

## **Long Island Regional Planning Council**

### **LIRPC Meeting – October 14, 2021 Zoom Virtual Meeting Summary Minutes**

#### **LIPRC Members Present**

John D. Cameron, Jr., Chair  
Jeffrey Kraut, Treasurer  
Michael White  
Theresa Sanders, Secretary  
Supervisor Don Clavin  
Elizabeth Custodio  
Mayor Barbara Donno  
Jeff Guillot  
Supervisor Edward Wehrheim

#### **Staff and Guests Present**

New York State Comptroller Thomas DiNapoli

Richard V. Guardino, Jr., Executive Director  
Elizabeth Cole, Deputy Executive Director  
Missy Leder, Executive Assistant  
Alan Belniak

Angie Apolinaris  
Michael Banach  
Ed Blumenfeld  
Michael Borsuk  
Patti Bourne  
Kevin Brady  
Mary Byrne  
Mike Caplice  
Ileana Carillo  
Lorraine Deller  
Blanca Duarte  
Valerie Esposito  
Jodi Giglio  
Linda Henninger  
Heather Johnson  
Susan Lienau  
Liliana Canela Magarin  
Nancy Marr  
Jess McAleer  
Melissa Miller  
Patrick O'Hara  
Mary Jo O'Hagan  
August Ruckdeschel  
Jenny Kate Schlagel

Lisa Scott  
Kyle Strober  
Bob Vecchio  
David Wilcox  
Olivia Winslow  
Natalie Wright

**Meeting Commenced:**

John D. Cameron, Jr., opened the meeting at approximately 11am.

**John Cameron:**

Good morning and welcome to the October meeting of the Long Island Regional Planning Council.

**Pledge of Allegiance – Michael White**

**John Cameron:**

Thank you. Our Executive Director, Rich Guardino, will now conduct a roll call.

**Rich Guardino:**

Welcome, everyone. Thank you all for being with us this morning.

**Roll Call**

John D. Cameron, Jr., Chair  
Jeffrey Kraut, Treasurer  
Michael White  
Theresa Sanders  
Elizabeth Custodio  
Barbara Donno  
Jeff Guillot  
Ed Wehrheim

**Rich Guardino:**

John, we do not have a quorum yet. Supervisor Clavin will be joining us. We will ask Alan Belniak of VHB, who's been assisting us the last few months with regard to our virtual meetings, to explain how the technology will work for our audience. Thank you.

**Alan Belniak:**

Thank you for the opportunity to assist with this meeting. As a friendly reminder, for those who have not participated before, we do have a presentation this morning. At the end of the presentation, we'll invite the LIRPC Board and then members of the public to either ask a question or share a comment which can be done in one of two ways. If you are joining us through the Zoom platform on your mobile phone or your computer, there should be a Q&A button down below where you can type in your question. When we get to the end of the presentation and it is time for Q&A, I will read the questions out loud and a member of the panel will respond. Another way to ask a question is to use the raise hand feature, which is below and looks like someone is giving you a high five. That sends a command to me to let me know that you would like to raise your hand and speak. When the time is right, I will call out your name, take you off mute and you can then either ask your question or share your comment. This

meeting is being recorded for archival purposes. With that, I'd like to hand it back to John to continue the meeting.

**John Cameron:**

Thanks Alan. We're very fortunate today to have an old friend with us, Tom DiNapoli. Tom will present a synopsis of how things are going in New York and more specifically on Long Island. Tom has always been a friend of the environment and Long Island. The LIRPC is very actively working on environmental issues on Long Island. A major concern is that the Forge River Project, which is the largest project in Suffolk County, was at risk of being cancelled. The County reached out to the State Comptroller and thanks to Tom DiNapoli, the project was saved. As a result, the County is moving forward with the Forge River sewerage project. On behalf of many Long Islanders, I want to express our thanks to you Tom.

**Richard Guardino:**

We've been very fortunate to have Tom as our Comptroller since 2007. He is the sole trustee of the \$270 billion New York State Common Retirement Fund, one of the largest institutional investors in the world. The Comptroller's Office maintains the accounting system and administers the state's \$16.7 billion payroll. He's provided robust oversight of school district operations and education spending and developed an early warning system to identify municipalities and school districts showing signs of fiscal distress. As John mentioned earlier, he's been a great friend of Long Island. We have a Long Island Nitrogen Action Plan and to get sewers in place is a critical component. Tom came through with some very important approvals in a timely fashion. Many of you may know that the Forge River was approved last week, and they will be breaking ground soon and that's a critical part of our Nitrogen Action Plan. So, thank you again, Tom.

**PRESENTATION**

**New York State Comptroller Thomas DiNapoli**

Thank you, Rich and thank you, John. To all the Council members, it really is a privilege to have the opportunity to speak with you virtually and I look forward to when we can do it in person once again because so many of you are friends of long standing. We've worked together on so many issues over the years and I really do appreciate the work of the Long Island Regional Planning Council. I love being a Long Islander and I recognize that one of the challenges for our region is the fact that we are made up of a number of towns and villages and two big counties. The ability to have a unified regional perspective on so many important issues can sometimes be a real challenge. The Long Island Regional Planning Council was set up to be the entity to give that regional focus and I thank you for the great work that you're doing. To John and your colleagues, I recognize that you are all busy people with a lot of other responsibilities. The fact that you take the time to devote your leadership skills to the Council really is commendable. Rich, I've worked with you in different capacities over the years and always appreciate your professionalism and your smarts and all your vast experience. It's wonderful to have you as Executive Director of the LIRPC.

Every now and then there are some responsibilities that are unique to the Comptroller's Office where I do have the chance to weigh in. Suffice it to say, partially because of COVID, but generally because of

what happens with approvals and bureaucracies, it did take some effort to explain the importance of timeliness of that approval. I was really pleased that I heard not only from the counties, but also from the towns. I've heard from businesses, and I heard from labor. It was a concerted effort to get our folks to move. The outreach made it easier for me to communicate that this really is important.

