

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 11, 2022**

**NEW ISSUE  
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 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. 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 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  
\$143,100,000\*  
PUBLIC IMPROVEMENT SERIAL BONDS – 2022 SERIES C  
(the “Bonds”)**

**Date of Issue: September 1, 2022**

**Maturity Dates: September 1, 2023-2036  
(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 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 Bonds, payable on September 1, 2023 and semi-annually thereafter on March 1 and September 1 in each year until maturity. The Bonds will mature on September 1, as shown on the inside cover page hereof. The 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 are offered when, as, and if issued by the County and accepted by the purchaser thereof, subject to the receipt of the final approving opinion of Harris Beach PLLC, Hempstead, New York, Bond Counsel, and certain other conditions. Hawkins Delafield & Wood LLP will deliver an opinion as to certain matters, as Disclosure Counsel to the County. 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 the Date 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 UNDERTAKING” HEREIN.

Dated: August \_\_, 2022

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\* 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 Bonds mature on September 1 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> |
|-------------|----------------|----------------------|--------------|-----------------|-------------|----------------|----------------------|--------------|-----------------|
| 2023        | \$12,200,000   | %                    | %            |                 | 2030        | \$ 9,005,000   | %                    | %            |                 |
| 2024        | 12,445,000     |                      |              |                 | 2031        | 9,250,000**    |                      |              |                 |
| 2025        | 12,715,000     |                      |              |                 | 2032        | 9,530,000**    |                      |              |                 |
| 2026        | 9,605,000      |                      |              |                 | 2033        | 9,810,000**    |                      |              |                 |
| 2027        | 9,820,000      |                      |              |                 | 2034        | 10,125,000**   |                      |              |                 |
| 2028        | 8,550,000      |                      |              |                 | 2035        | 10,460,000**   |                      |              |                 |
| 2029        | 8,770,000      |                      |              |                 | 2036        | 10,815,000**   |                      |              |                 |

\* The aggregate principal amount of the 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 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 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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### APPENDIX A

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**APPENDIX B – LINK TO AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**

**APPENDIX C – FORM OF BOND COUNSEL’S LEGAL OPINION**

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# OFFICIAL STATEMENT

of the

## COUNTY OF SUFFOLK, NEW YORK

Relating to

**\$143,100,000\***

### **PUBLIC IMPROVEMENT SERIAL BONDS – 2022 SERIES C**

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 \$143,100,000\* Public Improvement Serial Bonds – 2022 Series C (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 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 September 1, 2023 and semi-annually thereafter on March 1 and September 1 in each year until maturity. The Bonds shall mature on September 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds maturing in certain years will be 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 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 fifteenth day of the calendar month preceding each interest payment date.

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\* Preliminary, subject to change

### ***Authority for and Purpose of the Bonds***

The 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. The proceeds from the sale of the Bonds will be used to provide original or additional original project financing for the projects listed below:

| <u>Resolution</u> | <u>Project Description</u>   | <u>Amount to Bonds</u> |
|-------------------|--|------------------------|
| 802 2009          | Downtown Revitalization Program - Phase IX   | \$ 30,315              |
| 744 2011          | Downtown Revitalization Program - Phase X  | 15,000                 |
| 481 2012          | Planning for the Riverhead County Center Power Plant Upgrade   | 27,000                 |
| 1097 2012         | Planning Restoration of Smith Point County Park  | 150,000                |
| 1097 2012         | Construction of the Restoration of Smith Point County Park   | 1,100,000              |
| 1101 2012         | Planning Improvements to County Golf Courses-West Sayville, Indian Island and Timber Point             | 64,752                 |
| 1205 2012         | Renovations at Historic Blydenburgh Park   | 430,000                |
| 875 2014          | Downtown Revitalization Program - Phase XII  | 65,000                 |
| 304 2015          | Construction for the Rehabilitation of Various Bridges and Embankments                                 | 450,000                |
| 602 2015          | Construction Improvements to Suffolk County Farm   | 450,000                |
| 798 2015          | Downtown Revitalization Program - Phase XIII   | 50,000                 |
| 948 2015          | Engineering for Improvements to County Road ("CR") 40, Three Mile Harbor Rd                            | 53,000                 |
| 1122 2015         | Planning for the Restoration of West Neck Farm (aka Coindre Hall) Town of Huntington                   | 34,000                 |
| 585 2016          | Construction for the Rehabilitation of Various Bridges and Embankments                                 | 100,000                |
| 902 2016          | Planning and Design Costs Associated with The Sayville Extension                                       | 1,500,000              |
| 1027 2016         | Decommissioning and Demolition of County Facilities  | 100,000                |
| 1082 2016         | Downtown Revitalization Program - Phase XIV  | 23,000                 |
| 1097 2016         | Construction for the Rehabilitation of Various Bridges and Embankments                                 | 500,000                |
| 1144 2016         | Jumpstart Suffolk Project for the Town of Brookhaven   | 1,500,000              |
| 1155 2016         | Acquisition of Land for Workforce Housing Program  | 923,910                |
| 1157 2016         | Infrastructure Improvements for Workforce Housing/Incentive Fund                                       | 476,125                |
| 1182 2016         | Construction Improvements to Suffolk County Farm   | 100,000                |
| 279 2017          | Construction of Improvements to the Riverside Traffic Circle   | 100,000                |
| 333 2017          | Planning of Traffic Signal Improvements for CR 21 in Proximity to Rocky Point Schools                  | 50,000                 |
| 389 2017          | Planning for the Strengthening and Improving of County Roads   | 111,753                |
| 412 2017          | Equipment for Countywide Licensing Program for the Department of Labor, Licensing and Consumer Affairs | 42,000                 |
| 468 2017          | Reconstruction of Spillways in County Parks  | 15,000                 |
| 473 2017          | Construction of the Communication System Site Rehabilitation   | 44,424                 |
| 504 2017          | Feasibility Study for Sidewalks on CR39, Town of Southampton   | 20,000                 |
| 558 2017          | Improvements to County Marinas   | 225,000                |
| 560 2017          | Construction Improvements to Gardiner County Parks/Sagtikos Manor                                      | 200,000                |
| 641 2017          | Acquisition of Equipment for the Environmental Health Laboratory                                       | 15,198                 |

| <u>Resolution</u> |      | <u>Project Description</u>  | <u>Amount to Bonds</u> |
|-------------------|------|---|------------------------|
| 720               | 2017 | Planning for Improvements and Lighting to County Parks  | \$ 37,000              |
| 722               | 2017 | Removal of Toxic and Hazardous Materials in County Parks  | 250,000                |
| 733               | 2017 | Construction of Improvements to the Suffolk County Fire Training Center   | 250,000                |
| 824               | 2017 | Downtown Revitalization Phase XV  | 189,093                |
| 840               | 2017 | Planning for the Redevelopment of the Blue Point Laundry Site for use as a Park   | 13,416                 |
| 854               | 2017 | Planning Improvements to CR36, South Country Rd   | 225,000                |
| 963               | 2017 | Acquisition of Land for Workforce Housing Program   | 1,602,785              |
| 963               | 2017 | Acquisition of Land for Workforce Housing Program   | 1,756,995              |
| 965               | 2017 | Infrastructure Improvements for Workforce Housing/Incentive Fund  | 1,653,875              |
| 1167              | 2017 | Jumpstart Suffolk Project   | 350,000                |
| 1209              | 2017 | Planning of Safety Improvements at Various Intersections  | 275,000                |
| 1211              | 2017 | Engineering for Traffic Signal Improvements   | 75,000                 |
| 276               | 2018 | Planning for Brownfields Program, Yaphank Fire Training Program   | 269,275                |
| 590               | 2018 | Pavement Resurfacing of CR4, Commack Road from the Vicinity of Julia Circle to the Vicinity of NY25; and CR13, Crooked Hill Road from the Vicinity of Henry Street to the Vicinity of CR4, Commack Road | 741,000                |
| 790               | 2018 | Downtown Revitalization Program-Phase XVI   | 346,527                |
| 803               | 2018 | Purchase of Equipment for Groundwater Monitoring & Well Drilling  | 78,255                 |
| 954               | 2018 | Construction Improvements to Campgrounds  | 300,000                |
| 959               | 2018 | Construction Costs Associated with the Communication System Site Rehabilitation   | 79,000                 |
| 975               | 2018 | Improvements to CR93, Ocean Ave at Rosevale Ave.  | 150,000                |
| 981               | 2018 | Installation of Fire, Security and Emergency Systems at County Facilities   | 200,000                |
| 985               | 2018 | Planning for Improvements to CR38, North Sea Road   | 275,000                |
| 989               | 2018 | Planning for Reconstruction of Portions of CR 11, Pulaski Road, Town of Huntington  | 25,000                 |
| 1003              | 2018 | Alterations to the Public Works Material Testing Lab, Yaphank   | 850,000                |
| 1005              | 2018 | Planning for the Information System and Equipment for Public Works  | 50,000                 |
| 1007              | 2018 | Planning Costs Associated with Improvements to CR 83, North Ocean Avenue-Patchogue Mt. Sinai Road, Town of Brookhaven   | 100,000                |
| 1016              | 2018 | Riverhead County Center Power Plant Upgrade   | 125,000                |
| 1160              | 2018 | Pavement Resurfacing of CR4, Commack Road from the Vicinity of Julia Circle to the Vicinity of NY25; and CR13, Crooked Hill Road from the Vicinity of Henry Street to the Vicinity of CR4, Commack Road | 295,000                |
| 220               | 2019 | Improvements to County Marinas  | 750,000                |
| 222               | 2019 | Renovations to Long Island Maritime Museum  | 300,000                |
| 227               | 2019 | Purchase of Equipment for Med-Legal Investigations and Forensic Sciences  | 51,500                 |
| 239               | 2019 | Planning for Improvements to CR21, Yaphank Ave/Middle Island-Yaphank Rd   | 50,000                 |
| 319               | 2019 | Building Renovations, Upgrades and Improvements to the Forensic Sciences Medical and Legal Investigative Consolidated Laboratory  | 1,405,000              |

| <u>Resolution</u> |      | <u>Project Description</u>   | <u>Amount to Bonds</u> |
|-------------------|------|--|------------------------|
| 330               | 2019 | Construction Renovation and Improvements to the County Correctional Facility C-141 Riverhead                         | \$ 500,000             |
| 450               | 2019 | Installation of Fire, Security and Emergency Systems at County Facilities  | 100,000                |
| 458               | 2019 | Planning for Rehabilitation of Various Bridges and Embankments   | 150,000                |
| 460               | 2019 | Planning for Improvements to CR 9, Greenlawn Rd, Cuba Hill Road  | 20,000                 |
| 468               | 2019 | Construction Improvements to CR 35 Park Avenue, Town of Huntington   | 100,000                |
| 612               | 2019 | Construction of a Fuel Management/Preventive Maintenance and Parts Inventory Control System                          | 100,000                |
| 616               | 2019 | Underground Injection Control Management Program   | 200,000                |
| 676               | 2019 | Mud Creek Watershed Aquatic Ecosystem Restoration Project  | 250,000                |
| 689               | 2019 | Planning for Improvements to Campgrounds   | 43,000                 |
| 692               | 2019 | Façade Restoration at Suffolk County Vanderbilt Museum   | 1,000,000              |
| 855               | 2019 | Improvements to CR 41, Springs/Fireplace Rd  | 250,000                |
| 933               | 2019 | Acquisition of Equipment for Groundwater and Well Drilling   | 30,888                 |
| 944               | 2019 | Planning Costs Associated with Coastal Resiliency Management   | 199,988                |
| 1055              | 2019 | Downtown Revitalization Program-Phase XVII   | 74,746                 |
| 1132              | 2019 | Improvements to CR101, Patchogue-Yaphank Road  | 1,530,000              |
| 1134              | 2019 | Planning and Design for Replacement of Smith Point Bridge, Town of Brookhaven  | 19,800                 |
| 1146              | 2019 | Planning Costs Associated with the Development of a Tick Control Plan  | 180,000                |
| 1249              | 2019 | Planning for Improvements to the Suffolk County Fire Training Center   | 100,000                |
| 1249              | 2019 | Construction of Improvements to the Suffolk County Fire Training Center  | 500,000                |
| 1272              | 2019 | Construction of Improvements to CR2, Straight Path   | 2,950,000              |
| 1275              | 2019 | Reconstruction of CR97, Nicolls Rd   | 500,000                |
| 1277              | 2019 | Planning for Rehabilitation of Various Bridges and Embankments   | 350,000                |
| 151               | 2020 | Acquisition of a Heavy Duty Vehicle for use by the Sheriff's Office  | 95,000                 |
| 233               | 2020 | Purchase of Equipment for Med-Legal Investigations and Forensic Sciences   | 90,000                 |
| 262               | 2020 | Planning Costs Associated with Improvements to CR83, North Ocean Avenue-Patchogue-Mt. Sinai Road, Town of Brookhaven | 50,000                 |
| 266               | 2020 | Removal of Toxic and Hazardous Materials and Components at Various County Facilities                                 | 50,000                 |
| 275               | 2020 | Alterations to Criminal Courts Buildings, Southampton  | 50,000                 |
| 312               | 2020 | Construction Renovations to the Yaphank Correctional Facility  | 250,000                |
| 336               | 2020 | Construction of Building Safety Improvements   | 100,000                |
| 417               | 2020 | Bridge Expansion Joint Maintenance   | 500,000                |
| 527               | 2020 | Engineering, Planning, and Design of Sewerage Infrastructure for MacArthur Industrial                                | 250,000                |
| 542               | 2020 | Median Improvements to Various County Roads  | 300,000                |
| 570               | 2020 | Construction Renovations and Improvements to the County Correctional Facility C-141 Riverhead                        | 1,500,000              |
| 570               | 2020 | Equipment for Renovations and Improvements to the County Correctional Facility C-141 Riverhead                       | 100,000                |



| <u>Resolution</u> | <u>Project Description</u>   | <u>Amount to Bonds</u> |
|-------------------|--|------------------------|
| 593 2020          | The Stabilization, Preservation and Restoration of Historic Structures and Buildings at County Parks, Historic Restoration and Preservation Fund | \$ 250,000             |
| 641 2020          | Roof Replacement on Various County Buildings   | 700,000                |
| 643 2020          | Replacement/Clean-up of Fossil Fuel, Toxic and Hazardous Material Storage Tanks  | 150,000                |
| 726 2020          | Acquisition of Equipment and a Vehicle for Groundwater Monitoring.   | 100,000                |
| 834 2020          | Renovations and Alterations to Probation Building - Yaphank  | 150,000                |
| 979 2020          | Waterproofing, Roof and Drainage at the Vanderbilt Museum  | 200,000                |
| 992 2020          | Replacement of Hazardous Material Detection Equipment  | 250,000                |
| 1007 2020         | Reconstruction of Shinnecock Locks, Town of Southampton  | 300,000                |
| 110 2021          | Construction of a Dune Crossover in Davis Park, Town of Brookhaven   | 150,000                |
| 115 2021          | Acquisition and Installation of Equipment for Legislature Technology Upgrades and Maintenance  | 80,000                 |
| 145 2021          | Improvements to County Golf Courses  | 200,000                |
| 167 2021          | Purchase of Replacement Public Safety Vehicles   | 1,700,000              |
| 174 2021          | Replacement of Dredge Support Equipment  | 560,000                |
| 176 2021          | Reconstruction of the Fire Island Barrier Beach and Dune Network from the Fire Island Inlet to Moriches Inlet (FIMI)                             | 150,000                |
| 180 2021          | Renovations and Improvements to the Cohalan Court Complex  | 500,000                |
| 184 2021          | Pavement Maintenance-Crack Sealing on Various County Roads   | 216,000                |
| 226 2021          | Building Renovations, Upgrades and Improvements to the Forensic Sciences Medical and Legal Investigative Consolidated Laboratory                 | 500,000                |
| 231 2021          | District Attorney Crime Fighting Technology Project  | 500,000                |
| 233 2021          | Acquisition of Lifesaving Cardiac Equipment for the Police Department  | 275,000                |
| 235 2021          | Construction Renovations and Improvements to District Attorney Facilities  | 1,150,000              |
| 235 2021          | Equipment for Renovations and Improvements to District Attorney Facilities   | 50,000                 |
| 239 2021          | Rehabilitation of Parking Lots Sidewalks, Drives and Curbs at Various County Facilities  | 1,000,000              |
| 245 2021          | Equipment for Improvements to Environmental Recharge Basins  | 300,000                |
| 255 2021          | Improvements to County Roads on Shelter Island   | 1,000,000              |
| 314 2021          | Acquisition of Heavy Duty and Other Equipment for County Parks   | 325,000                |
| 331 2021          | Replacement of Hazardous Material Detection Equipment  | 500,000                |
| 333 2021          | Enhancements to the (FIRE/EMS) Public Safety Communications Systems  | 530,000                |
| 335 2021          | Construction of Improvements to the Suffolk County Fire Training Center  | 500,000                |
| 335 2021          | Site Improvements to the Suffolk County Fire Training Center   | 200,000                |
| 335 2021          | Construction of Improvements to the Suffolk County Fire Training Center  | 50,000                 |
| 341 2021          | Purchase of Equipment for Med-Legal Investigations and Forensic Sciences   | 384,000                |
| 343 2021          | Infrastructure Improvements to the Yaphank Correctional Facility   | 250,000                |
| 345 2021          | Equipment for Renovations and Improvements to the County Correctional Facility C-141 Riverhead   | 100,000                |
| 347 2021          | Infrastructure Improvements to Various Sheriff's Office Facilities   | 250,000                |

