarterly installments. The first installment of \$2.2 million was withheld from the May 6, 2021 remittance. Additional withholdings will be made on or around July 15, 2021, October 15, 2021 and January 15, 2022.

Sales tax collections for 1st quarter 2021 were 14.6% higher than 1st quarter 2020 and 16.6% higher than 1st quarter 2019. Sales tax received from the County for the month of May 2021 was 66.0% higher than May 2020, mainly due to most State businesses having to close in mid-March 2020 under the COVID-19 PAUSE order. However, rising vaccine rates, increased lifting of COVID-19 restrictions and the issuance of federal aid have all contributed to a strengthened State economy.¹

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 was extended 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

¹ <https://www.osc.state.ny.us/press/releases/2021/05/dinapoli-april-local-sales-tax-collections-nearly-46-percent-2020>

Enhanced Program became effective December 1, 2014 and is set to expire December 31, 2020. Resolution #1043-2020 was adopted by the County Legislature on December 15, 2020 and signed by the County Executive on December 28, 2020, which extended the Enhanced Program until December 31, 2022.

The 2020 Adopted Budget estimated \$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 2020 actual sales tax collections were \$83.7 million. The 2021 Adopted Budget estimates \$79.8 million of sales tax revenues for the Program with a resulting transfer to the General Fund of \$25.7 million.

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 2021 Modified Adopted Budget projects 22.2% of general fund revenue would be derived from State and Federal aid. The receipt of CARES Act federal funding increased the 2020 estimated annual County general fund revenue derived from State and Federal aid from 20.8% to 28.3%.

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 “RISK FACTORS” 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.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021. Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2024. The County’s allocation of the relief package amounts to approximately \$286 million.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used by States to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

Currently, the County is monitoring the guidance from the Federal Government on how to utilize these funds which has been updated multiple times. Once this final guidance is received, the County will be able to determine how these funds will be utilized.

State legislation adopted with the State’s 2020-2021 Enacted Budget granted the State Budget Director the authority to reduce aid-to-localities appropriations and disbursements by any amount needed to achieve a balanced budget, as estimated by the State’s Division of Budget (“DOB”). As of the initial measurement period (April 1–30) the budget was deemed out of balance for the fiscal year and the State Budget Director’s powers have been activated and in force for the entire FY 2020-2021.

The State DOB began withholding 20% of some local aid payments in June 2020, pursuant to the withholding authority granted in the FY 2020-2021 Enacted Budget. The State FY 2021-2022 Enacted Budget reduced the State aid withholding to 5% of some local aid payments and authorized the refund of withholdings over 5%. The 2021 Adopted Budget assumes this will continue into 2021 and budgeted accordingly.

Medicaid

On March 11, 2020 Congress passed the Families First Coronavirus Response Act (“FFCRA”). FFCRA provides a 6.2% enhanced Federal Medical Assistance Percentage (“eFMAP”) funding for Medicaid expenditures incurred by localities. The eFMAP funding is tied to the Public Health Emergency Order issued and renewed every ninety days by the US Department of Health and Human Services beginning in January 2020 and remains in effect until July 21, 2021. The estimated savings to the County is \$15.1 million for 2020 and \$37.0 million in 2021.

The estimated 2020 Medicaid expense share of general fund expenditures is 9.8%. The 2021 Adopted Budget estimates the 2021 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.

The State 2020-2021 Enacted Budget included changes to the Medicaid program² that link the 2 percent property tax cap to the State Medicaid growth cap. The change ensures that counties that adhere to the 2 percent property tax growth cap continue to receive full benefit of the State takeover of Medicaid spending growth while penalizing those that do not by limiting the State’s financing of growth in Local Medicaid expenditures to 3 percent annually. Due to a rule for the eFMAP, the State could not implement budgeted changes to the local Medicaid shares during the time the Public Health Emergency is in place. The State budget estimates the eFMAP benefit will likely end December 31, 2021 or March 31, 2022, at which time the Medicaid changes can be implemented.

2020 Adopted Budget with Updates

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 did not contain any pension amortization deferral or any other non-recurring revenue items.

The uncertainty surrounding the COVID-19 pandemic had a substantial impact on 2020 economic activity and the 2020 Adopted Budget.

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. On March 22, 2020, all non-essential businesses statewide closed when Governor Cuomo announced the "New York State on PAUSE" executive order, a 10-point policy to assure uniform safety for everyone.

New York State on PAUSE restrictions remained in place for Long Island through May 26, 2020. Starting May 27, 2020, the Long Island region entered Phase 1 of reopening. The Phase 2 reopening was June 10, 2020; Phase 3 reopening was June 24, 2020; and Phase 4 reopening started July 8, 2020.

Sales tax collections for 2nd quarter 2020, were down 21.6% from 2nd quarter 2019 collections, however, collections picked up in the second half of 2020. FY 2020 sales tax collections ended just 2.6% lower than FY 2019 sales tax collections.

In March 2020, the US Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the US Families First Coronavirus Response Act (FFCRA) were signed into law. The County received \$274.5 million in general operating funds from the CARES Act and a \$15.0 million credit on Medicaid funds paid to the State from FFCRA.

On June 22, 2020, the County Executive issued a Notice of Deficiency. This has resulted in reduced spending for supplies, equipment, contracts and the backfilling of vacant positions.

² <https://www.budget.ny.gov/pubs/archive/fy21/exec/book/healthcare.pdf>

Resolution No. 473-2020, “Transferred \$25 million from Fund 403 Tax Stabilization Reserve Fund to the general fund to address unanticipated revenue losses and unanticipated expenditures” was signed by the County Executive on June 03, 2020. Since FY 2020 ended with an operating surplus, the \$25 million was returned to the Tax Stabilization Fund via Resolution No. 257-2021 signed by the County Executive on April 21, 2021.

On November 6, 2020, the County obtained voter approval to allow for the transfer of \$44.4 million of excess funds from the Assessment Stabilization Reserve Fund (“ASRF”) to the Suffolk County Taxpayer Trust Fund and eliminate payback of funds transferred out of the ASRF. The payback elimination will benefit the General Fund by a total of \$154.2 million from 2020 to 2029.

2021 Adopted Budget

The 2021 Recommended Operating Budget was submitted to the County Legislature (the “2021 Recommended Budget”) on October 9, 2020. The Legislature adopted amendments to the 2021 Recommended Budget on November 16, 2020. The 2021 Recommended Budget was adopted with amendments on November 30, 2020. The 2021 Adopted Budget is in compliance with the Tax Levy Limitation Law and local budget cap laws.

The 2021 Adopted Budget projected sales tax revenue of \$1.40 billion, 7.2% less than 2019 actual collections. This amount includes estimated State withholdings of \$8.9 million from County sales tax collections. (See “Sales Tax” herein.) Due to the COVID-19 pandemic, the County was simultaneously confronting a public health and safety crisis, as well as the economic crisis resulting from the pandemic. The uncertainty that surrounded federal assistance, at the time the 2021 budget was adopted, meant the County, like many other counties across the nation, was forced to make historic budget cuts in 2021 to offset estimated operating deficits. The 2021 Adopted Operating Budget was 2.8% less than the 2019 Adopted Budget. Mitigation efforts included reductions in transit services, public safety academy trainings, contract agency services among other considerations (see “Summary of Major Initiatives” below). The 2021 Adopted Budget was predicated on most expense cuts not being implemented until July 1, 2021.

