

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

RATINGS: (See "RATINGS" herein)

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

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

COUNTY OF SUFFOLK
NEW YORK

\$105,195,000*

PUBLIC IMPROVEMENT SERIAL BONDS – 2020 SERIES A
(the "Series A Bonds")

Date of Issue: November 4, 2020

Maturity Dates: November 1, 2021-2031
(as shown on the inside cover)

\$59,670,000**

REFUNDING SERIAL BONDS – 2020 SERIES B
(the "Series B Bonds")

Date of Issue: November 18, 2020

Maturity Dates: May 15, 2021-2031
(as shown on the inside cover)

\$123,715,000**

REFUNDING SERIAL BONDS – 2020 SERIES C (FEDERALLY TAXABLE)
(the "Series C Bonds" and together with the Series A Bonds and the Series B Bonds, the "Bonds")

Date of Issue: November 18, 2020

Maturity Dates: December 15, 2020, June 15, 2021-2034
(as shown on the inside cover)

\$30,000,000

BOND ANTICIPATION NOTES – 2020 SERIES C
(the "Series C BANs")

Date of Issue: November 4, 2020

Maturity Date: April 16, 2021

\$10,000,000

BOND ANTICIPATION NOTES – 2020 SERIES D (FEDERALLY TAXABLE)
(the "Series D BANs" and together with the Series C BANs, the "Notes")

Date of Issue: November 4, 2020

Maturity Date: June 25, 2021

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

The Series A Bonds are dated the Date of Issue thereof and will bear interest from such date until maturity at the annual rate or rates as specified by the purchaser of the Series A Bonds, payable on November 1, 2021 and semi-annually thereafter on May 1 and November 1 in each year until maturity. The Bonds will mature on November 1, as shown on the inside cover page hereof. The Series A Bonds maturing in certain years are subject to redemption prior to their stated maturity. (See "THE BONDS AND THE NOTES – Optional Redemption," herein.)

The Series B Bonds are dated the Date of Issue thereof and will bear interest from such date until maturity at the annual rate or rates as specified by the Underwriters of the Series B Bonds, payable on May 15, 2021, November 15, 2021 and semi-annually thereafter in each year until maturity. The Bonds will mature on May 15 in each year, as shown on the inside cover page hereof. The Series B Bonds will not be subject to redemption prior to maturity.

The Series C Bonds are dated the Date of Issue thereof and will bear interest from such date until maturity at the annual rate or rates as specified by the Underwriters of the Series C Bonds, payable on December 15, 2020, June 15, 2021 and semi-annually thereafter in each year until maturity. The Bonds will mature on the dates in the years, as shown on the inside cover page hereof. The Series C Bonds maturing in certain years are subject to redemption prior to their stated maturity. (See "THE BONDS AND THE NOTES – Optional Redemption," herein.)

The Notes are dated their respective Dates of Issue and shall bear interest from such dates until their respective maturity dates, at the annual rate(s) as specified by the purchaser(s) of such Notes. The Notes will not be subject to redemption prior to maturity.

Underwriters of the Series B Bonds and the Series C Bonds:

JEFFERIES

FHN CAPITAL MARKETS

LOOP CAPITAL MARKETS

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

** Preliminary, subject to change.

This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Bonds and the Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

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

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

Harris Beach PLLC has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, or verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

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

Dated: October __, 2020

The Series A Bonds mature on November 1 in each year, subject to optional redemption, as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
2021	\$8,920,000	%	%		2027	\$ 9,565,000	%	%	
2022	9,035,000				2028	9,760,000			
2023	9,165,000				2029	9,970,000**			
2024	9,305,000				2030	10,190,000**			
2025	9,455,000				2031	10,435,000**			
2026	9,395,000								

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

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

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

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

<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2021	\$5,950,000	%	%		2027	\$3,245,000	%	%	
2022	6,015,000				2028	3,425,000			
2023	7,285,000				2029	3,600,000			
2024	7,280,000				2030	3,600,000			
2025	7,655,000				2031	3,800,000			
2026	7,815,000								

* Preliminary, subject to change.

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

The Series C Bonds will mature on the dates and in the years, subject to optional redemption, as set forth below:

<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
12/15/20	\$ 650,000	%	%		6/15/28	\$ 7,575,000	%	%	
6/15/21	575,000				6/15/29	7,760,000			
6/15/22	7,590,000				6/15/30	7,955,000			
6/15/23	12,160,000				6/15/31	8,140,000**			
6/15/24	12,300,000				6/15/32	8,215,000**			
6/15/25	12,465,000				6/15/33	8,300,000**			
6/15/26	12,685,000				6/15/34	4,395,000**			
6/15/27	12,950,000								

* Preliminary, subject to change.

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

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

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

Capital Markets Advisors, LLC
Great Neck and New York, New York
(516) 487-9817

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

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

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

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OFFICIAL STATEMENT

of the

COUNTY OF SUFFOLK, NEW YORK

Relating to

\$105,195,000*

PUBLIC IMPROVEMENT SERIAL BONDS – 2020 SERIES A

and

\$59,670,000*

REFUNDING SERIAL BONDS – 2020 SERIES B

and

\$123,715,000*

REFUNDING SERIAL BONDS – 2020 SERIES C (FEDERALLY TAXABLE)

and

\$30,000,000

BOND ANTICIPATION NOTES – 2020 SERIES C

and

\$10,000,000

BOND ANTICIPATION NOTES – 2020 SERIES D (FEDERALLY TAXABLE)

This Official Statement, including its cover page and appendices, presents information relating to the County of Suffolk, New York (the “County” and “State”, respectively), in connection with the sale of \$105,195,000* Public Improvement Serial Bonds – 2020 Series A (the “Series A Bonds”), \$59,670,000* Refunding Serial Bonds – 2020 Series B (the “Series B Bonds”), \$123,715,000* Refunding Serial Bonds – 2020 Series C (Federally Taxable) (the “Series C Bonds” and together with the Series A Bonds and the Series B Bonds, the “Bonds” and each is a “Series of the Bonds”), \$30,000,000 Bond Anticipation Notes – 2020 Series C (the “Series C BANs”) and \$10,000,000 Bond Anticipation Notes – 2020 Series D (Federally Taxable) (the “Series D BANs” and together with the Series C BANs, the “Notes” and each is a “Series of the Notes”), by the County.

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

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

* Preliminary, subject to change.

THE BONDS

Description

The Series A Bonds are dated their Date of Issue and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser, payable on November 1, 2021 and semi-annually thereafter on May 1 and November 1 in each year until maturity. The Series A Bonds shall mature on November 1 in each year in the principal amounts specified on the inside cover page hereof. The Series A Bonds maturing in certain years will be subject to redemption prior to their stated maturity. (See “THE BONDS AND THE NOTES – Optional Redemption” herein).