| <u>Resolution</u> |      | <u>Project Description</u>   | <u>Amount to Bonds</u> |
|-------------------|------|--|------------------------|
| 349               | 2021 | Acquisition of a Heavy Duty Vehicle for use by the Sheriff's Office  | \$ 100,000             |
| 351               | 2021 | Acquisition of Communication Equipment for the Sheriff's Office  | 500,000                |
| 375               | 2021 | Removal of Toxic and Hazardous Materials and Components at Various County Facilities   | 150,000                |
| 377               | 2021 | Reconstruction of Drainage Systems on Various County Roads   | 550,000                |
| 391               | 2021 | Planning and Design for Establishing an Extension to Suffolk County Sewer District No. 3, and Providing Sewer Infrastructure for the Huntington Station Hub Area | 1,000,000              |
| 400               | 2021 | Purchase and Replacement of Nutrition Vehicles for the Office of the Aging   | 114,000                |
| 409               | 2021 | Office Improvements for Board of Elections   | 200,000                |
| 443               | 2021 | Fencing and Surveying of Various County Parks  | 100,000                |
| 445               | 2021 | Restoration of Cedar Island Lighthouse, Town of East Hampton   | 100,000                |
| 465               | 2021 | Construction of Sidewalks on Various County Roads  | 600,000                |
| 467               | 2021 | Construction of Energy Conservation Improvements at Various County Facilities  | 1,900,000              |
| 469               | 2021 | Riverhead County Center Power Plant Upgrade  | 100,000                |
| 471               | 2021 | Downtown Montauk Stabilization Project, Town of East Hampton   | 500,000                |
| 473               | 2021 | Planning Improvements to CR39, North Rd/Old North Rd/Flying Point Rd   | 50,000                 |
| 477               | 2021 | Installation of Guide Rails and Safety Upgrades at Various Locations   | 650,000                |
| 483               | 2021 | Planning for Sewering of Port Jefferson Station Hub Area   | 150,000                |
| 573               | 2021 | Rehabilitation of Guggenheim Lake (Deer Lake) in the Towns of Babylon and Islip  | 100,000                |
| 575               | 2021 | Planning for Dredging of County Waters   | 125,000                |
| 575               | 2021 | Site Improvement for Dredging of County Waters   | 5,325,000              |
| 583               | 2021 | Acquisition and Installation of Equipment for Legislature's Comprehensive Information Technology Disaster Plan   | 991,000                |
| 653               | 2021 | Application and Removal of Lane Markings   | 500,000                |
| 694               | 2021 | Improvements to County Parks   | 75,000                 |
| 709               | 2021 | Construction of Building Safety Improvements   | 100,000                |
| 716               | 2021 | Equipment for Traffic Signal Improvements  | 500,000                |
| 718               | 2021 | Application and Removal of Lane Markings   | 6,770                  |
| 738               | 2021 | Planning Improvements to CR39, North Rd/Old North Rd/Flying Point Rd   | 150,000                |
| 800               | 2021 | Construction Renovations to Long Island Maritime Museum  | 100,000                |
| 809               | 2021 | Acquisition of Equipment for the Environmental Health Laboratory   | 500,000                |
| 816               | 2021 | Improvements to Suffolk County Police Department (SCPD) Helicopter Hanger at Gabreski Airport  | 500,000                |
| 818               | 2021 | Construction Costs Associated with the Communication System Site Rehabilitation  | 200,000                |
| 818               | 2021 | Equipment Costs Associated with the Communication System Site Rehabilitation   | 200,000                |
| 820               | 2021 | Acquisition of a New Police Information Technology Records Management System   | 335,000                |
| 839               | 2021 | Purchase and Replacement of Nutrition Vehicles for the Office of the Aging   | 118,290                |

| <u>Resolution</u> |      | <u>Project Description</u>   | <u>Amount to Bonds</u> |
|-------------------|------|--|------------------------|
| 914               | 2021 | Improvements to County Golf Courses to Fund Netting and Fencing to Protect Lt. Michael Murphy Navy Seal Museum | \$ 500,000             |
| 921               | 2021 | Purchase of Replacement Vehicles For Med-Legal Investigations and Forensic Sciences                            | 60,000                 |
| 929               | 2021 | Site Improvement for Dredging of County Waters   | 100,000                |
| 932               | 2021 | Elevator Controls and Safety Upgrades at Various County Facilities   | 1,515,000              |
| 934               | 2021 | Replacement of Major Buildings Operations Equipment at Various County Facilities                               | 550,000                |
| 936               | 2021 | Weatherproofing of County Buildings  | 100,000                |
| 938               | 2021 | Roof Replacement on Various County Buildings   | 350,000                |
| 940               | 2021 | Renovations and Alterations to Department of Probation Buildings   | 325,000                |
| 942               | 2021 | Planning of Energy Conservation at Various County Buildings  | 100,000                |
| 942               | 2021 | Construction of Energy Conservation Improvements at Various County Facilities                                  | 1,900,000              |
| 943               | 2021 | Construction and Rehabilitation of Highway Maintenance Facilities  | 500,000                |
| 944               | 2021 | Planning for the Underground Injection Control Management Program  | 100,000                |
| 946               | 2021 | Planning for Building Safety Improvements  | 100,000                |
| 1029              | 2021 | Planning for Improvements to Campgrounds   | 80,000                 |
| 1029              | 2021 | Site Improvements to Campgrounds   | 100,000                |
| 1032              | 2021 | Construction Improvements to Suffolk County Farm   | 100,000                |
| 1032              | 2021 | Site Improvements to Suffolk County Farm   | 25,000                 |
| 1032              | 2021 | Equipment Improvements to Suffolk County Farm  | 25,000                 |
| 1052              | 2021 | Acquisition of Vector Control Equipment  | 400,000                |
| 1054              | 2021 | Development of a Tick Control Plan   | 200,000                |
| 1077              | 2021 | Bulkheading Improvements at Various Locations  | 1,450,000              |
| 1079              | 2021 | Reconstruction of Bulkhead at Timber Point Marina  | 350,000                |
| 1081              | 2021 | Construction of Sidewalks on Various County Roads  | 200,000                |
| 1162              | 2021 | Construction of Improvements to CR2, Straight Path   | 500,000                |
| 1164              | 2021 | Reconstruction of Shinnecock Locks, Town of Southampton  | 100,000                |
| 1166              | 2021 | Safety and Drainage Improvements to the Center Meridians on CR 46, Wm Floyd Parkway                            | 2,000,000              |
| 1175              | 2021 | Complete Street Fund   | 250,000                |
| 1178              | 2021 | Improvements to CR16 Horseblock Rd   | 1,500,000              |
| 1179              | 2021 | Construction of Improvements to CR2, Straight Path   | 350,000                |
| 1180              | 2021 | Pavement Maintenance on Suffolk County Roads   | 1,000,000              |
| 120               | 2022 | Planning Sewering Feasibility Study for Holbrook   | 650,000                |
| 218               | 2022 | Elevator Controls and Safety Upgrades at Various County Facilities   | 1,650,000              |
| 220               | 2022 | Site Improvement for Dredging of County Waters   | 5,000,000              |
| 227               | 2022 | Reconstruction of Drainage Systems on Various County Roads   | 550,000                |
| 455               | 2022 | Alterations to the Public Works Material Testing Lab, Yaphank  | 275,000                |
| 649               | 2017 | Planning for Construction and Rehabilitation of Highway Maintenance Facilities                                 | 50,000                 |
| 452               | 2019 | Construction and Rehabilitation of Highway Maintenance Facilities  | 120,000                |
| 306               | 2020 | Planning for Technology Modernization  | 200,000                |
| 89                | 2021 | Fiber Cabling Network and WAN Technology Upgrades  | 600,000                |

| <u>Resolution</u> |      | <u>Project Description</u>  | <u>Amount to Bonds</u> |
|-------------------|------|---|------------------------|
| 91                | 2021 | Suffolk County Disaster Recovery Project  | \$ 775,000             |
| 93                | 2021 | Acquisition of Hardware and Related Software for Globally Managed Network Protection and Security | 500,000                |
| 95                | 2021 | Countywide Replacement of Computer Equipment/Infrastructure                                       | 450,000                |
| 97                | 2021 | Payroll and Personnel Related Software and Equipment Replacement                                  | 1,900,000              |
| 99                | 2021 | Technology Modernization  | 1,000,000              |
| 386               | 2021 | Purchase of Public Works Highway Maintenance Equipment in the Highway Fleet                       | 2,500,000              |
| 573               | 2020 | Cost of Purchasing Replacement Non-Public Safety Vehicles   | 500,000                |
| 932               | 2021 | Planning Costs Associated with Upgrading the Suffolk County Financial Management System (IFMS)    | 1,350,000              |
| 20                | 2022 | Payroll and Personnel Related Software Replacement  | 4,000,000              |
| 87                | 2022 | Fiber Cabling Network and WAN Technology Upgrades   | 675,000                |
| 89                | 2022 | Suffolk County Disaster Recovery Project  | 972,000                |
| 92                | 2022 | Acquisition of Hardware and Related Software for Globally Managed Network Protection and Security | 500,000                |
| 94                | 2022 | Technology Modernization  | 1,000,000              |
| 338               | 2022 | Technology Upgrades to the Suffolk County Financial Management System (IFMS)                      | 1,000,000              |
| 376               | 2018 | Police Headquarters Precinct Lobby Upgrades   | 100,000                |
| 967               | 2018 | Replacement of Marine Bureau Patrol Boat  | 677,021                |
| 1116              | 2018 | Construction for the Range Berm Reconstruction at the Firearms Range                              | 105,000                |
| 596               | 2019 | Renovations to Marine Bureau Facility   | 500,000                |
| 603               | 2019 | Police Headquarters Precinct Lobby Upgrades   | 500,000                |
| 317               | 2020 | Purchase of Marine Bureau Engines   | 4,620                  |
| 623               | 2020 | Police Headquarters Precinct Lobby Upgrades   | 305,000                |
| 167               | 2021 | Purchase of Replacement Public Safety Vehicles  | 6,600,000              |
| 356               | 2021 | Acquisition of a Heavy Duty Vehicle for the Police Department                                     | 250,000                |
| 358               | 2021 | Renovations to Police Precincts and Other Police Facilities                                       | 40,000                 |
| 360               | 2021 | Purchase of Marine Bureau Engines   | 138,000                |
| 362               | 2021 | Replacement of the Marine Victor Thomas Boat Hull for the Police Department Marine Bureau         | 125,000                |
| 366               | 2021 | Construction for Air Filtration Improvements to the Firearms Training Section                     | 150,000                |
| 366               | 2021 | Equipment for Air Filtration Improvements to the Firearms Training Section                        | 10,000                 |
| 455               | 2021 | Planning for a new Police Backup Emergency Communications System                                  | 250,000                |
| 457               | 2021 | Range Berm Reconstruction at the Police Department Firearms Range                                 | 415,000                |
| 814               | 2021 | Improvements to SCPD Special Patrol Bureau, Ronkonkoma  | 125,000                |
| 924               | 2021 | Renovations to Marine Bureau Facility   | 150,000                |
| 926               | 2021 | Renovations to Bathrooms in Police Headquarters   | 50,000                 |
| 927               | 2021 | Renovations to Marine Bureau Facility   | 150,000                |
| 928               | 2021 | Police Detention Area Security Camera Upgrades  | 600,000                |
| 219               | 2018 | Planning for the Improvements to Suffolk County Sewer District No. 1- Port Jefferson              | 130,000                |
| 1138              | 2019 | Improvements to Suffolk County Sewer District No. 1 - Port Jefferson                              | 147,867                |

| <u>Resolution</u> |      | <u>Project Description</u>  | <u>Amount to Bonds</u> |
|-------------------|------|---|------------------------|
| 1038              | 2011 | Construction Improvements to the Facilities of Sewer District No. 3 - Southwest (Infiltration/Inflow)     | \$ 500,000             |
| 1057              | 2021 | Improvements to Suffolk County Sewer District No. 4 - Galleria  | 200,000                |
| 1003              | 2017 | Improvements to Suffolk County Sewer District No. 5-Strathmore Huntington                                 | 250,000                |
| 230               | 2018 | Construction Improvements to Suffolk County Sewer District No. 6 - Kings Park                             | 1,000,000              |
| 1067              | 2021 | Planning Improvements to Suffolk County Sewer District No. 6 - Kings Park                                 | 250,000                |
| 137               | 2013 | Construction of Improvements to Suffolk County Sewer District No. 7 - Medford                             | 500,000                |
| 747               | 2015 | Planning Improvements to Sewer District No.7 Woodside/Farber Expansion                                    | 150,000                |
| 1142              | 2015 | Construction Improvements to Suffolk County Sewer District No. 7- Medford                                 | 125,000                |
| 894               | 2016 | Construction Improvements to Suffolk County Sewer District No. 7- Medford                                 | 250,000                |
| 1202              | 2017 | Construction Improvements to Suffolk County Sewer District No. 7- Medford                                 | 250,000                |
| 214               | 2018 | Construction Improvements to Suffolk County Sewer District No. 7- Medford                                 | 250,000                |
| 395               | 2021 | Planning Improvements to Sewer District No.7 - Medford Treatment Plant                                    | 350,000                |
| 1063              | 2021 | Planning Improvements to Suffolk County Sewer District No. 7 - Medford                                    | 200,000                |
| 1036              | 2013 | Improvements to Suffolk County Sewer District No. 9 - College Park  | 50,000                 |
| 896               | 2016 | Improvements to Suffolk County Sewer District No.10 Stonybrook  | 250,000                |
| 914               | 2020 | Improvements to Suffolk County Sewer District No.12 Birchwood/Holbrook                                    | 900,000                |
| 216               | 2018 | Improvements to the Suffolk County Sewer District No. 14-Parkland   | 250,000                |
| 242               | 2019 | Improvements to the Suffolk County Sewer District No. 14-Parkland   | 250,000                |
| 912               | 2020 | Improvements to the Suffolk County Sewer District No. 14-Parkland   | 250,000                |
| 1196              | 2014 | Construction of Improvements to Suffolk County Sewer District No. 18 - Hauppauge Industrial               | 1,352,812              |
| 1204              | 2017 | Construction Improvements for Suffolk County Sewer District No. 20 - William Floyd                        | 5,000,000              |
| 1198              | 2017 | Construction Improvements for Suffolk County Sewer District No. 22- Hauppauge Municipal                   | 3,000,000              |
| 910               | 2020 | Improvements to Suffolk County Sewer District No. 23 - Coventry Manor                                     | 2,000,000              |
| 1069              | 2021 | Planning Improvements to Suffolk County Sewer District No. 23 - Coventry Manor                            | 100,000                |
| 1069              | 2021 | Construction Improvements to Suffolk County Sewer District No. 23 - Coventry Manor                        | 250,000                |
| 327               | 2020 | Planning Costs Associated with Improvements to Suffolk County Sewer District No.28-Fairfield at St. James | 1,000,000              |
| 317               | 2022 | Improvements to the Suffolk County Ballpark   | 650,000                |
| 692               | 2015 | Construction of the Renewable Energy and STEM Center - Grant Campus                                       | 3,200,000              |
| 692               | 2015 | Equipment for Renewable Energy and STEM Center - Grant Campus   | 200,000                |
| 694               | 2015 | Master Plan Update - College Wide   | 50,000                 |

| <u>Resolution</u> | <u>Project Description</u>   | <u>Amount to Bonds</u> |
|-------------------|--|------------------------|
| 934 2016          | Construction of the Plant Operations Building-Grant Campus   | \$ 500,000             |
| 934 2016          | Equipment for Plant Operations Building-Grant Campus   | 100,000                |
| 936 2016          | Construction of the Warehouse Building - Eastern Campus  | 160,000                |
| 936 2016          | Furniture and Equipment for the Warehouse Building - Eastern Campus  | 15,000                 |
| 558 2019          | Planning Costs Associated with the Acquisition and Installation of Fire Alarms, Carbon Monoxide Alarms and Emergency Power Systems- College Wide | 50,000                 |
| 634 2021          | Infrastructure Improvements for Suffolk County Community College- College Wide   | <u>2,000,000</u>       |
|                   | Total:   | <u>\$143,100,000</u>   |

### ***Optional Redemption***

The Bonds maturing on or before September 1, 2030 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after September 1, 2031 will be subject to redemption prior to their stated maturity, at the option of the County, on any date on or after September 1, 2030, 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 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 the 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](http://www.dtcc.com) and [www.dtc.org](http://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 the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of

DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 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 certificates will 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 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" 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 years in the past, 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. In addition to these controls, all County employees are required to take cybersecurity awareness training on an annual basis and the County recently completed three simulated cybersecurity attacks. 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.