I thought I would give you our perspective from the Comptroller's Office on some of the trends that we're seeing on Long Island. We all know it's been a very difficult 19 months. New York was hit early and hard from a public health perspective. We all know so many people that have been touched very directly by COVID-19. Thankfully, in our region, our health care systems responded effectively. But certainly, in the beginning, everybody was overwhelmed by what was happening and to an extent, we're still having to deal with the reality of carrying our masks around. The Delta variant has certainly slowed down what we thought was a pretty strong recovery underway. We still have a number of people that have chosen not to be vaccinated, although, those numbers seem to be improving. Looking at all the numbers, Long Island as a region has a higher percentage of vaccinated individuals compared to most regions of the state and compared to other regions of the state we have one of the lowest infection rates. There are still many issues out there and we are dealing with vaccine mandates now and what that means for many of our workers, particularly in the health care area. Some folks are not able to continue their employment if they choose not to be vaccinated. From a business perspective, we are dealing with issues also. My office just this week started bringing people back. I'm speaking to you from our New York City office, which up until this week, had been closed since March when this whole thing started. In Manhattan today, you're certainly seeing more activity on the street. But, to the extent that New York City is still such a key part of our state's economy, the fact that the city continues to lag behind other regions in terms of growing jobs and having people come back to the workplace, certainly is one of the drags on our economy.

I hope you're all safe. I don't preach on public health, because I'm not qualified to do so, but I got my two shots and am planning to get the booster very soon. Let's hope that people are paying attention to the statistics. Hopefully, things will increasingly look like what the old normal was like, although there will be some lasting changes in terms of how we all operate. So, the underpinning to everything that we focus on, in terms of the economy and impact on government of tax revenue, is still tied to what's happening with the pandemic. Despite some of the fits and starts happening now with the Delta variant, the economy has been in a state of recovery. That's good news and that certainly underpins the revenue picture that we're seeing at the state level and the local level.

Over the summer, the New York State unemployment was about 7.4% and New York City was still double digits. New York City often is the strong driver of our economy. In fact, in many ways, New York City's recovery has been lagging other parts of the state because of how hard the city was hit and how lasting some of the restrictions have been. On the economy, when you look at the numbers, just outside of New York City, the unemployment rate is a little over 5% on Long Island which was a little better than the rest of the state and when you compare that to close to 18% unemployment back in April of 2020. There has been a big improvement in terms of the Long Island numbers. The Long Island job recovery has been strong, gaining 56% of the jobs that were lost. We still have a long way to go to bring all of

those jobs back. Not surprisingly, because the population density in New York City, Long Island, Orange, Rockland, and Westchester, different sectors are responding in different ways. Manufacturing, retail, construction, health care are very strong, close to 70%. In education services, only about a third of the jobs have gone back and government has basically been flat. Interestingly enough, leisure and hospitality, which in other parts of the country continues to be a negative as far as the job picture, showed regrowth statewide with over 7,000 jobs. That's good news to the extent that certain regions are dependent of tourism. The Island region, again looking at last summer, faring a bit better than the statewide numbers with almost 63% of the jobs that were lost during the pandemic have come back. Again, leisure and hospitality fared very well on Long Island. Over 90% of jobs in arts, recreation, entertainment, have come back. Professional services is also very, very strong. Similar to the trends I mentioned earlier, government and education have been lagging in terms of job regrowth.

We're also seeing some variation in terms of the economy. We hear, particularly from some of our smaller businesses and retail, that it is challenging to hire people. We have a need for employment and jobs, yet many businesses are finding it hard to fill some of those jobs. There are different theories as to why that is. Newsday just did an article the other day that talked about our retailers heading into the holiday season being very concerned about having adequate staff. There is a very uneven picture in terms of how this is impacting the employment picture and businesses on the ground. We look at sales tax collections very carefully as they are the second largest revenue source for the state and for all our local governments, especially our counties. Sales taxes are a bigger revenue source than property taxes not just on the island, but across the state in varying degrees. When the pandemic first hit, sales tax revenue dropped over 27%. The economy went on hold. In 2020, we were down 10% for the year, as the state has reopened the economy and started again to collect sales taxes. Looking at the numbers, when you look at the second quarter for 2021 compared to last year, we were up like 49%. It's easy to say, well, last year was so bad, you know, what does that number mean until the third quarter when we are still up 20% year over year. What we have found interesting in terms of comparisons is not so much how we are doing in 2021 versus 2020, but the comps versus the pre-pandemic numbers in 2019. Both the second quarter and third quarter numbers were ahead of the 2019 figure. The third quarter of the calendar year was up 8.6% statewide over 2019. I think that really speaks to the fact that we are seeing significant increase in economic activity as measured by sales tax collections. On Long Island, you see similar big numbers in terms of the jump from this year to last year, up some 60% in the second quarter. When you compare these numbers to 2019, the region is up 17%, even higher than those statewide numbers. It breaks out to up 14% in Nassau and 19% in Suffolk. So, again, as one measure of economic activity, sales tax is a positive trend.

As you know, state and local taxes on the internet-based sales are now being captured because of some changes in state policy pursuant to court decisions. Our analysis for the 12 months ending in February of this year shows that the Internet sales accounted for 4.6% of taxable sales statewide, generating about \$686 million in sales tax revenue. When you look at the numbers, 4.9% of all taxable sales on Long Island were from these internet vendors, generating an estimated \$135 million in sales tax revenue. I think another piece of positive news on sales tax is that during the pandemic, an increased reliance on the

internet for purchases and shopping increased our ability to collect taxes there. That's part of the reason why we're seeing some of those strong numbers.