The Series B Bonds are dated their Date of Issue and will bear interest from that date until maturity at the annual rate or rates as specified by the Underwriters, payable on May 15, 2021, November 15, 2021 and semi-annually thereafter in each year until maturity. The Series B Bonds shall mature on May 15 in each year in the principal amounts specified on the inside cover page hereof. The Series B Bonds will not be subject to redemption prior to maturity.

The Series C Bonds are dated their Date of Issue and will bear interest from that date until maturity at the annual rate or rates as specified by the Underwriters, payable on December 15, 2020, June 15, 2021 and semi-annually thereafter in each year until maturity. The Series C Bonds shall mature on the dates in the years in the principal amounts specified on the inside cover page hereof. The Series C Bonds maturing in certain years will be subject to redemption prior to their stated maturity. (See “THE BONDS AND THE NOTES – Optional Redemption” herein).

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), Jersey City, New Jersey. DTC will act as Securities Depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds.

Payments of principal of and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent disbursement to the Beneficial Owners of the Bonds as described under “THE BONDS AND THE NOTES – Book-Entry-Only System,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

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

Authority for and Purpose of the Series A Bonds

The Series A Bonds are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter and various bond resolutions duly adopted by the County Legislature on their respective dates to provide funding for the purposes listed on the following pages. A portion of the proceeds from the sale of the Series A Bonds in the amount of \$3,000,000 together with the proceeds from the sale of the Series D BANs will be used to redeem the County’s \$13,000,000 Bond Anticipation Notes – 2020 Series B (Federally Taxable) at maturity. The balance of the proceeds from the sale of the Series A Bonds will be used to provide additional original or original project financing for the projects listed below:

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
1361 2007	Downtown Beautification and Renewal Program	\$ 6,045
802 2009	Downtown Revitalization Program - Phase IX	75,000
1193 2009	Infrastructure Improvements for Workforce Housing Incentive Fund-Wyandanch Rising Building E	316,404

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
1210 2009	Improvements to Normandy Manor at the Vanderbilt Museum	\$ 50,000
133 2010	Infrastructure Improvements under the SC Affordable Housing Opportunities Program - Columbia Street Development-Huntington Station	100,000
1218 2012	Acquisition of New Fareboxes for the Suffolk County Transit Bus System	249,417
810 2013	Downtown Revitalization Program - Phase XI	30,000
1215 2013	Construction for the Peconic Bay Estuary Program	71,000
875 2014	Downtown Revitalization Program - Phase XII	25,000
951 2014	Infrastructure Improvements for Workforce Housing Incentive Fund	1,128,000
1032 2014	Planning of Safety Improvements at Various Intersections	100,000
216 2015	Purchase and Installation of Automated Vehicle Locator (AVL) System for SC Transit Buses	10,462
608 2015	Improvements to Suffolk County Farm	100,000
798 2015	Downtown Revitalization Program - Phase XIII	75,000
822 2015	Planning Improvements to County Center C-001, Riverhead	25,000
826 2015	Improvements to the Water Supply System at Various County Facilities	100,000
948 2015	Engineering Costs in Connection with Improvements to County Road ("CR") 40 Three Mile Harbor Road	100,000
961 2015	Purchase and Installation of an Automated Vehicle Locator System (AVL) for Suffolk County Transit Buses	61,530
1038 2015	Waterproofing, Roof and Drainage Improvements at Suffolk County Vanderbilt Museum	50,000
1122 2015	Construction Restoration of West Neck Farm (aka Coindre Hall) Town of Huntington	90,439
288 2016	Improvements and Lighting at County Parks	150,000
297 2016	Planning Costs Associated with the Communication System Site Rehabilitation	13,348
389 2016	Purchase and Installation of Bus Shelters	5,991
467 2016	New Enhanced Suffolk County Water Quality Protection Program - 2014 Referendum - Land Purchases	8,042,517
680 2016	Suffolk County Fire Rescue Main Building Renovations and Improvements	50,000
689 2016	Construction Modifications for Compliance with Americans with Disabilities Act	90,000
708 2016	Modification of New York State Route 110 to include BRT and Transportation Improvements	100,000
1010 2016	Purchase and Installation of Bus Shelters	42,500
1146 2016	Planning Costs in Connection with Start-Up/NY/Suffolk County-Huntington Sta Sewer Feasibility/Design	70,000
1146 2016	Planning Costs in Connection with Start-Up/NY/Suffolk County-Town of Southold	17,662
1148 2016	Planning for Marine Monitoring of the Peconic Bay Estuary Program	10,000
1148 2016	Site Improvements for the Marine Monitoring of the Peconic Bay Estuary Program	100,000
1157 2016	Infrastructure Improvements for Workforce Housing Incentive Fund-Vineyard View	700,000
1157 2016	Infrastructure Improvements for Workforce Housing Incentive Fund-Concern Southampton	5,875

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
1174 2016	Planning and Design for the Rehabilitation of Guggenheim Lake (Deer Lake) in Towns of Babylon and Islip	\$ 30,000
138 2017	Purchase of Hybrid-Electric Buses for Suffolk County Transit	784,930
202 2017	Installation of Fire Security and Emergency System at County Facilities	210,000
279 2017	Construction of Improvements to the Riverside Traffic Circle	130,000
333 2017	Planning of Traffic Signal Improvements for County Road 21 in Proximity to Rocky Point Schools	50,000
376 2017	Planning for the Acquisition and Implementation of a District Attorney Case Management System	50,000
376 2017	Equipment for the Acquisition and Implementation of a District Attorney Case Management System	225,000
395 2017	Roof Replacement on Various County Buildings	100,000
470 2017	Removal of Toxic and Hazardous Materials in County Parks	50,000
473 2017	Construction of the Communication System Site Rehabilitation	38,524
504 2017	Feasibility Study for Sidewalks on CR39, Town of Southampton	30,000
553 2017	Planning for Stabilization, Preservation and Restoration of Historic Structures and Buildings at County Parks	5,000
572 2017	Construction Improvements to the County Correctional Facility C-141-Riverhead	850,000
572 2017	Equipment for Improvements to the County Correctional Facility C-141-Riverhead	100,000
574 2017	Construction Renovations at the Yaphank Correctional Facility	150,000
580 2017	Planning Costs Associated with a Closed Loop Traffic Signal System (Signal Retiming)	600,000
585 2017	Planning in Connection with the Dredging of County Waters	125,000
720 2017	Construction for Improvements and Lighting to County Parks	50,000
722 2017	Removal of Toxic and Hazardous Materials in County Parks	75,000
733 2017	Construction Improvements to the Suffolk County Fire Training Center	250,000
735 2017	Upgrades and Improvements to Fire Rescue C.A.D. System	2,579,064
836 2017	Acquisition of Equipment for Groundwater Monitoring and Well Drilling	33,150
854 2017	Planning of Improvements to CR36, South Country Road	50,000
858 2017	Reconstruction of CR 48, Middle Road from Horton Avenue to Main Street	4,000,000
860 2017	Improvements to CR35 Park Avenue Town of Huntington	1,000,000
936 2017	Improvements to CR 21, Middle Island- Yaphank Road from Longwood Middle School to NYS 25, Town of Brookhaven	1,400,000
973 2017	Planning for Improvements to Campgrounds	20,000
1045 2017	Infrastructure Improvements under the SC Affordable Housing Opportunities Program - Wyandanch Rising Building E	1,433,596
1072 2017	Planning for Improvements to the Mental Hygiene Consolidated Data Management System	85,000
1095 2017	Improvements to County Center C-001, Riverhead	925,000
1098 2017	Improvements to CR 1, County Line Road	2,000,000
1167 2017	Jumpstart Suffolk Program	700,000
1207 2017	Reconstruction of the Bulkhead at Timber Point Marina	250,000
1213 2017	Application and Removal of Lane Markings	250,000
107 2018	Planning for Façade Restoration at Suffolk County Vanderbilt Museum	50,000

