

TOWN BOARD
TOWN OF OYSTER BAY
REGULAR MEETING
October 19, 2021
7:10 p.m.

HEARING - BUDGET

To consider the Preliminary Budget for the Town of Oyster Bay for the Year 2022 (M.D. 9/14/21 #18).

JOSEPH SALADINO
SUPERVISOR

RICHARD LaMARCA
TOWN CLERK

P R E S E N T:

SUPERVISOR JOSEPH S. SALADINO
COUNCILWOMAN MICHELE M. JOHNSON
COUNCILMAN LOUIS B. IMBROTO
COUNCILMAN THOMAS P. HAND
COUNCILMAN STEVE L. LABRIOLA
COUNCILWOMAN LAURA L. MAIER
COUNCILWOMAN VICKI WALSH

A L S O P R E S E N T:

RICHARD LaMARCA, TOWN CLERK
JEFFREY P. PRAVATO, RECEIVER OF TAXES

Minutes of the meeting
taken by:

TRACIE A. CINQUEMANI
Reporter/Notary Public

1 SUPERVISOR SALADINO: Good evening,
2 ladies and gentlemen, and thank you for attending
3 our Town of Oyster Bay Board meeting for Tuesday,
4 October 19, 2021.

5 Actually, it's not a Board meeting and
6 just to specifically and properly describe this, we
7 held our Board meeting this morning.

8 We advertised this morning as our Board
9 meeting, and we want to apologize if anyone was
10 under the impression that we're entertaining the
11 Resolutions. They've already been brought forth,
12 described, and voted on based on the law. And
13 we've already confirmed with our attorneys that the
14 way we did the motions is a legal and proper way to
15 introduce the second half of our hearing on the
16 Town Budget.

17 So what this meeting is, is a
18 continuation of our Town Budget hearing. We held
19 an early morning, 10:00 a.m. -- our morning
20 10:00 a.m. session, and now a 7:00 p.m. session.

21 So we appreciate everybody being here
22 for the second half of our budget presentation and
23 our hearing on the Town Budget for 2022.

24 As always, it's being live-streamed,
25 and on social media, and on the Town's website at

1 oysterbaytown.com. These proceedings are recorded
2 and being transcribed, and any statements or
3 comments or input from the public, anything you'd
4 like to tell us relative to the budget, are
5 welcomed and respected as part of the record.

6 If someone is not here today but,
7 perhaps, is watching or would like to comment, they
8 can submit those comments online by sending us an
9 e-mail to publiccomment@oysterbay-ny.gov.; or mail
10 us at the Office of the Town Attorney, 54 Audrey
11 Avenue, Oyster Bay, New York 11771. And, again,
12 e-mails, which are always the easiest way to
13 communicate, publiccomment@oysterbay-ny.com.

14 So leading us in prayer, as many of you
15 know, who have been to our meetings before, since
16 our new administration took over some five years
17 ago, for the first time, we begin our meetings with
18 prayer. And we invite someone from all -- every
19 different religious order, and today, or rather
20 tonight, the Reverend Deborah Valentine, an
21 ordained minister with the Assembly of God, who
22 serves as the New York District Women's
23 Representative for Long Island, the Bronx,
24 Manhattan and Westchester will be leading us in
25 prayer.

1 Reverend Valentine supports our
2 community through faith-based initiatives and is
3 the founder of Women of Worth, which offers a
4 biblical perspective on becoming women of worship,
5 women of wisdom, women of wealth in spite of
6 circumstances; in other words, women overcoming any
7 hurdle out there.

8 Reverend, it's an honor to have you
9 here with us. The floor is yours.

10 Would everyone please rise?

11 REVEREND VALENTINE: Let us pray.

12 Awesome and eternal Father, we thank
13 you for your presence and protection at this
14 meeting at 54 Audrey Avenue on this seemingly
15 ordinary night.

16 We acknowledge the blessings of
17 liberty, which you have ordained for us and our
18 posterity, and we are grateful for this divine
19 moment to seek your wisdom and guidance, not only
20 on this 19th day of October in the year of our Lord
21 2021, but also in the days to come.

22 Holy Lord, we pray for supernatural
23 favor and sustained health over Supervisor
24 Saladino, his family, the Council, and their
25 families. We pray that they would have the faith

1 like Abraham, that their decedents would be too
2 numerous to count; the humility of Moses, that the
3 seas would part on their behalf; a heart like
4 David, to rule with compassion; and the wisdom of
5 Solomon, to judge rightly and lead this, your
6 people, who are called by your name.

7 We pray, Lord, that you would do
8 something extraordinary in our midst tonight, and
9 that your celestial light would shine down on us,
10 mere mortals, and extinguish the darkness of
11 confusion or conflict over every discussion and
12 deliberation, and that each decision would honor
13 you and bring a blessing on every beach, every bay,
14 every park, every playground, every school, every
15 street, every corner, every cul-de-sac, each family
16 friend, business, and house of worship within these
17 borders of the great Town of Oyster Bay.

18 We pray that neighboring towns, cities,
19 counties, and even states would marvel at the peace
20 and prosperity granted to this administration
21 knowing that we answer to a higher authority than
22 ourselves. We pray that we would not be persuaded
23 by the voice that screams the loudest, but rather
24 we would be guided by the truth, and the truth will
25 set us free.

1 By faith we know that you have plans to
2 prosper us and give us hope in the future, and we
3 believe that generations that have not yet been
4 born will continue to enjoy the freedoms of
5 religion and speech that we have exercised in this
6 place, and the unalienable rights that have been
7 endowed by you, our creator, God, and now in the
8 name of our Lord, Jesus Christ, we pray that the
9 words of our mouths and the meditations of our
10 hearts would be acceptable in your sight, oh, Lord,
11 our rock and our redeemer.

12 Amen.

13 ALL: Amen.

14 SUPERVISOR SALADINO: Thank you,
15 Reverend.

16 We appreciate your leadership, we
17 appreciate all you do for the community, and all
18 you're doing for us today.

19 To lead us in the Pledge of Allegiance
20 this evening, there are some people very special to
21 us. They are Blue Star Mothers from the Town of
22 Oyster Bay.

23 Included among them is President of the
24 Blue Star Mothers New York 14 of Nassau County,
25 Andrea Nordquist; the first Vice President, Sandra

1 Lachman; Packing and Street Fair Chairperson, Paula
2 Sidor.

3 The Blue Star Mothers of America, it's
4 an amazing organization that provides support for
5 mothers and families who have sons or daughters in
6 active service in the United States Armed Forces.

7 We always take a moment at every Town
8 Board meeting and every chance we can to recognize
9 and remember the sacrifice of those in the Armed
10 Forces protecting America, protecting our freedoms
11 here in the homeland and abroad, and tonight is no
12 different, but we are reminded of the amazing
13 sacrifices that you all make and the families of
14 our servicewomen and our servicemen.

15 So, would you kindly lead us in the
16 Pledge of Allegiance as we pledge to this amazing
17 Nation?

18 (Whereupon, the assemblage present
19 recited the Pledge of Allegiance, after which the
20 following transpired:)

21 SUPERVISOR SALADINO: Thank you.

22 Thank you to each one of you, and may
23 your loved ones stay safe under God's blessings as
24 they protect us all as Americans.

25 MS. NORDQUIST: Thank you.

1 MS. LACHMAN: Thank you.

2 MS. SIDOR: Thank you.

3 SUPERVISOR SALADINO: So let's take a
4 moment to remember the men and women in the United
5 States Armed Forces and their families here at
6 home. Let's remember of their sacrifice, and let's
7 remember the women and the men in law enforcement,
8 all of our first responders, our firefighters, our
9 ambulance drivers, all of those heroes in the
10 healthcare industry, our nurses, our doctors, a
11 long list of our health care heroes, and everyone
12 who works so hard and sacrifices to protect us in
13 so many ways.

14 (Whereupon, a moment of silence was
15 observed by the assemblage present.)

16 SUPERVISOR SALADINO: Thank you.

17 Please be seated.

18 Before we begin, just a few items, and
19 I'm so glad that we had the Reverend here today
20 speaking of the strength of women.

21 It is October, and October, nationally,
22 is Breast Cancer Awareness Month, and we'd just
23 like to take this opportunity to remind everyone to
24 get screened or to get the message to your loved
25 ones to make sure they get a screening so that we

1 can protect all of the people, especially the
2 women, in our great Town.

3 God bless you all.

4 So tonight is one of two meetings --
5 hearings on our proposed and, now, preliminary
6 budget. We welcome the community to talk about
7 this budget, which continues to sustain the
8 \$1.3 million property tax cut approved by the Town
9 Board for 2018 by implementing a plan that freezes
10 property taxes for the fourth straight year.