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 may continue to have an adverse impact on the County and the County's financial condition well into the future. The COVID-19 pandemic has had a major effect on the County and its economy. The way people do business and conduct themselves on a personal level has been changed. The impact to the global financial markets, travel industry, commerce and general worldwide economic growth are expected to continue into the future. For those reasons, it is difficult to predict any additional challenges or fiscal impacts from the COVID-19 pandemic at this time. See "RISK FACTORS", "FINANCIAL FACTORS – 2021 Adopted Budget with Updates" and "FINANCIAL FACTORS – 2022 Adopted Budget" in Appendix A herein".

## **TAX MATTERS**

In the opinion of Harris Beach PLLC, Bond Counsel to the County, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the County with certain covenants and the accuracy of certain representations, interest on 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.

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 Bonds in order for interest on the 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 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 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 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 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 Bonds should be aware that ownership of the 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 Bonds and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Certain of the Bonds are initially offered to the public at prices greater than the amounts payable thereon at maturity ("Premium Bonds"). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. In general, the "issue price" of a Bond means the first price at which at least 10 percent of such maturity of the Bond was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. The issue price for each maturity of the Bonds is generally expected to be the initial public offering price set forth on the cover page of the Official Statement. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

The 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 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 Bonds may affect the tax status of interest on the 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 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 Bonds for audit examination, or the course or result of any Internal Revenue Service examination of the Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds. Prospective purchasers of the 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 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 BONDS.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Harris Beach PLLC, Hempstead, New York, Bond Counsel. Bond Counsel's opinion will be in substantially the form 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 the Bonds, the County will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (a "Bond Undertaking"). 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 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, 2022 and (ii) the audited financial statement, if any, of the County for each fiscal year commencing with the fiscal year ending December 31, 2022 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 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; 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 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 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 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 November 22, 2021, S&P upgraded the County's long-term underlying credit rating to 'A-' from 'BBB+' and retained the positive outlook.

On November 30, 2021, Fitch affirmed the County's long-term underlying credit rating of 'BBB+' and revised its outlook from stable to positive.

On October 25, 2021, Moody's affirmed the County's long-term underlying credit rating of 'Baa2' and revised the outlook from negative to positive.

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.

The County requested that the following statement be included in this Official Statement: On June 14, 2022, the Securities and Exchange Commission (“SEC”) filed an action against the City of Rochester, New York, a City of Rochester official, the Municipal Advisor and its principals. The City of Rochester, the Municipal Advisor and its principals claim no wrongdoing and plan to vigorously refute these allegations.

In connection with certain claims made by the SEC, the County does not rely on the Municipal Advisor or its principals to determine the amounts to be issued by the County, as that is determined by the County Legislature and County officials.

### **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, 9<sup>th</sup> 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](mailto: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](http://www.capmark.org). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County



nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the County also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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: August \_\_, 2022

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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) under a contract with the Long Island Power Authority 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 1,525,920 in 2020, an increase of 2.2% since the 2010 Census figure. Between 2000 and 2010, the County’s population increased by 5.2%. A slow rate of population growth is expected in the near future. The County’s population is the largest of any county in New York State outside of New York City. According to the U.S. Census Bureau, the County ranks 26<sup>th</sup> in population out of all 3,142 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 \$113.1 billion in 2020, an increase of 6% over the 2019 figure. The County’s 2020 per capita personal income was \$76,713, ranking 5<sup>th</sup> highest out of the 62 counties in New York State and 95<sup>th</sup> (in the top 3.5%) 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%                      |
| 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 New York State Department of Labor, the average annual pay in the County in 2021 amounted to \$71,296, an increase of 22.4% since 2015. This increase was greater than the rate of inflation over the same period, which was 7.8%.

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 38% held a bachelor's degree or higher. These figures compare to 89% and 33%, 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 myriad local governmental services. The County provides police and law enforcement in five of these towns. Economic assistance, health and nursing care, preservation of open space and numerous other services are provided County-wide. The County also maintains many roads and waterways and operates the largest County parks system in the United States. The County is also home to 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. Twelve-year 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 \$102.3 billion in 2020. Its gross domestic product increased by 111.1% in the period from 2015 to 2020. In real inflation adjusted terms, there was a 2.2% decrease 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. However, recovery in the region has been strong. According to the New York State Department of Labor, as of May 2022, there were 1,307,100 jobs in the region, an increase of 43,700 or 3.4% since May 2021. The following table shows the employment by industry sector in the region in May 2021 versus 2022, along with the percent change in that period.

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

| <b>Industry</b>                          | <b>May 2021</b> | <b>May 2022</b> | <b>% Change</b> |
|--|-----------------|-----------------|-----------------|
| Goods Producing                          |                 |                 |                 |
| Natural Resources, Mining & Construction | 78.5            | 82.0            | +4.5%           |
| Manufacturing                            | 67.3            | 67.7            | +0.6%           |
| Service Providing                        |                 |                 |                 |
| Wholesale Trade                          | 61.9            | 62.7            | +1.2%           |
| Retail Trade                             | 143.1           | 148.2           | +3.6%           |
| Transportation, Warehousing & Utilities  | 41.4            | 43.5            | +5.1%           |
| Information                              | 13.8            | 14.2            | +2.9%           |
| Financial Activities                     | 69.6            | 69.9            | +0.4%           |
| Professional & Business Services         | 168.8           | 176.0           | +4.3%           |
| Education & Health Services              | 269.4           | 269.0           | -0.1%           |
| Leisure & Hospitality                    | 113.1           | 126.7           | +12.0%          |
| Other Services                           | 52.7            | 56.2            | +6.6%           |
| Government                               | 193.6           | 200.7           | +3.7%           |
| <b>TOTAL</b>                             | <b>1,273.2</b>  | <b>1,316.8</b>  | <b>+3.4%</b>    |

Source: New York State Department of Labor

As of May 2022, the County's unemployment rate was 2.8%, lower than the 4.5% figure recorded in May 2021 and substantially lower than the peak of 17.9% in April 2020. The County unemployment rate in May 2022 was lower than the rate in the Nation (3.4%), the State (4.1%) and in New York City (5.7%). As of May 2022, there were 777,100 employed residents in the County. This figure was 5.7% higher than the May 2021 figure (735,500).

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**

| <b>Firm Name</b>                        | <b>Industry</b>  | <b>Location</b> | <b>Total Number of Employees</b> |
|---|--|-----------------|----------------------------------|
| Northwell Health                        | Health Care System   | Melville        | 70,000                           |
| Henry Schein                            | Health Care Products & Services  | 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                            |
| Canon                                   | Optical, Imaging and Industrial Products Medical Products and Services | Melville        | 1,800                            |
| 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, March 2022.

According to the U.S. Bureau of Labor Statistics, there were 52,597 private business establishments located in the County in the fourth quarter of 2021, an increase of 2.6% since the fourth quarter of 2016 (51,250). 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 109,100 to 20,100 in December 2021. As of May 2022, the number of unemployed residents in the County is 22,500. The unemployment rate in the County dropped commensurately, from an April 2020 peak of 17.9% to 2.7% in December 2021. As of May 2022, the unemployment rate is 2.8%.

In July 2020, the Suffolk County Industrial Development Agency and Nassau 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 1<sup>st</sup> 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 Coldwell Banker Richard Ellis’ (“CBRE”) U.S. Hotels’ 2021 Lodging Forecast. Nationally, CBRE predicts continued recovery in the hospitality industry, with RevPAR projected to surpass 2019 figures by the third quarter of 2022, one year sooner than previous estimates.

#### *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](mailto:Business.Recovery@suffolkcountyny.gov)), and web presence ([suffolkcountyny.gov/bru](http://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.

In July 2020, the Suffolk County Economic Development Corporation contributed \$250,000 into the New York Forward Loan Fund Program. Working with the National Development Council Community Development Financial Institution (“NDC CDFI”), this funding was leveraged to make up to \$5 million in lending capacity available for working capital loans to small business and non-profit organizations in the County. To date, nearly \$2.5 million in loan closings have taken place, with the balance of available funding in the pipeline to close in the coming months.

In March 2022, the County launched a new website, [www.suffolkcountyny.gov/BusinessHub](http://www.suffolkcountyny.gov/BusinessHub), dedicated to assisting local small businesses and startups. The website will serve as the County's center for business development needs and services and support business development and employment opportunities by attracting new companies, assisting in the growth of current businesses, increasing awareness of resources and driving innovation. The website builds off the success of the County's Business Recovery Unit (BRU), a key component of the County's Business Response Plan, that addressed concerns and questions businesses may have amid the COVID-19 pandemic.

The County has completed an RFP selecting a consultant to assist in the development, implementation and reporting of a \$35 million Main Street Recovery program funded through the American Rescue Plan Act (“ARPA”). The program will look to support the needs of the County's small business and downtown corridors.

### ***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, a public—private partnership funded in part by Empire State Development, connects the region's research institutions with businesses to provide early start funds to local technology startups.

Additionally, SBU and BNL researchers are studying ways to increase the efficiency and capacity of energy storage. In 2021, SBU's Institute for Electrochemically Stored Energy received a grant of over \$2 million from the U.S. Department of Energy's (“DOE”) Office of Energy Efficiency and Renewable Energy, Vehicles Technology Office for research aimed at establishing a new class of electrolytes to increase the efficiency of electric vehicle batteries. SBU also leads the DOE funded Center for Mesoscale Transport Properties (m2m), a multi-institutional Energy Frontier Research Center (“EFRC”) focused on advancing energy storage technology.

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, both projects of the Ørsted and Eversource commercial partnership. Through a partnership between 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 2025, will connect to New York's electricity grid at the Holbrook substation at a 924-megawatt capacity, enough to power 600,000 homes. South Fork Wind, 132-megawatt capacity, is expected to be the State's first operational offshore wind farm, operational by the end of 2023. With 12 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 29.3 million square feet of commercial office buildings located in the County. This figure includes nearly 900,000 square feet of new office space constructed in the six years since 2016. An additional 2.7 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 14.2% in the 1<sup>st</sup> quarter of 2022, slightly less than the 2<sup>nd</sup> quarter of 2021 (14.3%). 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 for Long Island was \$29.11 per square foot in the 1<sup>st</sup> quarter of 2022, an increase of 2.1% over the 1<sup>st</sup> quarter 2021 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 109 million square feet, according to the commercial real estate advisory firm Newmark. The industrial market fundamentals remained very strong in the County through the 1<sup>st</sup> quarter of 2022. According to Newmark, Long Island's 3.4% industrial vacancy rate in the 1<sup>st</sup> quarter of 2022 was among the lowest in the nation and the industrial asking rent was \$14.56 per square foot, an increase of 4.7% 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 over 12,000 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. 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 rates provided by Discover Long Island.

The County is a major retail market, with a total annual retail demand of \$36.7 billion in sales estimated for 2021, according to Gale Business. Estimated retail sales per household in the County amounted to \$73,039 in 2021, 23.4% higher than the nation as a whole (\$59,206) 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 2.25 million square feet of new retail space is proposed for construction, including a new Walmart supercenter planned in Yaphank which opened in November 2021. 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 9.5 million square feet.

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

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

| <b>Retail Center</b>             | <b>Location</b>    | <b>Anchor Stores</b>   |
|----------------------------------|--------------------|--|
| Smith Haven Mall                 | Lake Grove         | Macy’s, 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 <sup>th</sup> , BJ’s, Regal Cinema, Christmas Tree Shops  |
| Tanger Outlet Center             | Riverhead          | Saks Off 5 <sup>th</sup> , 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. Northwell's South Shore Hospital in Bay Shore is currently undergoing a planned \$500 million, five-year campus transformation that includes a \$71 million, 34,450 square-foot Women and Infants Center.

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. County agriculture is by far the most diverse in the State with field crops like corn, tomatoes, melons, potatoes, pumpkins, cauliflower and cabbage, grapes/wine, fruit trees and berries, greenhouse, sod and nursery, poultry including ducks, livestock such as bison and steer, hops and grains, and shellfish aquaculture. This \$226 million industry, ranking fourth of all Counties in the State, directly employs 4,600 people (2017 USDA Census of Agriculture) and indirectly creates an additional 741 jobs across the County's economy, resulting in \$145 million in income from all jobs and a total economic output of \$324.5 million (IMPLAN economic analysis). In 2017, farms in the County averaged \$7,511 in agricultural sales per acre of farmland, approximately ten times the State average. Agritourism is an outsized component of County agriculture and increased 143% to \$10.3 million between 2012-2017. Direct food sales at farmstands and farmers markets also increased 209% to \$27.7 million over this period. In 2015, the County updated its *Agricultural and Farmland Protection* Plan, which recommends 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 2020, there were 435 commercial fishing establishments in the County landing more than 20 million pounds of fish, valued at nearly \$23 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 March 2022, there are 32 active shellfish aquaculture leases in place, which cover 565 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 nearly complete 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.

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. At the end of 2021, the Town of Riverhead, was awarded \$10 million as the regional winner of the Empire State Development Downtown Revitalization Initiative. A new town square is proposed to be developed on the south side of East Main Street, opposite the Suffolk Theater. A five-story, mixed use building featuring 243 apartments, above ground-floor parking and amenity and commercial space is proposed on the municipal parking lot between Court Street and Railroad Avenue by RXR and Georgica Green Ventures, who were designated master developers for the Town of Riverhead's transit oriented development project in February 2022. 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 addiction 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 nearing as of Summer 2022. 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.

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 was extended again in 2021.

In other locations in the County, a number of additional significant development and redevelopment projects have recently been constructed or are proposed. 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 was completed in August 2021. 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 2020, there were 578,940 housing units situated in the County. Single family homes dominate the housing stock, comprising 81% of all units. The County has 499,744 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 2017, a total of 44 multi-family housing complexes containing a total of 3,518 units have been built in the County and another 4,501 units are currently under construction. About seventy percent of the new units are in rental apartment complexes, and thirty percent are in ownership complexes. In addition, 71 multi-family housing complexes are currently proposed for construction in the County, which could add more than 6,500 housing units. Since 2017, five assisted living facilities opened in the County and thirteen facilities are currently under construction. Another 10 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 2020, building permits for 590 housing units were issued in the County, down 23.5% from the 2019 figure. Residential construction in 2020 was still valued at more than \$500 million in the County. In 2021, there was an 147% increase compared to 2020, with 1,459 housing units authorized by building permit, the most since 2015.

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

| <b>Year</b>        | <b>Housing Units</b> | <b>Value of New Residential Construction<br/>(in millions)</b> |
|--------------------|----------------------|--|
| 2022 (through May) | 567                  | \$421.4  |
| 2021               | 1,459                | 996.0  |
| 2020               | 590                  | 501.7  |
| 2019               | 772                  | 544.1  |
| 2018               | 1,002                | 585.4  |
| 2017               | 1,112                | 637.0  |
| 2016               | 1,067                | 648.3  |
| 2015               | 1,218                | 690.8  |

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

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The housing market in the County remains strong. County home prices in September 2021 were about 38.9% higher than the national median as reported by the National Association of Realtors. As reported by the New York State Association of Realtors, and indicated in the table below, in September 2021, the median selling price of a home in the County was \$525,000, an increase of 12.9% compared to the median price in September 2020.

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

| <b>Year</b> | <b>Median Sales Price</b> | <b>Percentage Change From Previous Year</b> | <b>Number of Homes Sold</b> |
|-------------|---------------------------|---|-----------------------------|
| 2021        | \$525,000                 | 12.9%                                       | 1,638                       |
| 2020        | 465,000                   | 13.3%                                       | 1,822                       |
| 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                       |

Source: New York State Association of Realtors

### ***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 June 2022, the County has purchased the development rights to 11,188 acres of farmland under the program.

Construction began in Fall 2021 on the Suffolk County Coastal Resiliency Initiative (“SCCRI”) sewer projects, which will utilize \$390 million in federal and state financial aid to connect nearly 6,000 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 6,000 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 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 ARPA and \$42 million from the County sewer reserve fund.

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 June 1, 2022, 3,353 property owners have applied and 1,110 advanced nitrogen reducing systems have been installed as part of the Septic Improvement Program. Another 400 installations are currently pending. In addition, more than 1,000 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 Program (“SSRP”) funds toward this grant program. Due to the overwhelming success of the grant programs, the State awarded the County an additional \$10 million in SSRP funds in 2021. As of June 1, 2022, over \$11.1 million in County funds and over \$10.4 million in State funds have been expended as part of the programs. 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 \$47 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 75 on-going water quality improvement projects including the East End's Peconic Estuary Project, the Living Shorelines, the Wetlands Restorations, Stormwater Remediations 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 24 tax delinquent brownfield tax lots, comprising 16 “Sites”, generating over \$2.6 million dollars in sales revenue and over \$880,000 in annual taxes. Additionally, since the creation of the Landbank in 2013, over \$7.8 million in back taxes have been collected from 99 formerly tax delinquent property owners. To further this goal, the Landbank has conducted 121 Limited Phase I Environmental Site Assessments and 49 Phase II Environmental Site Assessments in an effort to provide prospective purchasers with information regarding environmental contamination and associated remediation costs.