<u>Resolution</u>		<u>Project Description</u>	<u>Amount to Bonds</u>
112	2018	Fencing and Surveying of County Parks	\$ 50,000
222	2018	Purchase of Hybrid-Electric Buses for Suffolk County Transit	175,064
224	2018	Roof Replacement on Various County Buildings	1,000,000
276	2018	Planning for Brownfields Program, Yaphank Fire Training Program	88,725
290	2018	Replacement/Clean-up of Fossil Fuel, Toxic and Hazardous Material Storage Tanks	50,000
301	2018	Planning and Design Costs Associated with the Replacement of Smith Point Bridge, Town of Brookhaven	400,116
588	2018	Site Improvements in Connection with the Restoration of Canaan Lake	1,000,000
655	2018	Planning in Connection with the Dredging of County Waters	200,000
724	2018	Construction of Building Improvements to the Forensic Sciences Medical and Legal Investigative Consolidated Laboratory	300,000
803	2018	Acquisition of Equipment for Groundwater Monitoring and Well Drilling	70,250
810	2018	Waterproofing, Roof and Drainage Improvements at Suffolk County Vanderbilt Museum	200,000
814	2018	Construction Renovations at the Yaphank Correctional Facility	250,000
815	2018	Construction Improvements to the County Correctional Facility C-141-Riverhead	450,000
815	2018	Equipment for Improvements to the County Correctional Facility C-141-Riverhead	100,000
833	2018	Construction Improvements to CR41, Springs/Fireplace Road	6,500,000
839	2018	Construction of Energy Conservation Improvements at Various County Facilities	2,500,000
915	2018	Furniture and Equipment Related to Improvements to Suffolk County Farm	50,000
930	2018	Acquisition of Equipment Associated with the Peconic Bay Estuary Program	28,544
938	2018	Improvements to Vanderbilt Planetarium	150,000
949	2018	Acquisition of Heavy Duty and Other Equipment for County Parks	100,000
951	2018	Planning Costs for Reconstruction of Spillways in County Parks	175,000
952	2018	Improvements to County Golf Courses	150,000
953	2018	Construction for the Stabilization, Preservation and Restoration of Historic Structures and Buildings at County Parks	150,000
954	2018	Planning for Improvements to Campgrounds	50,000
957	2018	Equipment for Med-Legal Investigations and Forensic Sciences	51,000
960	2018	Upgrades to the Police Information Technologies Core Systems and Infrastructure	225,000
972	2018	Median Improvements to Various County Roads	250,000
976	2018	Improvements to CR 1, County Line Road	1,000,000
981	2018	Installation of Fire Security and Emergency System at County Facilities	100,000
985	2018	Planning Costs Associated with Improvements to CR 38, North Sea Road	200,000
987	2018	Painting of County Bridges	125,000
995	2018	Planning Costs Associated with Improvements to CR 79, Bridgehampton-Sag Harbor Turnpike	330,000
1001	2018	Renovations to Public Works Building, Yaphank	150,000
1010	2018	Construction of Intersection Improvements to CR19, Waverly Avenue	5,000,000

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
1014 2018	Upgrades to the Paratransit Reservation System for the Suffolk County Accessible Transportation (SCAT) Program	\$ 70,000
1016 2018	Riverhead County Center Power Plant Upgrade	75,000
1018 2018	Planning Costs Associated with Improvements to CR 21	15,000
1021 2018	Land Acquisition for Rehabilitation of Guggenheim Lake (Deer Lake) in the Towns of Babylon and Islip	30,000
1095 2018	Planning for Improvements to the Mental Hygiene Consolidated Data Management System	22,781
1097 2018	Planning for Improvements in Connection with Improvements to the Bomarc Site, Westhampton	14,435
1100 2018	Reconstruction of the West Sayville County Park Roadway and Entrance	42,750
1122 2018	Traffic Signal Improvements	350,000
1126 2018	Planning for the Rehabilitation of Various Bridges and Embankments	250,000
222 2019	Renovations to Long Island Maritime Museum	200,000
227 2019	Equipment for Med-Legal Investigations and Forensic Sciences	43,500
240 2019	Improvements to CR 21, Middle Island- Yaphank Road from Longwood Middle School to NYS 25	1,200,000
307 2019	Fencing and Surveying of County Parks	85,000
319 2019	Planning for Building Renovations, Upgrades and Improvements to the Forensic Sciences Medical and Legal Investigative Consolidated Laboratory	200,000
319 2019	Construction for Building Renovations, Upgrades and Improvements to the Forensic Sciences Medical and Legal Investigative Consolidated Laboratory	45,000
328 2019	Construction Renovations at the Yaphank Correctional Facility	250,000
330 2019	Equipment for Improvements to the County Correctional Facility C-141-Riverhead	100,000
334 2019	Sheriff Correctional Facility Security Modernization Project	2,000,000
336 2019	Coroners and Medical Examiners (CME) System Upgrade for Case Management	210,000
345 2019	Elevator Controls and Safety Upgrading at Various County Facilities	200,000
347 2019	Construction of Sidewalks on Various County Roads	22,000
351 2019	Purchase of Hybrid-Electric Buses for Suffolk County Transit	100,000
353 2019	Purchase of Paratransit Buses for Suffolk County Accessible Transportation (SCAT) Bus System	650,000
364 2019	Rehabilitation of Parking Lots, Sidewalks, Drives and Curbs at Various County Facilities	650,000
366 2019	Removal of Toxic and Hazardous Materials and Components at Various County Facilities	100,000
371 2019	Construction Improvements to CR 10, Elwood Road, Town of Huntington	1,200,000
428 2019	Replacing the Suffolk County Police Department's Police Information Technology Records Management System	1,450,000
444 2019	Purchase of Public Works Fleet Maintenance Equipment	100,000
446 2019	Replacement of Bus Stop Signs for the Suffolk County Transit Bus System	50,000
448 2019	Renovation of the Department of Public Works Transportation Division Office Space	50,000
454 2019	Replacement of Dredge Support Equipment	350,000