11 The budget hearing -- we held the
12 morning meeting at 10:00 a.m., where we also had a
13 meeting on our regular Resolution items. We voted
14 on those, we closed the meeting, but we kept the
15 budget hearing open, so we could have a morning
16 daytime meeting and an evening meeting to make it
17 convenient for everyone who would like to be heard
18 on our budget.

19 This evening presents another
20 opportunity for residents to be heard, and to
21 inform our residents about our financial success
22 and the continuation of our road map for 2022, as
23 well as provide that important input that we always
24 welcome.

25 We're collectively proud of the many

1 milestones made in returning the Town to fiscal
2 health, and we are proud of the fact that we did so
3 much because many of you know, when we got here in
4 2017, there were enormous hurdles to overcome, and
5 we're proud of the fact that independent auditors
6 and Wall Street has continued to smile upon us.
7 We've received six bond rating increases, including
8 four during COVID.

9 As many of you who know how Wall Street
10 works, they don't give you all the bond ratings in
11 one jump, and they look back five years, so it
12 takes a long time for them to see the trends to
13 reward us, but we are an anomaly -- as Wall Street
14 told us -- in giving us those bond rating
15 increases, by the way -- four of them -- during a
16 pandemic while freezing taxes. That's almost
17 unheard of statewide. So we're exceptionally proud
18 of our team, and we look forward to hearing from
19 our Director of Finance and then hearing from you,
20 the public, about our budget.

21 So let's get started.

22 Would our Clerk, Rich LaMarca, please
23 poll the Board?

24 MR. LaMARCA: Supervisor Saladino?

25 SUPERVISOR SALADINO: Present.

1 MR. LaMARCA: Councilwoman Johnson?

2 COUNCILWOMAN JOHNSON: Present.

3 MR. LaMARCA: Councilman Imbroto?

4 COUNCILMAN IMBROTO: Present.

5 MR. LaMARCA: Councilman Hand?

6 COUNCILMAN HAND: Present.

7 MR. LaMARCA: Councilman Labriola?

8 COUNCILMAN LABRIOLA: Present.

9 MR. LaMARCA: Councilwoman Maier?

10 COUNCILWOMAN MAIER: Present.

11 MR. LaMARCA: Councilwoman Walsh?

12 COUNCILWOMAN WALSH: Present.

13 SUPERVISOR SALADINO: So, at this time,
14 we are going to ask our Director of Finance --
15 whose tie I happen to think is fabulous -- to come
16 up here and join us to talk about the highlights of
17 the budget.

18 It's a big book, folks. There's a lot
19 to the budget here in America's fourth largest
20 town, and I'm happy to say that we have some very
21 good news, and I think you'll all be happy. As
22 loyal stewards of this Town, and people who want to
23 see this Town succeed, I believe you'll be very
24 happy to hear the good news.

25 So would you please state your

1 presence?

2 MR. DARIENZO: Good evening,
3 Supervisor, and Town Board members.

4 I am Rob Darienzo. I'm the Director of
5 Finance here at the Town of Oyster Bay.

6 It is a big book. A lot of numbers in
7 here, but I don't think anyone wants to hear me go
8 through them --

9 COUNCILWOMAN JOHNSON: Is his
10 microphone on?

11 SUPERVISOR SALADINO: It is now.

12 MR. DARIENZO: Can you hear me now?

13 SUPERVISOR SALADINO: Yes.

14 MR. DARIENZO: It is a big book,
15 Supervisor. There's a lot of numbers in here, a
16 lot of work goes into putting this book together.
17 I'm not going to bore everyone tonight by going
18 through it line by line.

19 What you should know is that the
20 overall spending plan for 2022 comes in at roughly
21 \$311 million, which happens to be the same as it
22 was in 2021. \$311 million. So there's no spending
23 increase contemplated in this budget. It remains
24 the same as it was in 2021.

25 As you mentioned just a minute ago, the

1 other important thing to our taxpayers is their
2 taxes. As you mentioned, we are holding the line
3 on taxes in 2022, so any resident -- I'm sorry, the
4 amount of taxes we're collecting in total remains
5 the same in 2022 as it was in 2021, as it was in
6 2020, as it was in 2019, and as it was in 2018.

7 It's \$233 million that we collected in
8 total from our taxpayers, and that remains the
9 same. It will be the fifth year running now. I
10 think you also mentioned \$6.5 million cumulative
11 back in taxpayers' pockets.

12 SUPERVISOR SALADINO: The savings of
13 all of those years.

14 MR. DARIENZO: All of those years added
15 up.

16 So I think the simple question to the
17 layperson would be, how can you be holding the line
18 on spending when there's a pandemic out there and
19 all you hear is that the price of everything is
20 going up?

21 The price of gas is going up, the price
22 of our groceries are going up -- \$25 a pound for
23 skirt steak -- and I remember when it was \$6 a
24 pound, and I enjoyed that \$6 a pound. I can't
25 afford it anymore, unfortunately. And, yes, even

1 in the Town here, the price of our gas goes up, the
2 price of our equipment that we need to purchase
3 goes up, the cost of everything goes up. It's not
4 only the pandemic, but it has been made worse
5 during the pandemic. Meanwhile, we're able to hold
6 the line on spending and hold the line on taxes
7 because of two major reasons.

8 The first is our debt service -- and
9 I'm sorry for those of you who heard it this
10 morning -- on January 31st of 2017, your first day
11 in office, we met for hours up in your office, and
12 you grilled me on the finances, and one of the
13 questions was around how can we make things better
14 and make them better fast. It was at that meeting
15 that you told me that in terms of capital spending
16 -- I told you at that meeting that our capital
17 spending -- our capital borrowing would be on an
18 average year, north of \$100 million. You,
19 rightfully so thought that was outrageous and asked
20 if there was a way for us to be more responsible
21 and use our money more efficiently.

22 And, again, I said this morning, you
23 decided to shock the system and borrow zero dollars
24 for capital purposes in 2017. It allowed us to
25 reduce that by \$85 million in that one year, and as

1 we stand here tonight, we've cut debt by \$165
2 million during your time here. It will be roughly
3 \$175 million by the end of this year.

4 SUPERVISOR SALADINO: And that's net.
5 \$165 million net.

6 MR. DARIENZO: Correct. We've paid
7 down hundreds of millions. We've issued, maybe, a
8 couple of hundred million dollars in the past four
9 or five years, but, as you say -- net -- we paid
10 down a lot more than we've incurred, thereby
11 lowering the overall debt from \$763 million when
12 you got here to a number in the \$590 million range
13 right now.

14 So when you take the drastic measure to
15 eliminate capital borrowing, it has a knock-on
16 effect of your operating budget a couple of years
17 later. Because when you borrow money for capital
18 purposes, one of the rules is you don't need to pay
19 back principal that first year after you borrow it.
20 So oftentimes you don't pay back principal until
21 the second year. So here we are four and five
22 years later, and the reduced capital borrowing over
23 the past five years has allowed us to see a
24 reduction in the debt service payments that are due
25 in any given year on the operating side of the

1 budget.

2 In 2017, debt service payments were
3 \$92 million. In the 2022 budget, that number drops
4 to \$76 million. That's a decrease of \$16 million
5 from over those five years. If you compare 2022 to
6 2021, it's a drop from \$84 million to that same
7 \$76 million, so it dropped \$8 million in just this
8 past year. That \$8 million allows us to cover up
9 for the increases in goods and services as
10 mentioned before due to the pandemic.

11 So, basically, the idea of cutting
12 capital borrowing as drastically as this
13 administration has, has led us to the point where
14 we're able to absorb the increased prices for
15 everything else while still holding the line on
16 taxes for our residents.

17 SUPERVISOR SALADINO: So as we
18 discussed at that meeting and the many meetings
19 afterwards, you and I, and our Town Board members
20 who have been so helpful in trimming the budget and
21 getting the financial successes that we've
22 obtained, there were many ways we saved, but the
23 two largest components -- the biggest piece of the
24 puzzle -- was the \$16 million decrease in debt
25 service, but there was another big component we

1 discussed.

2 What's the second largest component in
3 dramatic savings in our Town financial strategy?

4 MR. DARIENZO: Yeah.

5 As part of the meeting you asked where
6 are the biggest places we can cut. The biggest
7 places -- the largest expense that the Town has are
8 our salaries and our debt service. So we already
9 talked about debt service. The other major area
10 was in salaries.