As you all have been observing from the Newsday articles and those who are involved with real estate, median home values continue to go up significantly. Both the Nassau and Suffolk County year-end 2020 values were up 12.8% in Nassau and 17% in Suffolk. To the extent the real estate market is another indicator of economic activity, Long Island has been doing very well, certainly in comparison to many other parts of the state. I won't spend a lot of time on other indicators but let me transition into talking about the state budget. I mentioned those economic indicators, because when the economy's doing well, it should follow that not just sales tax, but other tax revenue, personal income tax, and so on will be strong. The state relies on taxes from real estate activity for the state's budget and financial picture to be stronger. We put out a monthly report on revenues and spending called our cash report. Looking at the most recent numbers, we found that the state budget was coming in, in terms of revenue when you balance out the expenditures, \$5.9 billion ahead of what was projected when the budget was put together back in April. So, when you think back to last year, we were facing the possibility of severe budget cuts because of what was happening with pandemic and the loss of revenue. To now be \$5.9 billion ahead of projections is certainly a very different circumstance than we had anticipated. This is obviously for a combination of reasons, not just the fact that the economy has been recovering. We have to recognize that what's really kept us afloat in the state, not only for the state government, but for local governments as well, has been a very significant infusion of federal dollars. As you recall, last year, we did get money from Washington largely for reimbursement of COVID-19 related expenses at the government level for our health care system and for our schools. But the real game changer is the money that's come from the American Rescue Plan and it hasn't hurt to have Chuck Schumer from New York as the Senate Majority Leader. The \$1.9 trillion American Rescue Plan resulted in \$12.7 billion coming directly to the state. \$4.5 billion of that \$12.7 was used to balance this year's budget and the remaining will be utilized over a period of time going forward. This is a significant amount of money because the legislature looked at the federal money coming and looked at the needs that are out there and decided to increase the investments in two key areas, education and health care. For Long Island, the school aid was up some 13% for both Nassau and Suffolk County and foundation aid alone was up 17% in Nassau and 11% in Suffolk.

Money was also put aside for economic development in the American Rescue Plan. Funds were available for small businesses to help give them more credit support as they recovered from the pandemic economy. \$800 million was provided in the small business recovery grant program. More money dedicated to environmental infrastructure and another \$500 million will go to the clean water infrastructure act as part of a multi-year, multi-billion dollar investment from the state. I should also mention that part of what explains the increased revenue picture for the state is not just the federal money, and not just the economy being stronger, but the legislature and the governor deciding to increase tax revenue by increasing taxes on higher income New Yorkers and certain corporate taxes on larger corporations. That personal income tax increase affects less than 1% of New York's taxpayers. Keep in mind that although it's a small percentage by number, the 1% impacted by the higher tax rates carry about 32% of the overall personal income tax revenue the state generates.

Because of the higher tax rates, particularly for people who live in New York City, when you combine the higher tax rate at the state level, plus the New York city income tax, higher income people in New York City will be paying the highest personal income tax rates of anywhere in the country. It is now actually higher than California, which traditionally has been higher. The concern obviously was people will leave. We all hear anecdotally that folks are going to leave and they're going to change their legal address. Many people have second homes already. Many can do their work remotely from Florida, even if they have business interests in New York. I think it is fair to say at this point, because the personal income tax collections have actually been coming in stronger than projected, we haven't seen that migration show up in the numbers. It may prove to be an impact going forward so I think that's something we're going to have to keep an eye on, but for now, it seems that most people are willing to stay here and pay those taxes.

So again, the state's fiscal picture is stronger than it's been in many, many months due to a combination of federal support, a stronger economy and increased tax revenue. From our perspective, the budget that was put together earlier this year did miss certain opportunities. Some of the gimmicks that we've often been critical of like pushing certain big payments into future years as a way to camouflage current spending continued. There was a \$3.5 billion dollar Medicaid payment that was pushed into a future year. More short-term borrowing was authorized unnecessarily because when you are flush with cash, you don't need to do more borrowing. So, we hope, although it is authorized, it won't be utilized. In terms of reserves, New York traditionally has underfunded our rainy-day reserves which is the money to be set aside for whenever a downturn happens. On this front we were very pleased. Governor Hochul came out with the first quarterly budget update last month. Recognizing that the revenues have been coming in higher than projected, the administration changed the financial plan moving forward, increasing the revenue projections by over \$2 billion. That's probably a more conservative number than what the reality will be, but at least it's showing that we're catching up. We're also very pleased that they announced that the reserves are going to be increased by over a billion dollars and in future years more money be deposited to the rainy-day reserves in the amount of \$770 million. I believe these are positive changes in terms of approaching the budget from the new administration. With the revenue updates, the budget gaps that have plagued our financial position for a long time in New York have been dramatically reduced for the next year or two. All of that is good news in terms of where the fiscal picture is for the State.

There's still a lot of concern out there in terms of potential for volatility. Some of it is tied to public health with the uncertainty of COVID. There are also macro-economic concerns about inflation, China, and everything else that has a way of impacting us. We still need to be cautious, and we still need to be careful, and we'll continue to track all these numbers for local governments.

The American Rescue Plan has been a lifeline for New York City providing \$5.9 billion for local governments outside of the City and \$4.9 billion for our localities on Long Island. This has really been so helpful to ensuring that the budgets will be balanced and that we'll have the resources to deal with the impact of COVID and help with the recovery. Some of you have seen the breakdowns and we can give that to you if you're interested. In terms of the big numbers, Nassau County received \$102.9 million for

the Coronavirus Relief Fund. With the recent money from the American Rescue Plan, the local fiscal recovery funded \$385 million for Nassau County and \$286.8 million for Suffolk. There was also historic infusion of federal dollars to towns and villages which will be transformative for our community and help us get us through a very, very challenging time. What I think is key, and we've pointed this out particularly when we looked at how New York City's handled some of the money. We have to recognize this money is not forever so the money should not be used to spend on new programs because we will hit a fiscal cliff when this federal money is spent down. It's not going to be there forever. It will be important to be making sure that at the local level, folks are using their brains wisely in terms of how the money's being spent.

We announced yesterday, we are putting a tracker or dashboard online to chart the federal money that's coming in and various programs. On a monthly basis this will update how much money is going into what program and how quickly that money is being spent down to inform the public about where that money is going. There is a concern out there that we're getting all these billions, but how are we keeping track of it? How do we make sure it's being spent the right way? This is a challenge for us from the Comptroller's Office because not all the money goes through us. Some of it goes directly to other agencies and entities, but we're working with the Governor's Office, and we'll be working with our local government friends as well, to make sure we're all keeping track of this money. It's a good problem to have, but we must always put that priority on transparency and accountability.