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>	
456	2019	Construction Improvements to CR41, Springs/Fireplace Road	\$ 1,000,000
458	2019	Planning for the Rehabilitation of Various Bridges and Embankments	500,000
458	2019	Construction for Rehabilitation of Bridges and Embankments	750,000
460	2019	Planning Costs Associated with Improvements to CR9, Greenlawn Road, Cuba Hill Road	80,000
466	2019	Installation of Guide Rail and Safety Upgrades at Various Locations	50,000
472	2019	Construction Improvements to Buildings and Facilities Countywide	185,000
472	2019	Equipment for Improvements to Buildings and Facilities Countywide	5,000
584	2019	Acquisition of Heavy Duty and Other Equipment for County Parks	75,000
689	2019	Planning for Improvements to Campgrounds	7,000
739	2019	Equipment for Security-Related Improvements to the Bomarc Site, Westhampton	7,379
760	2019	Planning Costs Associated with the Reconstruction of CR 86, Broadway-Greenlawn Road, Town of Huntington	87,154
764	2019	Improvements to Building 158-Civil Service/4th District Court, Hauppauge	25,000
768	2019	Improvements to Suffolk County Farm	60,000
770	2019	Traffic Signal Improvements	500,000
779	2019	Downtown Montauk Stabilization Project, Town of East Hampton	502,000
824	2019	Construction for the Portable Generator Hook-Up Capability for the Department of Social Services	62,247
853	2019	Improvements to CR 21, from NYS Route 25 to Yaphank Avenue at L.I.E., North Service Road	470,000
933	2019	Acquisition of Equipment for Groundwater Monitoring and Well Drilling	119,112
974	2019	Dredging County Waters	4,750,000
1070	2019	Acquisition of Equipment Associated with the Peconic Bay Estuary Program	112,688
1104	2019	Renovations and Alterations to Probation Buildings	250,000
1140	2019	Purchase and Installation of Bus Shelters	30,000
1142	2019	Purchase and Installation of an Automated Vehicle Locator System (AVL) for Suffolk County Transit Buses	50,000
1144	2019	Upgrades to the Paratransit Reservation System for the Suffolk County Accessible Transportation (SCAT) Program	29,000
1245	2019	Suffolk County Auxiliary Police Personal Protective Equipment	100,000
1247	2019	Replacement of Hazardous Material Detection Equipment	500,000
149	2020	Sheriff Correctional Facility Security Modernization Project	100,000
151	2020	Acquisition of heavy Duty Vehicle for use by the Sheriff's Office	200,000
154	2020	Acquisition of Communications Equipment for the Sheriff's Office	455,000
156	2020	Acquisition of Marine Equipment	95,407
161	2020	Strengthening and Improving of County Roads	3,000,000
163	2020	Reconstruction of Drainage Systems on Various County Roads	250,000
237	2020	District Attorney Crime Fighting Technology Project	200,000
239	2020	Purchase of Replacement Public Safety Vehicles	650,000
241	2020	Purchase and Replacement Vehicles for Med-Legal Investigations and Forensic Sciences	142,000

<u>Resolution</u>	<u>Project Description</u>	<u>Amount to Bonds</u>
248	2020 Elevator Controls and Safety Upgrading at Various County Facilities	\$ 700,000
254	2020 Construction of Sidewalks on Various County Roads	250,000
256	2020 Installation of Guide Rail and Safety Upgrades at Various Locations	300,000
266	2020 Removal of Toxic and Hazardous Materials and Components at Various County Facilities	35,000
314	2020 Construction Renovations and Improvements to Various Sheriff's Office Facilities	250,000
387	2020 Acquisition of Lifesaving Cardiac Equipment for the Police Department	275,000
389	2020 Acquisition of the Replacement Hardware Fingerprint Identification System	102,000
516	2020 Acquisition of Equipment for the Environmental Health Laboratory	165,261
544	2020 Downtown Montauk Stabilization Project, Town of East Hampton	550,000
639	2020 Dredging County Waters	3,500,000
850	2018 Planning for Upgrading The Suffolk County Integrated Financial Management System (IFMS)	300,000
416	2019 Planning for Fiber Cabling Network and WAN Technology Upgrades	25,000
416	2019 Equipment for Fiber Cabling Network and WAN Technology Upgrades	200,000
452	2019 Construction and Rehabilitation of Highway Maintenance Facilities	100,000
566	2019 Planning for the Acquisition of Hardware and Related Software for Globally Managed Network Protection and Security	35,000
566	2019 Acquisition of Hardware and Related Software for Globally Managed Network Protection and Security	300,000
568	2019 County Wide Replacement of Computer Equipment/Infrastructure	175,000
570	2019 Planning for Technology Modernization	650,000
570	2019 Equipment for Technology Modernization	100,000
678	2019 Planning for the Suffolk County Disaster Recovery Project	25,000
678	2019 Equipment for the Suffolk County Disaster Recovery Project	200,000
680	2019 Planning for Payroll and Personnel Related Software and Equipment Replacement	1,500,000
680	2019 Payroll and Personnel Related Software and Equipment Replacement	100,000
708	2019 Purchase of Non-Public Safety Vehicles	175,000
711	2019 Purchase of Public Works Highway Maintenance Equipment	2,001,282
226	2020 Planning for the Acquisition of Hardware and Related Software for Globally Managed Network Protection and Security	35,000
226	2020 Acquisition of Hardware and Related Software for Globally Managed Network Protection and Security	300,000
228	2020 County Wide Replacement of Computer Equipment/Infrastructure	472,360
306	2020 Planning for Technology Modernization	450,000
308	2020 Planning for Payroll and Personnel Related Software and Equipment Replacement	650,000
308	2020 Payroll and Personnel Related Software and Equipment Replacement	100,000
909	2019 Judgment in a Liability Case Against the County	335,000
1051	2019 Settlement in a Liability Case Against the County	2,800,000
1204	2019 Settlement in a Liability Case Against the County	900,000
291	2020 Settlement in a Liability Case Against the County	642,235
471	2020 Settlement in a Liability Case Against the County	400,000