11 When you came here, we had just come
12 off a retirement incentive, and I don't have the
13 exact number committed to memory, but around 100
14 people left, and from the years -- the five years
15 that preceded your time here, we averaged 1,100;
16 1,150; 1,200; a high of 1,250 full-time employees,
17 and we'd had retirement incentives in the past --
18 2010, 2012, I believe, and every time we'd have
19 people leave, we'd hire roughly the same amount of
20 people back, always maintaining a full-time salary
21 roster between 1,150 and 1,250.

22 The difference in 2017 is that we did,
23 in fact, lose over 100 people and went from
24 roughly 1,125 down to roughly 1,000. We are still
25 at 1,000 five years later.

1 Under your stewardship, we have not
2 opened the doors to hiring people unnecessarily. I
3 got it wrong this morning, I'm going to get it
4 right tonight -- we are doing more with less.

5 Did I get that right this time?

6 We're doing more with less. In a time
7 where we have more facilities to man than ever, in
8 a time where we have more hours in a day where
9 we're manning those facilities, we're keeping the
10 beaches and the pools open past Labor Day and all
11 through September, in a time where we're doing more
12 than ever for our residents, we're doing it with
13 less people, and not only with less people, but at
14 a lower cost.

15 So at the time of that retirement
16 incentive, our overall full-time salaries was
17 \$84 million. Today, our full-time salary stands at
18 \$75 million. That's a \$9 million drop from what it
19 was in 2016, and that's despite the fact that there
20 have been contractual raises and promotional raises
21 that have been given over the past five years. So
22 even with the salaries of those employees who are
23 here going up, we're still \$9 million less than we
24 were in 2016.

25 SUPERVISOR SALADINO: You know, it's

1 important that people understand the line item in
2 the budget that used to be \$84 million on our labor
3 cost -- one of our two largest costs -- is, now, in
4 2021, \$75 million. So the \$9 million savings on
5 labor and the \$10 million savings on debt service
6 were two of the biggest components, but there are
7 so many other pieces.

8 We've talked about this at other Board
9 meetings -- \$10 million just by changing out the
10 lights to LED lights, not only in the buildings,
11 which we've done, but out on the 700 miles of
12 roadways in the Town. By changing out those bulbs,
13 we saved over a million dollars in utility, and we
14 reduced the carbon footprint for the Town of Oyster
15 Bay; therefore, protecting the earth as well. It's
16 environmentally the right thing to do, and it's
17 financially the right thing to do, but that's one
18 of so many ways we've saved money.

19 We've greatly reduced consulting fees
20 in the Town of Oyster Bay, and we've talked about
21 this and we've had the support and the input from
22 all of our Town Board members -- business owners
23 with all of their talents as well.

24 Case in point, you talked about
25 promotions for employees. So when you retire out

1 all of these people, they tend to be the senior
2 people at the highest salaries. But those senior
3 people, many times, are supervisors of a variety of
4 Town services, so you find the best people in the
5 Town, the most motivated, and we've got a
6 phenomenal and a highly motivated workforce, and we
7 thank them tremendously for all they've done to
8 improve our services here in the Town of Oyster
9 Bay.

10 When you find those people, and you
11 elevate them to supervisory positions, you're
12 following New York State Labor Law and our Town
13 union contract, and they have to be paid more -- a
14 salary that is commensurate with their added
15 responsibilities. So when people talk about the
16 promotions and salary increases, they have to
17 understand what that is all about.

18 By reorganizing the Town, you get much
19 more in the way of services and work product with
20 far less people. It's been a wonderful piece of
21 the puzzle to reduce costs in the Town, but also
22 bring down that line item that is the cost of
23 full-time employees from \$84 million to
24 \$75 million.

25 So, I thank you. That's been a big

1 piece of these savings even though the cost of
2 everything is going through the roof. People can
3 imagine the garbage trucks and the Highway
4 vehicles, all the fuel they're burning, and now the
5 cost of fuel is more than doubled and yet, we still
6 have frozen taxes every single year, except in
7 2018.

8 We did not freeze taxes, right?

9 MR. DARIENZO: Correct. You decreased
10 taxes.

11 SUPERVISOR SALADINO: We cut taxes.

12 MR. DARIENZO: Correct.

13 SUPERVISOR SALADINO: It's the right
14 thing for the Town. But the people will look at
15 their tax bill and say, but my taxes went up.

16 First of all, people should understand
17 that our Receiver of Taxes, Jeff Pravato, his job
18 is to collect the taxes and then to distribute
19 them.

20 Our school districts, which do a
21 wonderful job, let's face it -- when Steve and I
22 were Assembly members, we saw the results of the
23 schools on Long Island. They have some of the best
24 results of schools anywhere in the State, but it's
25 expensive -- 67 percent of people's property taxes

1 go for school districts; then Nassau County
2 receives about 23 percent of our Town taxes; and
3 the Town of Oyster Bay, of all the taxes they
4 collect and distribute, they only utilize about 13
5 -- on average about 13 percent.

6 As a matter of fact, when we look at
7 the statistics, the average Town of Oyster Bay
8 employee -- rather, resident -- the average
9 resident, including our Town of Oyster Bay
10 employees who are residents, the average resident
11 pays \$144 per month on their property taxes, which
12 is way less than my cable bill for a phone I never
13 use, the internet service, and the cable TV, so for
14 all the services people receive.

15 Now, I want to ask you a question so
16 that folks here and, perhaps, watching at home
17 better understand. People will say that their
18 property taxes go up and up, but they don't
19 necessarily understand that it's their assessment
20 -- their Nassau County assessment going up.

21 Would you briefly elaborate on that?

22 MR. DARIENZO: Absolutely.

23 Here at the Town, we can't control what
24 goes on with your assessments. We can't control
25 what New York State does with something called

1 adjustment based proportion. I don't want to bog
2 you down with too many details.

3 We collect taxes from all of our
4 taxpayers. We collected \$233 million in 2018 with
5 the reduction that this Board voted on. We
6 collected \$233 million in 2019, we collected
7 \$233 million in 2020, we collected \$233 million in
8 2021. That number has remained the same for the
9 past four years. We have no say over an
10 individual's tax bill. We collect for the entire
11 Town.

12 SUPERVISOR SALADINO: We collect for
13 the County as well, and the school districts, and
14 the smaller districts like our water districts who
15 do a wonderful job.

16 I want to point out something that
17 really speaks to the fact that there has been no
18 increase in Town taxes. You mentioned, and it says
19 it in the budget, each year we collect
20 \$233 million, and you mentioned year '18, '19, '20,
21 and '21.

22 To speak to the fact that we are not
23 increasing taxes in the this preliminary 2022
24 budget, under this budget, if this passes and
25 becomes the budget for 2022 as it has been

1 proposed, how much will we collect in total
2 property taxes just for the Town of Oyster Bay in
3 2022?

4 MR. DARIENZO: You said it was
5 \$233 million in 2018, '19, '20, and '21?

6 SUPERVISOR SALADINO: Yes.

7 MR. DARIENZO: Let me check my book
8 here. It's going to be \$233 million in 2022 also.

9 SUPERVISOR SALADINO: So this
10 illustrates how the budget is formulated, how we
11 follow through. And while it's the basic
12 information, this budget, again, does not raise
13 taxes even though the cost of materials go up, even
14 though the fact that before we got here, and the
15 previous administration they weren't paving roads,
16 and now we commit \$25 million a year just to road
17 paving, some people would say, well, you have this
18 enormous surplus now as of the close of 2021 -- I'm
19 sorry, 2020 -- we have \$47 million surplus that our
20 independent auditors verified. That is one of the
21 main reasons our bond rating keeps going up in
22 major steps, and they would say, well, then, return
23 it to the public.

24 What would happen if we greatly reduced
25 the surplus?

1 MR. DARIENZO: We'd get back into the
2 same problem we just got ourselves out of. Our
3 bond rating would -- depending on the level of
4 giving money back -- our bond rating would
5 collapse, our interest costs to borrow money would
6 soar, and we'd find ourselves, again, back where we
7 were, a place that I was at, and I don't ever want
8 to go back to. I'm much happier coming to this
9 lectern and talking about our \$47 million surplus
10 as opposed to our \$44 million deficit that we had
11 just five years ago.

12 SUPERVISOR SALADINO: That's an
13 important concept so people understand that as
14 well, so they really see what this budget
15 represents. The fact that we've cut taxes, we've
16 gone so many years with the cost of everything
17 going up, and, yet, we still collect the same
18 amount, but we manage the money better. The
19 services get better and better, we're addressing
20 things like the road paving and the protection of
21 our infrastructure and the upkeep of our
22 infrastructure.