The other big issue, which Rich and John alluded to, is infrastructure. The big debate in Washington now is what will happen with the infrastructure package. Negotiations are going on in the House and Senate. For us on Long Island, infrastructure is a real issue. We live in an older state and as a community Long Island has grown exponentially in terms of development and population. The pressure on our infrastructure, be it roads, bridges, highways, sewer systems, drinking water systems, is always such a big issue for us on Long Island. Our local governments cannot deal with this issue on their own, nor can the state. There's no doubt that we need additional help from the federal government. My hope is that they will break through the logjam. For years we have talked about infrastructure being the one area where there's bipartisan consensus that we need to do something, yet a final resolution has been elusive. Let's hope that we will see a breakthrough and that even more federal dollars will come in devoted to infrastructure. From an economic point of view, you cannot have a strong economy, or growth in an economy, if you don't have a modern transportation system. You can't attract businesses if they're not going to get a sewer hookup or if they're concerned about the quality of the drinking water.

Another issue that we've tried to have folks focus on that is going to be a looming concern, is benefits. As we talk about the need for businesses to recover, especially smaller businesses, and with so many people out of work with the pandemic, a lot of people accessed unemployment benefits. We owe the federal government about \$9 billion in loans from the Unemployment Insurance Trust Fund. It's a big amount of money. Ultimately, our businesses will all have to carry the burden of that with increased rates. We are hoping that this may be another area where the federal government can forgive some of that loan. It has been signaled that we can use some of that ARPA money to pay down some of that and some believe that we should use some of that unexpected increase in revenue coming to the State. We



included this in our report because frankly, nobody has been talking about it as an issue. If businesses want to start rehiring again, especially our smaller businesses, and they're suddenly now burdened with much higher than anticipated unemployment insurance rates, that's going to be a negative in terms of their rebuilding.

Another issue that continues to be out there relates to broadband availability. Through the pandemic, we learned that we relied, more than ever, on Internet services in terms of our economy and our educational programs. We also put out a report recently on the issue of the availability of broadband in terms of infrastructure and the access to broadband and the ability to afford a subscription. We found that 1 million New York households, 40% of the households in New York, do not have broadband access, meaning no subscription for services, including cell services. That's a real concern. On Long Island, only 9.2% of households were without broadband access, meaning that they had no subscription for services, but many households lacked broadband availability in terms of the infrastructure. Sometimes folks talk about broadband as more of a rural community issue, but we've got concerns here on Long Island and much of it does apply to the access question. Broken down by income levels, one in three households in New York with incomes less than \$20,000 do not have access to broadband services. We are encouraged as Governor Hochul's administration announced that they're coming up with a more detailed and refined broadband mapping survey that's going to help identify households and communities that are underserved. There has been talk in Washington about more initiatives to relieve the financial burden in terms of access on broadband. I think that's an important one for us to stay tuned on, even from a Long Island perspective.

The Metropolitan Transportation Authority, which is very important to our regional economy, was hit incredibly hard by the pandemic and COVID continues to cause railroad ridership to be down significantly. I think they're at about 50%. Without the federal money that's come in, they would not be able to provide the service. But how much more federal money will be coming in? We don't know. We were critical in our report of the transformation plan that had been announced a while ago, which talked about right sizing, in terms of staffing, be more efficient and eliminating administrative jobs. In fact, what we found is that most of the downsizing happened in operations and maintenance positions that very directly affect the service while most administrative positions were kept intact. We were pleased that the new leadership recognized that the MTA transformation plan really wasn't working, and they are basically abandoning it. I think our report helped to push them to that conclusion, but the MTA is still facing significant budget gaps. The concern is that they're proposing to plug those gaps with a reliance on deficit financing, which only further burdens the overall MTA financial picture and limits their options in terms of their capital plan. We'll continue to keep an eye on the MTAs progress and remain hopeful that the resolution of talks in Washington will help bring more money for public transit, not just for New York, but across the country and the MTA will benefit from that.

Let me wrap up my formal comments and get to your questions on a positive note. Rich mentioned that one of my responsibilities is as trustee of the state pension fund. We are the third largest public pension fund in the country. We provide retirement security for 1.1 million New Yorkers, active employees, retirees, and beneficiaries. All state employees are part of our pension system and local government

employees outside of New York City are as well. A significant chunk of our school district employees is part of our pension fund. Long Island teachers have a separate Teachers Retirement Fund. We are the biggest public pension fund in the state, and we got hit by COVID. We value our fund on March 31. In 2020 when COVID hit, the close down happened on March 15 and markets tanked. We ended slightly negative in 2020, down 2.68%, which was a lot less of a negative than when the great recession hit and we were down 26% in one year. The good news is when we valued the fund on March 31 of 2021, we had a historic high in terms of return. It was up over 33% return. I don't think we'll ever have a 33% return again. It's great to be in that strong position. The markets continue to be somewhat volatile but we're still in a strong position. We are wisely positioning the pension fund for the future in a couple of ways. We made, what many viewed was a pretty bold decision, to lower our assumed rate of return. We've currently been operating with an assumption of a long-term rate of return of 6.8% meaning that over the next 20-30 years on average, we would hit 6.8% positive return. We've lowered that assumption to 5.9% which is a more conservative expectation. We're concerned about volatility and concerned about the low interest environment that seems to be continuing. I think this positions the fund well for the future. Also, because of this record run up we were able to do something called a market restart to the bottom line. We were able to reduce the contribution rate that our government employers are required to pay for the next go around of rates and that will result in a savings of \$1.5 billion dollars statewide which will relieve pressure on our local budgets. That's good news for our Long Island property taxpayers in terms of the impact on local budgets. We are still well funded at 99.3% for the state pension plan. Very few state pension plans are anywhere near 100%. We're just about at 100% and we're very proud of that. Our plan is working well and is sustainable for the future. We are doing more with various programs to invest in local economies across the state. Some of you heard me talk before about our in-state private equity investment program, where we make money available for startups or businesses that are expanding in New York that make a commitment to growing jobs in New York. We continue to support and underwrite small business lending. Many folks don't realize that pension fund money helps support those programs. We continue our partnership with the Community Preservation Corporation to do more to promote affordable housing and rehabilitate existing housing. With our pension fund, we understand our priority is retirement security for our members, but we also try to do as much good with that money as we can.