<u>Resolution</u>		<u>Project Description</u>	<u>Amount to Bonds</u>
376	2018	Police headquarters, Precinct and Lobby Upgrades	\$ 150,000
378	2018	Purchase of Marine Bureau Diesel Engines	68,256
1116	2018	Planning for the Range Berm Reconstruction at the Firearms Range	45,000
1116	2018	Construction for the Range Berm Reconstruction at the Firearms Range	100,000
592	2019	Acquisition of a Heavy Duty Vehicle for the Police Department	200,000
239	2020	Purchase of Replacement Public Safety Vehicles	2,325,000
219	2018	Planning Improvements to Suffolk County Sewer District No. 1 - Port Jefferson	50,000
90	2017	Construction Improvements to Suffolk County Sewer District No. 3 Southwest (Ronkonkoma Hub Project)	3,000,000 ⁽¹⁾
997	2017	Construction Improvements to Suffolk County Sewer District No. 6 - Kings Park	100,000
230	2018	Planning Improvements to Suffolk County Sewer District No. 6 - Kings Park	100,000
1136	2012	Construction Improvements to Suffolk County Sewer District No. 10- Stony Brook	100,000
1008	2018	Construction of Improvements to Suffolk County Sewer District No. 12 - Birchwood/Holbrook	200,000
1004	2016	Construction Improvements to Suffolk County Sewer District No. 14 - Parkland	100,000
1099	2016	Construction Improvements to Suffolk County Sewer District No. 16 - Yaphank	100,000
1128	2012	Construction Improvements to Suffolk County Sewer District No. 20 - William Floyd (Leisure Village)	150,000
382	2012	Planning for Infrastructure Improvements for Suffolk County Community College ("SCCC")	25,000
357	2014	Planning of the Renewable Energy and Stem Center-Grant Campus (SCCC)	50,000
810	2014	Design and Construction of Parking Expansion-SCCC Ammerman Campus (SCCC)	500,000
692	2015	Construction of the Renewable Energy and Stem Center-Grant Campus (SCCC)	150,000
692	2015	Equipment for the Renewable Energy and Stem Center-Grant Campus (SCCC)	25,000
556	2019	Infrastructure Improvements for Suffolk County Community College (SCCC)	<u>575,000</u>
		Total:	<u>\$105,195,000</u>

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

Authorization and the Refunding Plan for the Series B Bonds and the Series C Bonds

The Series B Bonds and the Series C Bonds are issued pursuant to the Constitution and Laws of the State, including, the Local Finance Law, including Section 90.00 and 90.10, the County Charter and Refunding Bond Resolution No. 290-2020 duly adopted by the County Legislature on April 28, 2020 and approved by the County Executive on May 7, 2020. A refunding financial plan has been prepared and is described below (the “Refunding Plan”).

The Series B Bonds are being issued to refund up to \$27,835,000 outstanding principal of the County’s Public Improvement Serial Bonds – 2012 Series A, which mature in the years 2021 through 2026, inclusive (the “Refunded 2012A Bonds”), up to \$40,585,000 outstanding principal of the County’s Public Improvement Serial Bonds – 2012 Series B, which mature in the years 2021 through 2031, inclusive (the “Refunded 2012B Bonds”) and up to \$1,145,000 outstanding principal of the County’s Refunding Serial Bonds – 2012 Series B, which mature in the years 2021 through 2023, inclusive (the “Refunded 2012B Ref Bonds”).

The Series C Bonds are being issued to refund up to \$41,390,000 outstanding principal of the County’s Public Improvement Serial Bonds – 2013 Series A, which mature in the years 2022 through 2033, inclusive (the “Refunded 2013A Bonds”), up to \$29,370,000 outstanding principal of the County’s Public Improvement Serial Bonds – 2013 Series B, which mature in the years 2022 through 2027, inclusive (the “Refunded 2013B Bonds”) and up to \$47,010,000 outstanding principal of the County’s Public Improvement Serial Bonds – 2014 Series A, which mature in the years 2023 through 2034, inclusive (the “Refunded 2014A Bonds” and together with the Refunded 2012A Bonds, Refunded 2012B Bonds, Refunded 2012B Ref Bonds, Refunded 2013A Bonds and the Refunded 2013B Bonds, the “Refunded Bonds”).

Under the Refunding Plan, the Refunded 2012A Bonds, the Refunded 2012B Bonds and the Refunded 2012B Ref Bonds are to be called for redemption on December 21, 2020, the Refunded 2013A Bonds are to be called for redemption on June 15, 2021, the Refunded 2013B Bonds are to be called for redemption on October 15, 2021 and the Refunded 2014A Bonds are to be called for redemption on June 15, 2022 (each, a “Redemption Date”).

In accordance with the Refunding Plan, the net proceeds of each of the Series B Bonds and the Series C Bonds (after payment of the underwriting fee and other costs of issuance relating to the Series B Bonds or the Series C Bonds, as applicable) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the “Government Obligations”) which, together with the remaining cash proceeds from the sale of the Series B Bonds or the Series C Bonds, as applicable, and certain unexpended proceeds of the applicable Refunded Bonds, will be placed in an irrevocable trust fund (each, an “Escrow Fund”) to be held by Bank of New York Mellon Trust Company, (the “Escrow Holder”), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the County and the Escrow Holder, dated as of the delivery date of the Series B Bonds and the Series C Bonds (the “Escrow Contract”). The Government Obligations so deposited in each Escrow Fund will mature in amounts which, together with the cash so deposited, will be sufficient to pay the scheduled payments of principal and/or interest on the applicable Refunded Bonds through and including their respective Redemption Dates and to pay the redemption price of the applicable Refunded Bonds on such respective Redemption Dates, which are the earliest respective dates on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of the Government Obligations, along with other available monies held in the applicable Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agents for the Refunded Bonds of amounts from each Escrow Fund sufficient for the payment, in full, of the applicable Refunded Bonds, including interest payable with respect thereto.

The Refunding Plan will permit the County to realize, as a result of the issuance of the Series B Bonds and the Series C Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligation bonds of the County. However, inasmuch as the Government Obligations, together with any remaining cash proceeds of the Series B Bonds or the Series C Bonds, held in the applicable Escrow Fund will be sufficient to pay all scheduled payments of interest on, and the redemption price of, the applicable Refunded Bonds when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

Refunded 2012A Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
May 15, 2021	\$4,315,000	3.000%	December 21, 2020 @ 100%	86476PHJ0
May 15, 2022	4,430,000	3.000	December 21, 2020 @ 100%	86476PHK7
May 15, 2023	4,555,000	3.000	December 21, 2020 @ 100%	86476PHL5
May 15, 2024	4,695,000	3.000	December 21, 2020 @ 100%	86476PHM3
May 15, 2025	4,840,000	3.250	December 21, 2020 @ 100%	86476PHN1
May 15, 2026	<u>5,000,000</u>	3.250	December 21, 2020 @ 100%	86476PHP6
Total:	<u>\$ 27,835,000</u>			

Refunded 2012B Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
October 15, 2021	\$ 3,170,000	3.000%	December 21, 2020 @ 100%	86476PJB5
October 15, 2022	3,250,000	3.000	December 21, 2020 @ 100%	86476PJC3
October 15, 2023	3,345,000	3.000	December 21, 2020 @ 100%	86476PJD1
October 15, 2024	3,445,000	3.000	December 21, 2020 @ 100%	86476PJE9
October 15, 2025	3,550,000	3.000	December 21, 2020 @ 100%	86476PJF6
October 15, 2026	3,660,000	3.000	December 21, 2020 @ 100%	86476PJG4
October 15, 2027	3,775,000	3.000	December 21, 2020 @ 100%	86476PJH2
October 15, 2028	3,900,000	3.000	December 21, 2020 @ 100%	86476PJJ8
October 15, 2029	4,025,000	3.000	December 21, 2020 @ 100%	86476PJK5
October 15, 2030	4,160,000	3.000	December 21, 2020 @ 100%	86476PJL3
October 15, 2031	<u>4,305,000</u>	3.125	December 21, 2020 @ 100%	86476PJM1
Total:	<u>\$ 40,585,000</u>			

Refunded 2012B Ref Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
October 1, 2021	\$ 410,000	2.500%	December 21, 2020 @ 100%	86476PGT9
October 1, 2022	375,000	2.750	December 21, 2020 @ 100%	86476PGU6
October 1, 2023	<u>360,000</u>	3.000	December 21, 2020 @ 100%	86476PGV4
Total:	<u>\$ 1,145,000</u>			

* Preliminary, subject to change.