2021 Adopted Budget
Summary of Major Initiatives
(\$ in Millions)

Expense Reductions (Due to lack of Federal Aid)	\$ 56.0
ASRF Referendum (See “Sewer Tax Rate Stabilization” herein)	44.4
Use of 2020 Surplus	27.3
Pension Amortization	23.0
FEMA Aid	19.0
Increase Property Taxes within Tax Levy Limitation Law	14.0
No ASRF Payback	<u>12.1</u>
 Total Major Initiatives	 <u>\$195.8</u>

On March 11, 2021, the American Rescue Plan (“ARP”) was signed into law. The County share of ARP funds is approximately \$286 million, to be paid over a two-year period. On March 31, 2021, the County Legislature adopted Resolution No. 204-2021, modifying the 2021 Adopted Budget (the “2021 Modified Budget”) to restore the drastic budget cuts included in the 2021 Adopted Budget.

The 2021 Modified Budget includes the following:

2021 Modified Adopted Budget
Summary of Major Initiatives
(\$ in Millions)

Restoration of 2021 Budget Cuts	\$ 56.0
Payoff of 2014 Amortized Pension	41.3
Increase Property Taxes within Tax Levy Limitation Law	14.0
FEMA AID	10.1
eFMAP	37.0
No ASRF Payback	12.1

The 2021 Modified Adopted Budget returned structural balance to the County Budget.

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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, 2020. 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>2016</u>
Real property taxes and tax items	\$ 676,586,851
Sales taxes	1,352,668,032
Departmental	288,628,759
State aid	275,915,481
Federal aid	263,691,029
Other revenues	<u>127,847,940</u>
Total revenues.....	2,985,338,092
Transfers from other funds and other financing sources.....	<u>569,905,253</u>
Total revenues and other financing sources.....	<u>3,555,243,345</u>
Expenditures and other financing uses:	
General government support.....	259,792,731
Education	182,908,987
Public Safety.....	725,579,250
Health	132,805,340
Transportation.....	120,117,926
Economic assistance and opportunity	650,517,546
Culture and recreation.....	21,082,145
Home & community services	56,695,479
Employee Benefits.....	672,908,146
Debt Service	211,386,323
Capital Outlay.....	<u>45,905,201</u>
Total expenditures	3,079,699,074
Transfers to other funds	<u>566,019,294</u>
Total expenditures and other financing uses.....	<u>3,645,718,368</u>
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(90,475,023)
Fund balances, beginning of year	<u>204,044,725</u>
Fund balances, end of year	<u>\$ 113,569,702</u>

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<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 693,254,446	\$ 714,668,954	\$ 741,012,960	\$ 709,759,088
1,409,558,615	1,473,533,128	1,531,413,321	1,489,919,645
338,137,043	326,783,621	340,520,933	320,783,176
277,736,387	303,780,212	333,260,124	308,149,288
253,754,841	238,232,853	219,490,902	500,237,105
<u>114,532,591</u>	<u>127,926,881</u>	<u>148,074,802</u>	<u>142,287,456</u>
3,086,973,923	3,184,925,649	3,313,733,042	3,471,135,758
<u>865,438,892</u>	<u>447,241,269</u>	<u>403,091,372</u>	<u>542,437,916</u>
<u>3,952,412,815</u>	<u>3,632,166,918</u>	<u>3,716,864,414</u>	<u>4,013,573,674</u>
276,289,346	275,639,314	283,081,076	268,473,291
187,321,905	217,377,566	213,926,045	221,043,967
747,511,282	767,683,456	753,265,869	755,739,137
134,649,931	134,847,577	126,981,591	134,276,981
123,221,331	128,329,884	129,109,976	135,762,531
637,885,067	629,706,702	638,271,624	598,688,036
21,889,140	21,974,468	22,643,569	22,829,709
57,547,213	57,666,955	57,898,077	52,932,461
731,011,751	769,170,117	793,684,215	749,579,685
205,239,599	202,253,823	194,448,731	200,110,676
<u>28,561,895</u>	<u>62,280,461</u>	<u>88,581,465</u>	<u>87,635,210</u>
3,151,128,460	3,266,930,323	3,301,892,238	3,227,071,684
<u>806,287,093</u>	<u>414,406,195</u>	<u>394,572,010</u>	<u>544,703,482</u>
<u>3,957,415,553</u>	<u>3,681,336,518</u>	<u>3,696,464,248</u>	<u>3,771,775,166</u>
(5,002,738)	(49,169,600)	20,400,166	241,798,508
<u>114,503,173⁽¹⁾</u>	<u>109,404,531⁽²⁾</u>	<u>60,234,931</u>	<u>80,635,097</u>
<u>\$ 109,500,435</u>	<u>\$ 60,234,931</u>	<u>\$ 80,635,097</u>	<u>\$ 322,433,605</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: 2016-2020: Derived from audited financial statements. Summary itself is not audited.

County Budgets – 2020 Adopted Budget, 2020 Estimates, and 2021 Modified 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.)

	2020 Adopted Budget ⁽¹⁾			
Revenues and other financing sources:	General Fund	Police District	Other Funds	All Funds
Real property taxes and tax items	\$98,841,278	\$618,810,218	\$44,325,534	\$761,977,030
Sales taxes	1,454,820,758	32,212,733	89,707,881	1,576,741,372
Other taxes	25,765,000	0	20,330,143	46,095,143
Departmental	149,322,607	3,142,340	66,931,696	219,396,643
State Aid	281,568,922	200,000	32,226,017	313,994,939
Federal Aid	200,627,238	0	28,066,337	228,693,575
Other revenues	<u>39,660,180</u>	<u>2,989,871</u>	<u>61,360,145</u>	<u>104,010,196</u>
Total revenues	2,250,605,983	657,355,162	342,947,753	3,250,908,898
Transfers from other funds and other financing sources	<u>62,971,874</u>	<u>38,428,396</u>	<u>111,589,191</u>	<u>212,989,461</u>
Total revenues and other financing sources	<u>2,313,577,857</u>	<u>695,783,558</u>	<u>454,536,944</u>	<u>3,463,898,359</u>
Expenditures and other financing uses:				
General government support	211,291,612	1,234,451	14,585,043	227,111,106
Education	210,932,371	0	0	210,932,371
Public Safety	345,584,328	386,642,210	17,888,348	750,114,886
Health	135,511,889	0	2,518,042	138,029,931
Transportation	114,835,897	0	12,161,561	126,997,458
Economic assistance and opportunity	635,124,137	0	51,266,096	686,390,233
Culture and recreation	15,869,336	0	8,012,370	23,881,706
Home & community services	5,716,279	0	58,071,022	63,787,301
Employee Benefits	183,786,282	126,495,335	7,203,832	317,485,449
Debt Service	<u>137,290,999</u>	<u>5,801,041</u>	<u>34,429,014</u>	<u>177,521,054</u>
Total expenditures	1,995,943,130	520,173,037	206,094,018	2,722,251,495
Transfers to other funds	<u>303,049,709</u>	<u>164,312,409</u>	<u>258,838,719</u>	<u>726,200,837</u>
Total expenditures and other financing uses	<u>2,298,992,839</u>	<u>684,485,446</u>	<u>464,974,047</u>	<u>3,448,452,332</u>
Excess/(deficiency) of revenues and other financing sources over/under expenditures and other financing uses	14,585,018	11,298,112	(10,437,103)	15,446,027
Fund balances, beginning of year	<u>(14,585,018)</u>	<u>(11,298,112)</u>	<u>198,827,704</u>	<u>172,944,574</u>
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$188,390,601⁽²⁾</u>	<u>\$188,390,601⁽²⁾</u>