To sum it up, it's been a challenging 19 months, but the federal money has been the big game changer. I do see the economy slowly but surely recovering. I am concerned about what's happening in New York City on many measures, because our state is very dependent on the strength of New York City, but I'm going to be an optimist that that's going to turn around as well. In the next few weeks, we're going to be putting out our update on Wall Street and how well it's doing. We're not as dependent on financial services, as we once were, as our state's economy and city's economy is more diversified, but that continues to be a sector of the economy that, whether you love Wall Street or you hate it, we benefit from it doing well. We get a lot of tax revenue, about 18% of the state's tax revenue, comes from taxes related to financial services. I think it will be a bright spot for our state's economy. When I look at the different regions of the state, I believe that Long Island continues to be a bright spot, not that we don't have our challenges, but the resilience of the Long Island economy and the Long Island community is very, very clear. We have a highly developed healthcare system, a highly developed educational system,

both pre-K through 12, and higher education system. Big investments continue to be made, both by the federal government and by the state and I think that positions us very, very well. Tourism is coming back also which is a plus for us on Long Island. To the Long Island Regional Planning Council, your continued thoughts about what we need to do as a region to lift all boats to make sure that no one is being left behind and that we do what's right on a regional basis for communities is appreciated and important. In the Comptroller's Office, we certainly continue to look to you for good ideas and for leadership, partnership, and collaboration.

**John Cameron:**

Tom, maybe I'll just inject one thought here. The federal government came through with some significant funds for the states as well as localities. I think that encouraged the State to increase funding to local school districts. How do you see that as a risk going forward if that money is not there next year or in the following years?

**Thomas DiNapoli:**

I think it's less of a risk for the next two or three years, but the problem is going to be further into the future. I think there is a sustained commitment on the part of the State to fulfill the expectations for the near future and the current plans. While some people were against the tax increases because people questioned why are you doing it while you are getting all this federal money and the economy is coming back I think part of the calculation is that they wanted to make a bigger investment on the education piece, and those increased taxes are not permanent. Technically, they are supposed to expire in two or three years, I forgot the exact date. What I think will happen, John, is that if the economy comes back strong enough that the revenue increase will take care of that, but if it doesn't what will probably happen is that those surcharges on the wealthier New Yorkers will be extended if not made permanent. I think it's a risk, but at this point, I think the commitment is there with whatever will happen with other programs to maintain a very strong investment in education. In the next year or two, I don't really see it as a risk right now at all.

**Michael White:**

Thank you so much, Tom. It's always great hearing from you and seeing you. I am interested in your ideas around the opportunities provided by the Mother Nature Bond Act that should be coming up on referendum and how that might work in terms of making monies available.

**Thomas DiNapoli:**

The Mother Nature Environmental Bond Act is not on the ballot this year, but will be next year. On the ballot this year is the constitutional amendment (and I've been abusing the precise wording on the ballot), but it basically talks about the constitutional right to a clean environment. I'm in favor of that. I think Newsday today endorsed it as well. From what I understand, they're going to change the name. New governors often like to redo some of the things that were in place before. I think they're dropping the Mother Nature part of it. The Governor announced that she will increase the \$3 billion proposal from Governor Cuomo to \$4 billion. Right out of the gate it's going to be a bigger bond act than had first been envisioned. I think we need to wait and see, as we head into the next session as to what the

specifics are going to be in terms of how that money is going to be allocated. From my perspective, there's no more urgent need than investing in our environmental infrastructure. It's very important to help our local governments and I think it's going to be a very good proposal. It is a bond that voters have to pass and this tends to be the kind of issue that people support and tends to be the kind of debt that people are interested in saying yes to. I think we have to stay tuned for some of the specifics, because it's obvious that the new administration is going to retool some of the specific categories, but the good news is that she's already up by another billion dollars.

**Theresa Sanders:**

Thank you so much. I have two questions for you. One pertains to your comment about how the Long Island hospitality community fared a little better. In your opinion, was that partially because of the flight from New York City with people trying to get out? Do you think that that will trickle over into the real estate market with people wanting to stay on Long Island, not just come out because they were in a panic? My second question has to do with the broadband access. This has been critical for us. Broadband is such a foundation now that I would love to hear your opinion in terms of how we should be advocating and moving toward getting more broadband access to people that are low income.

**Thomas DiNapoli:**

I think embedded in your question probably is the answer that people were looking for opportunities outside of New York City and Long Island was an easy place for people to get to. In terms of the lasting impact, I think it's probably too soon to tell. I think when COVID first started, a lot of folks that had second homes transplanted out to the East End and supposedly people were buying homes and changing their address. I think some of that might have been over-projected because I do think with some of the trends that I'm seeing now people are starting to come back to the City. I just don't know whether that's going to be a lasting impact as far as the real estate market. There's no doubt that the real estate market has been very hot particularly for the East End. There are very wealthy folks and not so wealthy folks on the East End. There is legislation that spearheaded building on the Community Preservation Fund Initiative years ago when I was in the Assembly that was dedicated to environmental funding and open space preservation and is now going to create a pool of money through that same funding stream for affordable housing. I think that's a good development. It might even be a model for us to utilize for some of the other townships because that affordable housing issue is not limited to the east end of Long Island, although that is a unique dynamic there. My gut is that it all kind of levels off. You may have a few more people that are going to transplant out to Long Island, but the city has always come back. I think that the mayoral administration coming in is very focused on not only COVID and the economy but also homelessness on the street and in the subways and crime. There's obviously a lot of discussion about how to reverse some of that.

In terms of broadband, a couple things. First of all, the State came up with an initiative to require lower cost subscriptions to make it easier for lower income households to afford this subscription. As you probably know, that ended up in court so that that initiative is on hold until the court cases are decided. The carriers challenged that the state can't mandate something like that. There is a federal act which is like an emergency broadband program to provide more money to help people afford the cost. There is

an effort in Congress, and Congressman Antonio Delgado from the Hudson Valley has been a leader on this issue, to make that federal program permanent and to expand it. I think part of what we need to do is keep a close eye on what's happening as far as the federal legislation and how they are hoping to provide more dollars here to help people afford the subscriptions. The other piece really is for the State. The State has put some money aside in the past to build out broadband. We have an order underway to look at how some of that money has been spent because there has been a lot of criticism that the money has not been spent well or wisely. I mentioned that Governor Hochul has announced that they're going to do a more specific mapping of where the need is because part of the issue of additional affordability is how it's measured. It needs to be determined whether a community has the infrastructure and access. Sometimes one house in a census area has access and it shows that the entire community does and that is a misstatement of the reality. We need better mapping. The Governor indicated that they're committed to providing access. I think the advocacy is important and that's where the Urban League and the LIRPC come into play. Even though Long Island is viewed as a relatively affluent area, we still have a lot of households that do not have subscriptions and it's related to income. The need is as dramatic in our communities as it is in some of the rural communities. How you solve it may be a little different, but the need is the same. That's the reason we did our report. We felt people were not understanding enough how urgent this issue is. We're hoping our report will be a rallying point for everyone.