Refunded 2013A Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
June 15, 2022	\$ 2,930,000	3.250%	June 15, 2021 @ 100%	86476PKC1
June 15, 2023	3,000,000	3.250	June 15, 2021 @ 100%	86476PKD9
June 15, 2024	3,080,000	3.250	June 15, 2021 @ 100%	86476PKE7
June 15, 2025	3,165,000	3.250	June 15, 2021 @ 100%	86476PKF4
June 15, 2026	3,260,000	3.250	June 15, 2021 @ 100%	86476PKG2
June 15, 2027	3,360,000	3.500	June 15, 2021 @ 100%	86476PKH0
June 15, 2028	3,465,000	3.500	June 15, 2021 @ 100%	86476PKJ6
June 15, 2029	3,575,000	3.500	June 15, 2021 @ 100%	86476PKK3
June 15, 2030	3,695,000	4.000	June 15, 2021 @ 100%	86476PKL1
June 15, 2031	3,820,000	4.000	June 15, 2021 @ 100%	86476PKM9
June 15, 2032	3,950,000	4.000	June 15, 2021 @ 100%	86476PKN7
June 15, 2033	<u>4,090,000</u>	4.000	June 15, 2021 @ 100%	86476PKP2
Total:	<u>\$ 41,390,000</u>			

Refunded 2013B Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
October 15, 2022	\$ 4,465,000	4.000%	October 15, 2021 @ 100%	86476PKZ0
October 15, 2023	4,620,000	4.000	October 15, 2021 @ 100%	86476PLA4
October 15, 2024	4,785,000	4.000	October 15, 2021 @ 100%	86476PLB2
October 15, 2025	4,965,000	4.000	October 15, 2021 @ 100%	86476PLC0
October 15, 2026	5,160,000	4.000	October 15, 2021 @ 100%	86476PLD8
October 15, 2027	<u>5,375,000</u>	4.000	October 15, 2021 @ 100%	86476PLE6
Total:	<u>\$ 29,370,000</u>			

Refunded 2014A Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
June 15, 2023	\$ 3,190,000	3.000%	June 15, 2022 @ 100%	86476PMM7
June 15, 2024	3,295,000	3.000	June 15, 2022 @ 100%	86476PMN5
June 15, 2025	3,405,000	3.000	June 15, 2022 @ 100%	86476PMP0
June 15, 2026	3,525,000	3.000	June 15, 2022 @ 100%	86476PMQ8
June 15, 2027	3,655,000	3.000	June 15, 2022 @ 100%	86476PMR6
June 15, 2028	3,790,000	3.250	June 15, 2022 @ 100%	86476PMS4
June 15, 2029	3,940,000	3.250	June 15, 2022 @ 100%	86476PMT2
June 15, 2030	4,095,000	3.500	June 15, 2022 @ 100%	86476PMU9
June 15, 2031	4,255,000	3.500	June 15, 2022 @ 100%	86476PMV7
June 15, 2032	4,430,000	3.500	June 15, 2022 @ 100%	86476PMW5
June 15, 2033	4,615,000	3.500	June 15, 2022 @ 100%	86476PMX3
June 15, 2034	<u>4,815,000</u>	3.500	June 15, 2022 @ 100%	86476PMY1
Total:	<u>\$ 47,010,000</u>			

* Preliminary, subject to change.

Sources and Uses of Proceeds of the Series B Bonds and Series C Bonds

	Series B Bonds	Series C Bonds	Total
Sources:			
Par Amount			
Original Issue Premium (Discount)			
Unexpended Proceeds of Refunded Bonds			
Total:			
Refunding Escrow Deposits			
Costs of Issuance ⁽¹⁾			
Total:			

(1) Includes the County’s costs of issuance, [bond insurance], underwriters’ discount and contingency.

Verification of Mathematical Computations

Causey Demgen & Moore P.C. will verify based upon the information provided to them, the mathematical accuracy, as of the date of the closing of the Series B Bonds and Series C Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the purchaser’s schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Series B Bonds and Series C Bonds, and (2) the computations of the yield on both the Government Obligations and the Series B Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Series B Bonds is excludable from gross income for Federal income tax purposes.

THE NOTES

Description of the Notes

The Series C BANs are to be issued on November 4, 2020 (the “Issue Date”) in the aggregate principal amount of \$30,000,000, shall mature on April 16, 2021, and shall bear interest from the Issue Date. The Series D BANs are to be issued on November 4, 2020 (the “Issue Date”) in the aggregate principal amount of \$6,700,000, shall mature on June 25, 2021, and shall bear interest from the Issue Date.

Interest on the Notes will be calculated based on a thirty (30) day month and a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity. The Notes will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Notes. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in the Notes.

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

Authority for and Purpose of the Series C BANs

The Series C BANs are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter and various bond resolutions duly adopted by the County Legislature on their respective dates to provide funding for the purposes listed below. A portion of the proceeds from the sale of the Series C BANs in the amount of \$15,936,505, together with \$14,063,495 in available funds will be used to redeem the County’s \$30,000,000 Bond Anticipation Notes – 2020 Series A at maturity. The balance of the proceeds from the sale of the Series C BANs will be used to provide additional original or original project financing for the following projects:

<u>Resolution</u>	<u>Project Description</u>	<u>Amount Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Amount to BANs</u>
299 2018	Pavement Resurfacing of CR80, Montauk Highway, from the Vicinity of CR101, Sills Road to the Vicinity of NY24	\$ 8,022	\$ 8,022	\$ 0	\$ 0
349 2019	Pavement Resurfacing of CR80, Montauk Highway, from the Vicinity of CR101, Sills Road to the Vicinity of NY24	960,000	960,000	0	0
594 2016	Pavement Resurfacing of CR48, Middle Road, from the Vicinity of Cox Neck Road, Sills Road to the Vicinity of Horton Lane	7,369,000	5,812,073	0	1,556,927
596 2016	Pavement Resurfacing of CR94, Nugent Drive, from the Vicinity of River Rd, to the Vicinity of CR51, East Moriches-Riverhead Rd	1,726,722	509,039	0	1,217,683
494 2017	Pavement Resurfacing of CR50, Union Boulevard, from the Vicinity of NY 109, to the Vicinity of NY 27A, Towns of Islip and Babylon	12,000,000	4,640,408	0	7,359,592
590 2018	Pavement Resurfacing of CR4, Commack Road from the Vicinity of Julia Circle to the Vicinity of NY25; and CR13, Crooked Hill Road from the Vicinity of Henry Street to the Vicinity of CR4, Commack Road.	5,000,000	0	0	5,000,000
720 2019	Acquisition of an Electronic Voter Check-In and Verification System to Facilitate Early Voting in Accordance with the New York State Early Voting Law	1,000,000	1,000,000	0	0
1163 2015	Improvements to CR12, Oak Street	1,936,256	1,133,953	0	802,303
295 2018	Replacement of the CR16, Horseblock Road Bridge over the Long Island Railroad, Town of Brookhaven	0	0	7,000,000	7,000,000
292 2017	Planning and Design Costs Associated with the Replacement of Smith Point Bridge, Town of Brookhaven	0	0	440,000	440,000
301 2018	Planning and Design Costs Associated with the Replacement of Smith Point Bridge, Town of Brookhaven	0	0	3,900,000	3,900,000
587 2018	Construction Costs Associated with the Port Jefferson-Wading River Rails to Trails Pedestrian and Bicycle Path	0	0	2,723,495	2,723,495
	Total:	<u>\$30,000,000</u>	<u>\$14,063,495</u>	<u>\$14,063,495</u>	<u>\$ 30,000,000</u>

Authority for and Purpose of the Series D BANs

The Series D BANs are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter, and Bond Resolution No. 90-2017 duly adopted by the County Legislature on March 7, 2017 authorizing the issuance of up to \$25,000,000 in serial bonds of the County to finance the cost of improvements to the Suffolk County Sewer District No. 3 – Southwest – Ronkonkoma Hub Project. The proceeds from the sale of the Series D BANs together with a portion of the proceeds from the sale of the Series A Bonds in the amount of \$3,000,000 will be used to redeem the County’s \$13,000,000 Bond Anticipation Notes – 2020 Series B (Federally Taxable) at maturity.

THE BONDS AND THE NOTES

Optional Redemption

The Series A Bonds maturing on or before November 1, 2028 are not subject to redemption prior to their stated maturity. The Series A Bonds maturing on or after November 1, 2029 will be subject to redemption prior to their stated maturity, at the option of the County, on any date on or after November 1, 2028, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Series A Bonds to be redeemed, plus accrued interest to the date of redemption.

The Series B Bonds will not be subject to redemption prior to their maturity.

Prior to June 15, 2030*, the Series C Bonds are subject to redemption prior to their stated maturity as described in “Make-Whole Optional Redemption for the Series C Bonds” below. The outstanding unredeemed Series C Bonds maturing on or after June 15, 2031* will be subject to redemption prior to their stated maturity, at the option of the County, on any date on or after June 15, 2030*, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Series C Bonds to be redeemed, plus accrued interest to the date of redemption.

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

The Notes are not subject to redemption prior to maturity.

* Preliminary, subject to change.

Make-Whole Optional Redemption for the Series C Bonds

The County reserves the right, at its option, to redeem all or a portion of the Series C Bonds at any time prior to June 15, 2030, in whole or in part, at a redemption price (the “Make-Whole Redemption Price”) equal to the greater of:

- (1) 100% of the principal amount of the Series C Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the stated maturity date of such Series C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series C Bonds are to be redeemed, discounted to the date on which such Series

C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus the Applicable Spread (described below), plus, in each case, accrued interest on such Series C Bonds to be redeemed to but not including the redemption date.

“Treasury Rate” means, with respect to any redemption date, the yield to maturity as of such redemption date of U.S. Treasury securities with a constant maturity most nearly equal to the period from the redemption date to the maturity date of such Series C Bond; however, if the period from the redemption date to such maturity date is less than one year, the yield to maturity of the U.S. Treasury securities with a constant maturity of one year, in each case, as compiled and published in the most recent Federal Reserve Release H. 15 which has become publicly available at least two business days but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) or, if such Release is no longer published, any publicly available source of similar market data.

“Applicable Spread” shall mean [] basis points.

Nature of Obligation

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

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

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

Book-Entry-Only System

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

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

applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds or the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

Source: The Depository Trust Company

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.”

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

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

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

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

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

CYBERSECURITY

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

RISK FACTORS

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

The financial condition of the County as well as the market for the Bonds and the Notes could be affected by a variety of factors, some of which are beyond the County's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act

or otherwise, will not occur which might affect the market price of and the market for the Bonds and the Notes. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds and the Notes, could be adversely affected.

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

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

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

The outbreak of the novel coronavirus ("COVID-19") has affected travel, commerce and financial markets globally, and is widely expected to affect national, state and local economies. The degree of any such impact to the County's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact. Nonetheless, there can be no assurances that the spread of COVID-19 will not materially adversely impact the financial condition of the County. Potential impacts to the County include, but are not limited to, costs and challenges to the County's public health system and reductions in tourism with corresponding decreases in major revenues such as transient occupancy tax and sales tax. For a further discussion of the impacts to the County by the COVID-19 pandemic, see "FINANCIAL FACTORS" herein.

The County is dependent in part on financial assistance from the State in the form of State aid. No delay in payment of State aid to the County is presently anticipated although no assurance can be given that there will not be a delay in payment thereof; however, the impact of the COVID-19 pandemic may cause additional stress on the State budget and may cause delays and/or elimination of State aid payments to the County. In some recent years, the County received delayed payments of State aid, which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations.

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

TAX MATTERS FOR THE SERIES A BONDS, SERIES B BONDS AND SERIES C BANS

In the opinion of Harris Beach PLLC, Bond Counsel to the County, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the County with certain covenants and the accuracy of certain representations, interest on each of the Series A Bonds, the Series B Bonds and the Series C BANS (collectively, the "Tax-Exempt Obligations") is excluded from gross income for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals.

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

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

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

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

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

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

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

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

TAX MATTERS FOR THE SERIES C BONDS AND THE SERIES D BANS

In the opinion of Bond Counsel, interest on the Series C Bonds and the Series D BANS (collectively, the “Taxable Obligations”) is NOT excluded from gross income for federal income tax purposes.

General

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

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

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

U.S. Holders

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

U.S. Holders may generally, upon election, include in income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) that accrues on a debt instrument by using the constant yield method applicable to original issue discount, subject to certain limitations and

exceptions. This election will generally apply only to the debt instrument with respect to which it is made and may be revoked only with the consent of the IRS.