23 You borrow money from the capital
24 budget, but you pay it off in the operating budget,
25 and just like you might refinance your home, you

1 take out a loan, you pay off the old loan, and the
2 new loan has a lower interest rate.

3 We're doing the same thing as well and
4 saving money there too, right?

5 MR. DARIENZO: Correct.

6 When you issue bonds, there's typically
7 a call date, which the bonds need to stay into
8 effect for a certain period of time. Once you pass
9 a call date, you have the ability to refinance if
10 it's in your favor.

11 So we had a couple of bond issuances in
12 the past two years that have reached call dates.

13 Interest levels have dropped since they
14 were issued, and, naturally, we took advantage and
15 refinanced, and we saved \$8 million with one and
16 \$10 million with another, and we're going to --
17 spoiler alert -- we have one in 2022 also. We're
18 going to have another bond refunding in the middle
19 of next year that, right now, if the market stays
20 the same -- obviously, there's a long time between
21 now and the middle of next year -- but that one is
22 estimated to save us \$11 million.

23 SUPERVISOR SALADINO: And the entire
24 Town Board has instructed you each and every time
25 we have one of these call dates, which gives us the

1 opportunity to save even more money, that we're
2 going to take advantage of that.

3 MR. DARIENZO: Absolutely. Even if we
4 saved \$100,000, we would do it. If we saved a
5 dollar we would do it.

6 SUPERVISOR SALADINO: Good.

7 MR. DARIENZO: It's just paperwork.

8 SUPERVISOR SALADINO: It's more than
9 paperwork. It's smart planning, it's conservative
10 budgeting, and it's the right thing for our
11 taxpayers.

12 We've spoken about the bond rating
13 increases. Both Moody's Investor Services and
14 Standard & Poor's have given us many bond rating
15 increases. We've been audited by the State
16 Comptroller. The Town of Oyster Bay used to be on
17 the State Comptroller's financial stress monitoring
18 list.

19 The Town was on that list every year
20 since the inception of the list, but for the last
21 two years, we didn't get a downgrade; did we?

22 MR. DARIENZO: No. The State
23 Comptroller has three lists, and at our worst, we
24 were near the top of their worst of the worst list.

25 SUPERVISOR SALADINO: I think the Town

1 was the fourth worst in the State.

2 MR. DARIENZO: Yeah, we don't have to
3 brag about it. We had the fourth worst score in
4 the entire State. We were on the significant
5 stress level. There's significant stress, moderate
6 stress and acceptable stress.

7 SUPERVISOR SALADINO: And under this
8 administration, have we been downgraded on that
9 stress list?

10 MR. DARIENZO: I wouldn't call it a
11 downgrade. We've been removed completely.

12 SUPERVISOR SALADINO: Completely.

13 MR. DARIENZO: We're not on any list.

14 SUPERVISOR SALADINO: For one year or
15 two?

16 MR. DARIENZO: It's two years now, and
17 it will be that way for the foreseeable future.

18 SUPERVISOR SALADINO: So we're not even
19 on the list any more because the New York State
20 Comptroller has carefully gone over our books and
21 determined we no longer have a financial stress
22 situation and, therefore, we're removed from the
23 list?

24 MR. DARIENZO: Correct.

25 SUPERVISOR SALADINO: One last

1 question. We talked about the bond rating
2 increases from Wall Street, and some people would
3 say it's too little, too late. It takes a long
4 time. They don't fool around and just give it to
5 you because you, Rob, have a pretty face.

6 Don't you have to work at it for years?
7 They look back many years?

8 MR. DARIENZO: Yeah.

9 Again, I've been working in finance
10 since before 2000, so I've seen us go up, and I've
11 seen us go down, and as we were dropping, we
12 dropped at a slow level, slower than I expected.
13 So, yes, they look back at five years typically --
14 Moody's and Standard & Poor's -- so it's not
15 unexpected.

16 While I would wish that our rating
17 would jump to AAA immediately, that's just not how
18 it works. They need to see trends over the course
19 of years. They don't want to say, hey, you guys
20 had a great year, we're going to take you from
21 non-investment grade to AAA.

22 SUPERVISOR SALADINO: Nobody gets that.

23 MR. DARIENZO: Nobody gets that.

24 SUPERVISOR SALADINO: That's a fantasy.

25 MR. DARIENZO: It's impossible.

1 SUPERVISOR SALADINO: But it is
2 possible by one or two more years to get a perfect
3 AAA rating?

4 MR. DARIENZO: I don't know if it will
5 be one or two more years, but it's just a matter of
6 time. It's coming.

7 Our turnaround in terms of our fund
8 balance, specifically, to be at a positive
9 \$47 million at this juncture, if we just -- not
10 stayed the course, but if we have moderate
11 increases to our fund balance over the next couple
12 of years, yes. It's just a matter of time as far
13 as I'm concerned.

14 We had, on average, \$18 million jumps
15 in our fund balance from our rock bottom number of
16 \$44 million deficit to our current \$47 million
17 surplus. We're not going to have \$18 million
18 surpluses every year. The goal is to -- the goal
19 is -- we finished phased one.

20 We, again, shocked the system and gone
21 from negative 44 to positive 47. Now that the
22 course has been righted, now that the ship is on
23 course, we have the ability to take a breath,
24 stabilize, continue to do all the good things we've
25 been doing and moderately increase our fund

1 balance.

2 I stated this morning an overall goal
3 of \$60 million, which would be roughly 20 percent
4 of our operating budget.

5 Now, to the layperson at home, in your
6 personal finances, it's recommended that you have
7 six months of expenses in cash in your bank in case
8 you lose your job or come across a catastrophic
9 illness, so this is no different.

10 We have money in reserve that's not
11 meant to go back -- it's not meant to spend
12 foolishly, it's not meant to give back. It's meant
13 to be in reserve in case of emergency. We won't
14 have an emergency illness here in the Town, but we
15 could have an emergency hurricane, an emergency
16 pandemic; hopefully, this is the worst pandemic any
17 of us ever see, but you never know what's going to
18 happen, so you need to have a rainy day fund, a
19 reserve fund, a surplus. These are all
20 interchangeable terms.

21 You need to have cash on hand to be put
22 to use in case of an emergency. We didn't have
23 cash on hand when Hurricane Sandy hit, and we had
24 to run out and borrow \$30 million to pay for the
25 cleanup, and then we had to pay that back with

1 interest. So, we can avoid doing that now.

2 SUPERVISOR SALADINO: And no more
3 short-term borrowing to meet our bills?

4 MR. DARIENZO: No more short-term
5 borrowing to meet our bills.

6 This morning we talked about TANS and
7 RANS. TANS are Tax Anticipation Notes and RANS are
8 Revenue Anticipation Notes.

9 A Tax Anticipation Note is, basically,
10 as everyone in this room knows who pays their tax
11 bill, we collect general taxes in January, February
12 and then July and August. You can borrow money
13 against your future tax receipts.

14 If we wanted to borrow \$10 million to
15 pay our bills, we could, basically, use our future
16 tax receipts as collateral against that loan. We
17 have no reason to do that at this point. Zero
18 dollars for short-term cash flow borrowings.

19 SUPERVISOR SALADINO: So the experts on
20 Wall Street, they're accountants, they're the folks
21 who understand municipal finance inside and out,
22 pine over our books, gave us the bond rating
23 increases, but they also gave us a positive
24 outlook.

25 What does that mean?

1 MR. DARIENZO: It means -- just so
2 everyone understands -- there's three outlooks you
3 can have. You can have a negative outlook, a
4 stable outlook or a positive outlook.

5 At our worst, we were at non-investment
6 grade with a negative outlook; meaning, that you
7 guys are already in terrible shape, and based on
8 the direction your ship is sailing, you're going to
9 sink, or you're going lower.

10 SUPERVISOR SALADINO: And that was
11 before this new administration took over?

12 MR. DARIENZO: Yes.

13 Now, as you said, we have received six
14 upgrades from the two firms over the past four
15 years. Four of them during the pandemic, and we
16 have positive outlooks with both of them, which
17 means, yes, you're doing the right thing, here are
18 some upgrades, and guess what, if you keep doing
19 what you're doing, we anticipate giving you more
20 upgrades.

21 SUPERVISOR SALADINO: Thank you, Rob.
22 We appreciate all your fine work.

23 MR. DARIENZO: It's my pleasure.

24 SUPERVISOR SALADINO: So if there are
25 no questions from the Board members, we'll see if

1 the public has any comments they'd like to make.