(1) The 2020 Adopted Budget reflected in this table has not been adjusted to reflect the impact of the COVID-19 pandemic.

(2) 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.

2020 Estimated Results⁽³⁾2021 Modified Budget⁽⁴⁾

General Fund	Police District	Other Funds	All Funds	General Fund	Police District	Other Funds	All Funds
\$68,286,633	\$616,663,890	\$44,672,484	\$729,623,007	\$98,286,632	\$628,215,204	\$46,627,743	\$773,129,579
1,284,751,796	9,600,000	78,084,023	1,372,435,819	1,293,622,847	29,851,864	79,840,914	1,403,315,625
1,765,000	0	14,142,916	15,907,916	15,765,000	0	17,567,279	33,332,279
140,961,179	2,107,220	66,374,703	209,443,102	140,901,312	2,239,708	67,694,159	210,835,179
245,281,495	200,000	75,147,746	320,629,241	259,636,673	200,000	68,354,087	328,190,760
399,104,461	66,052,508	65,102,695	530,259,664	252,387,023	17,772,012	67,852,266	338,011,301
<u>36,872,783</u>	<u>1,263,498</u>	<u>39,121,867</u>	<u>77,258,148</u>	<u>38,304,078</u>	<u>2,132,714</u>	<u>61,757,061</u>	<u>102,193,853</u>
2,177,023,347	695,887,116	382,646,434	3,255,556,897	2,098,903,565	680,411,502	409,693,509	3,189,008,576
<u>103,856,991</u>	<u>962,669</u>	<u>124,795,515</u>	<u>229,615,175</u>	<u>182,853,322</u>	<u>14,765,746</u>	<u>85,776,121</u>	<u>283,395,189</u>
<u>2,280,880,338</u>	<u>696,849,785</u>	<u>507,441,949</u>	<u>3,485,172,072</u>	<u>2,281,756,887</u>	<u>695,177,248</u>	<u>495,469,630</u>	<u>3,472,403,765</u>
193,550,958	1,251,271	47,899,588	242,701,817	214,304,778	1,254,550	42,875,646	258,434,974
213,628,607	0	0	213,628,607	236,776,086	0	0	236,776,086
343,023,806	393,085,459	38,180,987	774,290,252	348,594,345	394,412,173	37,234,621	780,241,139
132,466,191	0	14,817,402	147,283,593	143,706,512	0	16,924,847	160,631,359
112,529,956	0	9,706,634	122,236,590	110,445,720	0	11,950,071	122,395,791
600,598,517	0	54,098,284	654,696,801	610,214,429	0	53,571,120	663,785,549
17,863,466	0	5,931,394	23,94,860	16,368,562	0	7,555,954	23,924,516
5,474,415	0	54,865,760	60,340,175	6,295,174	0	68,317,803	74,612,977
182,827,055	127,065,490	7,107,218	316,999,763	195,263,545	134,774,358	7,329,727	337,367,630
<u>133,588,273</u>	<u>5,781,040</u>	<u>34,320,343</u>	<u>173,689,656</u>	<u>138,147,265</u>	<u>6,114,936</u>	<u>34,159,899</u>	<u>178,422,100</u>
1,935,551,244	527,183,260	266,927,610	2,729,662,114	2,020,116,416	536,556,017	279,919,688	2,836,592,121
<u>317,923,189</u>	<u>161,403,177</u>	<u>272,961,252</u>	<u>752,287,618</u>	<u>289,266,212</u>	<u>158,621,231</u>	<u>346,318,134</u>	<u>794,205,577</u>
<u>2,253,474,433</u>	<u>688,586,437</u>	<u>539,888,862</u>	<u>3,481,949,732</u>	<u>2,309,382,628</u>	<u>695,177,248</u>	<u>626,237,822</u>	<u>3,630,797,698</u>
27,405,905	8,263,348	(32,446,913)	3,222,340	(27,625,741)	0	(130,768,192)	(158,393,933)
<u>174,552</u>	<u>(8,263,348)</u>	<u>247,600,513</u>	<u>239,511,717</u>	<u>114,835,053</u>	<u>24,542,832</u>	<u>337,321,442</u>	<u>476,699,327</u>
<u>\$27,580,457</u>	<u>\$ 0</u>	<u>\$215,153,600⁽⁵⁾</u>	<u>\$242,734,057⁽⁵⁾</u>	<u>\$87,209,312</u>	<u>\$24,542,832</u>	<u>\$206,553,250⁽⁶⁾</u>	<u>\$318,305,394⁽⁶⁾</u>

(3) 2020 Estimated Results included in the 2021 Recommended Budget as of October 9, 2020.

(4) Modified April 2021. Opening fund balances have been adjusted based on current estimates of 2020 actual ending balances. The final 2020 ending fund balances will be provided with the release of the County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020 expected to be released on or about June 30, 2021.

(5) Includes \$14.0 million reserved for Local Law 35-1999 (Water Quality Protection & Land Stewardship and Land Acquisition Programs) 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.

(6) Includes \$22.9 million reserved for Local Law 35-1999 (Water Quality Protection & Land Stewardship and Land Acquisition Programs) 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. Fund balance does not reflect remaining balance of \$71.7 million of American Rescue Plan Funds received by County in 2021 (\$143 million of total American Rescue Plan funds in 2021).

Source: Suffolk County Budget Office.

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%.

Effective for the pension bill due February 2022, the State has increased the estimated employer contribution rates from 14.6% to 16.2% of payroll for the Employees’ Retirement System (ERS) and from 24.4% to 28.3% of payroll for the Police and Fire Retirement System (PFRS).