**Richard Guardino:**

Tom, thanks again, for being with us this morning. The question I had was with regard to the federal government infrastructure bills. I know the soft infrastructure is still being negotiated. I was just wondering if we had any kind of idea of what was going on with the hard infrastructure bill? And what that might mean to New York and Long Island?

**Thomas DiNapoli:**

I have a hard time knowing exactly what we're doing in Washington so I don't have specific numbers. I think there is a lot of horse trading potentially going on. I think that for the Biden Administration, it is key to get this done, particularly what should be the easy part which is the roads, the bridges, the sewer system, and the water systems. It unfortunately is tied up with not only the partisan divide, but also very tied up with the internal divisions within the Democratic majorities in the respective houses. My political gut is that they can't walk away from this, and it can't be a failure. What it's all going to mean and how much will be in the physical infrastructure piece, aside from the social infrastructure piece, I just don't think anybody knows at this point. I wish I knew more.

**Jodi Giglio:**

Is the unemployment fund stable? And do you expect a rate increase for employers in the coming years to replenish the account?

**Thomas DiNapoli:**

As I mentioned earlier in the comments, this is one of the big issues we have to solve. We owe an awful lot of money. That \$9 billion price tag that we put out in our report is money that has to be accounted for at some point. Whether the federal government will waive any or all of it remains an open question. They could use some of the unexpected windfall on revenues. Maybe there will a policy decision made by the state legislature and the Governor to devote some of that money to pay down some of that debt which is subject for debate right now. I know the New York State Business Council is pressing for that. The bottom line is in the short run, our businesses will have to expect an increase in their unemployment insurance rates and that's a concern. It would be a steep increase if we have to pay back the full \$9 billion. At a time that many businesses are struggling to stay afloat, to reopen, to expand, to be hiring again, it's in effect like another kind of attack. In the short run, our expectation is that there will be an increase in the rate. The question is how much and for how long? I recommend that you take a look at our report where we really spell out the issue. From my perspective, this issue has not been getting enough visibility and discussion, because it could really be a drag on our economy, and especially on our smaller businesses that really have been struggling through the COVID environment.

**Jodi Giglio:**

Thank you Honorable DiNapoli. I think you're doing a great job. I know that we are creating laws in Albany which are making your job more and more difficult every day in terms of trying to figure out how to pay for all these things. I do appreciate your energy and work finding the funds to make sure that New York is protected and that the municipalities, the businesses, and all the people that do business in New York State can plan for success. The unemployment question is one that is very concerning to me. The state did put everybody on unemployment for extended period of times, and then extended it again. I'm hoping that it's finally going to end because our businesses need people to get back to work. The concern of the increased taxes when we are coming out of this pandemic, along with other laws that have been created, such as the Heroes Act, which requires businesses to create an airborne infectious disease-free environment are challenging small businesses is real. I've heard from one employer that they had to put in blue lights in a 2,000 square foot area to kill any airborne infectious disease at a cost of \$12,000. It was a struggle for that business to pay that money when they're just getting back to work. I'm wondering if there's any plan, or any money in the budget, to be a funding source, so that they are not pulling out of pocket when it is a challenge?

**Thomas DiNapoli:**

Thank you for your leadership and your advocacy and appreciate that you're focused on the need for us to be supportive of the business community. There are some federal dollars available, particularly ones that are targeted for small businesses that are part of the American Rescue Plan, so that there is a process to have to distribute some of that money. In terms of the unemployment issue, that's still up for debate. The State can take some of the surplus funds, if I could use that phrase, or let's say the unexpected revenue that has come in. It's at the discretion of the State as part of the budget process between the legislature and the Governor, to devote some of that money to pay down some of that loan. From an Albany perspective, everybody has their own ideas on how to spend any new money that comes in. We've never been as well prepared for budget shocks because rather than put money away for the rainy day, we always spend all the money that comes in, and then some. That's the reason we

put out a report to address the legislature and the Governor and this unemployment issue. The money we owe is, in some ways, a ticking time bomb for many of our businesses and we better figure out a solution. I do think ultimately, that because it's such a big number, the state on its own could absorb it. Hopefully, because Washington does have more resources than we do, they could at least waive some of it and/or extend the payments out in a way that gives us time for the economy to catch up. The kind of rate shock that our small businesses may face on this will really make it hard for them to, in some cases, survive, but certainly to grow and expand. At the end of the day, your colleagues in the legislature are going to have to figure out to what extent we want to use some of the State resources to try to address this.

**Jody Giglio:**

Okay, and that same question for the Social Security fund.

**Thomas DiNapoli:**

It's a federal program and I try to stay in my wheelhouse and not figure out the federal programs. Just this week, they put a 5.9% increase in the benefits because of inflation. Those on social security are very happy to see that. At the federal level, it just raises the question again, at what point does that trust fund run out of dollars? Realistically, no one's going to let the Social Security program run empty. That's just not going to happen. If we're going to be entering this inflationary period and it's going to continue to be an escalating number, it's going to be a real challenge. The inflation issue, which we really didn't touch on, is in some ways, lurking behind all of the economic assumptions. If inflation, in fact, is not a temporary blip and will be with us for a while, I think a lot of our economic assumptions are out the door in a very negative way. Social security is a federal responsibility so I can't speak to what the solution will be to the higher payouts. The other challenge, which affects our pension fund is that we're all living a whole lot longer. We're having to project so much more into the future than we thought originally because people living well into their 90s is no longer unusual. That's a good thing and we can thank the medical and healthcare community and smarter choices on lifestyle, but the reality is that this is going to increase the cost over time which is why we strive to keep our pension fund so well-funded.

**Jodi Giglio:**

The next concern that I had was the Climate and Community Investment Act with the \$0.55 proposal for tax on gasoline for the incoming fossil fuels. I'm not sure if you're familiar with that Act. There are some significant concerns there for New Yorkers when it comes to businesses having to pay these costs for fossil fuels and that most of the money is going to go towards new renewable energy projects. I'm all for renewable energy, but there's got to be a transition point. I'm curious as to what your perspective is on the Climate and Community Investment Act.