2 COUNCILMAN LABRIOLA: I don't have a
3 question; just a quick story.

4 The Supervisor and I both served in
5 Albany, and I have to tell you we've watched many
6 municipalities come on bended knee to Albany asking
7 for help when they're in trouble, and, oftentimes,
8 they get it.

9 But I'll tell you a quick story about
10 the one not too far away from us in the City of
11 Long Beach when they had a \$14 million deficit -- a
12 small city, by the way -- they went to Albany, and
13 they were given a special bill passed just for them
14 to allow them to finance their debt, which, as you
15 know, as a person in finance, you can't finance
16 debt without special permission from Albany and the
17 Legislature, and they did that. They squandered
18 that moment because as you know, Long Beach is
19 still considered one -- I think it's the highest
20 fiscally stressed community in New York State --
21 don't quote me on that, but it's up there. It's in
22 the top five.

23 But the point is, they came to Albany,
24 they asked for help, and they got it. When the
25 Town of Oyster Bay was in trouble years ago, we

1 didn't get help from Albany. We didn't get help
2 from the Federal government. We had to pick
3 ourselves up by our own bootstraps, and, of course,
4 with the Supervisor's leadership and this new team,
5 we managed to pull ourselves out of that situation.

6 But I do remember two of our State
7 Legislators, Senator Brooks and Senator Levine, who
8 actually tried to pass a bill to place a monitor
9 and severely constrain this Town from doing what
10 was necessary, but it was a political bill, which
11 ended up in the garbage can, which is where it
12 belonged, and, of course, today, I hope that these
13 two Legislators are listening at home, and they can
14 tell me what they are going to do for the Town of
15 Oyster Bay rather than trying to hurt the Town of
16 Oyster Bay at our moment of need.

17 So it was a lot of work, there's a lot
18 of years, and what I call it's fiscal
19 conservatism that has brought us to this point
20 where we are now an A+ rated municipality.

21 I know the Supervisor said earlier this
22 morning that his goal is to bring us to AAA status,
23 which is very rare and very difficult to do, but I
24 think he'll do it.

25 So with that said, I also notice our

1 comptroller is in the audience, Steve Ballas, and I
2 know he's done such a terrific job in watching the
3 pennies that we budget. He's the guy who actually
4 writes the checks and pays the bills, but he's been
5 doing a fantastic job when it comes to auditing and
6 making sure that the taxpayers' money is jealously
7 guarded.

8 So, Steve, thank you for all your work,
9 and thank you very much for what you have done.

10 MR. DARIENZO: Thank you, Councilman.

11 SUPERVISOR SALADINO: Thank you, Steve.

12 We're also joined by commissioners of
13 some of our water districts in Oyster Bay and in
14 Locust Valley, and it's important, too, that you
15 both do a wonderful job.

16 Thank you for all of your dedication
17 and your tremendous talent.

18 Because of New York State law, we do
19 the borrowing for the smaller districts -- certain
20 fire departments and water districts. When they
21 want to bond, they come to the Town of Oyster Bay,
22 so as our bond rating goes up and our interest
23 payments go down, that better outlook in the Town
24 of Oyster Bay's fiscal condition assists these
25 smaller municipalities, so they can save money.

1 Look, it's one family. We all have the
2 same residents that we're protecting, and it feels
3 good to be able to be the point people protecting
4 the consumers and the ratepayers and the taxpayers
5 of the water districts, those who count on our fire
6 districts and so forth, so we're very proud to be
7 saving them money, and we're glad you've joined us
8 this evening.

9 MR. DARIENZO: Supervisor, that's,
10 actually, a very important point in this era. And
11 forgive me, water commissioners -- 1,4 dioxane.
12 These water districts are borrowing more money than
13 ever to clean up things that they never
14 contemplated, I'm sure, having to spend millions
15 and millions of dollars on. So it's important now
16 that our bond rate is going up and our interest
17 rates are going down at this important juncture in
18 their history.

19 SUPERVISOR SALADINO: Sure.

20 It's a blessing to the Town of Oyster
21 Bay's taxpayers, it's a blessing we're helping the
22 water districts and these other districts to
23 embrace their successes. The Town of Oyster Bay's
24 significant savings is making a difference
25 throughout, and we're very proud of that, very

1 proud of the turnaround.

2 I want to specifically thank the Town
3 Board members for their stewardship, their
4 collaboration, and all they've done to help. It's
5 one team with all of our elected officials and our
6 very worthy members of our staff, including you,
7 Mr. Darienzo.

8 We appreciate your talent and your
9 stewardship with our finances, and we mentioned
10 Steve Ballas as well, and the entire team.

11 So thank you for the presentation and
12 thank you for all of your help.

13 MR. DARIENZO: My pleasure.

14 SUPERVISOR SALADINO: At this point,
15 we're going to go to the public to listen to any
16 comments as they relate to this continuation of the
17 hearing on the Town's budget.

18 I'm going to ask Mr. McKenna -- Kevin
19 McKenna to please step forward.

20 And, Kevin, while you're on the way up,
21 I want to point out -- come on up. Come on up.
22 Please, sir.

23 We notice all of our information to the
24 public on all the hearings on every subject,
25 including the hearing that we had this morning, and

1 the continuation of the budget hearing.

2 This is the document that has been sent
3 out (indicating) on the internet, on the website,
4 sent out for reproduction in the newspapers, and
5 I'm just going to read the second paragraph.

6 It says, "The Town Board will consider
7 the Action Calendar in the morning as well as the
8 public comment portion of the Calendar."

9 So in the morning, we did the Calendar
10 of the regular Resolutions, then we opened up a
11 Hearing on the budget, and then we closed the Town
12 Board Calendar and voted on that from a motion from
13 Councilwoman Michele Johnson, that was seconded by
14 Councilman Imbroto, and we voted on that to close
15 that hearing out, and, now, we are continuing just
16 the Town Board budget, but we have properly
17 advertised this to inform the public of the action
18 we're taking, and if you'd like to see this, we're
19 happy to share it with you.

20 So, sir --

21 MR. McKENNA: My only issue was that
22 the way that the meetings are announced on the
23 website, the two different times when you go to
24 look.

25 When you vote on Town business, the

1 public should have the opportunity to weigh in on
2 the business and the public really wasn't notified
3 that tonight they wouldn't be able to speak on the
4 Resolutions because they took place in the morning,
5 but -- you know what I'm saying?

6 So next year, the next time that you do
7 this, the Resolutions should be in the evening so
8 that the public has the convenience of coming at
9 night and talking on the Resolutions.

10 That's, you know, I don't want to waste
11 my time.

12 SUPERVISOR SALADINO: I want to
13 personally thank you for your input.

14 MR. McKENNA: Okay. Thank you.

15 I've been coming here for six years,
16 and you and Mr. Darienzo, I have to compliment you.
17 You put on a very good show.

18 I come from a multibillion dollar
19 company where I spent almost twenty years working
20 for a huge company that focused on gross profit and
21 financials. And whenever we presented a budget to
22 our employees, as well as to the public -- because
23 it was a public company -- we used overheads, and
24 we went through the budget by line item.

25 And the Town of Oyster Bay has almost

1 20 different departments -- I think it's 18 --
2 which is a huge amount of departments that very
3 well could be reorganized, not necessarily cutting
4 people, but they can be reorganized in order to be
5 more productive.

6 But my point is that, when you do the
7 budget for whoever is the Supervisor, the next time
8 the budget is presented, you should go line item by
9 line item, and you should have the commissioners
10 here of all those different departments.

11 The Town of Hempstead does it. They
12 have the commissioners front and -- well, not front
13 and center, but the commissioners, in my opinion,
14 should be the ones that come up at budget time and
15 present their different departments' budget, and
16 give the public an opportunity to ask questions
17 about that specific department that weighs into the
18 overall budget, you know.

19 I mean, in all fairness and all
20 respect, it all sounds good what you're talking.
21 There's no doubt that you guys have done -- you've
22 done a great job getting the Town to where it is
23 today.

24 SUPERVISOR SALADINO: Thank you.

25 MR. McKENNA: But now, you need to have

1 an operational review, department by department,
2 and in my opinion, this Town next year could be
3 writing checks back to the public that are larger
4 than the peanuts that Laura Curran is giving to
5 Nassau County, in which, you know, it's even
6 difficult to get that.

7 My point is, is that the Town of Oyster
8 Bay, you don't even have the Deputy -- you don't
9 even have the Deputy Supervisor here participating
10 in a budget meeting. He runs the day-to-day
11 operations of the Town of Oyster Bay. I know that
12 you might not agree with that, but your employees
13 tell me so.