Car Free Day LI and LI Mobility Week generated a lot of press including Newsday, News 12, CBS News and Long Island Business News. LI Mobility Week included a full schedule of virtual and live events. In total, the County collected 2,001 pledges, saving 42,430 miles of driving and 21 tons of CO<sub>2</sub>.

In recognition of the above and many more programs and projects, the County has been recognized as a Gold-Level SolSmart Community, which is a national award and is recognized by the State as a Silver-Level (the highest award available) Climate Smart Community. The County is also a New York State Clean Energy Community.

### ***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 redesign was unveiled in March 2022 with implementation expected to conclude by the end of summer 2022. The plan includes increases in more direct routes, a focus on areas and routes with high demand, and two on-demand micro-transit zones, resulting in increased access to employment for County residents.

### ***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 began on a fourth building in the winter of 2020 totaling 91,000 square feet. Site work for the fifth and final building began in February 2022. At completion, the Hampton Business District will include five buildings totaling approximately 377,000 square feet and is expected to employ 1,100 people. In addition to the Hampton Business District, Gabreski Airport is finalizing lease negotiations for development of a second Fixed Base Operator (FBO) for airside operations. The second FBO will provide a competitive atmosphere on the airport, as required by the FAA. The development will include an office building, 2 large aircraft hangars, approximately 278,000 square feet of additional ramp space, and a fuel farm. This project will add approximately 65 airport jobs and between \$25 and 30 million into the airport infrastructure. Gabreski Airport is also working towards a new Air Traffic Control tower, to replace the original tower from the early 1940's, and as well as an updated Master Plan in 2023 (both under the assistance of FAA Grants).

Through the County's Housing Opportunities Program, the County has committed more than \$30 million since 2012 to assist in the construction of 33 new developments containing 1,974 affordable units for families and individuals 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 \$3.7 million in local communities, acquiring and renovating zombie properties and generated over \$4.1 million in sales revenue to be reinvested into the program. To date, 32 affordable homes have been sold to income qualified first time homebuyers, of which, 2 properties have been donated to United Way for the construction of energy efficient affordable homes and 9 properties have been donated to Habitat for Humanity for the construction of new homes built by the community and future homeowners. 2 additional homes were donated to the Town of Brookhaven for demolition and open space/wetlands restoration. In addition to the homes sold and donated, 5 homes are currently under construction and/or pending sale or donation and 2 homes are in the pre-acquisition phase.

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.

The County is currently in the process of acquiring a property for the development of a community based workforce and recreation facility that will utilize \$15 million of State funding along with a \$9 million investment by the County. The Brentwood Community and Workforce center will serve as a hub for recreation and skills development helping to introduce employment opportunities of emerging industries such as advanced manufacturing and off shore wind.

### ***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, 79.3% 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 50 bus routes. 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. In March 2022, a redesign of the County Transit bus system was released with implementation expected in Summer 2022.

The extensive commuter rail system in the County, the Long Island Railroad ("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. An estimated \$1.5 billion in federal infrastructure funding was earmarked for repairs and improvements to the LIRR in November 2021. East Side Access – LIRR service to Grand Central Terminal is expected to commence this year, greatly increasing electric service frequency to Manhattan including two Manhattan terminals, Penn Station and Grand Central Terminal. Frequent reliable bi-direction service will be available for reverse commuters and intra-island travelers as part of this new service era. 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 Terminal in Manhattan, providing a more direct trip between Long Island and the east side of midtown Manhattan. Additional information can be found at <https://new.mta.info/grandcentralmadison>.

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, but only one, Islip MacArthur Airport, has regularly scheduled commercial airline services. The Town of Islip owns and operates MacArthur Airport, located in Ronkonkoma, 50 miles outside New York City. More than 5,000 people fly MacArthur Airport each day, making it one of the top 110 airports in the United States. The airport is currently served by Southwest, Frontier, American Airlines and, since early 2022, a new airline carrier, Breeze Airways. American Airlines operation of two daily flights from MacArthur Airport to Philadelphia is scheduled to end in September 2022.

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 \$7.2 billion for the 2021-2022 school year. In the 2020-2021 school year, public school enrollment in school districts in the County was 222,282, a 7% decrease in the five years since 2015-2016. Birth rates have slowly decreased in the County in the past two decades, which has led to slowly declining school enrollments.

There are four four-year colleges and one law school (Touro Law Center) located in the County. Suffolk County Community College has an enrollment of 21,000 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 Spring 2022 enrollment of 17,009 undergraduate and 8,106 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 2022.

### ***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 17.6 million attendees in 2021. The State parks in the County that were most frequently visited in 2021 were Robert Moses State Park (with 4.1 million visitors), Sunken Meadow State Park (with 3.5 million visitors), Captree State Park (with 1.6 million visitors), Heckscher Park (with 1.4 million visitors) and Montauk State Park (with 1.3 million 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 was ranked second among the top ten beaches in the United States in 2021 by Forbes.

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 70 vineyards, 40 craft breweries (the most of any county in the State), 6 cideries and 5 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 5,200 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-seventh 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, 2020.

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 is being prepared for the fiscal year ended December 31, 2021 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 BONDS – 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>      |
|--|----------------------------|
| 2018 .....   | \$ 285,017,347,513         |
| 2019 .....   | 298,662,597,127            |
| 2020 .....   | 320,677,173,986            |
| 2021 .....   | 330,390,670,260            |
| 2022 .....   | <u>336,452,430,142</u>     |
| Total Five-Year Valuation.....                             | <u>\$1,571,200,219,028</u> |
| Five-Year Average Valuation.....                           | 314,240,043,806            |
| Debt Limit - 7% of Average Five-Year Full Valuation.....   | <u>\$ 21,996,803,066</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 (seven years for notes originally issued in 2015 through 2021). 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, 2021, 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 July 8, 2022 appearing therein. The independent auditors' report includes a reference to other auditors who audited the financial statements of Suffolk County Community College, the Suffolk Regional Off-Track Betting Corporation, and the Suffolk County Industrial Development Agency, as described in the report on the County's financial statements.

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

The County did not issue any cash flow notes in 2021 and currently does not expect to issue any cash flow notes in 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 four fiscal years and the projected cash flow borrowings for 2022:

|                            | <u>2018</u>  | <u>2019</u>               | <u>2020</u>               | <u>2021</u> | <u>2022</u> <sup>(1)</sup> |
|----------------------------|--------------|---------------------------|---------------------------|-------------|----------------------------|
| Revenue Anticipation Notes | \$ 45        | \$ 45                     | \$104                     | \$ 0        | \$ 0                       |
| Tax Anticipation Notes     | <u>504</u>   | <u>508</u> <sup>(2)</sup> | <u>507</u> <sup>(3)</sup> | <u>0</u>    | <u>0</u>                   |
| Total                      | <u>\$549</u> | <u>\$553</u>              | <u>\$611</u>              | <u>\$ 0</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 2022 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 August 11, 2022)*

The debt limit of the County is \$21,996,803,066. (See “Computation of Debt Limit” herein.) The County’s total net indebtedness represents approximately 5.49% of the debt limit.

**Inclusions:**

**Outstanding General Obligation Bonds:**

|  |                  |                 |
|--|------------------|-----------------|
| General Purpose and Improvement Bonds and Refunding Bonds    | \$996,498,982    |                 |
| General Purpose and Improvement Bonds – Refunded             | 20,450,000       |                 |
| County Sewer District No. 1 (Port Jefferson)                 | 1,253,511        |                 |
| County Sewer District No. 3 (Southwest)                      | 100,684,445      |                 |
| County Sewer District No. 5 (Strathmore-Huntington)          | 1,313,373        |                 |
| County Sewer District No. 6 (Kings Park)                     | 2,217,018        |                 |
| County Sewer District No. 7 (Medford)                        | 3,938,705        |                 |
| County Sewer District No. 9 (College Park)                   | 662,886          |                 |
| County Sewer District No. 10 (Stony Brook)                   | 346,272          |                 |
| County Sewer District No. 11 (Selden)                        | 6,949,690        |                 |
| County Sewer District No. 12 (Birchwood)                     | 1,441,003        |                 |
| County Sewer District No. 13 (Windwatch)                     | 488,352          |                 |
| County Sewer District No. 14 (Parkland)                      | 2,592,534        |                 |
| County Sewer District No. 15 (Nob Hill)                      | 66,752           |                 |
| County Sewer District No. 16 (Yaphank Municipal)             | 432,080          |                 |
| County Sewer District No. 18 (Hauppauge Industrial)          | 46,974,411       |                 |
| County Sewer District No. 20 (William Floyd-Leisure Village) | 2,159,113        |                 |
| County Sewer District No. 21 (SUNY)                          | 619,008          |                 |
| County Sewer District No. 23 (Coventry Manor)                | <u>5,276,865</u> |                 |
| Subtotal: Outstanding Bonds                                  |                  | \$1,194,365,000 |

**Outstanding General Obligation Notes:**

|   |              |                    |
|---|--------------|--------------------|
| NYS EFC Clean Water Facility Note – 2015A     | \$ 7,891,883 |                    |
| NYS EFC Clean Water Facility Note – 2022 (00) | 7,896,740    |                    |
| NYS EFC Clean Water Facility Note – 2020      | 167,414,927  |                    |
| NYS EFC Clean Water Facility Note – 2022 (01) | 3,400,000    |                    |
| Subtotal: Outstanding Notes                   |              | <u>186,603,550</u> |

**Total Inclusions**

\$1,380,968,550

**Exclusions and Assets on Hand for Debt:**

|   |                       |                |
|---|-----------------------|----------------|
| Sewer District Bonds and Refunding Bonds <sup>(1)</sup> | <u>\$ 100,927,881</u> |                |
| Subtotal: Exclusions                                    |                       | \$ 100,927,881 |

**Assets on Hand for Debt:**

|  |                   |                   |
|--|-------------------|-------------------|
| Appropriations (other than for debt already excluded): |                   |                   |
| Outstanding Bonds                                      | \$ 52,837,906     |                   |
| General Purpose and Improvement Bonds – Refunded       | <u>20,450,000</u> |                   |
| Subtotal: Assets on Hand                               |                   | <u>73,287,906</u> |

**Total Exclusions and Assets on Hand for Debt:**

\$ 174,215,787

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

\$1,206,752,763

(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 August 11, 2022)

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     | 12/31/22        | \$ 7,891,883 <sup>(1)(5)</sup> |
| NYS EFC Clean Water Facility Note – 2022 (00) | 03/30/22     | 12/31/22        | 7,896,740 <sup>(2)(5)</sup>    |
| NYS EFC Clean Water Facility Note – 2020      | 08/06/20     | 12/31/22        | 167,414,927 <sup>(3)(5)</sup>  |
| NYS EFC Clean Water Facility Note – 2022 (01) | 03/30/22     | 03/30/27        | 3,400,000 <sup>(4)(5)</sup>    |

- (1) The maximum principal amount of this EFC note is \$9,072,500. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2022, unless otherwise extended.
- (2) The maximum principal amount of this EFC note is \$11,051,646. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2022, unless otherwise extended.
- (3) 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 2022, unless otherwise extended.
- (4) The maximum principal amount of this EFC note is \$3,400,000. The note is expected to be retired with the proceeds from a Water Infrastructure Improvement Grant.
- (5) 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.

Source: Suffolk County Comptroller’s Office

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

(as of December 31 in each year):

|                                      | <u>2017</u>         | <u>2018</u>         | <u>2019</u>         | <u>2020</u>         | <u>2021</u>         |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Bonded Debt                    | \$ 1,386,076        | \$ 1,360,421        | \$ 1,361,650        | \$ 1,320,100        | \$ 1,267,510        |
| Bonded Debt Excluded from Debt Limit | <u>(2,138)</u>      | <u>(1,137)</u>      | <u>(158)</u>        | <u>(132,613)</u>    | <u>(124,096)</u>    |
| Bonded Debt Subject to Debt Limit    | <u>\$ 1,383,938</u> | <u>\$ 1,359,284</u> | <u>\$ 1,361,492</u> | <u>\$ 1,187,487</u> | <u>\$ 1,143,414</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 8, 2022, the County had authorized and unissued indebtedness for general capital purposes of approximately \$482,872,000. Included in that amount is approximately \$199,139,000 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 8, 2022, the County has \$140,110,000 remaining authorized and unissued pursuant to these resolutions.



## ***Anticipated Capital Borrowings***

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

During 2022, the County anticipates issuing serial bonds of approximately \$100,000,000 to \$125,000,000 for general capital purposes, which includes \$8,300,000 for the purchase of public safety vehicles, \$10,500,000 in connection with the dredging of County waters, \$4,500,000 for the purchase of public works highway maintenance equipment, \$4,000,000 for energy conservation at various County facilities and \$15,000,000 for technology modernization and equipment. 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. \$6,174,000 of the above noted amounts has been issued by the County as Suffolk County Sewer District Bonds. \$198,200,717 of the above noted authorizations was issued to the New York State Environmental Facilities Corporation (“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 #827-2021 (to amend and restate Resolution #1167-2015 in its entirety) authorizing the issuance of \$2,000,000 and \$65,578,569, respectively, in serial bonds to finance a portion of the costs of Nitrogen Reduction Projects. \$20,395,377 of the above noted amounts had been issued in the form of a draw down bond anticipation note to EFC under its Short Term Loan Program (Clean Water Facility Note – 2016A). On March 30, 2022, the 2016A Note matured with the County having drawn \$12,019,435 and having made \$4,428,689 in principal repayments. The County issued a Clean Water Facility Note-2022 (00) to EFC for \$11,051,646 including \$7,590,745 being refinanced from the 2016A Note’s outstanding balance. Additionally, the County issued Clean Water Facility Note-2022 (01) in the amount of \$3,400,000 in anticipation of a Water Infrastructure Improvement Act (“WIIA”) grant award. It is expected that the \$11,051,646 short-term loan 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 Clean Water Facility Note-2022 (01) is expected to be retired with proceeds from the WIIA grant.

As of August 11, 2022, the status of the NYS EFC short term loans are as follows:

|   | <u>Maximum<br/>Principal<br/>Amount of<br/>Note</u> | <u>SMLP Grant<br/>Funding<br/>Received to<br/>Date</u> | <u>Requisitions<br/>Drawn<br/>Against Note<br/>to Date</u> | <u>Principal<br/>Repayments</u> | <u>Net Outstanding<br/>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  | \$8,648,883  | \$757,000                       | \$7,891,883                               |
| NYS EFC Clean Water Facility Note – 2020, Outfall Replacement Pipe, Sewer District No. 3 – Southwest      | 189,101,217   | 16,857,789   | 170,852,927  | 3,438,000                       | 167,414,927                               |
| NYS EFC Clean Water Facility Note – 2022 (00), Suffolk County Coastal Resiliency Initiative               | 11,051,646  | 0  | 7,896,740  | 0                               | 7,896,740                                 |
| NYS EFC Clean Water Facility Note – 2022 (01), Suffolk County Coastal Resiliency Initiative NYS           | 3,400,000   | 0  | 3,400,000  | 0                               | 3,400,000                                 |

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. \$26,986,737 in bonds has been issued pursuant to these resolutions. (See “FINANCIAL FACTORS – Drinking Water Protection, Sewer Tax Rate Stabilization, Environmental Protection and Property Tax Mitigation Programs” herein.)