**Thomas DiNapoli:**

After 20 years in the state legislature, I have a very enviable position of not having to comment on every piece of legislation. We didn't have a position on the legislation when it was going through the process. We have not done an analysis of the implementation of that law. So, I can't comment in terms of what I perceive to be the impact of that tax. Maybe at some point, we will do that. I will say this, New York took

a very ambitious position on having the state transition in this area. To your point, I agree because one of the challenges we face is de-risking our portfolio. Some folks want us to sell all of our energy holdings related to traditional oil or gas. You can't overnight, as some people had suggested, do that. First of all, just selling all that stuff doesn't necessarily change anything on the ground because someone else will buy it out. The real issue is investing in companies and from the perspective of state policy and making decisions that recognize the fact that we can't stand still, there is a transition underway and those that don't understand that are going to be left behind. The real question becomes the timing on that transition. That's where, for better or for worse, the legislature and the Governor made the decision to be very aggressive with the goals. I think what we need to do at this point is measure how rapidly we're able to transition to those goals to see if there were any unintended consequences. I think at the end of the day for New York to take an ambitious bet in this area is smart because the reality is, that's where the world is going. We have too many folks that still don't understand that climate change is real and that we're already behind in dealing with it.

**Alan Belniak:**

This question comes from the chat. "You mentioned that the burden of unemployment funds owed by the state will fall on businesses who are trying to recover. What is being done to recover unemployment funds that were filed fraudulently, many using educational or public employees' information. Thank you."

**Thomas DiNapoli:**

That was a real problem. In the beginning of all this, a policy decision was made because of the devastation of the economy and the number of people out of work. The Department of Labor, which I want to make clear is not under the control of the Comptroller's office, made the decision to pump out as much money as quickly as possible. There were many instances of people stealing identity and putting in for unemployment claims. Now, while the Department of Labor does all the processing, we do cut the final check. Because we heard of some of these complaints, we have been working with law enforcement and when we uncovered some of these situations where there was suspicion of fraud, we did referrals to law enforcement to follow up and that is continuing. We did a short-term audit and we have a longer term underway to make sure that Department of Labor is tightening up their procedures in their process. Frankly, there were some clear red flags that could have stopped some of this from happening when it did. I don't have a number for you, but the Department of Labor has recovered a significant amount of money from fraudulent activity. I think the hard lesson from that experience is that our systems need to be much tighter than they were. It's easy to be critical of the mistakes that were made and there were mistakes made, but I do understand that there were so many people that had no income. They were doing whatever they could to get as much money out the door as quickly as possible. So, mistakes were made with good intent. Sometimes under the cloak of being more efficient and moving more quickly, you lower the threshold for appropriate oversight and checks and balance. Hindsight is one thing. Keep in mind, whether it's getting money out for unemployment or for the ventilators, we were all operating in crisis mode. That's not an excuse for what happened, but it is a partial explanation.



**Alan Belniak:**

The next question I see is “Please address the issue of school boards having slush funds in the millions of dollars above the 4% legal limit, and then using them to lower the school taxes?”

**Thomas DiNapoli:**

We've talked about this many times. It is a problem we've identified repeatedly in audits, not just on Long Island, but across the state. We've seen some big numbers. I actually saw a recent letter to the editor in an Anton paper criticizing our audit of a particular school district. They were basically arguing that we have all this extra money and during a tough time with the pandemic and in some instances, taxes are still going up, money is being held for no clear purpose. There's some argument as to whether or not that 4% figure on fund balance is a valid figure. That's the figure that's set by the legislature. So, when we audit and we see excess fund balance, we have to comment on it based on what the law says, but the problem is there is no penalty for school districts exceeding that limit, which is why many of them continue to do it. The other problem we see is that there's inappropriate use of reserve funds in many districts. We're critical and the state doesn't do a good job with it, but many of our local governments also don't manage it in the right way. Keep in mind when we do our audits, we're not given an enforcement power. Our recommendations sit, rise, or fall on the value of the recommendations. A local government or school district is not required to follow our recommendations. This is the problem we have, with the issue of excess fund balance. In some cases, when we point this out, the community will go to the school board meetings, go to the budget hearings, and they'll say, “why are you increasing our taxes while you have all this money that's basically stranded and sitting there.” Sometimes it forces school boards to change but unless there's going to be a change in terms of legislative requirements in this area or at a local level, I don't see a change other than us continuing to do our audits and pointing out that this is the problem.

**Alan Belniak:**

The next question is, “What is the status of the SALT cap repeal or increasing the \$10,000 amount?”

**Thomas DiNapoli:**

That is federal. I try to keep track of what's going on and all, but I can't tell you with the horse trading going on in Washington, if that's going to survive. I certainly hope that it changes, at least increasing the cap, but there are many people in states other than New York, Massachusetts, Jersey, and California that have a different opinion on that. From what I've heard, our congressional delegation is working hard and Chuck Schumer has identified this as a key issue.

**John Cameron:**

I'd like to thank our State Comptroller and longtime friend Tom DiNapoli. His services are greatly appreciated not only on Long Island, but in the state of New York. You are doing a great job, Tom. You've always been accessible for your people and the LIRPC looks forward to continuing to work with you. God bless you.

**Thomas DiNapoli:**

Thank you. Thanks, John.

**Rich Guardino:**

Supervisor Clavin has joined the meeting so we do have a quorum, and the first item of business would be the adoption of minutes from the July 14, 2021 meeting.

**Adoption of the July 14, 2021 minutes. All in favor.**

**All in Favor: So moved.**

**Rich Guardino:**

Resolution 2021-111 authorizes an agreement with the New England Interstate Water Pollution Control Commission (NEIWPCC) to transfer \$100,000 of Long Island Nitrogen Action Plan (LINAP) grant funds to NEIWPCC to retain a Bioextraction Environmental Analyst to advance the Nutrient Bioextraction Initiative. The LINAP has identified bioextraction as an important strategy for nitrogen removal.