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 Invoice Period	2012 4/2011-3/2012	2013 4/2012-3/2013	2014 4/2013-3/2014	2015 4/2014-3/2015	2016 4/2015-3/2016	2017 4/2016-3/2017	2018 4/2017-3/2018	2019 4/2018-3/2019	2020 4/2019-3/2020	2021 4/2020-3/2021	2022 ² 4/2021-3/2022
Gross Invoice Amounts (excluding Installments on Prior Deferrals)	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	212,643,102	243,159,787
Installments on Prior Deferrals	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	41,807,775	32,101,073
Gross Invoice Amount	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	254,450,877	275,260,860
Less: Pension amounts deferred ¹	(45,702,894)	(60,720,972)	(87,101,698)	(59,795,324)	(44,642,145)	(35,234,699)	(32,086,087)	0	0	(22,996,642)	0
Pension Amount	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	231,454,235	275,260,860
Employees Retirement System (ERS)	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	118,094,945	132,158,047
Police and Fire Retirement System (PFRS)	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	113,359,290	143,102,813
Total Net Pension Costs	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	231,454,235	275,260,860

- (1) Represents amounts deferred and paid over time. 2011 pension amounts have been removed from the table. The last amortization payment of \$2,470,993 was included in the 2021 pension payment. The 2011 amortization amount of \$19,080,351 has been paid in full.
- (2) Projected.

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. Due to the uncertainty of additional federal assistance at the time the pension payment was due, the 2021 Adopted Budget included amortization of \$22,996,642 for the 2021 pension expense. However, to continue best practices of not amortizing pension expenses, on April 1, 2021, the County paid off the outstanding balance of \$41.3 million for the 2014 Pension Amortization. The early payoff provides \$4.5 million in total interest savings and \$9.2 million in debt service savings from 2022-2026.

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, became 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 2020, employee contributions totaled \$19.7 million, \$900,000 above the 2020 Adopted Budget amount. The 2021 Adopted Budget estimates Employee Healthcare Premium contributions of \$19.9 million.

Additional plan 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.
- Hired a Director of Employee Medical Health Plan, a seasoned professional in the industry who has recommended and adopted many reforms that have helped not only save money but provide a better experience for our members.

Required annual savings of \$40 million were met for 2020. The County is working with the unions to provide additional cost savings as required in the Memorandum of Agreement and these savings will be included in the 2022 budget. Due to the intense management and the plan design changes to date, along with constricted costs due to the pandemic, the fund ended 2020 with a \$42 million fund balance.

The EMHP direct COVID-19 costs have been minimal. The County can attribute this to the County’s vigilant and aggressive programs implemented to keep employees, dependents and retirees safe. The County provided on-site testing four days a week. More than 15,000 tests were administered. Additionally, the County offered its employees

the COVID-19 vaccine and to date more than 51% of the workforce took advantage of the program. The suspension of elective surgeries has caused a temporary drop in costs year to date. Conservatively, the County has not included any reduction in costs as the County is anticipating a surge in these types of procedures. The 2021 Adopted Budget projects increased net costs due to the expected cumulative increase for services postponed from 2020.

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 a Fiscal Stress score and an Environmental 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. The latest report issued September 2020 showed an improved fiscal score for the County but still within the “significant stress” category. The improvement in the County’s Environmental Stress score moved the County into the top category of “no designation” from “susceptible environmental stress”.

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 were 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, as established in New York State General Municipal Law Sec 6-N. 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. The COVID-19 pandemic’s impact on economic activity has rendered the 2020-2023 MYP estimates obsolete.

The County Executive requested and the Budget Office developed an updated long-term forecast for the major funds. The MYP provides an essential tool that identifies the potential long-term economic impact of COVID-19 and provides insight for the development of strategies to achieve long-term sustainability consistent with the County’s service objectives.

Due to the ongoing effect of the COVID-19 pandemic on County resources to address emergency measures, on May 21, 2021 Executive Order 327 was issued extending the submission date for the 2021-2024 MYP from no later than sixty (60) days following the adoption of the County expense budget to sixty (60) days following the cessation of the declared State of Emergency in the County.

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.

There are currently 111 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. SuffolkShare is now the largest municipal shared services program in the State.

No savings associated with this plan have been included in the 2021 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.

Tax Stabilization and Debt Service Reserve Funds

The 2019 Adopted Budget included a transfer to 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 2020 Adopted Budget did not require a transfer to the Debt Service Reserve Fund in 2020. The 2021 Adopted Budget did not require a transfer to the Debt Service Reserve Fund.

On June 23, 2020, the County Legislature passed Resolution 473-2020: TRANSFERRING FUNDS FROM FUND 403 TAX STABILIZATION RESERVE FUND TO THE GENERAL FUND TO ADDRESS UNANTICIPATED REVENUE LOSSES AND UNANTICIPATED EXPENDITURES, which authorized the transfer of \$25.0 million from the Tax Stabilization Reserve Fund to the General Fund.

On April 21, 2021, \$25 million of excess funds in the 2020 Operating Budget was returned to the Tax Stabilization Fund via Resolution No. 257-2021.

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 the 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. Due to the passing of the November 2020 proposition (as described below), the 2020 payment of \$12.1 million was waived.

On July 21, 2020, the County Legislature adopted resolution #547-2020 A Charter law to transfer excess funds in the Sewer Assessment Stabilization Reserve Fund to the Suffolk County Taxpayers Trust Fund and to eliminate the requirement that Interfund Transfers be made from the General Fund to the Sewer Assessment Stabilization Fund. Said resolution authorized a Proposition included on the November 3, 2020 election ballot. The Proposition was passed by a majority of voters of the County. Said proposition authorizes a Charter Law to provide property tax relief with the excess Sewer Assessment Stabilization Reserve Fund balance. This local law shall apply to all budgetary actions approved for, or occurring during any fiscal year beginning with January 1, 2020 and in all subsequent fiscal years. In Fiscal Year 2020 or in Fiscal Year 2021, \$44,409,109, which shall include the \$29,409,109 that was required to be paid into the Assessment Stabilization Reserve Fund by Judgment of the Honorable Justice Joseph Farneti dated December 12, 2019 in the Matter of the Long Island Pine Barrens Society Inc., et al vs. County of Suffolk, et al, shall be transferred and deposited in the Suffolk County Taxpayers Trust Fund created by this local law. This transfer and deposit shall be in addition to any other sum allocated and deposited to such fund pursuant to the resolution for enhanced County wide property tax protection. The appropriation for this transfer and deposit shall be effectuated via duly approved legislative resolution.

The Resolution also repeals subdivisions (L) of Section C4-6 of Article IV of the Suffolk County Charter which requires interfund transfers of no less than 5% of the outstanding balance due for funds allocated from the ASRF for fiscal years 2014 – 2017, inclusive.

Employees

The County employs approximately 9,014 employees as of June 2, 2021, approximately 94% of whom 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 17% 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	12/31/24
Correction Officers Association	12/31/24
Faculty Association of Suffolk Community College	08/31/22
Guild of Administrative Officers of Suffolk County Community College	08/31/19 ⁽¹⁾

(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

- **Resolution No. 617-2020 Instituting A Suspension Of Step And Salary Increases In Fiscal Years 2020 and 2021 For Employees Excluded From Bargaining Units (Management) To Address Revenue Shortfalls** – Adopted by County Legislature on September 9, 2020. This resolution is estimated to save the County \$772.2 thousand of salary expense in 2020 and \$2.6 million in 2021.