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

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

|                  | <u>Fiscal Year</u> | <u>Gross Debt<sup>(1)(2)</sup></u> |
|------------------|--------------------|------------------------------------|
| Towns            | 12/31/20           | \$ 1,354,801                       |
| Villages         | Various 2020       | 100,454                            |
| School Districts | 06/30/20           | 2,107,674                          |
| Fire Districts   | 12/31/20           | <u>155,265</u>                     |
|                  | Totals             | <u>\$ 3,718,194</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, exclusive of refunded Bonds.

| Fiscal<br>Year Ending<br><u>Dec. 31:</u> | Total<br><u>Principal</u> | Total<br><u>Interest</u> | Total Debt<br><u>Service</u> <sup>(1)(2)</sup> |
|--|---------------------------|--------------------------|--|
| 2022 <sup>(3)</sup>                      | \$ 147,015,000            | \$ 48,157,477            | \$ 195,172,477                                 |
| 2023                                     | 150,065,000               | 41,970,135               | 192,035,135                                    |
| 2024                                     | 142,880,000               | 36,141,232               | 179,021,232                                    |
| 2025                                     | 148,245,000               | 30,467,291               | 178,712,291                                    |
| 2026                                     | 147,955,000               | 24,412,181               | 172,367,181                                    |
| 2027                                     | 129,380,000               | 18,348,606               | 147,728,606                                    |
| 2028                                     | 105,400,000               | 13,452,135               | 118,852,135                                    |
| 2029                                     | 67,575,000                | 9,644,889                | 77,219,889                                     |
| 2030                                     | 52,585,000                | 7,013,162                | 59,598,162                                     |
| 2031                                     | 54,215,000                | 5,266,141                | 59,481,141                                     |
| 2032                                     | 33,315,000                | 3,578,467                | 36,893,467                                     |
| 2033                                     | 30,975,000                | 2,517,525                | 33,492,525                                     |
| 2034                                     | 22,055,000                | 1,678,686                | 23,733,686                                     |
| 2035                                     | 4,340,000                 | 1,177,513                | 5,517,513                                      |
| 2036                                     | 4,375,000                 | 1,029,232                | 5,404,232                                      |
| 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>\$1,264,360,000</u>    | <u>\$248,238,870</u>     | <u>\$1,512,598,870</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 2<sup>nd</sup> and September 2<sup>nd</sup> annually, rounded to the nearest dollar, related to the sale-leaseback of the H. Lee Dennison Building between the County and the Suffolk County Judicial Facilities Agency. Additionally, under the sale-leaseback agreement, the County is required to fund the annual operating expenses of the Suffolk County Judicial Facilities Agency. For 2022, this amount will be \$110,707 and grows at the greater of CPI or 3% annually throughout the term of the lease. The 2022 Adopted Budget includes a transfer to the Debt Service Reserve Fund of \$46.3 million for the purpose of paying off these bonds in full on their earliest redemption date of November 1, 2023. (See “Tax Stabilization and Debt Service Reserve Funds” herein.)

| Fiscal<br>Year Ending<br><u>Dec. 31:</u> | Total<br><u>Principal</u> | Total<br><u>Interest</u> | Total Debt<br><u>Service</u> |
|--|---------------------------|--------------------------|------------------------------|
| 2022 <sup>(1)</sup>                      | \$ 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>\$48,375,000</u>       | <u>\$16,503,000</u>      | <u>\$64,878,000</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 2023-2025 Proposed Capital Budget and Program submission date to the County Legislature was extended via Executive Order to June 17, 2022. The proposed capital budget does not constitute an authorization to proceed with a project and the financing thereof. In the event the County wishes to finance a project through the issuance of bonds or notes, such issuance of bonds or notes requires further authorization by a two-thirds vote of the County Legislature.

The 2023-2025 Proposed Capital Budget and Program (the “2023-2025 Proposed Capital Program”) includes the following:

|   | 2023-2025<br><u>Capital Program</u><br>((\$000s)) |
|---|---|
| Home & Community Services: Sanitation       | \$ 453,912 <sup>(1)(2)</sup>                      |
| Transportation: Highways                    | 158,430 <sup>(3)</sup>                            |
| Transportation: Other                       | 128,654 <sup>(4)</sup>                            |
| Public Safety and Law Enforcement           | 104,116   |
| General Government Support: Shared Services | 68,845  |
| Education: Community College                | 36,920 <sup>(5)</sup>                             |
| General Government Support: Judicial        | 19,237  |
| Culture, Recreation and Preservation        | 65,110  |
| Transportation: Waterways                   | 21,840  |
| Economic Assistance and Opportunity         | 48,125  |
| Home & Community Services: Other            | 47,465  |
| Health: Public Health                       | 936   |
| Social Services                             | 22,100 <sup>(6)</sup>                             |
| General Government Support: Elections       | <u>330</u>  |
| Total Program:                              | <u>\$ 1,176,020</u>                               |

- (1) Includes anticipated State aid of \$84.86 million.
- (2) Proposes to fund County Sewer District No. 3 (Southwest) projects in the amount of \$77.53 million through the Southwest Assessment Stabilization Reserve. (See “Anticipated Capital Borrowings” herein.)
- (3) Includes amount anticipated to be funded by Federal aid of \$42.91 million and State aid of \$20.10 million.
- (4) Includes amount anticipated to be funded by Federal aid of \$93.66 million and State aid of \$10.49 million.
- (5) Community college projects include anticipated 50% State aid.
- (6) Includes amount anticipated to be funded by State aid of \$21.85 million.

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 nearly 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 nearly 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. Funds have been accepted and appropriated via several resolutions approved by the County Legislature and Executive. Construction contracts for the project have been let and groundbreaking took place on October 29, 2021. Construction activities will involve 23 separate contracts with the completion of final phases projected for February 2026.

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, as Chief Budget Officer, must submit to the County Legislature the recommended operating budget for the following fiscal year, which includes the general fund and other fund budgets. The operating budget must be adopted as submitted or amended by the County Legislature not later than November 10 of each year or the 52<sup>nd</sup> day after the County Executive has submitted the recommended budget, whichever is later. In the event the County Legislature does not adopt such operating budget as submitted or amended within such time frame, the recommended budget as submitted by the County Executive is deemed adopted. The County Executive may veto legislative budget modifications in their entirety or by individual line item. Such budget amendment resolutions shall be approved or disapproved no later than the 10<sup>th</sup> day subsequent to submission of budget amendment resolutions to the County Executive. The 2022 Recommended Operating Budget (the “2022 Recommended Budget”) was submitted to the County Legislature on September 17, 2021. The 2022 Recommended Budget was adopted with amendments on November 3, 2021. The 2022 Adopted Operating Budget (“2022 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.

In consideration of rising fuel prices, the County passed Resolution 1345-2022 on May 2, 2022. The resolution limits the sales tax collected on gasoline and diesel fuel sales in the County to \$3 per gallon for the period from June 1 – December 1, 2022. This reduction will not impact the 2022 revenue collections compared to the amounts included in the 2022 Adopted Budget as the increase in gas prices over \$3 per gallon were not included in the 2022 Adopted Budget.

- The County only needed 0.1% in 2022 to meet the amount of sales tax included in the 2022 Adopted Budget.
- Year to date sales tax collections through the 2<sup>nd</sup> quarter of 2022 are 6.1% higher than 2021 for the same period.
- The year to date surplus as of June 30, 2022 is \$60.3 million. Although no reduction is expected, sales tax collections could drop as low as negative 4.6% for the remainder of the year and the County would still meet the amount of sales tax included in the 2022 Adopted Budget.

The FY 2023 New York State Enacted Budget ended the diversion of local sales tax to support two State programs; the Aid and Incentives to Municipalities (AIM) and the Distressed Provider Assistance program. The County benefit from this change in 2022 is approximately \$7.0 million for the AIM program and \$8.7 million for the Distressed Provider Assistance program.

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 (as defined under “Sales Tax” above) 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.

The Program received \$103.6 million in 2021 and transferred \$33.3 million to the General Fund. The 2022 Adopted Budget estimates \$106.9 million of sales tax revenues for the Program with a resulting transfer to the General Fund of \$34.4 million in 2022.

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

### ***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 2022 Adopted Budget projects 20% of 2022 General Fund revenue would be derived from State and Federal aid.

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 (“ARPA”). Included in this bill was \$350 billion in direct aid to state and local governments. The County’s allocation of the relief package



amounts to approximately \$286 million. The County received the first payment of \$143.4 million in May 2021 and the second payment of \$143.4 million in June 2022.

The County allocated via Resolution 204-2021, adopted on March 1, 2021, \$46.6 million of ARPA funds to the General Fund in 2021. Resolution 387-2022 reduced the allocation to the General Fund to \$16.6 million. The 2022 Adopted Budget includes a new fund which includes the balance of the ARPA funds.

On January 27, 2022, the Department of Treasury issued the Final Rule for the program. 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. Restrictions on the use of funds include: (i) a limitation on States to directly or indirectly offset tax reductions or delay a tax increase; (ii) funds cannot be deposited into any pension fund; (iii) funds cannot be used for debt service, reserve replenishment or to satisfy settlements or judgments and; (iv) funds may not be used for costs that conflict or contravene the purpose of the ARPA. (See “2021 Adopted Budget with Updates” and “2022 Adopted Budget” herein.)

### ***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 currently remains in effect until October 13, 2022. The savings to the County was \$33.7 million in 2021. The 2022 estimated savings total \$18.2 million which, due to the timing of the extended Public Health Emergency order, is \$7.2 million higher than the amount included in the 2022 Adopted Budget. Additionally, cost savings of approximately \$6.5 million is anticipated for 2023.

The estimated 2022 Medicaid expense share of general fund expenditures is 9.7%. 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 program<sup>2</sup> 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 maintenance of effort requirements associated with eFMAP savings, the State cannot implement changes to the local Medicaid shares during the time the Public Health Emergency is in place. The 2022-2023 Enacted State budget estimates the planned changes to be implemented between fiscal year 2023 through fiscal year 2025.

### ***2021 Adopted Budget with Updates***

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.

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

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>        |
| <br>Total Major Initiatives                                 | <br><u>\$195.8</u> |

Better than expected 2020 ending fund balances allowed the County to pay off the outstanding 2014 pension amortization balance of \$41.3 million, returning structural balance to the 2021 County budget.

In May 2021, the County received \$143.4 million for the first half of its allocated ARPA funds. \$42 million of ARPA funds received are allocated to the Forge River Capital Sewer Project. The County anticipated using \$71.7 million of the ARPA funds to restore 2021 operating budget cuts, however, increased sales tax collections mitigated the need to use ARPA funds. The 2021 actual ARPA operating expenses totaled \$6.9 million. The balance of \$64.8 million will be allocated to the American Rescue Plan Act Fund in 2022. ARPA funds must be obligated no later than year-end 2024 and expensed no later than year-end 2026.

Based on audited results for the fiscal year ended December 31, 2021, the County realized an additional \$126.4 million surplus in the General Fund and Police District Funds over the 2021 estimate included in the 2022 Adopted Budget.

Based on audited results for the fiscal year ended December 31, 2021:

- Actual sales tax collections for all funds were \$51.5 million higher than the 2021 estimate included in the 2022 Adopted Budget.
- eFMAP savings were \$4.6 million higher than the 2021 estimate.
- Actual Video Lottery Terminal (“VLT”) collections were \$3.8 million higher than the 2021 estimate.
- Better than expected property tax collections were \$56.5 million higher than the 2021 estimate.
- Actual COVID-19 expenses in 2021 were \$17.8 million lower than the 2021 estimate.

Increases to major reserve fund balances completed in 2021:

|  | Increase to Reserve<br>2021 |
|--|-----------------------------|
| Tax Stabilization Reserve (Fund 403)       | \$146,529,289               |
| Retirement Contribution Reserve (Fund 420) | 25,000,000                  |
| Debt Reserve (Fund 425)                    | 50,000,000                  |
| Insurance Reserve (Fund 438)               | <u>31,000,000</u>           |
| Total Increase in Reserves 2021            | <u>\$252,529,289</u>        |

All short-term cash flow borrowings (TAN, DTAN, RAN) were eliminated in 2021.

The County reached settlement agreements with a number of opioid suppliers and retailers. The 2022 Adopted Budget creates Fund 361 Opioid Abatement, Recovery and Support Fund. Funds received from opioid settlements

will remain in the fund until future appropriations by the County. The County received \$39.6 million in opioid settlement funds in 2021.

**2022 Adopted Budget**

The 2022 Recommended Operating Budget was submitted to the County Legislature (the “2022 Recommended Budget”) on September 17, 2021. The Legislature adopted amendments to the 2022 Recommended Budget on November 3, 2021. The 2022 Recommended Budget was adopted with amendments on November 3, 2021. The 2022 Adopted Budget is in compliance with the Tax Levy Limitation Law and local budget cap laws.

The 2022 Adopted Budget includes sales tax revenue of \$1.82 billion, 0.1% higher than the 2021 actual collections. The County retains an outside economic firm to assist it in developing sales tax forecasts.

The 2022 Adopted Budget is structurally balanced. It does not utilize any pension amortization deferral or other non-recurring items for operations.

The 2022 Adopted Budget provides a historic level of reserve and contingent reserve funds and several smart government initiatives (See “Strategic Fiscal Initiatives” herein). The primary objective of the 2022 Adopted Budget is to build on the recent progress the County achieved and take the steps necessary to secure the County’s finances beyond the immediate future.

Sales tax collections through the second quarter of 2022 are \$48.0 million or 6.1% higher than the same period in 2021.

The 2022 Adopted Budget includes the following:

2022 Adopted Budget  
Summary of Major Initiatives  
(\$ in Millions)

|   |         |
|---|---------|
| Payoff of all outstanding pension amortizations<br>(See “Pension Payments” herein.) | \$155.8 |
| Contingent Reserves (See chart below)   | 138.3   |
| Increase to major reserve funds (see chart below)                                   | 124.9   |
| FEMA Aid  | 35.7    |
| Additional COVID-19 emergency funds   | 33.0    |
| Capital pay-as-you-go funds   | 24.0    |
| eFMAP   | 11.0    |

*Major Reserve Funds*

New York State General Municipal Law allows counties to establish reserve funds to provide a degree of financial stability by reducing reliance on indebtedness, fund capital projects and to help protect the budget against known or unknown risks amongst other uses. The County has taken the opportunity to use surplus sales tax and other revenues to replenish its reserves as follows:

|  | Increase to Reserve<br>2022 |
|--|-----------------------------|
| Tax Stabilization Reserve (Fund 403)       | \$ 57,593,413               |
| Retirement Contribution Reserve (Fund 420) | 10,000,000                  |
| Debt Reserve (Fund 425)                    | 46,281,959                  |
| Insurance Reserve (Fund 438)               | <u>11,000,000</u>           |
| Total Increase in Reserves 2022            | <u>\$124,875,372</u>        |

This reserve plan brings the County’s reserve position to the highest in its history and the County expects it will provide it with the flexibility to eliminate all cash flow borrowings in 2022.

|   | <u>2022 Projected<br/>Fund Balance*</u> |
|---|---|
| General Capital Reserve (Fund 401)                    | \$ 6,637,284                            |
| Tax Stabilization Reserve (Fund 403)                  | 254,114,440                             |
| Retirement Contribution Reserve (Fund 420)            | 35,000,000                              |
| Debt Service Reserve (Fund 425)                       | 96,281,959                              |
| Insurance Reserve (Fund 438)                          | <u>43,000,000</u>                       |
|   | \$435,033,683                           |
| Assessment Stabilization Reserve (Fund 404)           | 32,916,136                              |
| Southwest Assessment Stabilization Reserve (Fund 405) | <u>94,202,803</u>                       |
|   | <u>\$127,118,939</u>                    |
| <br>Total Reserves*                                   | <br><u>\$562,152,622</u>                |

\* Updated to reflect 2021 actual ending balances.

*Contingent Reserve Funds*

Under New York State General Municipal Law, the County has the ability to create contingency accounts to help plan for events both planned and unforeseen. The County has created the following contingent reserves accounts:

| <u>Contingent Reserve</u>                 | <u>2022 Reserve<br/>Amount</u> |
|---|--------------------------------|
| 001-1919 Contingent Salary Deferrals      | \$ 24,502,942                  |
| 001-1985 Contingent Employee Upgrades     | 7,400,000                      |
| 001-1991 Contingent - Accrued Liability   | 20,000,000                     |
| 001-1991 Contingent Property Tax          | 15,000,000                     |
| 001-1922 Contingent Contract Agencies     | 1,500,000                      |
| 039-1921 Contingent Catastrophic Claims   | 16,238,800                     |
| 115-1919 Contingent Salary Deferrals      | 23,652,201                     |
| 115-1991 Contingent - Accrued Liability   | 20,000,000                     |
| 105-1991 Contingent - Snow and Ice        | <u>10,000,000</u>              |
| Total Contingencies – 2022 Adopted Budget | <u>\$138,293,943</u>           |

These contingent reserve accounts will help the County eliminate salary deferrals on the books from this administration and prior administrations such as lag payrolls and holiday pay deferrals. These reserves will help the County plan on a potential influx of retirements brought on by the COVID-19 pandemic. A contingent for snow and ice removal and related road repair is also included. There is also a contingent for the Employee Medical Health Plan to address any catastrophic claims that may occur during the year. Contingent reserves allow the County to address unforeseen expenses without having to use reserve funds or fund balance.

*American Recovery Act Fund*

The 2022 Adopted Budget creates Fund 362 – The American Recovery Act Fund. This will be funded with the remaining allocation of the County’s ARPA funds. The County filed its Recovery Plan and has met the criteria to claim revenue loss for nearly all ARPA funds received. This will allow the County to have flexibility in creating the following programs:

The Water Infrastructure program – \$125 million. This program will be a competitive program whose mission would be to fund programs whose aim is to reduce nitrogen pollution by eliminating old cesspools and septic systems through sewer connections and the installation of Innovative Alternative Wastewater Systems. These projects are meant to strengthen the resilience of the County’s shoreline and rising sea levels.

The Main Street Recovery Program – \$35 million. This program will be a competitive program whose mission is to preserve and strengthen the County’s downtown businesses that are the key to the County’s economic recovery. Potential programs will include businesses impacted by the pandemic, funding for arts and cultural programs and a downtown vacancy reduction program.