The New York State Department of Environmental Conservation (NYSDEC), the Long Island Regional Planning Council (LIRPC), and the New England Interstate Water Pollution Control Commission (NEIWPCC) partnered to start the Nutrient Bioextraction Initiative. The goal of the Nutrient Bioextraction Initiative is to improve water quality in New York and Connecticut marine waters by removing excess nitrogen through the cultivation and harvest of seaweed and shellfish. The Initiative provides information to help decision makers with the guidelines needed to facilitate seaweed and shellfish farming and harvest operations in their coastal waters. Much has been accomplished including pilot projects aimed at supporting the development of a bioextraction industry and the creation of a Geographic Information System based siting tool to identify suitable sites for bioextraction operations within New York's marine and coastal district and Connecticut's coastal area. A Shellfish Aquaculture Guidance Document is in development and will assist prospective, new, and existing aquaculture farmers to better understand the laws, policies, and permitting processes applicable to marine shellfish aquaculture in New York. A Bioextraction Economic Viability Study is also in development. The study will look at the species and markets that have the most potential for bioextraction and an assessment of the overall economic viability of the bioextraction industry. Currently, Kristen Kraseski is the Bioextraction Coordinator of the Nutrient Bioextraction Initiative and works from the NYSDEC, Region 1 office in Stony Brook, New York. The Bioextraction Environmental Analyst will work with Ms. Kraseski at the Region 1 office.

**Motion to Accept Resolution 2021-111: Michael White**

**Seconded: Jeff Guillot**

**All in Favor: So moved.**

**Rich Guardino:**

Resolution 2021-112 authorizes an agreement with Epoch 5 Marketing, Inc. for consulting services including public relations, social media, education, and marketing strategies for the LIRPC and the Long Island Nitrogen Action Plan. The LIRPC entered in an agreement with Epoch 5 Marketing, Inc., a NYS

Certified Woman Owned Business Enterprise on November 13, 2018. The agreement has been renewed annually since then as all the services rendered have been performed in a professional manner and have been satisfactorily completed. This resolution would authorize an agreement through December 31, 2022 for an annual sum of \$42,000.

**Michael White:**

Could you share the breakdown between what the Council actually pays out of our budget versus what LINAP pays?

**Rich Guardino:**

Yes, it's split. The grant pays for half and we pay for half out of the operating funds. I would like to give credit to Epoch 5. We paused their retainer when the grant was paused from New York State. This would bring it back to the original amount of the retainer, where we would tap into the LINAP grant since it has been reinstated. This brings us back to the original amount of the retainer.

**John Cameron:**

I would like to thank Epoch 5 also. They've stood by us during some difficult financial time. I would like to comment on that. Michael, any other comments?

**Micheal White:**

No, that's great. Thank you.

**Motion to Accept Resolution 2021-111: Jeff Kraut**

**Seconded: Jeff Guillot**

**All in Favor: So moved.**

**Rich Guardino:**

That's all the formal business for the meeting, John.

**John Cameron:**

I'll just make a few brief comments and turn over to you for a Council Report. Thanks again, to Comptroller DiNapoli. He's always been a friend of Long Island. He comes very prepared with a lot of good information for the audience. We live in very interesting and challenging times. Coming out of the pandemic, and we're not out of it yet, we have some major economic challenges. Additionally, we have supply chain problems. We also have inflation as prices are skyrocketing. All these things really affect Long Island. We are dealing with worker shortages. We need to continue working together to make sure that we're addressing them. Long Island, county governments, town governments, and the City and the State were supplied with some significant funding out of Washington. As a result, it's helped to budget from an operating perspective. But from a capital perspective, everybody is waiting to see what happens on the infrastructure bill. Towns and counties and the City and the State are waiting to see if there's going to be some significant funding coming from the federal government. Hopefully, Congress gets their act together, and they decide what's appropriate and we are excessively burdening our children

and our children's children. On the other hand, we do need our infrastructure upgraded. One thing that government has always agreed on was we need to fix infrastructure. We need to upgrade and fix our infrastructure. Rich, I'll turn it back over to you.

**Rich Guardino:**

Thanks, John. Let me give you a brief update on our STEAM challenge. Recognizing the need for greater interaction between professionals engaged in science, technology, engineering, art, and mathematic pursuits in our schools, the LIRPC developed the STEAM challenge related to the nitrogen action plan for all Long Island middle school and high school students. It's now in its third year. The goal of this initiative connects students, their teachers and communities with issues addressed by LINAP. The challenge invites teams of students to develop and design projects for their school grounds, which will either reduce the use of fertilizers and pesticides and water consumption, or devise methods to collect and treat stormwater runoff on the school property. For the 2021 Steam challenge, the winners came from Calhoun, Commack, New Hyde Park Memorial and Sewanhaka. \$2,500 grants will be awarded to each of the top teams to implement their proposals. Teams are in the process of developing their designs, budget, maintenance plan for the project, and plans for how the project will be incorporated into lesson plans and engagement with a larger community. Once the plans are approved, grants will be awarded. We'll have award ceremonies similar to what we had last year. The good news is we started year three of the STEAM challenge. It was launched on October 12th, inviting the students and their schools to participate and we will have letters of interest by January 10, 2022.

I want to mention a few agreements which the Council has executed since we last met in July. An agreement with Suffolk County for additional study and analysis of the Subwatersheds Wastewater Plan to be performed by CDM Smith was completed. The agreement with Nassau County for a consultant to manage the Nassau County Septic System Replacement grant program was also completed. An agreement with Hofstra University and the Town of Hempstead for water quality monitoring in the South Shore Estuary was completed and the Council received funding to continue the monitoring through 2023. Work has begun on the 2023 budget. Finally, we offered support, as John mentioned earlier, and we are delighted that Tom stepped up to expedite the paperwork on the Forge River Project and the Carlls River Project in Babylon.. These are important initiatives in LINAP and the Council has been behind them 100%. Soon there will be shovels in the ground connecting over 4,000 properties to sewer service. This is very significant to Suffolk County.

John, that completes my report.

**John Cameron:**

Thank you, Rich. Is there any new business from council members? No. Alan if you could administer any public comment?

**Alan Belniak:**

I don't see any new hands raised. I don't see any new items in the Q&A.

**John Cameron:**

Thank you.

**Motion to adjourn. So moved. All in favor.**