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
		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 was adopted by the County Legislature on March 17, 2020 and signed by the County Executive on April 1, 2020. 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
		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)** – A Memorandum of Agreement dated March 18, 2021 was adopted by the County Legislature on April 20, 2021 and signed by the County Executive on April 23, 2021. 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
		effective 7/1/21		1.5 %	effective 7/1/24
2022	1.0 %	effective 1/1/22			
	1.0 %	effective 7/1/22			

- **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 – Resolution No. 360-2020 Authorizing the County Executive to execute an Agreement with the Suffolk County Faculty Association, Suffolk County Community College**, covering the terms and conditions of employment for employees covered under Bargaining Unit No. 3 for the period September 1, 2019 through August 31, 2022 was adopted by the County Legislature on May 19, 2020 and signed by the County Executive on May 19, 2020. The agreement provides for a three-year contract from 2019-2022 and includes the following wage increases:

Effective February 1, 2020	1.6% at each step
Effective February 2, 2021	1.6% at each step
Effective February 1, 2022	1.6% at each step

- **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, 2020 in accordance with GASB 75. The Nyhart report determined that as of December 31, 2020, the County’s total OPEB liability was approximately \$6,901,030,000 using a discount rate of 2.12% and healthcare cost trend rates of 7.5% decreasing to 4.5%. For the year ended December 31, 2020, the County reported deferred outflows of \$1,430,050,000 and deferred inflows of \$680,540,000.

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 and there is no authority under present State law to establish a trust account or reserve fund for this liability. 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.

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 2021 for County purposes subject to the tax levy limit is \$607,709,247.

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.)

Taxable Full Valuation - Six-Year Summary

The table below sets forth for 2016 through 2021, 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⁽¹⁾</u>	<u>Full Valuation of Taxable Real Property in the County⁽¹⁾</u>	<u>County Tax Rate Per \$1,000 of Full Valuation⁽²⁾</u>	<u>Full Valuation of Taxable Real Property in the Police District⁽²⁾</u>	<u>Police District Tax Rate Per \$1,000 of Full Valuation⁽²⁾</u>
2016	\$67,651,606,257 ⁽³⁾	\$266,561,907,916 ⁽³⁾	\$0.18	\$152,510,232,027	\$3.42
2017	70,813,844,065 ⁽⁴⁾	275,268,903,698 ⁽⁴⁾	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
2021	84,616,418,334	330,390,670,260	0.15	190,066,004,845	3.26

(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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Babylon	1.19%	1.18%	1.12%	1.07%	0.97%	0.91%
Brookhaven	0.95	0.91	0.90	0.86	0.79	0.77
East Hampton	0.64	0.59	0.57	0.58	0.56	0.58
Huntington	0.86	0.85	0.84	0.80	0.76	0.74
Islip	12.70	12.70	12.12	11.35	10.77	9.70
Riverhead	14.58	14.66	13.87	13.52	12.35	12.30
Shelter Island	100.00	100.00	100.00	100.00	100.00	100.00
Smithtown	1.30	1.32	1.31	1.23	1.16	1.15
Southampton	100.00	100.00	100.00	100.00	100.00	100.00
Southold	1.10	1.08	1.01	0.94	0.93	0.88

Source: New York State Office of Real Property Services.

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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⁽¹⁾:

<u>Name</u>	<u>Town</u>	<u>Assessed Value</u>	<u>Type</u>	<u>Full Valuation⁽¹⁾</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
Faifield 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>

⁽¹⁾ 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.

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Real Property Tax Warrants and Collection Record

The following table sets forth for 2016 through 2020, and as available for 2021, 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		
	<u>2016</u>	<u>2017</u>	<u>2018</u>
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	5,250,466
Police District Tax	521,492,609	542,278,671	569,329,186
Sewer Districts	55,673,132	41,896,517	34,935,981
MTA Commuter Tax	2,852,204	2,852,204	2,852,204
Other Items ⁽¹⁾	<u>130,166,857⁽³⁾</u>	<u>119,619,239</u>	<u>73,515,810</u>
Subtotal	<u>764,472,307</u>	<u>760,934,136</u>	<u>734,920,685</u>
Town Taxes	1,049,329,153	1,077,420,766	1,108,345,013
School District Taxes	<u>\$3,859,089,286⁽³⁾</u>	<u>\$3,912,016,695</u>	<u>\$4,002,881,288</u>
Total Tax Warrant	<u>\$5,672,890,746</u>	<u>\$5,750,371,597</u>	<u>\$5,846,146,986</u>
Collected During Year	\$5,589,898,061	\$5,665,883,375	\$5,759,793,927
Uncollected End of Year ⁽²⁾ :			
Amount	\$82,922,685	\$84,448,222	\$86,353,059
Percent	1.46%	1.47%	1.48%
Uncollected as of June 30, 2021	\$8,840,543	\$16,512,754	\$31,111,027
	Fiscal Year Ending December 31		
	<u>2019</u>	<u>2020⁽⁴⁾</u>	<u>2021</u>
County Taxes:			
County General Tax	\$ 49,037,038	\$ 49,036,632	\$ 49,036,632
Suffolk County Community College Tax	5,250,467	5,250,467	5,250,467
Police District Tax	591,307,286	607,963,890	619,515,204
Sewer Districts	32,298,685	30,398,555	24,665,892
MTA Commuter Tax	2,852,204	2,852,197	2,852,227
Other Items ⁽¹⁾	<u>66,635,729</u>	<u>77,791,582</u>	<u>69,853,081</u>
Subtotal	<u>747,381,409</u>	<u>773,293,323</u>	<u>771,173,503</u>
Town Taxes	1,145,322,458	1,173,852,052	1,214,214,824
School District Taxes	<u>\$4,130,541,841</u>	<u>\$4,287,302,106</u>	<u>\$4,399,839,578</u>
Total Tax Warrant	<u>\$6,023,245,708</u>	<u>\$6,234,447,481</u>	<u>\$6,385,227,905</u>
Collected During Year	\$5,930,813,575	\$6,107,971,961	N/A
Uncollected End of Year ⁽²⁾ :			
Amount	\$92,432,133	\$126,475,520	N/A
Percent	1.53%	2.03%	N/A
Uncollected as of June 30, 2021	\$48,663,969	\$93,764,544	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 2016 through 2021, are shown below:

Town	2016	2016	2017	2017
	<u>Assessed Valuation⁽¹⁾</u>	<u>Full Valuation</u>	<u>Assessed Valuation⁽²⁾</u>	<u>Full Valuation</u>
Babylon	\$ 244,626,105	\$ 20,556,815,546	\$ 244,492,069	\$ 20,719,666,864
Brookhaven	455,288,892	47,925,146,526	456,880,067	50,206,600,769
East Hampton	198,620,361	31,034,431,406	199,658,928	33,840,496,271
Huntington	325,198,542	37,813,783,953	324,495,014	38,175,884,000
Islip	4,335,576,442	34,138,397,181	4,333,832,701	34,124,666,937
Riverhead	826,725,035	5,670,267,730	831,467,682	5,671,675,866
Shelter Island	3,201,639,679	3,201,639,679	3,387,323,394	3,387,323,394
Smithtown	243,062,871	18,697,143,923	243,297,644	18,431,639,697
Southampton	57,712,943,608	57,712,943,608	60,684,106,659	60,684,106,659
Southold	<u>107,924,722</u>	<u>9,811,338,364</u>	<u>108,289,907</u>	<u>10,026,843,241</u>
Totals	<u>\$67,651,606,257</u>	<u>\$266,561,907,916</u>	<u>\$70,813,844,065</u>	<u>\$275,268,903,698</u>

Town	2018	2018	2019	2019
	<u>Assessed Valuation⁽³⁾</u>	<u>Full Valuation</u>	<u>Assessed Valuation⁽⁴⁾</u>	<u>Full Valuation</u>
Babylon	\$ 244,602,924	\$ 21,839,546,786	\$ 245,775,322	\$ 22,969,656,262
Brookhaven	458,395,503	50,932,833,667	460,295,708	53,522,756,744
East Hampton	200,465,483	35,169,382,982	201,651,639	34,767,523,966
Huntington	323,690,602	38,534,595,476	322,923,047	40,365,380,875
Islip	4,353,090,717	35,916,590,074	4,375,409,829	38,549,866,335
Riverhead	834,398,413	6,015,850,129	839,897,329	6,212,258,351
Shelter Island	3,541,702,845	3,541,702,845	3,689,417,903	3,689,417,903
Smithtown	243,591,217	18,594,749,389	244,996,461	19,918,411,463
Southampton	63,690,013,293	63,690,013,293	67,002,152,249	67,002,152,249
Southold	<u>108,899,037</u>	<u>10,782,082,871</u>	<u>109,652,626</u>	<u>11,665,172,979</u>
Totals	<u>\$73,998,850,034</u>	<u>\$285,017,347,513</u>	<u>\$77,492,172,113</u>	<u>\$298,662,597,127</u>

Town	2020	2020	2021	2021
	<u>Assessed Valuation⁽⁵⁾</u>	<u>Full Valuation</u>	<u>Assessed Valuation⁽⁶⁾</u>	<u>Full Valuation</u>
Babylon	\$ 247,719,202	\$ 25,538,062,062	\$ 248,401,430	\$ 27,296,860,440
Brookhaven	462,261,030	58,514,054,430	462,741,154	60,096,253,766
East Hampton	203,834,055	36,398,938,393	205,527,935	35,435,850,862
Huntington	323,087,888	42,511,564,211	320,597,772	43,324,023,243
Islip	4,384,244,906	40,707,937,846	4,411,333,380	45,477,663,711
Riverhead	846,890,126	6,857,409,927	847,506,336	6,890,295,415
Shelter Island	3,719,621,085	3,719,621,085	3,744,046,755	3,744,046,755
Smithtown	245,484,620	21,162,467,241	246,557,353	21,439,769,826
Southampton	73,356,963,200	73,356,963,200	74,018,230,674	74,018,230,674
Southold	<u>110,764,447</u>	<u>11,910,155,591</u>	<u>111,475,545</u>	<u>12,667,675,568</u>
Totals	<u>\$83,900,870,559</u>	<u>\$320,677,173,986</u>	<u>\$84,616,418,334</u>	<u>\$330,390,670,260</u>

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

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

(3) Per Resolution 922-2017.

(4) Per Resolution 895-2018.

(5) Per Resolution 982-2019.

(6) Per Resolution 864-2020.

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 93.9% residential properties and 6.1% non-residential properties.

The total tax bill of an average residential property located in the County, outside of a village is approximately \$10,918. 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⁽¹⁾ 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 2021, as available, are set forth below (unemployment rates are not seasonally adjusted).

<u>Year</u>	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>
2011	712,500	59,200	7.7%	8.3%	9.0%
2012	716,800	61,400	7.9	8.6	8.1
2013	727,700	52,800	6.8	7.8	7.4
2014	723,600	41,500	5.4	6.3	6.2
2015	738,100	36,800	4.7	5.2	5.3
2016	740,000	34,300	4.4	4.9	4.9
2017	741,300	34,600	4.5	4.6	4.4
2018	745,800	29,700	3.8	4.1	3.9
2019	749,200	27,500	3.5	3.8	3.7
2020	699,600	65,000	8.5	10.0	8.1

2021 Actual Employment Statistics

January	704,100	48,300	6.4%	9.4%	6.8%
February	697,000	51,400	6.9	9.7	6.6
March	706,700	45,800	6.1	8.4	6.2
April	710,900	39,600	5.3	7.7	5.7
May	712,200	34,500	4.6	6.9	5.5

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	55,720	8.4	53,510	7.9	51,642	7.2
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 Act. Therefore, he claims he is 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 State's motion for summary judgment was denied. Discovery will proceed. Plaintiffs filed a class certification motion on June 25, 2021. The defendants have until July 26, 2021 to file opposition papers.

Ayo, Barbara, et al. v. County of Suffolk, et al.: This lawsuit is brought by thirty plaintiffs in connection with a residual firefighting suppressant alleged to be a groundwater contaminant that was used by the Air National Guard 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. This case, along with similar cases from across the country, have been transferred by the Judicial Panel on Multidistrict Litigation to Judge Gergel in the District of South Carolina. Discovery is proceeding.

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. The limousine was struck by a pick-up truck as the limousine was attempting a u-turn. Four of the limousine passengers were killed. 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 their due process rights; an unconstitutional taking under the fifth amendment; and a violation of State law. The County made a motion to dismiss the complaint. The District Court granted the motion, except for one cause of action which was then voluntarily withdrawn. The Plaintiffs have filed a Notice of Appeal. The Second Circuit Court of Appeals issued an Order on May 4, 2021 affirming the District Court's dismissal of all causes of action that were preserved for appeal.

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. 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, holding an excess balance having 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 was the fund balance of approximately \$117 million. The County answered the complaint and the plaintiffs served an amended complaint, enlarging the damage claim by an additional \$104 million. Plaintiffs then sought, by motion, to serve a second amended complaint to enlarge the amount in dispute by \$145 million and have moved for class certification and for summary judgment. The Court directed a conference to resolve the issues raised by the pending motions. Following the Court conference, the plaintiffs served a third amended complaint, pursuant to leave granted by the Court, seeking the return of a total of approximately \$255 million. The County answered, moved to dismiss the amended complaint, opposed the plaintiffs' motions for summary judgment and class certification and cross-moved to disqualify plaintiffs' counsel. The County's cross-motion to disqualify counsel was granted and all other substantive motions, including the request for class certification, were denied by the Court. Plaintiffs have requested e-mails and documents from the County since 1995. And the County filed a motion for a protective order objecting to the request as overbroad and burdensome. The Court ruled on the motion for a protective order by issuing directives regarding discovery. A second motion for a protective order was submitted by the County and is now pending. Further discovery is awaiting its determination.