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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, 2021. 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>2017</u>           |
| Real property taxes and tax items .....  | \$ 693,254,446        |
| Sales taxes .....  | 1,409,558,615         |
| Departmental .....   | 338,137,043           |
| State aid .....  | 277,736,387           |
| Federal aid .....  | 253,754,841           |
| Other revenues .....   | <u>114,532,591</u>    |
| Total revenues.....  | 3,086,973,923         |
| Transfers from other funds and other financing sources.....  | <u>865,438,892</u>    |
| Total revenues and other financing sources.....  | <u>3,952,412,815</u>  |
| Expenditures and other financing uses:   |                       |
| General government support.....  | 276,289,346           |
| Education.....   | 187,321,905           |
| Public Safety.....   | 747,511,282           |
| Health .....   | 134,649,931           |
| Transportation.....  | 123,221,331           |
| Economic assistance and opportunity.....   | 637,885,067           |
| Culture and recreation.....  | 21,889,140            |
| Home & community services .....  | 57,547,213            |
| Employee Benefits.....   | 731,011,751           |
| Debt Service .....   | 205,239,599           |
| Capital Outlay.....  | <u>28,561,895</u>     |
| Total expenditures .....   | 3,151,128,460         |
| Transfers to other funds.....  | <u>806,287,093</u>    |
| Total expenditures and other financing uses.....   | <u>3,957,415,553</u>  |
| Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses ..... | (5,002,738)           |
| Fund balances, beginning of year .....   | <u>114,503,173</u>    |
| Fund balances, end of year .....   | <u>\$ 109,500,435</u> |

*(The remainder of this page has been intentionally left blank.)*

| <u>2018</u>                      | <u>2019</u>          | <u>2020</u>           | <u>2021</u>           |
|----------------------------------|----------------------|-----------------------|-----------------------|
| \$ 714,668,954                   | \$ 741,012,960       | \$ 709,759,088        | \$ 721,862,209        |
| 1,473,533,128                    | 1,531,413,321        | 1,489,919,645         | 1,836,692,631         |
| 326,783,621                      | 340,520,933          | 320,783,176           | 377,927,962           |
| 303,780,212                      | 333,260,124          | 308,149,288           | 308,251,706           |
| 238,232,853                      | 219,490,902          | 500,237,105           | 223,341,461           |
| <u>127,926,881</u>               | <u>148,074,802</u>   | <u>142,287,456</u>    | <u>190,672,179</u>    |
| 3,184,925,649                    | 3,313,733,042        | 3,471,135,758         | 3,658,748,148         |
| <br>                             |                      |                       |                       |
| <u>447,241,269</u>               | <u>403,091,372</u>   | <u>542,437,916</u>    | <u>806,811,136</u>    |
| <u>3,632,166,918</u>             | <u>3,716,864,414</u> | <u>4,013,573,674</u>  | <u>4,465,559,284</u>  |
| 275,639,314                      | 283,081,076          | 268,473,291           | 307,495,674           |
| 217,377,566                      | 213,926,045          | 221,043,967           | 217,524,306           |
| 767,683,456                      | 753,265,869          | 755,739,137           | 786,057,420           |
| 134,847,577                      | 126,981,591          | 134,276,981           | 140,768,913           |
| 128,329,884                      | 129,109,976          | 135,762,531           | 133,927,331           |
| 629,706,702                      | 638,271,624          | 598,688,036           | 534,550,357           |
| 21,974,468                       | 22,643,569           | 22,829,709            | 23,007,219            |
| 57,666,955                       | 57,898,077           | 52,932,461            | 57,992,533            |
| 769,170,117                      | 793,684,215          | 749,579,685           | 905,192,751           |
| 202,253,823                      | 194,448,731          | 200,110,676           | 207,577,181           |
| <u>62,280,461</u>                | <u>88,581,465</u>    | <u>87,635,210</u>     | <u>36,491,978</u>     |
| 3,266,930,323                    | 3,301,892,238        | 3,227,071,684         | 3,350,585,663         |
| <br>                             |                      |                       |                       |
| <u>414,406,195</u>               | <u>394,572,010</u>   | <u>544,703,482</u>    | <u>780,495,170</u>    |
| <u>3,681,336,518</u>             | <u>3,696,464,248</u> | <u>3,771,775,166</u>  | <u>4,131,080,833</u>  |
| <br>                             |                      |                       |                       |
| (49,169,600)                     | 20,400,166           | 241,798,508           | 334,478,451           |
| <br>                             |                      |                       |                       |
| <u>109,404,531<sup>(1)</sup></u> | <u>60,234,931</u>    | <u>80,635,097</u>     | <u>322,433,605</u>    |
| <br>                             |                      |                       |                       |
| <u>\$ 60,234,931</u>             | <u>\$ 80,635,097</u> | <u>\$ 322,433,605</u> | <u>\$ 656,912,056</u> |

(1) 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: 2017-2021: Derived from 2017-2021 audited financial statements. Summary itself is not audited.

**County Budgets – 2021 Adopted Budget, 2021 Actuals, and 2022 Adopted Budget**

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

|  | 2021 Adopted Budget  |                    |                                    |                                    |
|--|----------------------|--------------------|------------------------------------|------------------------------------|
|  | General Fund         | Police District    | Other Funds                        | All Funds                          |
| Revenues and other financing sources:  |                      |                    |                                    |                                    |
| Real property taxes and tax items  | \$ 98,286,632        | \$628,215,204      | \$ 46,627,743                      | \$ 773,129,579                     |
| Sales taxes  | 1,293,622,847        | 29,851,864         | 79,840,914                         | 1,403,315,625                      |
| Other taxes  | 15,765,000           | 0                  | 17,567,279                         | 33,332,279                         |
| Departmental   | 164,145,172          | 2,239,708          | 67,694,159                         | 234,079,039                        |
| State Aid  | 259,648,321          | 200,000            | 29,419,213                         | 289,267,534                        |
| Federal Aid  | 205,008,882          | 1,455,558          | 26,461,417                         | 232,925,857                        |
| Other revenues   | <u>14,558,263</u>    | <u>2,132,714</u>   | <u>61,441,342</u>                  | <u>78,132,319</u>                  |
| Total revenues   | 2,051,035,117        | 664,095,048        | 329,052,067                        | 3,044,182,232                      |
| Transfers from other funds and other financing sources   | <u>155,726,108</u>   | <u>991,989</u>     | <u>85,776,121</u>                  | <u>242,494,218</u>                 |
| Total revenues and other financing sources   | <u>2,206,761,225</u> | <u>665,087,037</u> | <u>414,828,188</u>                 | <u>3,286,676,450</u>               |
| Expenditures and other financing uses:   |                      |                    |                                    |                                    |
| General government support   | 231,442,257          | 1,254,550          | 14,512,964                         | 247,209,771                        |
| Education  | 246,707,332          | 0                  | 0                                  | 246,707,332                        |
| Public Safety  | 326,363,688          | 378,095,719        | 18,562,848                         | 723,022,255                        |
| Health   | 127,223,607          | 0                  | 2,783,308                          | 130,006,915                        |
| Transportation   | 103,983,953          |                    | 11,365,071                         | 115,349,024                        |
| Economic assistance and opportunity  | 612,399,755          | 0                  | 47,701,763                         | 660,101,518                        |
| Culture and recreation   | 14,680,827           | 0                  | 5,856,188                          | 20,537,015                         |
| Home & community services  | 5,275,695            | 0                  | 60,687,078                         | 65,962,773                         |
| Employee Benefits  | 164,691,081          | 121,000,601        | 7,329,728                          | 293,021,410                        |
| Debt Service   | <u>122,642,500</u>   | <u>6,114,936</u>   | <u>34,159,899</u>                  | <u>162,917,335</u>                 |
| Total expenditures   | 1,955,410,695        | 506,465,806        | 202,958,847                        | 2,664,835,348                      |
| Transfers to other funds   | <u>278,930,987</u>   | <u>158,621,231</u> | <u>304,731,763</u>                 | <u>742,283,981</u>                 |
| Total expenditures and other financing uses  | <u>2,234,341,682</u> | <u>665,087,037</u> | <u>507,690,610</u>                 | <u>3,407,119,329</u>               |
| Excess/(deficiency) of revenues and other financing sources over/under expenditures and other financing uses | (27,580,457)         | 0                  | (92,862,422)                       | (120,442,879)                      |
| Fund balances, beginning of year   | <u>27,580,457</u>    | <u>0</u>           | <u>215,153,600</u>                 | <u>242,734,057</u>                 |
| Fund balances, end of year   | <u>\$ 0</u>          | <u>\$ 0</u>        | <u>\$122,291,178<sup>(1)</sup></u> | <u>\$122,291,178<sup>(1)</sup></u> |

(1) Includes \$22.9 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.



2021 Actual Results<sup>(2)</sup>2022 Adopted Budget<sup>(3)</sup>

| 2021 Actual Results <sup>(2)</sup> |                     |  |  | 2022 Adopted Budget <sup>(3)</sup> |                    |                                     |                                     |
|------------------------------------|---------------------|--|--|------------------------------------|--------------------|-------------------------------------|-------------------------------------|
| General Fund                       | Police District     | Other Funds                            | All Funds                              | General Fund                       | Police District    | Other Funds                         | All Funds                           |
| \$ 45,135,548                      | \$629,607,643       | \$ 47,119,021                          | \$721,862,212                          | \$ 99,921,525                      | \$630,026,541      | \$ 47,733,605                       | \$ 777,681,671                      |
| 1,668,437,569                      | 43,746,042          | 103,583,387                            | 1,815,766,998                          | 1,629,438,079                      | 80,927,553         | 106,872,151                         | 1,817,237,783                       |
| -                                  |                     | 21,299,705                             | 21,299,705                             | 38,595,848                         | 0                  | 19,270,472                          | 57,866,320                          |
| 225,456,524                        | 4,315,856           | 114,270,202                            | 344,042,582                            | 186,389,422                        | 3,292,008          | 70,120,712                          | 259,802,142                         |
| 257,429,916                        | 232,898             | 50,378,344                             | 308,041,158                            | 292,849,328                        | 200,000            | 25,261,667                          | 318,310,995                         |
| 168,589,086                        | 455                 | 49,618,179                             | 218,207,720                            | 220,018,034                        | 1,455,558          | 39,430,795                          | 260,904,387                         |
| <u>29,339,418</u>                  | <u>413,780</u>      | <u>47,366,023</u>                      | <u>77,119,221</u>                      | <u>14,965,308</u>                  | <u>1,923,211</u>   | <u>69,993,396</u>                   | <u>86,881,915</u>                   |
| 2,394,388,061                      | 678,316,674         | 433,634,862                            | 3,506,339,597                          | 2,482,177,544                      | 717,824,871        | 378,682,798                         | 3,578,685,213                       |
| <u>163,767,142</u>                 | <u>43,627,428</u>   | <u>344,608,118</u>                     | <u>552,002,688</u>                     | <u>72,487,547</u>                  | <u>36,755,107</u>  | <u>250,131,330</u>                  | <u>359,373,984</u>                  |
| 2,558,155,203                      | 721,944,102         | 778,242,980                            | 4,058,342,285                          | 2,554,665,091                      | 754,579,978        | 628,814,128                         | 3,938,059,197                       |
| 226,772,197                        | 1,241,674           | 36,126,800                             | 264,140,671                            | 282,730,939                        | 45,011,365         | 39,225,468                          | 366,967,640                         |
| 217,524,306                        | 0                   | 0                                      | 217,524,306                            | 254,649,001                        | 0                  | 0                                   | 254,649,001                         |
| 360,664,523                        | 398,604,743         | 27,742,307                             | 787,011,573                            | 360,226,637                        | 405,183,171        | 22,327,388                          | 787,737,196                         |
| 126,850,120                        | 0                   | 16,858,242                             | 143,708,362                            | 174,825,508                        | 528,326            | 4,080,176                           | 179,434,010                         |
| 110,259,452                        | 0                   | 12,240,726                             | 122,500,178                            | 116,154,525                        | 0                  | 14,398,659                          | 130,553,184                         |
| 497,758,118                        | 0                   | 50,349,407                             | 548,107,525                            | 606,993,307                        | 0                  | 51,694,357                          | 658,687,664                         |
| 16,116,465                         | 0                   | 7,527,584                              | 23,644,049                             | 17,912,101                         | 0                  | 8,623,859                           | 26,535,960                          |
| 5,046,154                          | 0                   | 50,878,953                             | 55,925,107                             | 6,260,599                          | 0                  | 63,582,316                          | 69,842,915                          |
| 194,579,569                        | 134,677,589         | 7,046,328                              | 336,303,486                            | 281,678,705                        | 180,471,370        | 8,210,058                           | 470,360,133                         |
| <u>132,335,802</u>                 | <u>5,845,151</u>    | <u>33,587,823</u>                      | <u>171,768,776</u>                     | <u>126,656,616</u>                 | <u>8,248,811</u>   | <u>35,025,674</u>                   | <u>169,931,101</u>                  |
| 1,887,906,706                      | 540,369,157         | 242,358,170                            | 2,670,634,033                          | 2,228,087,938                      | 639,443,043        | 247,167,955                         | 3,114,698,804                       |
| <u>533,522,184</u>                 | <u>156,734,061</u>  | <u>341,613,248</u>                     | <u>1,031,869,493</u>                   | <u>446,946,597</u>                 | <u>170,180,759</u> | <u>252,136,061</u>                  | <u>869,263,417</u>                  |
| 2,421,428,890                      | 697,103,218         | 583,971,418                            | 3,702,503,526                          | 2,675,034,535                      | 809,623,802        | 499,304,016                         | 3,983,962,221                       |
| 136,726,313                        | 24,840,884          | 194,271,562                            | 355,838,759                            | (120,369,444)                      | (55,043,824)       | 129,510,112                         | (45,903,024)                        |
| <u>115,784,405</u>                 | <u>24,469,279</u>   | <u>341,111,439</u>                     | <u>481,365,123</u>                     | <u>120,369,444</u>                 | <u>55,043,824</u>  | <u>489,337,436</u>                  | <u>664,750,572</u>                  |
| <u>\$252,510,722</u>               | <u>\$49,310,163</u> | <u>\$535,383,001</u> <sup>(4)(5)</sup> | <u>\$837,203,886</u> <sup>(4)(5)</sup> | <u>\$ 0</u>                        | <u>\$ 0</u>        | <u>\$618,847,548</u> <sup>(6)</sup> | <u>\$618,847,548</u> <sup>(6)</sup> |

(2) Actual amounts based upon audited results for the fiscal year ended December 31, 2021. The results are shown on a budget basis for presentation purposes.

(3) Fund balances reflected in this table were included in the 2022 Adopted Budget as originally adopted on November 3, 2021.

(4) Includes \$22.0 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.

(5) Includes \$39.6 million in Opioid funds.

(6) Includes \$41.3 million reserved for Local Law 35-1999 (Water Quality Protection, Open Space Acquisition and Farmland Acquisition Programs) and Local Law 24-2007 (Water Quality Protection & Land Stewardship and Land Acquisition Programs).

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” or “NYSLRS”). 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 vest after five (5) years of credited service. Legislation effective April 9, 2022 reduced the vesting period for Tier 5 and 6 members from ten years to five years of service. 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 (Tiers 1-3). All members hired on or after July 1, 1976 through and including December 31, 2009 (Tier 4) 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% made throughout employment, 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.

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 global economic crisis in 2009 resulted in unprecedented declines in the financial markets. As a result, retirement contribution rates substantially increased through and including 2014. 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%, for 2018, the rate was 3.31% and for 2021, the rate was 1.6%.

On June 7, 2022, the County paid \$126.5 million to eliminate all outstanding pension amortization liabilities. The early payoff provides interest savings of \$12.8 million over the next 10 years and reduces principal and interest payments over the next 10 years as follows:

| YEAR | Annual Cost Reductions | YEAR  | Annual Cost Reductions |
|------|------------------------|-------|------------------------|
| 2023 | \$ 26,741,329          | 2029  | \$ 8,866,885           |
| 2024 | 19,622,979             | 2030  | 5,404,862              |
| 2025 | 19,622,979             | 2031  | 2,121,488              |
| 2026 | 19,622,979             | 2032  | 2,121,488              |
| 2027 | 19,622,979             | 2033  | 2,121,488              |
| 2028 | 13,435,123             |       |                        |
|      |                        |       |                        |
|      |                        | Total | \$ 139,304,575         |

The portion of an employer's annual pension costs that may be amortized is determined by comparing the employer's amortization-eligible contributions as a percentage of employee salaries (i.e., the normal rate) to a system-wide amortization threshold (i.e., the graded rate). Graded rates are determined for ERS and PFRS according to a statutory formula, and generally move toward their system's average normal rate by up to one percentage point per year. When an employer's normal rate is greater than the system-wide graded rate, the employer can elect to amortize the difference. However, when the normal rate of an employer that previously amortized is less than the system-wide graded rate, the employer is required to pay the graded rate. Additional contributions are first used to pay off existing amortizations, if there are no outstanding amortization liabilities, the NYSLRS places the excess funds in a pension reserve fund to offset any future increases in contribution rates. The Projected 2023 ERS Graded Reserve for the County is \$5.4 million.