14 So, the next time you should have the
15 commissioners here. I don't even know if a Deputy
16 Supervisor is necessary if the Supervisor has the
17 experience and the competence to run the
18 organization.

19 So what I would like to know from
20 Mr. Darienzo -- actually, I'd like Mr. Ballas. I'd
21 like to hear his voice for once. I'd like to hear
22 Mr. Ballas explain to us about the Federal CARES
23 money. I think it's \$32 million. I'd like to
24 know, and I'm sure the public would like to know,
25 how the \$32 million that was given to the Town of

1 Oyster Bay, how it fit into this budget, this flat,
2 no tax budget, and where did the \$32 million in
3 Federal CARES money go?

4 I sent in a -- I would think you would
5 be proud to tell the public about this. I sent in
6 a FOIL request asking -- I thought that you would
7 send me back an answer that we're proud to tell you
8 that we gave "X" amount of money to these people.
9 I got back, "The information is not available."

10 I don't even know if you are aware of
11 that, Mr. Supervisor.

12 So if you could -- if you could have
13 somebody come here and tell the public where did
14 the \$32 million go that the Town received in
15 Federal CARES money, and I'd also like to know if
16 all the money that's going to the Town of Oyster
17 Bay Housing Authority, which everybody says is a
18 separate entity, the Town of Oyster Bay Housing
19 Authority got \$1.7 million in funding in August.

20 Where's that money going because it's
21 not going into fixing up the buildings that the
22 Town of Oyster Bay Housing Authority -- so does any
23 of that money go into this budget?

24 I'm just curious. Inquiring minds want
25 to know.

1 Thank you very much.

2 SUPERVISOR SALADINO: Thank you very
3 much, Mr. McKenna.

4 MR. MCKENNA: And I can't wait to see
5 you Thursday night.

6 SUPERVISOR SALADINO: Okay.

7 So before we get to questions and more
8 information, I would like to go through the list of
9 speakers. This morning we had no one, and we asked
10 numerous times who else would like to be heard, so
11 at this time, this is the only slip I have.

12 Is there anyone else who would like to
13 be heard on the Preliminary 2022 Budget?

14 (Whereupon, a member of the assemblage
15 present raised a hand to be recognized.)

16 SUPERVISOR SALADINO: Please step
17 forward.

18 MS. REINHARDT: Good evening.

19 Lisa Reinhardt, 65 Elm Street,
20 Hicksville.

21 So I do see that spending is flat in
22 this year's budget for the first time in the
23 administration, yet salaries are rising again, and
24 salaries will have gone up about almost, I think,
25 20 percent over the last few years.

1 Coming from a corporate background
2 myself, that's a little worrisome to me that the
3 salaries are growing that much.

4 SUPERVISOR SALADINO: No. That's not
5 accurate. They're not going up 20 percent.

6 MS. REINHARDT: No, not this year.

7 Over the last several years, they have
8 gone up about 20 percent from what the number used
9 to be.

10 SUPERVISOR SALADINO: But in a
11 corporate situation, just so you understand, in
12 municipalities you have to follow the State's
13 Municipal Law, which is different in that it
14 doesn't affect the private sector.

15 MS. REINHARDT: I understand. I
16 understand.

17 I'm just saying I know from my
18 background when I see large raises, it's a little
19 worrisome.

20 Also, beginning -- this administration
21 walked into an 11.5 percent tax increase in 2017,
22 and that is what got frozen.

23 In 2018, I think, the giveback was
24 about .5 percent, so the people are really still
25 waiting for meaningful tax relief, and touting a

1 multimillion surplus makes me wonder if the budget
2 is being balanced correctly because, if so, then we
3 shouldn't have such a large surplus. I agree that
4 we need a rainy day fund, yes. I'm just concerned
5 with such a large surplus, that it kind of means
6 that the budget hasn't been balanced correctly, and
7 I was just wondering if we do, in fact, have a
8 multiyear financial plan yet because I didn't see
9 one on the website.

10 Thank you.

11 SUPERVISOR SALADINO: Thank you so much
12 for being here this evening.

13 Mr. Darienzo, I'm going to ask you to
14 come up for a moment so we can speak to clarify
15 these issues.

16 So the State Comptroller audits the
17 Town, we have an independent audit, we've received
18 numerous audits from the outside world, but we also
19 do under the auspices and the direction of our
20 comptroller, we do many internal audits.

21 Have you ever heard anyone complain
22 that we're not budgeting correctly?

23 MR. DARIENZO: No.

24 SUPERVISOR SALADINO: Has the State
25 Comptroller in the analysis of the audits they've

1 done on the Town ever suggested we're not budgeting
2 correctly?

3 MR. DARIENZO: No. In their most
4 recent audit, they said the Town -- they
5 acknowledged that this Town Board has improved the
6 financial conditions around here, and they
7 expressed that they wanted you to continue to
8 improve those conditions. It was the first line in
9 their audit.

10 SUPERVISOR SALADINO: In any company --
11 you've worked in the private sector, you've worked
12 in government -- in any municipality, in any
13 private company, is it normal that salaries go up
14 for employees as the years go by?

15 MR. DARIENZO: Yes, it is.

16 SUPERVISOR SALADINO: Do we have a
17 contract with our union?

18 MR. DARIENZO: We do.

19 SUPERVISOR SALADINO: Under State Law
20 and under the union contract, does it call for
21 normal steps for government employees and for
22 raises for people whose responsibility has been
23 greatly increased?

24 MR. DARIENZO: Yes.

25 Our contract called for raises going

1 backwards in 2021, 2020, 2019 and 2018.

2 SUPERVISOR SALADINO: Did we do some
3 givebacks to employees who gave up an enormous
4 amount of money to help balance the books -- and
5 they weren't really balanced before we took over --
6 but in the past years, were they asked to give back
7 monies?

8 MR. DARIENZO: They were, yes.

9 We gave them back 2 percent six months
10 earlier than contractually obligated.

11 SUPERVISOR SALADINO: But that was done
12 in the past to keep the Town afloat, to keep the
13 Town from crashing financially?

14 MR. DARIENZO: The givebacks were done
15 at a time when the Town was in dire straits
16 financially.

17 SUPERVISOR SALADINO: So we've never
18 gotten a complaint from the State Comptroller, from
19 any of the audits that we've done that we're
20 improperly budgeting or there's any issue with
21 salaries?

22 No complaints from anyone who's looked
23 at our books?

24 MR. DARIENZO: They've never said
25 anything about our salaries, and they've never

1 complained about the size of our surplus.

2 SUPERVISOR SALADINO: So this
3 11 percent that the previous speaker just spoke to,
4 was that enough?

5 Was that the reason why the books are
6 balanced?

7 Was that the reason by itself why
8 there's no deficit?

9 MR. DARIENZO: No.

10 It's very simple to say, hey, you guys
11 raised taxes 11 and a half percent, that generated
12 an additional \$24 million a year in tax revenue,
13 that's the reason why you guys are doing so great.

14 SUPERVISOR SALADINO: By the way, just
15 to set the record straight, it wasn't this
16 administration. We've never raised taxes.

17 MR. DARIENZO: This administration has
18 never raised taxes, that's correct.

19 So what the -- if you dive a little bit
20 deeper into the numbers, what isn't readily
21 understood, and I'd like to clear up this evening,
22 is that we had a \$44 million deficit, and we got to
23 a \$44 million deficit by having four or five years
24 in a row with deficits north of \$10 million, 15,
25 \$16 million deficits.

1 The budget was not structurally
2 balanced at that time. So when we raised taxes to
3 the tune of \$24 million a year, the first
4 \$16 million of each year went just to structurally
5 balance the budget, just to get us back to even for
6 lack of a better term.

7 If all other things remained equal, and
8 we used that first \$16 million of 24 to balance the
9 budget, that would mean that if everything else
10 stayed exactly the same, which it doesn't, we would
11 have expected to generate a surplus in the amount
12 of \$8 million per year, but, in fact, we did way
13 better than that. We averaged a surplus of \$18
14 million a year for the five years since that tax
15 increase. We've done more than twice as good as
16 could have been expected if all other things
17 remained equal.

18 With that being said, again, I've said
19 a couple of times now, all things do not remain
20 equal. Prices for salaries go up due to
21 contractual obligations, prices for energy and gas
22 and everything we talked about earlier. The price
23 of everything goes up, and, yet, we still
24 outperformed what was expected of us by on average
25 \$10 million a year over these past five years.