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. Discovery is proceeding. Plaintiff made a demand of \$18.6 million; the County offered \$10 million. The County is waiting for a response from Plaintiff. The Plaintiff received \$5.25 million from the State.

Jannie Butler, as Administratrix of the Estate of Arthur Lee Thomas, deceased v. the County of Suffolk, et al. A Notice of Claim and complaint 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's motion to dismiss the complaint was fully submitted on May 8, 2020 and is pending in Federal District Court. 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; (iii) a refund of the fees paid; and (iv) 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. Oral argument was held, and a decision on the motion is pending. The County's Motion to Dismiss was granted. Plaintiffs have filed a Notice of Appeal.

Ciervo, Rosina et al. v. County of Suffolk et al.: This is a federal court action brought by two allegedly indigent plaintiffs that challenges the constitutionality of the TPVA's suspension of motor vehicle registrations for habitual and persistent violations of the Vehicle and Traffic Law/red light camera violations. Plaintiffs claim that constitutional due process requires TPVA to hold an indigency hearing regarding their ability to pay any assessed fines prior to registration suspensions and the County maintains that no indigency hearing is required because no due process rights are implicated. Plaintiffs seek a declaration from the Court that the registration suspension process without an indigency hearing is unconstitutional and to enjoin the defendants from further suspensions until such time as the alleged constitutional defect is cured. Both parties moved for summary judgment. The Court has not yet decided the motions.

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. Discovery has been completed. The matter is on the trial calendar.

Ferguson, Joseph v. The County of Suffolk, et al.: A Notice of Claim was served on the County in June 2021 alleging medical malpractice, negligence and a violation of claimant's civil rights during claimant's stay at the County's Yaphank Correctional Facility. It is alleged that from March 2021 until May 2021, the County failed to, among other things, diagnose and treat claimant's esophageal stricture, ignored claimant's complaints of inability to swallow, ignored claimant's symptoms, failed to treat or provide diagnostic testing for claimant's condition, and failed to transfer claimant to a hospital and refer claimant to a specialist. It is claimed that as a result, claimant has suffered serious personal and psychological injuries, requiring the need for surgical intervention and hospitalization. A 50-h municipal law hearing is being scheduled.

Flores-Melendez, et al. v. County of Suffolk: 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. 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. 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. This case, along with similar cases from across the country, have been transferred by the Judicial Panel on Multidistrict Litigation to Judge Gergel in the District of South Carolina. Discovery is proceeding.

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 filed suit in federal court. Discovery is proceeding.

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 was denied. The County filed an answer, counterclaims and third-party complaint. LIPA filed a reply to counterclaims, and the 10 towns in the County filed their answer to plaintiffs' complaint and to the County's counterclaims and third-party complaint. All parties have filed motions for Summary Judgment. The County's motion for Summary Judgment was granted and LIPA was ordered to pay the County for back taxes, which the County calculates at approximately \$58 million dollars. LIPA has filed a notice of appeal.

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. The County made a motion for summary judgment; the plaintiff cross-moved. On April 28, 2020, Judge Reilly granted plaintiff's motion, finding that the administrative fee is unconstitutional. The County filed a Notice of Appeal. The appeal is fully briefed and oral argument will be scheduled. Plaintiff made a motion to certify this matter as a class action. That motion was fully submitted on June 9, 2021.

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 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. Discovery is complete. The County's motion for summary judgment was denied. The County is awaiting a trial date.

Newkirk, Lance, et al. v Pierre, Frances, Commissioner of DSS: This is a 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. Discovery is proceeding. The plaintiffs made a motion to add another class representative. That motion was granted by the court. The parties have engaged in extensive settlement discussions.

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's motion for summary judgment was granted. The plaintiffs have filed a Notice of Appeal.

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. Plaintiffs moved for class certification. That motion was granted as to the injunctive class but denied as to the damages class. The County's motion for summary judgment is still pending.

Posillico Skanska JV v. County of Suffolk, Suffolk County Department of Public Works in connection with Capital Project No. 8108, FEPS Improvement Project: This suit involves the replacement of pumps at the Final Effluent Pump Station. Plaintiff is seeking \$3.9 million and the County counterclaimed for \$2.2 million based on the liquidated damages clause in the project contract and extensive delays caused by the contractor. The matter is in the initial stages of discovery.

Posillico/Skanska JV v. County of Suffolk, Suffolk County Department of Public Works in connection with Capital Project No. 8183, Expansion of Bergen Point Wastewater Treatment Plant: This suit involves the Expansion Project, which was designed to increase the maximum amount of wastewater that could be processed by the facility. Plaintiff seeks damages of over \$13,000,000 due to alleged delays in the project caused by the County. The County has asserted a counterclaim for the same amount, placing the blame of the delays on the contractor and asserting the County's rights to liquidated damages in the project contract. The matter is in the initial stages of discovery.

Posillico/Skanska JV v. County of Suffolk, Suffolk County Department of Public Works in connection with Capital Project No. 8170, GRIT Removal and Improvements Project: The project at issue in this matter is

known as the GRIT project and involves work on the GRIT Washer Building and attendant operating facilities. Plaintiff is seeking \$3.8 million for delay damages and the County has counterclaimed for \$6 million based on liquidated damages for delays caused by the contractor. The matter is in the initial stages of discovery.

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. This case, along with similar cases from across the country, have been transferred by the Judicial Panel on Multidistrict Litigation to Judge Gergel in the District of South Carolina. Discovery is proceeding.

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. The matter is in discovery.

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 submitted a motion for summary judgment on the Monell claim which is pending.

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. This case, along with similar cases from across the country have been transferred by the Judicial Panel on Multidistrict Litigation to Judge Gergel in the District of South Carolina. Discovery is proceeding.

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. A summons and complaint have been served. The matter is in discovery.

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. A trial date has not yet been issued by the court.

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 pyelonephrities, 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 has been perfected.

Zubko-Valva, Justyna , as admin of Thomas Valva v. County of Suffolk: This is a federal civil rights case brought by the biological mother of the deceased infant, Thomas Valva. Thomas Valva was in the custody of his father, Michael Valva, who abused Thomas and locked him in a freezing garage causing Thomas to freeze to death. Plaintiff alleges that Suffolk County CPS failed to properly monitor Michael Valva's custody of Thomas and failed to protect and remove Thomas from his father's custody. Plaintiff has filed a complaint in federal court, naming several Suffolk County CPS workers as defendants. Discovery is proceeding. The County made a motion to dismiss the complaint, which is pending.

End of Appendix A

APPENDIX B

Link to Audited Financial Statements*

For the Year Ended

December 31, 2020

(With Independent Auditors' Report Thereon)

*** The County's financial statements for the year ended December 31, 2020 and opinion are intended to be representative only as of the date thereof. The financial statements referenced above are hereby incorporated by referral into the attached Official Statement.**

The County's financial statements for the fiscal year ended December 31, 2020 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, 2020 are available on EMMA and can be viewed and downloaded at the following web address: (<https://emma.msrb.org/P11581927.pdf>).