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   | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023 <sup>1</sup> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| Invoice Period  | 4/2011-3/2012 | 4/2012-3/2013 | 4/2013-3/2014 | 4/2014-3/2015 | 4/2015-3/2016 | 4/2016-3/2017 | 4/2017-3/2018 | 4/2018-3/2019 | 4/2019-3/2020 | 4/2020-3/2021 | 4/2021-3/2022 | 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   | 206,582,649   | 207,710,871   | 238,171,001   | 206,950,244       |
| 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    | 41,807,773    | 41,807,774    | 32,306,174    | 0 <sup>3</sup>    |
| 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   | 249,518,645   | 270,477,175   | 206,950,247       |
| Less: Pension amounts deferred <sup>2</sup>                       | (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             | 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   | 226,522,003   | 270,477,175   | 206,950,247       |
| 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   | 114,179,715   | 134,006,823   | 86,571,456        |
| 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   | 112,342,288   | 136,470,352   | 120,378,788       |
| 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   | 226,522,003   | 270,477,175   | 206,950,244       |

- (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 paid with the 2021 pension payment.
- (2) Projected.
- (3) Prior deferrals have all been paid in full.

On June 7, 2022, the County paid \$126.5 million to payoff all outstanding pension deferrals which will result in an interest savings of \$12.8 million over the outstanding amortization period through 2033.

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. Employee

contributions totaled \$18.8 million for 2021. The 2022 Adopted Budget includes \$20.1 million for employee premium contributions.

Additional plan design changes implemented since January 2021 include:

- Increasing the out-of-network deductible to \$3,000 individual/\$9,000 family.
- Increasing several in-network copays from \$30 to \$50.
- New prescription benefit manager beginning January 1, 2022.
- Dependent eligibility audit removed approximately 606 dependents resulting in an estimated \$2.2 million of plan savings per year.
- Expand and promote telemedicine services.

Required cumulative annual savings of \$40 million required by the union 2019 Memorandum of Agreement were achieved as of December 31, 2021.

The EMHP direct COVID-19 costs have been minimal to date. The County can attribute this to the County's vigilant and aggressive programs implemented to keep employees, dependents and retirees safe. The County provided ample on-site testing. 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 caused a temporary drop in costs. 2020 claim costs were 14.7% lower than 2019 costs. The County has not included any reduction in costs as the County is anticipating a surge in these types of procedures. 2021 actual claim costs were 20.6% higher than 2020, 0.9% lower than the 2021 estimate. A \$15.5 million catastrophic expense contingency was included for 2021 to guard against extraordinary claims losses but was not utilized. The 2022 Adopted Budget projects a 3.6% increase over 2021 costs for 2022 with a catastrophic claims expense contingency of \$16.2 million.

### ***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. In January 2018, the State Comptroller implemented changes to the FSMS scoring calculations. From September 2018, under the new scoring system, until September 2020, the County ranked in the "significant fiscal stress" category. The latest report issued September 2021 showed an improved fiscal score, moving the County up to the "moderate stress" category. The County's Environmental Stress score has been in the top category of "no designation" from September 2019 to date.

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 Initiatives***

**Resolution No. 445-2020: ADOPTING LOCAL LAW NO. 23-2020 CREATING THE OFFICE OF CENTRAL PROCUREMENT ("CPO")** was signed into law on July 15, 2020. Under the law, the County established a separate and distinct office specifically tasked with the oversight of all County procurements to facilitate the development and incorporation of management reforms, accountability and best practices for all County procurements while providing economies of scale, maximizing the County's bargaining power, ensuring purchasing controls, and eliminating redundancies.

**Workforce Development:** The County continues to prioritize its investment in its most valuable resource, the County workforce:

- Through its Human Resources, Personnel and Civil Service Department, the County has implemented advanced employee trainings for cyber-safety, diversity and inclusion, employee safety and improved skills training support.

- **Project Impact:** Project-IMPACT (Improved Management Personnel Engagement and Career Transformation) is the County’s commitment to employees to implement the Workday Human Resource Management System (“HRMS”) for all County employees.
- **Workday:** State-of-the-art cloud-based system used for human resources, payroll and finance business processes. The County has purchased and is now implementing the human resources and payroll portions of this leading, modern HRMS platform. It includes a new payroll module which will replace the current legacy payroll system. The functionality provided will help employees to be more connected to the County’s organization, be better managers, and ultimately, increase the effectiveness of County government.
- Added personnel staff and support including the position of Chief Diversity and Inclusion Officer within the Department of Human Resources, Personnel and Civil Service.

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

The County’s Tax Stabilization Reserve Fund (“TSRF”) is authorized under Section 6-e of New York State General Municipal Law and was established by Resolution No. 1154-1997.

The 2022 Adopted Budget included a transfer of \$146.5 million to the TSRF in 2021 and a transfer of \$57.5 million to the TSRF in 2022. The expected 2022 year-end balance of \$254.1 million would be the highest year-end fund balance in the history of the TSRF.

The Debt Service Reserve Fund (“DSRF”) is authorized under Section 6-h of the New York State General Municipal Law and was established by Resolution No. 137-1985.

The 2022 Adopted Budget includes a transfer of \$50.0 million to the DSRF in 2021. An additional transfer of \$46.3 million is included in 2022 for the purpose of paying off the Lease Revenue Bonds issued by the Suffolk County Judicial Facilities Agency in 2013 for the H. Lee Dennison Building in Hauppauge. Annual debt service for these bonds is approximately \$5.5 million. These bonds become callable in November 2023 at which time the County intends to utilize the reserve to pay off the entire balance due, savings approximately \$12.1 million in future interest costs.

### ***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 were 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 and all future repayment requirements were 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 authorized a Charter Law to provide property tax relief with the excess Sewer Assessment Stabilization Reserve Fund balance. The local law applied 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 included 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. All transfers were completed in 2020 and 2021.

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 8,700 employees as of June 12, 2022, 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 | 08/31/23               |

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

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

*Union Contracts* – There are currently no outstanding labor contracts.

- **Association of Municipal Employees (AME)** – The Memorandum of Agreement dated May 8, 2019 was approved by the County Legislature via Resolution No. 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 No. 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 |
|      | 1.0 % | effective 7/1/21 |      | 1.5 % | effective 7/1/24 |
| 2022 | 1.0 % | effective 1/1/22 |      |       |                  |
|      | 1.0 % | effective 7/1/22 |      |       |                  |

- **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.

- **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 – Resolution No. 410-2022 Authorizing the County Executive to execute an Agreement with the Guild of Administrative Officers, Suffolk County Community College**, covering the terms and conditions of employment for employees covered under Bargaining Unit No. 4 for the period September 1, 2019 through August 31, 2023 was adopted by the County Legislature on June 1, 2022 and signed by the County Executive on June 21, 2022. The agreement provides for a four-year contract from 2019-2023 and includes the following wage increases:

|                             |                   |
|-----------------------------|-------------------|
| Effective September 1, 2020 | 1.6% at each step |
| Effective September 1, 2021 | 1.6% at each step |
| Effective September 1, 2022 | 1.6% at each step |
| Effective August 31, 2023   | 1.6% at each step |

Retroactive payments for the 2020 and 2021 increases will be paid not later than ninety days after the date of approval and ratification of the Stipulation of Agreement.

***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, 2021 in accordance with GASB 75. The Nyhart report determined that as of December 31, 2021, the County's total OPEB liability was approximately \$6,543,850,000 using a discount rate of 2.25% and healthcare cost trend rates of 7.5% decreasing to 4.5%. For the year ended December 31, 2021, the County reported deferred outflows of \$977,400,000 and deferred inflows of \$765,150,000.

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. In addition, 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 2022 for County purposes subject to the tax levy limit is \$624,132,051.

### ***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 2017 through 2022, a summary of tax rates, assessed valuation, and full valuation of taxable real property within the County:

| <u>Year</u> | <u>Assessed Valuation of Taxable Real Property in the County<sup>(1)</sup></u> | <u>Full Valuation of Taxable Real Property in the County<sup>(1)</sup></u> | <u>County Tax Rate Per \$1,000 of Full Valuation<sup>(2)</sup></u> | <u>Full Valuation of Taxable Real Property in the Police District<sup>(2)</sup></u> | <u>Police District Tax Rate Per \$1,000 of Full Valuation<sup>(2)</sup></u> |
|-------------|--|--|--|---|---|
| 2017        | \$70,813,844,065 <sup>(3)</sup>  | \$275,268,903,698 <sup>(3)</sup>   | \$0.18   | \$154,882,668,852   | \$3.50  |
| 2018        | 73,998,850,034   | 285,017,347,513  | 0.17   | 159,070,041,929   | 3.58  |
| 2019        | 77,492,172,113   | 298,662,597,127  | 0.17   | 168,209,152,319   | 3.42  |
| 2020        | 83,900,870,559   | 320,677,173,986  | 0.15   | 180,862,088,310   | 3.36  |
| 2021        | 84,616,418,334   | 330,390,670,260  | 0.15   | 190,066,004,845   | 3.26  |
| 2022        | 84,333,014,706   | 336,452,430,142  | 0.15   | 195,722,032,846   | 3.17  |

- (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. 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>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Babylon        | 1.18%       | 1.12%       | 1.07%       | 0.97%       | 0.91%       | 0.87%       |
| Brookhaven     | 0.91        | 0.90        | 0.86        | 0.79        | 0.77        | 0.74        |
| East Hampton   | 0.59        | 0.57        | 0.58        | 0.56        | 0.58        | 0.58        |
| Huntington     | 0.85        | 0.84        | 0.80        | 0.76        | 0.74        | 0.74        |
| Islip          | 12.70       | 12.12       | 11.35       | 10.77       | 9.70        | 9.28        |
| Riverhead      | 14.66       | 13.87       | 13.52       | 12.35       | 12.30       | 11.80       |
| Shelter Island | 100.00      | 100.00      | 100.00      | 100.00      | 100.00      | 100.00      |
| Smithtown      | 1.32        | 1.31        | 1.23        | 1.16        | 1.15        | 1.12        |
| Southampton    | 100.00      | 100.00      | 100.00      | 100.00      | 100.00      | 100.00      |
| Southold       | 1.08        | 1.01        | 0.94        | 0.93        | 0.88        | 0.88        |

Source: New York State Office of Real Property Services.

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

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

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

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

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

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## ***Real Property Tax Warrants and Collection Record***

The following table sets forth for 2017 through 2021, and as available for 2022, 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>2017</u>                    | <u>2018</u>            | <u>2019</u>            |
| County Taxes:                            |                                |                        |                        |
| County General Tax                       | \$ 49,037,038                  | \$ 49,037,038          | \$ 49,037,038          |
| Suffolk County Community College Tax     | 5,250,467                      | 5,250,466              | 5,250,467              |
| Police District Tax                      | 542,278,671                    | 569,329,186            | 591,307,286            |
| Sewer Districts                          | 41,896,517                     | 34,935,981             | 32,298,685             |
| MTA Commuter Tax                         | 2,852,204                      | 2,852,204              | 2,852,204              |
| Other Items <sup>(1)</sup>               | <u>119,619,239</u>             | <u>73,515,810</u>      | <u>66,635,729</u>      |
| Subtotal                                 | <u>760,934,136</u>             | <u>734,920,685</u>     | <u>747,381,409</u>     |
| Town Taxes                               | 1,077,420,766                  | 1,108,345,013          | 1,145,322,458          |
| School District Taxes                    | <u>\$3,912,016,695</u>         | <u>\$4,002,881,288</u> | <u>\$4,130,541,841</u> |
| Total Tax Warrant                        | <u>\$5,750,371,597</u>         | <u>\$5,846,146,986</u> | <u>\$6,023,245,708</u> |
| Collected During Year                    | \$5,665,883,375                | \$5,759,793,927        | \$5,930,813,575        |
| Uncollected End of Year <sup>(2)</sup> : |                                |                        |                        |
| Amount                                   | \$84,448,222                   | \$86,353,059           | \$92,432,133           |
| Percent                                  | 1.47%                          | 1.48%                  | 1.53%                  |
| Uncollected as of June 30, 2022          | \$12,338,049                   | \$20,438,279           | \$34,483,419           |
|  |                                |                        |                        |
|  | Fiscal Year Ending December 31 |                        |                        |
|  | <u>2020<sup>(3)</sup></u>      | <u>2021</u>            | <u>2022</u>            |
| County Taxes:                            |                                |                        |                        |
| County General Tax                       | \$ 49,036,632                  | \$ 49,036,632          | \$ 49,035,700          |
| Suffolk County Community College Tax     | 5,250,467                      | 5,250,467              | 5,250,467              |
| Police District Tax                      | 607,963,890                    | 619,515,204            | 619,515,204            |
| Sewer Districts                          | 30,398,555                     | 24,665,892             | 25,938,421             |
| MTA Commuter Tax                         | 2,852,197                      | 2,852,227              | 2,852,205              |
| Other Items <sup>(1)</sup>               | <u>77,791,582</u>              | <u>69,853,081</u>      | <u>89,431,565</u>      |
| Subtotal                                 | <u>773,293,323</u>             | <u>771,173,503</u>     | <u>792,023,562</u>     |
| Town Taxes                               | 1,173,852,052                  | 1,214,214,824          | 1,240,373,786          |
| School District Taxes                    | <u>\$4,287,302,106</u>         | <u>\$4,399,839,578</u> | <u>\$4,483,204,669</u> |
| Total Tax Warrant                        | <u>\$6,234,447,481</u>         | <u>\$6,385,227,905</u> | <u>\$6,515,602,017</u> |
| Collected During Year                    | \$6,107,971,961                | \$6,276,669,148        | N/A                    |
| Uncollected End of Year <sup>(2)</sup> : |                                |                        |                        |
| Amount                                   | \$126,475,520                  | \$108,558,757          | N/A                    |
| Percent                                  | 2.03%                          | 1.70%                  | N/A                    |
| Uncollected as of June 30, 2022          | \$60,782,632                   | \$81,191,328           | N/A                    |

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

(2) Net of penalties and interest.

(3) Amended pursuant to Resolution 1178-2019.

(4) Amended pursuant to Resolution 48-2022.

## 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 2017 through 2022, are shown below:

| Town           | 2017                                    | 2017                     | 2018                                    | 2018                     |
|----------------|---|--------------------------|---|--------------------------|
|                | <u>Assessed Valuation<sup>(1)</sup></u> | <u>Full Valuation</u>    | <u>Assessed Valuation<sup>(2)</sup></u> | <u>Full Valuation</u>    |
| Babylon        | \$ 244,492,069                          | \$ 20,719,666,864        | \$ 244,602,924                          | \$ 21,839,546,786        |
| Brookhaven     | 456,880,067                             | 50,206,600,769           | 458,395,503                             | 50,932,833,667           |
| East Hampton   | 199,658,928                             | 33,840,496,271           | 200,465,483                             | 35,169,382,982           |
| Huntington     | 324,495,014                             | 38,175,884,000           | 323,690,602                             | 38,534,595,476           |
| Islip          | 4,333,832,701                           | 34,124,666,937           | 4,353,090,717                           | 35,916,590,074           |
| Riverhead      | 831,467,682                             | 5,671,675,866            | 834,398,413                             | 6,015,850,129            |
| Shelter Island | 3,387,323,394                           | 3,387,323,394            | 3,541,702,845                           | 3,541,702,845            |
| Smithtown      | 243,297,644                             | 18,431,639,697           | 243,591,217                             | 18,594,749,389           |
| Southampton    | 60,684,106,659                          | 60,684,106,659           | 63,690,013,293                          | 63,690,013,293           |
| Southold       | <u>108,289,907</u>                      | <u>10,026,843,241</u>    | <u>108,899,037</u>                      | <u>10,782,082,871</u>    |
| Totals         | <u>\$70,813,844,065</u>                 | <u>\$275,268,903,698</u> | <u>\$73,998,850,034</u>                 | <u>\$285,017,347,513</u> |

  

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

  

| Town           | 2021                                    | 2021                     | 2022                                    | 2022                     |
|----------------|---|--------------------------|---|--------------------------|
|                | <u>Assessed Valuation<sup>(5)</sup></u> | <u>Full Valuation</u>    | <u>Assessed Valuation<sup>(6)</sup></u> | <u>Full Valuation</u>    |
| Babylon        | \$ 248,401,430                          | \$ 27,296,860,440        | \$ 249,097,481                          | \$ 28,631,894,368        |
| Brookhaven     | 462,741,154                             | 60,096,253,766           | 462,953,842                             | 62,561,330,000           |
| East Hampton   | 205,527,935                             | 35,435,850,862           | 206,348,794                             | 35,577,378,276           |
| Huntington     | 320,597,772                             | 43,324,023,243           | 317,168,716                             | 42,860,637,297           |
| Islip          | 4,411,333,380                           | 45,477,663,711           | 4,416,827,868                           | 47,595,127,888           |
| Riverhead      | 847,506,336                             | 6,890,295,415            | 830,782,944                             | 7,040,533,424            |
| Shelter Island | 3,744,046,755                           | 3,744,046,755            | 3,771,457,872                           | 3,771,457,872            |
| Smithtown      | 246,557,353                             | 21,439,769,826           | 247,272,742                             | 22,077,923,393           |
| Southampton    | 74,018,230,674                          | 74,018,230,674           | 73,720,083,079                          | 73,720,083,079           |
| Southold       | <u>111,475,545</u>                      | <u>12,667,675,568</u>    | <u>111,021,368</u>                      | <u>12,616,064,545</u>    |
| Totals         | <u>\$84,616,418,334</u>                 | <u>\$330,390,670,260</u> | <u>\$84,333,014,706</u>                 | <u>\$336,452,430,142</u> |

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

(2) Per Resolution 922-2017.