1 SUPERVISOR SALADINO: Thank you for
2 answering those questions.

3 We appreciate it.

4 COUNCILMAN LABRIOLA: Mr. Darienzo,
5 just a quick question.

6 What do the rating agencies recommend?

7 In order for us to receive an A+
8 positive outlook from Standard & Poor's, what is
9 recommended as good fiscal practice in terms of a
10 surplus?

11 MR. DARIENZO: Honestly, the rating
12 systems don't put a number on it. They're just
13 happy to see the surplus go up. The State
14 Comptroller recommends that -- and they also don't
15 put a number on it -- but they recommend that you
16 have a reasonable -- they use the term "reasonable"
17 -- that you should have a reasonable amount of
18 surplus.

19 So we've taken that to be a 10 percent
20 in reserve should be our baseline, our low; and 20
21 percent should be our high.

22 We've seen written in articles over the
23 past couple of years when the State Comptroller
24 audits -- typically, it's school districts, and
25 they criticize them for having too much surplus

1 where they can, in fact, be giving money back to
2 their taxpayers. We are not in that position yet.
3 We are doing great in that we got to \$47 million,
4 but we're not in a position to be giving back
5 rebates.

6 SUPERVISOR SALADINO: Have we ever been
7 criticized for having too much surplus by the State
8 Comptroller or any other entity that goes over
9 carefully and is qualified and goes over our books?

10 MR. DARIENZO: We've been criticized
11 for our deficit, but never for our surplus, no.

12 SUPERVISOR SALADINO: Thank you very
13 much.

14 MR. DARIENZO: My pleasure.

15 SUPERVISOR SALADINO: I'd like to, at
16 this time, call our Comptroller, Steve Ballas, up
17 to the podium.

18 Would you give us your name and
19 position for the record, sir?

20 MR. BALLAS: Good evening, Supervisor,
21 and Members of the Town Board.

22 My name is Steve Ballas. I'm the Town
23 Comptroller, and this is what I sound like.

24 AUDIENCE MEMBER: It's good to hear
25 your voice.

1 (Whereupon, there was some laughter
2 among the assemblage present.)

3 AUDIENCE MEMBER: It's good to know you
4 exist.

5 MR. BALLAS: I'm a CPA. We're quiet.

6 AUDIENCE MEMBER: Tell us about the \$32
7 million --

8 SUPERVISOR SALADINO: Excuse me, Kevin.
9 We'll get to the -- I'm very happy to
10 get your questions answered, my friend.

11 So just to give a little background
12 about you because your name has been brought up and
13 so forth, can you give us a little -- you just
14 mentioned you're a CPA.

15 Just give a little bit of brief
16 information on your background, your qualifications
17 to be the Comptroller of such a large Town. We're
18 the fourth largest town in America.

19 MR. BALLAS: Okay.

20 Yes, I have over 35 years of service,
21 probably a little bit more than that, I hate to
22 brag about that. I am a CPA. I'm, actually, the
23 first Comptroller of the Town of Oyster Bay that is
24 a CPA as far back as we can think of all the
25 comptrollers.

1 I was a senior member at Citigroup, I
2 owned my own company at one point, and I worked at
3 Arthur Young, which was, back in the day, one of
4 the big eight accounting firms. They no longer
5 exist. Now, it's Ernst and Young. They merged.

6 SUPERVISOR SALADINO: And what size
7 companies and municipalities did you oversee the
8 accounting for?

9 MR. BALLAS: Well, Citigroup. I was in
10 their Accounting Policy Division at Citigroup, so
11 they're a very big corporation.

12 SUPERVISOR SALADINO: So since we've
13 hired you, and I think you're one of our best hires
14 in my opinion --

15 MR. BALLAS: Thank you.

16 SUPERVISOR SALADINO: -- you have
17 changed the processes to oversee our finances to
18 make sure that every check that comes in and every
19 check that goes out is properly accounted for.

20 Would you briefly talk about these
21 policies and what the independent auditors have
22 said about it in their review of your work?

23 MR. BALLAS: Yes.

24 Actually, my office is responsible for
25 the internal controls of the Town, which means that

1 all procedures and policies that are put in place
2 to safeguard assets of the Town are properly
3 administered and being done.

4 To reinforce that, I have an Internal
5 Audit Division in my department where we go out and
6 do field audits. Before I got here, I think the
7 Comptroller's Office did a handful of field audits
8 a year.

9 SUPERVISOR SALADINO: Does that mean
10 four or five field audits a year?

11 MR. BALLAS: It was about five the year
12 before I got here.

13 SUPERVISOR SALADINO: How many is the
14 Town of Oyster Bay conducting now?

15 MR. BALLAS: Well, pre-pandemic, it was
16 40. During the pandemic, it was 19. This year
17 we're going to be over 50.

18 SUPERVISOR SALADINO: So you have
19 added, in the beginning, over 35 new field audits,
20 and we're quickly working toward 45 new field
21 audits.

22 For the folks who are listening in or
23 are patiently learning about the Town here in the
24 board room, what does that specifically mean?

25 Give us an example of a couple of those

1 audits so the taxpayers understand how closely
2 their dollars are being guarded.

3 MR. BALLAS: Very simply put, we're
4 going out there to make sure that controls that are
5 in place are being enacted and being followed.

6 And what I mean by that is when you
7 pull up to the Tobay, our pride and joy, and you
8 actually pay for a resident parking pass, okay,
9 there are procedures and controls that are put in
10 place when that person hands out a hook to put on
11 your windshield and collect the money.

12 My team will go out, and we always do
13 it on a surprise audit -- they're all surprise
14 audits -- we'll go out there, and we show up, and
15 we shut down the cash register, we count the money,
16 we make sure that the tags are accounted for, and
17 we make sure that all the procedures that they are
18 supposed to be following, they're following. That
19 rates are being posted when residents pull up, and
20 we do multitudes of field audits. We do petty cash
21 field audits when departments have petty cash
22 accounts.

23 The one I know you like the most is the
24 shoe audit. The Town is contractually obligated to
25 supply work boots to the workers. One day I saw

1 the truck in the parking lot handing out the shoes.
2 I had my Internal Audit team go in there and make
3 sure that everybody that was getting a shoe
4 deserved a shoe, and the level of the shoe that
5 they were getting was what they expected, and,
6 honestly, I think if they wanted a shoe with a
7 metal toe or something like that, they had to pay
8 more, and they were actually paying more. So we're
9 safeguarding the assets of the residents --

10 SUPERVISOR SALADINO: And, Steve, no
11 shoes walked off?

12 (Whereupon, there was some laughter
13 among the assemblage present.)

14 MR. BALLAS: No shoes went awry.
15 We do all different types of audits.
16 We, actually, audit the boats in the marina to make
17 sure they all have stickers, and if they are in a
18 slip, that they actually have paid for that
19 service. So we're very creative in our audits.

20 You know, we talk about the
21 \$233 million of taxes that we collect, yet we have
22 a \$311 million budget, so what's the difference?

23 The difference is the revenues that the
24 Town takes in for services. So my Internal Audit
25 team and my department is responsible for making

1 sure that every penny that the Town is taking in
2 for hockey, for residents using a pool, is being
3 accounted for --

4 SUPERVISOR SALADINO: Golf.

5 MR. BALLAS: For golf. We actually go
6 out and do the golf audit as well, but my
7 department makes sure that all of that money is
8 being recorded properly and brought into the Town
9 to fill that gap between the taxes and the 300
10 million.

11 SUPERVISOR SALADINO: Just one more
12 very brief question -- and I know we've been
13 talking about this on and on because I love the
14 finances and what we've done -- would you
15 categorize the changes that you've made since
16 you've been hired as tweaks, or taking out the
17 system and rebuilding it from scratch, or, I'm
18 sorry, or considerably changing the way we oversee
19 the finances and the monies in this Town?

20 MR. BALLAS: I like that one better.

21 Considerably changing it and put a
22 major emphasis on controls. You know, I
23 personally, electronically sign off on 95 percent
24 of every check or expenditure that's made, so I
25 don't think that was done in the past by the

1 Comptrollers.

2 SUPERVISOR SALADINO: Thank you very
3 much, and thank you for the great job you do.

4 AUDIENCE MEMBER: So you don't want to
5 tell us about that \$32 million?

6 SUPERVISOR SALADINO: Would you kindly
7 take a seat, Steve.

8 I'm going to do that --

9 AUDIENCE MEMBER: Thank you very much.
10 You've proved my point. Thank you.

11 SUPERVISOR SALADINO: You're very
12 welcome.

13 So I'll do that, and then we'll wrap it
14 up unless there is someone else who would like to
15 be heard?

16 I do see Mr. Margolis.

17 You'd like to be heard on the Town's
18 budget, correct?

19 AUDIENCE MEMBER: Ask him about the \$32
20 million.

21 SUPERVISOR SALADINO: I'll get to that.
22 Would you like to -- today's hearing --

23 AUDIENCE SPEAKER: Public comment,
24 right?

25 SUPERVISOR SALADINO: No. Today's

1 hearing -- that was this morning. So this is a
2 continuation of the Town's preliminary budget.