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APPENDIX C

Form of Bond Counsel's Legal Opinions

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**PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL WITH
RESPECT TO THE SERIES A BONDS**

*Upon Delivery of the Series A Bonds, Harris Beach PLLC, Bond Counsel to the County,
proposes to render its approving opinion in the following form:*

August __, 2021

The County Legislature of
the County of Suffolk, New York

**Re: County of Suffolk, New York
\$92,945,000* Public Improvement Serial Bonds - 2021 Series A**

Ladies and Gentlemen:

We have examined a record of proceedings relating to the sale and issuance of \$92,945,000* Public Improvement Serial Bonds - 2021 Series A (the “**Bonds**”) of the County of Suffolk (the “**County**”), New York.

The Bonds are authorized and issued in accordance with (a) the Constitution and statutes of the State of New York, including, in particular, the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, (b) various bond resolutions duly adopted and amended by the County Legislature on their respective dates, authorizing the issuance of bonds of the County to finance various projects in and for the County (collectively, the “**Resolutions**”), and (c) a Certificate of Determination executed by the County Comptroller as of July __, 2021 and a Certificate of Award executed by the County Comptroller as of July __, 2021, determining the terms, form and details of issuance of the Bonds and providing for their public sale (said Certificate of Determination and said Certificate of Award are hereinafter collectively referred to as the “**Certificate of Determination**”).

The Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Certificate of Determination.

The Bonds are issued in fully registered form without interest coupons, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, an automated depository for securities and clearinghouse for securities transactions which will maintain a book-entry system for recording the ownership interests in the Bonds. Only one Bond will be initially issued for each maturity in the aggregate principal amount of such maturity. Purchases of ownership interests in the Bonds will be made only in book-entry form in denominations of

* Preliminary, subject to change

\$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of Bonds maturing in any year.

In our opinion, said Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York, the Resolutions and the Certificate of Determination, and constitute valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Bonds 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, provided that the enforceability (but not the validity) of the Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other laws (State or Federal) affecting the enforcement of creditor's rights.

We are further of the opinion that, subject to the limitations set forth herein, under existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the County with its covenants and representations set forth in the Arbitrage Certificate (as hereinafter defined), interest payable on the Bonds is excluded from gross income for Federal income tax purposes and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals.

We are also of the opinion that, under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Based upon our examination of law and review of the Arbitrage and Use of Proceeds Certificate, dated August __, 2021 (the "**Arbitrage Certificate**"), executed by the County Comptroller 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 satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Bonds will not be "arbitrage bonds" within the meaning of said section, and no matters have come to our attention which makes unreasonable or incorrect the representations made in said Arbitrage Certificate. We express no opinion regarding other Federal income tax consequences arising with respect to the Bonds.

The Code contains several provisions which are required to be adhered to by the County subsequent to the issuance and delivery of the Bonds in order for interest thereon to be and remain excludable from gross income for Federal income tax purposes. Included among these provisions are certain restrictions and prohibitions on the use of bond proceeds, restrictions on the investment of bond proceeds and other moneys or properties, periodic rebate of certain arbitrage profits, and information reporting to the Federal government. Failure to comply with the requirements of the Code may cause interest on the Bonds to be includable in gross income for federal income tax purposes, retroactive to the date of issue of the Bonds. In the Arbitrage Certificate, the County has covenanted to comply with certain procedures and it has made certain representations and certifications designed to assure compliance with the requirements of the Code.

In rendering the opinions expressed herein, we have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by us which have been

executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and we also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications. The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein.

The opinions expressed herein 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 or interest on said Bonds as the same respectively become due and payable. Reference should be made to the Official Statement of the County relating to the Bonds for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest. Further, although we have participated in the preparation of the Official Statement relating to the Bonds, we have not verified the accuracy, completeness or fairness of the factual information contained therein, and accordingly we express no opinion as to whether the County, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made therein, in light of the circumstances under which they were made, not misleading.

We have examined the executed Bonds, and in our opinion the form of the Bonds and their execution is regular and proper.

Very truly yours,

HARRIS BEACH PLLC

By: _____

**PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL WITH
RESPECT TO THE SERIES B BONDS**

*Upon Delivery of the Series B Bonds, Harris Beach PLLC, Bond Counsel to the County,
proposes to render its approving opinion in the following form:*

August __, 2021

The County Legislature of
the County of Suffolk, New York

**Re: County of Suffolk, New York
\$6,915,000* Sewer District Serial Bonds - 2021 Series B (Federally Taxable)**

Ladies and Gentlemen:

We have examined a record of proceedings relating to the sale and issuance of \$6,915,000* Sewer District Serial Bonds - 2021 Series B (Federally Taxable) (the “**Bonds**”) of the County of Suffolk (the “**County**”), New York.

The Bonds are authorized and issued in accordance with (a) the Constitution and statutes of the State of New York, including, in particular, the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, (b) a Bond Resolution No. 90-2017 duly adopted by the County Legislature on March 7, 2017 authorizing the issuance of up to \$25,000,000 in serial bonds of the County to finance the cost of improvements to the Suffolk County Sewer District No. 3 – Southwest – Ronkonkoma Hub Project (the “**Resolution**”), and (c) a Certificate of Determination executed by the County Comptroller as of July __, 2021 and a Certificate of Award executed by the County Comptroller as of July __, 2021, determining the terms, form and details of issuance of the Bonds and providing for their public sale (said Certificate of Determination and said Certificate of Award are hereinafter collectively referred to as the “**Certificate of Determination**”).

The Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Certificate of Determination.

The Bonds are issued in fully registered form without interest coupons, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, an automated depository for securities and clearinghouse for securities transactions which will maintain a book-entry system for recording the ownership interests in the Bonds. Only one Bond will be initially issued for each maturity in the aggregate principal amount of such maturity. Purchases of ownership interests in the Bonds will be made only in book-entry form in denominations of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of Bonds maturing in any year.

In our opinion, said Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York, the Resolution and the Certificate of Determination, and constitute valid and legally binding general obligations of the County for

* Preliminary, subject to change

which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Bonds 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, provided that the enforceability (but not the validity) of the Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other laws (State or Federal) affecting the enforcement of creditor's rights.

We are further of the opinion that interest on the Bonds is not excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.

We are also of the opinion that under existing statutes interest on the Bonds is not subject to personal income tax imposed by New York State or any political subdivision thereof, including The City of New York.

In rendering the opinions expressed herein, we have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and we also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications. The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein.

The opinions expressed herein 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 or interest on said Bonds as the same respectively become due and payable. Reference should be made to the Official Statement of the County relating to the Bonds for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest. Further, although we have participated in the preparation of the Official Statement relating to the Bonds, we have not verified the accuracy, completeness or fairness of the factual information contained therein, and accordingly we express no opinion as to whether the County, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made therein, in light of the circumstances under which they were made, not misleading.

We have examined the executed Bonds, and in our opinion the form of the Bonds and their execution is regular and proper.

Very truly yours,

HARRIS BEACH PLLC

By: _____