(3) Per Resolution 895-2018.

(4) Per Resolution 982-2019.

(5) Per Resolution 864-2020.

(6) Per Resolution 889-2021

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 \$11,236. 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 2020 population of the County is 1,525,920<sup>(1)</sup> according to the U.S. Census Bureau.

| <u>Town</u>    | <u>Area In<br/>Square Miles</u> | <u>U. S. Census</u> |                  |                  |                  |                  |
|----------------|---------------------------------|---------------------|------------------|------------------|------------------|------------------|
|                |                                 | <u>1980</u>         | <u>1990</u>      | <u>2000</u>      | <u>2010</u>      | <u>2020</u>      |
| Babylon        | 52.3                            | 203,483             | 202,940          | 211,792          | 213,603          | 218,223          |
| Brookhaven     | 259.4                           | 365,015             | 407,977          | 448,248          | 486,040          | 485,773          |
| East Hampton   | 73.3                            | 14,029              | 16,132           | 19,719           | 21,457           | 28,385           |
| Huntington     | 94.0                            | 201,512             | 191,474          | 195,289          | 203,264          | 204,127          |
| Islip          | 105.2                           | 298,897             | 299,587          | 322,612          | 335,543          | 339,938          |
| Riverhead      | 67.4                            | 20,243              | 23,011           | 27,680           | 33,506           | 35,902           |
| Shelter Island | 12.1                            | 2,071               | 2,263            | 2,228            | 2,392            | 2,411            |
| Smithtown      | 53.6                            | 116,663             | 113,406          | 115,715          | 117,801          | 116,296          |
| Southampton    | 140.2                           | 43,146              | 45,351           | 54,712           | 56,790           | 69,036           |
| Southold       | <u>53.7</u>                     | <u>19,172</u>       | <u>19,836</u>    | <u>20,899</u>    | <u>21,968</u>    | <u>23,732</u>    |
| County Total   | <u>911.2</u>                    | <u>1,284,231</u>    | <u>1,321,977</u> | <u>1,418,894</u> | <u>1,492,364</u> | <u>1,523,823</u> |

(1) The total County population is also inclusive of the population of the Shinnecock and Poospatuck Indian reservations (2,097) 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 2022, as available, are set forth below (unemployment rates are not seasonally adjusted).

| <u>Year</u> | Number of<br>Persons<br><u>Employed</u> | Number of<br>Persons<br><u>Unemployed</u> | <u>Unemployment Rate</u> |                          |                         |
|-------------|---|---|--------------------------|--------------------------|-------------------------|
|             |   |   | <u>County</u>            | New York<br><u>State</u> | United<br><u>States</u> |
| 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        | 755,800                                 | 35,200                                    | 4.5                      | 4.6                      | 4.4                     |
| 2018        | 762,900                                 | 30,300                                    | 3.8                      | 4.1                      | 3.9                     |
| 2019        | 769,100                                 | 28,300                                    | 3.6                      | 3.8                      | 3.7                     |
| 2020        | 715,900                                 | 63,100                                    | 8.1                      | 9.9                      | 8.1                     |
| 2021        | 741,000                                 | 35,400                                    | 4.6                      | 6.9                      | 5.4                     |

### 2022 Actual Employment Statistics

|          |         |        |      |      |      |
|----------|---------|--------|------|------|------|
| January  | 748,600 | 28,100 | 3.6% | 5.3% | 4.4% |
| February | 747,700 | 29,800 | 3.8  | 5.1  | 4.1  |
| March    | 758,900 | 27,700 | 3.5  | 4.7  | 3.8  |
| April    | 768,200 | 22,300 | 2.8  | 4.2  | 3.3  |
| May      | 777,100 | 22,500 | 2.8  | 4.1  | 3.4  |

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

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

| <u>Categories</u>                | <u>1990</u>    | <u>Percent</u> | <u>2000</u>    | <u>Percent</u> | <u>2010</u>    | <u>Percent</u> |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Construction                     | 45,328         | 6.8%           | 51,079         | 7.5%           | 56,469         | 7.9%           |
| Manufacturing                    | 96,828         | 14.6           | 65,316         | 9.6            | 55,922         | 7.8            |
| Transportation, Utilities        | 56,557         | 8.5            | 40,393         | 5.9            | 40,414         | 5.6            |
| Information                      | N/A            | N/A            | 27,290         | 4.0            | 20,802         | 2.9            |
| Trade                            | 139,700        | 21.0           | 112,235        | 16.5           | 113,105        | 15.7           |
| Services, Misc.                  | 235,969        | 35.4           | 292,746        | 43.0           | 339,463        | 47.2           |
| Public Administration            | 35,080         | 5.3            | 38,124         | 5.6            | 40,745         | 5.7            |
| Finance, Insurance & Real Estate | 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 catastrophic 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 parties have reached a settlement agreement. The settlement agreement will be submitted to the judge once it has been agreed upon.

**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.

**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. The plaintiff has advised that he will be discontinuing the case against the County. The County is waiting for the stipulation.

**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 denied. The County filed a Notice of Appeal which acts as a stay on the denial of the protective order.

**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 plaintiff made a motion for class certification, which is pending. The County's motion for summary judgment was denied.

**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's motion for summary judgment was granted. Plaintiffs filed an appeal, which was fully briefed in February 2022.

**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 case was adjourned to September 12, 2022 for jury selection.

**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 General Municipal Law 50-h hearing was conducted on October 6, 2021. No summons and complaint has been filed.

**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. Several of the claims are for “zone of danger” injuries and one infant claims he sustained a leg injury which required multiple surgeries and a lengthy hospitalization. Discovery is complete. A trial date has been set for September 2022.

**Gonzales-Mugaburu, Cesar v. County of Suffolk:** Plaintiff was a foster parent who fostered over 140 children at his home in the County. In January 2016, two of plaintiff’s foster children told County 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. 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”) and labor and delivery care at Southside Hospital 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.

**Kelly, Steven v County of Suffolk:** Federal civil rights claim. A police officer encountered plaintiff, who matched the description of an individual wanted for a burglary. The officer confronted plaintiff and a struggle ensued. The officer deployed his Taser, but it was ineffective. The officer then shot the plaintiff once in the abdomen. Plaintiff was not charged with the burglary. Plaintiff underwent a splenectomy; transverse colon resection; small bowel resection and colostomy. Depositions have been conducted of Plaintiff and Defendant and discovery is being finalized.

**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 Pine Barrens Society, Inc., et al. v. County of Suffolk, et al. (Index No: 600050/2022):** In 2011, the County Legislature adopted Resolution 625-2011, which authorized the use of excess monies in the Assessment Stabilization Reserve Fund to provide funds for new sewer and water protection projects throughout Suffolk County. In a prior action (Long Island Pine Barrens Society, Inc., et al. v. County of Suffolk, et al., 122 AD3d 688 (2014)), Long Island Pine Barrens Society, Inc., et al. sought a judgment declaring Resolution 625-2011 of the Suffolk County Legislature, enacted as Local Law No. 44-2011 of the County of Suffolk to be illegal, null and void on the

ground that it was adopted in the absence of approval pursuant to a public referendum in accordance with the Suffolk County Charter. The plaintiffs appealed from an order of the Supreme Court which denied their motion for summary judgment and granted the defendants' motion for summary judgment dismissing the complaint on the ground that the plaintiffs lacked standing. The Second Department reversed on the law and denied defendants' motion dismissing the complaint for lack of standing and granted plaintiffs' motion for summary judgment and remitted the matter to the Supreme Court for entry of judgment declaring that Resolution 625-2011 was illegal, null and void. On December 12, 2019, Judge Farneti issued a judgment compelling the defendants to return \$29.4 million from the County's General Fund to the Assessment Stabilization Reserve Fund. The \$29.4 million was transferred to the Assessment Stabilization Reserve Fund pursuant to Judge Farneti's order.

In March 2014, the Long Island Pine Barrens Society, Inc. commenced another action against the County seeking to annul County Budgetary Resolutions 897-2013 and 898-2013 alleging that those resolutions unlawfully authorized the County to use Assessment Stabilization Reserve Fund monies to satisfy other County expenses. Pursuant to a proposed settlement, the County adopted a charter law allowing the County to borrow \$171,300,000.00 from the Assessment Stabilization Reserve Fund with a repayment plan spanning over 11 years (2018-2029).

On July 21, 2020, the County Legislature adopted Local Law 50-2020 which authorized the County to withdraw funds from the Assessment Stabilization Reserve Fund and transfer the funds to the Suffolk County Taxpayer's Trust Fund.

The instant action seeks a judgment declaring that Local Law 50-2020 is illegal, null and void in that by enacting the local law the County sought to unilaterally overturn a judicial determination and excuse itself of its obligations under the proposed Stipulation of Settlement. Plaintiffs seek a judgment directing the County to return all funds diverted by Local Law 50-2020 to the Assessment Stabilization Reserve Fund in the amount of no less than \$198,574,109.00 and to return funds the County collected by its imposition of the ¼% sales tax. The County moved to dismiss the proceeding on January 24, 2022 on the grounds that (i) the challenge was not timely, (ii) the challenge fails to state a claim because the legislation was adopted pursuant to a public referendum as required, and (iii) the County fully complied with the proposed settlement agreement related to the 2014 action by adoption of the charter law allowing the County to borrow from the ASRF. Plaintiff's opposition and the County's reply have been submitted.

**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. LIPA has filed its appellate brief and the County has responded.

**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. The case was adjourned until August 31, 2022.

**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.

**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 trial has been scheduled for October 18, 2022.

**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 parties have come to a settlement agreement, which is before the court for approval. The issue of attorney's fees remains to be resolved.

**Oliva, John v County of Suffolk:** This notice of claim, filed by former Suffolk County Police Officer John Oliva, alleges that he was targeted by members of the Suffolk County Government, District Attorney's Office and Police Department. He claims he was falsely accused of leaking confidential information to the press and, in order to verify this suspicion, his phone was wiretapped. Claimant alleges that as a result of the wiretap he was pressured into pleading guilty to Official Misconduct, which resulted in the loss of his job. In 2021, the Conviction Integrity Bureau of the District Attorney's Office consented to the vacatur of Oliva's conviction on the basis that it violated his constitutional rights. Oliva brings claims under federal and state law and seeks economic damages based on the fact that he had to retire early after his plea; he also claims emotional and punitive damages. A General Municipal Law 50-h hearing was held, a lawsuit has not been filed.

**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 and plaintiff appealed. The appeal was perfected in November 2021.

**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 made a motion for summary judgment, which was denied. The case was set for trial on August 15, 2022 but the trial has been adjourned as there is a tentative settlement agreement that needs to be formalized by a written stipulation.

**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 case is still in 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 case is still in 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 case is still in 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. This case was scheduled for jury selection on August 10, 2022.

**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 were served and the County interposed an answer on behalf of one of the doctors. Discovery is complete. The case has been marked off the calendar to complete the appropriate discovery.

**Rios, Maira Bartola Alcantara, as Parent and Natural Guardian of Dylan Marcelo Ochoa Alcantara an Infant and Maira Bartola Alcantara Rios, individually v. Suffolk County (The Dolan Family Health Center at Greenlawn) and Robert B. Blando, M.D.:** A Notice of Claim was served in the County alleging negligence and medical malpractice. The claimant alleges that starting from November 11, 2017 and continuing thereafter, the County, through its agents, The Dolan Family Health Center at Greenlawn ("Health Center") and Robert B. Blando, M.D., having been a substantial medical provider for Dylan Marcelo Ochoa Alcantara, committed negligence and malpractice in failing to, among other things, test the infant claimant's blood for the existence of lead in a timely fashion, take a proper history, treat the infant claimant for elevated lead levels, screen the infant claimant for lead, and implement proper protocols to ensure the infant claimant was screened for lead in accordance with the U.S. Department of Health and Human Services guidelines. It is claimed that as a result of such negligence/malpractice, the infant claimant suffered lead poisoning and/or additional lead poisoning and its sequelae, psychological injuries, brain damage, development delay and other damages. The County does not own or operate the Health Center or employ Dr. Blando and pursuant to a County contract, the County requested defense and indemnification from Huntington Hospital, the owner of the Health Center. Huntington Hospital has agreed to pick up the defense and indemnification of the County. The file was transferred to the hospital's attorney.

**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. A status conference is scheduled for September 8, 2022 and depositions for decedent's parents are being scheduled.

**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's motion for summary judgment on the Monell claim was granted in part and denied in part. The case is scheduled for trial in January 2023.

**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 General Municipal Law §50-h hearing was conducted. A summons and complaint was served. A summons and complaint was served. Discovery is completed and an agreement was reached by the parties. Judge Hurley issued an order wherein the Civil Rights claims were dismissed with prejudice and without costs to all parties and the cause of action against the Warden Michael Franchi was dismissed with prejudice and without costs to all parties. The State causes of action for negligence were dismissed without prejudice and plaintiff filed a State court summons and complaint and outside counsel filed an answer.

**Taylor, Rodolfo v. County of Suffolk:** Federal civil rights case. Plaintiff was arrested and convicted for several robberies that took place in the 1980s. He spent 27 years in jail. The Conviction Integrity Bureau of the District Attorney's Office reviewed the prosecution and in 2022, joined in the plaintiff's request to dismiss the charges. Plaintiff was released from custody. The claim is that there was exculpatory information improperly withheld from plaintiff during the criminal prosecution. A General Municipal Law §50-h hearing has been held. The County has been served with a complaint.

**Torres, Blanca Molina as Parent and Natural Guardian of Elenia Torres Molina and Infant and Blanca Molina Torres, Individually v. Suffolk County (The Dolan Family Health Center at Greenlawn) and Robert B. Blando, M.D.:** A Notice of Claim was served on the County alleging negligence and medical malpractice. The claimant alleges that from December 20, 2019 and continuing thereafter, the County, through its agents, The Dolan Family Health Center at Greenlawn ("Health Center") and Robert B. Blando, M.D., having been a substantial medical provider/pediatric medical provider for the infant claimant, committed negligence and malpractice in failing to, among other things, test the infant claimant's blood for the existence of lead in a timely fashion, take a proper history, treat the infant claimant for elevated lead levels, screen the infant claimant for lead, and implement proper protocols to ensure the infant claimant was screened for lead in accordance with the U. S. Department of Health and Human Services guidelines. It is being claimed that as a result of such negligence/malpractice, the infant claimant suffered lead poisoning and/or additional lead poisoning and its sequelae, psychological injuries, brain damage, development delay and other damages. The County does not own or operate the Health Center and there is no contractual relationship between the County and Huntington Hospital, the owner of the Health Center. A General Municipal Law §50-h hearing will be scheduled.

**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. 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 filed a motion for a directed verdict or for a new trial. The motion was granted and a notice of appeal was filed. Oral arguments were held before the Appellate Division on February 18, 2022 and the Court's decision on May 4, 2022 set aside the verdict as contrary to the weight of the evidence and a new trial was ordered. The case was conferenced before Judge Baisley on June 21, 2022 and adjourned to September 15, 2022 for trial control.

**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 Child Protective Services ("CPS") failed to properly monitor Michael Valva's custody of Thomas and failed to protect and remove Thomas from his father's custody. Plaintiff 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 was denied.

**End of Appendix A**



## **APPENDIX B**

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

**For the Year Ended**

**December 31, 2021**

**(With Independent Auditors' Report Thereon)**

**\* The County's financial statements for the year ended December 31, 2021 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, 2021 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, 2021 are available on EMMA and can be viewed and downloaded at the following web address: (<https://emma.msrb.org/P21650109.pdf>).**

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**APPENDIX C**

**Form of Bond Counsel's Legal Opinion**

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

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

September 1, 2022

The County Legislature of  
the County of Suffolk, New York

**Re: County of Suffolk, New York  
\$143,100,000 Public Improvement Serial Bonds - 2022 Series C**

Ladies and Gentlemen:

We have examined a record of proceedings relating to the sale and issuance of \$143,100,000 Public Improvement Serial Bonds - 2022 Series C (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 August 11, 2022 and a Certificate of Award executed by the County Comptroller as of August 23, 2022, 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 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 which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to the certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, 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 September 1, 2022 (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: \_\_\_\_\_