3 AUDIENCE MEMBER: I'm going to tie my
4 comments into the budget.

5 Is that allowed?

6 SUPERVISOR SALADINO: Come on up.

7 AUDIENCE MEMBER: I'll do my best.

8 SUPERVISOR SALADINO: Okay. Thank you.

9 After you're done, I'll get to the
10 Federal monies, and we'll see if there's anyone
11 else who wants to be heard.

12 MR. MARGOLIS: Good evening, everyone.

13 It's nice to see you. I'm not sure --
14 I'm sure most of you, actually, are aware that as
15 you said something can happen that can up shake,
16 and we need extra money, and I'm not saying we
17 should give back the money to the people, but,
18 there's been a major up shake in how taxes are now
19 done especially to new construction.

20 So what happened this year when the tax
21 bills went out, I know they're not your taxes,
22 they're the school tax bills that went out, but it
23 affects everybody in the community regardless
24 because everyone's expenses are going up.

25 Everyone, basically, got hit with an

1 increase because new homes are now getting a
2 \$750,000 abatement off of their first year, and
3 that will gradually decrease over the next eight
4 years.

5 It especially affects Plainview because
6 we have Country Pointe who, I believe, cut a deal
7 with the Town at some point, and, you know, they
8 built Country Pointe, and that was with the Town or
9 with the County, I'm not a hundred percent sure,
10 but, basically, people that bought million dollar
11 homes at Country Pointe are only going to be paying
12 about \$6,000 in combined taxes this year while my
13 house, which is only five years old, valued at the
14 same thing, pays about \$35,000 in taxes, and their
15 taxes will go from 6 to 8 while mine stay at 35,
16 and then they'll go to 12, so while we say, you
17 know, at some point, you know, there's only so much
18 the people can sustain.

19 You know, we can't pick up now the
20 burden of new homes. First, we were paying --
21 first, a lot of us were paying for the phase-in
22 that was done. Now, we're not only paying for the
23 phase-in, we're now paying for all new
24 construction.

25 I mean, how many more people you want

1 me to put on my back and have to feed?

2 SUPERVISOR SALADINO: So just to bring
3 clarity to the people who are listening to this,
4 perhaps, at home and here in Town Hall North, what
5 you're referring to is the Nassau County assessment
6 system and how the new changes in the assessment
7 affect how people's homes are assessed; is that
8 correct?

9 MR. MARGOLIS: It's not necessarily how
10 they're assessed. Everyone's home is assessed --

11 SUPERVISOR SALADINO: But you're not
12 referring to the way we charge in the Town taxes to
13 cover our budget.

14 MR. MARGOLIS: No.

15 SUPERVISOR SALADINO: This is a Nassau
16 County function that you're referring to?

17 MR. MARGOLIS: Yeah. It's a Nassau
18 County and State function.

19 The law that was done was done in the
20 State through Legislator Drucker who drafted it,
21 but he's not a State representative, and he got
22 Assemblyman Levine and State Senator Thomas to
23 sponsor this to, basically, give himself a tax
24 deduction because it was his year to finally start
25 paying.

1 Legislator Drucker does live at Country
2 Pointe, and this was his year of being reassessed,
3 and rather than being hit for \$40,000 in taxes,
4 which he told me to suck up, and you all know that
5 and heard him tell it thousands of times, suck it
6 up, suck it up, when it was his turn to pay, well,
7 he didn't suck it up, he got a change for himself,
8 so now we're all stuck paying. I think the average
9 family got hit with about a 2 to \$3,000 increase in
10 school taxes.

11 Now, granted, I understand the school
12 taxes, but the schools, like you said, they're not
13 going down. The costs are going up, and they
14 continue to go up. So at some point -- at some
15 point, maybe not this year, maybe it's next year or
16 the year after, we do have to consider cutting some
17 money because, I mean, there's only so much. The
18 salaries are not increasing to the level, you know,
19 salaries for people are not increasing.

20 I mean, you might get salary increases
21 every year here because you work for the, you know,
22 local government, but I'm a landlord attorney.
23 They put me out of business for two years. I can't
24 even collect -- I can't even go evict anybody, so I
25 haven't even been able to take a paycheck in two

1 years.

2 All I'm saying is that it has to be,
3 you know, you have to look at the whole entire big
4 picture when it comes to the budget, and I would,
5 you know, this has nothing, obviously, to do with
6 the budget, but I would like to see what was done
7 with that deal, and I will, if I have to, FOIL it.

8 I would like to know everything that
9 was done with the Country Pointe deal, and if
10 they're violating their agreement in any way with
11 this Town, that it be enforced, and they be stopped
12 from -- in any way violated, they be prevented from
13 building anymore until everything is done that they
14 were supposed to do because they were not supposed
15 to be given these tax abatements.

16 Thank you.

17 SUPERVISOR SALADINO: Thank you,
18 Mr. Margolis. We appreciate it.

19 I just want to point out on the
20 previous question about the CARES Act money. The
21 Town of Oyster Bay did not receive a single dollar
22 of CARES Act money.

23 The way the bill was structured in
24 Washington, Nassau County received the money, and
25 you may have heard the Town of Hempstead received

1 the money. It was very rare. That might have been
2 the only municipality in the country to receive the
3 money because they have a population of over
4 500,000.

5 Nassau County received the money from
6 the Federal government, and they did not share so
7 much as a dollar with the Town of Oyster Bay.

8 In this most recent round, the Town of
9 Oyster Bay did get money for this new negotiation
10 that took place in Washington to provide money.
11 We've received half of the money very recently, we
12 have created a committee to oversee how that money
13 will be distributed in the community, and we're
14 currently focused on that, and when we come up with
15 the results of how to properly distribute that
16 money, we will be releasing that information to the
17 public.

18 So we are, I guess, waiting for one
19 more speaker for this evening's budget
20 presentation.

21 You know, this is regarding -- sir,
22 this is regarding your comments about the
23 preliminary budget.

24 AUDIENCE MEMBER: Nothing else?

25 SUPERVISOR SALADINO: Nothing else.

1 AUDIENCE MEMBER: Okay. Then I won't
2 speak.

3 SUPERVISOR SALADINO: Okay.

4 So I don't have any other slips of
5 anyone else who would like to be heard on the 2022
6 Preliminary Budget.

7 I'd like to thank Steve Ballas, our
8 Comptroller, and I'd like to thank Rob Darienzo,
9 once again, for assisting us, but most importantly,
10 I'd like to thank the Town of Oyster Bay Town
11 Board, our elected officials, who were so
12 collaborative and helpful in the formation of this
13 very successful budget.

14 So to that, may I have a motion?

15 COUNCILWOMAN JOHNSON: Supervisor, I'll
16 make a motion that this hearing be closed and
17 decision be voted on.

18 COUNCILMAN IMBROTO: Second the motion.

19 SUPERVISOR SALADINO: All in favor,
20 please signify by saying, "Aye."

21 ALL: "Aye."

22 SUPERVISOR SALADINO: Those opposed,
23 "Nay."

24 (Whereupon, there were no "Nay"
25 responses from the Board.)

1 SUPERVISOR SALADINO: The "Ayes" have
2 it.

3 (TIME NOTED: 8:28 P.M.)

4 SUPERVISOR SALADINO: May I have
5 another motion -- first of all, do we have -- can
6 you report to us on all mailings and postings?

7 MR. LaMARCA: Supervisor, we have
8 Affidavits of Posting and Publication.

9 There is no other correspondence.

10 SUPERVISOR SALADINO: Okay. We've just
11 closed the meeting.

12 We're keeping the rolls open for any
13 comments that any resident would like to provide
14 the Town of Oyster Bay.

15 You can do that by sending information
16 by e-mail to oysterbaytown.com or to
17 publiccomment@oysterbay-ny.gov or to mail us at the
18 Office of the Town Attorney, 54 Audrey Avenue,
19 Oyster Bay, New York 11771.

20 So, at this time, we have closed the
21 this meeting, and we will be voting on the budget
22 at our next meeting next week.

23 (TIME NOTED: 8:29 P.M.)

24

25