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

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

Non-U.S. Holders

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

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

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

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

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

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

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

Information Reporting and Backup Withholding

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

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

State and Local Income Taxes

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

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

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

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

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

LEGAL MATTERS

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

Certain matters will be passed upon for the Underwriters of the Series B Bonds and the Series C Bonds by their counsel Orrick, Herrington & Sutcliffe, LLP, New York, New York. Certain legal matters will be passed upon for the County by its County Attorney

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

DISCLOSURE UNDERTAKINGS

Disclosure Undertaking for the Bonds

At the time of the delivery of each series of the Bonds, the County will provide, with respect to each such Series of the Bonds, an executed copy of its "Undertaking to Provide Continuing Disclosure" (each, a "Bond Undertaking"). Each such Bond Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the respective Series of the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Bond Undertaking:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement in Appendix A under the headings: "THE COUNTY OF SUFFOLK," "INDEBTEDNESS OF THE COUNTY," "CAPITAL PLANNING AND BUDGETING," "FINANCIAL FACTORS," "ADDITIONAL FINANCIAL INFORMATION," "REAL PROPERTY TAXES," "STATISTICAL INFORMATION" and "LITIGATION" on or prior to the end of the sixth month following the end of each fiscal year, commencing with the fiscal year ending December 31, 2020 and (ii) the audited financial statement, if any, of the County for each fiscal year commencing with the fiscal year ending December 31, 2020 on or prior to the end of the six month following the end of such fiscal year, unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be provided by the end of the sixth month following the end of such fiscal year and an audited financial statement shall be provided within 60 days after it becomes available and in no event later than the end of the twelfth month after the end of each fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the County has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933.

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of such Series of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the County; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been

assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County]; (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

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

The County may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds or a Series thereof; but the County does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

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

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

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

The County reserves the right to amend or modify the Bond Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12, as amended, and provided further that such amendment or modification shall not adversely affect the interests of the holders of the respective Series of the Bonds in any material respect. In making such determinations, the County shall rely upon an opinion of nationally recognized bond counsel.

Disclosure Undertakings for the Notes

At the time of the delivery of each of the Series C BANs and the Series D BANs, the County will provide a separate executed copy of its “Undertaking to Provide Notices of Events” (each, a “Note Undertaking”). Each Note Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the Series C BANs or the Series D BANs, as applicable, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the of the occurrence of any of the following events with

respect to the Series C BANs or the Series D BANs, as applicable:

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

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

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

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

The County reserves the right to amend or modify each Note Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect, and provided further that such amendment or modification shall not adversely affect the interests of

the holders of the Series C BANs or the Series D BANs, as applicable, in any material respect. In making such determinations, the County shall rely upon an opinion of nationally recognized bond counsel.

Compliance History

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

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

RATINGS

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

On October 1, 2020, Fitch Ratings, Inc. (“Fitch”) affirmed the County’s long-term underlying credit rating of ‘BBB+’ with a negative outlook and assigned such rating to the Bonds.

On October 2, 2020, S&P Global Ratings (“S&P”) affirmed the County’s long-term underlying credit rating of ‘BBB+’ with a negative outlook and assigned such rating to the Bonds.

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

The County did not apply for ratings on the Notes.

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

UNDERWRITING OF SERIES B BONDS AND SERIES C BONDS

The County has selected Jefferies LLC (“Jefferies”) as the book-running, senior managing underwriter for the Series B Bonds and the Series C Bonds, along with FHN Financial Capital Markets (“FHNCM”) and Loop Capital Markets (“Loop”) as co-managers for the Series B Bonds and the Series C Bonds. Jefferies, FHNCM and Loop are herein collectively referred to as the “Underwriters.” Jefferies is serving as the representative of the Underwriters.

The Underwriters have agreed, subject to certain conditions, to purchase the Series B Bonds from the County at an aggregate purchase price of \$_____ (which reflects an Underwriters’ discount of \$_____ and a net original issue premium of \$_____) and to offer the Series B Bonds at the public offering price or prices set

forth on the inside cover page hereof. The Underwriters have agreed, subject to certain conditions, to purchase the Series C Bonds from the County at an aggregate purchase price of \$_____ (which reflects an Underwriters' discount of \$_____ and a net original issue premium of \$_____) and to offer the Series C Bonds at the public offering price or prices set forth on the inside cover page hereof. The Series B Bonds and the Series C Bonds may be offered and sold to certain dealers (including dealers depositing such Series B Bonds and Series C Bonds into investment trusts) at lower than such public offering prices, and prices may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions precedent, and they may be obligated to purchase all such Bonds if any such Bonds are purchased.

FINANCIAL ADVISOR

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

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

ADDITIONAL INFORMATION

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

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

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

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

This Official Statement has been prepared and circulated only in connection with the sale of the Bonds and the Notes by the County and may not be reproduced or used in whole or in part for any other purpose.

Any statements made in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County's management's beliefs as well as assumptions made by, and information available to, County management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may

differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County files with EMMA. When used in County documents or oral presentations, the words “anticipate”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, or similar words are intended to identify forward-looking statements.

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

COUNTY OF SUFFOLK, NEW YORK
Department of Audit & Control

BY: _____
John M. Kennedy, Jr.
County Comptroller

Dated: October __, 2020

APPENDIX A

THE COUNTY OF SUFFOLK

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THE COUNTY OF SUFFOLK

The projections included in this Official Statement are based on the estimates included in the County’s 2020 Adopted Budget, adopted by the County Legislature on November 23, 2019. Such projections do not make any predictions as to the impact of COVID-19 on the County’s financial position due to the COVID-19 pandemic. (See “RISK FACTORS” herein.)

General Overview

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

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

Demographics

The population of the County is stable. According to the U.S. Census Bureau, the County had a population of 1,476,601 in 2019, a decrease of 1.1% since the 2010 Census figure. Between 2000 and 2010, the County’s population increased by 5.2%. A slow rate of population growth is expected in the near future. The County’s population is the largest of any county in New York State outside of New York City. According to the U.S. Census Bureau, the County ranks 26th in population out of all 3,143 counties in the United States, and has a larger population than 11 states.

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

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

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

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

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

According to the U.S. Bureau of Labor Statistics, the average wage for County residents in 2019 amounted to \$61,935, an increase of 13.3% in the five years since 2014. This increase was greater than the rate of inflation over the same period, which was 7.3%.

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

Governmental Organization

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

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

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

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

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

Economic Indicators

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

The County also recently launched Suffolk Forward Mainstreet Initiative, in partnership with Stony Brook University, where businesses can receive assistance in implementing new technology into their business, speak with professors on a range of business topics, sell gift cards to local residents, participate in business response and recovery webinars and utilize the Suffolk Forward Job Board to find a job, post a job or access career resources.

In the Long Island region, comprised of Nassau and Suffolk Counties, employment has been severely affected by the economic impacts of COVID-19, as expected. According to the New York State Department of Labor, as of June 2020, there were 1,172,000 jobs in the region, a decrease of 207,000 or 15% since June 2019. The following table shows the employment by industry sector in the region in 2019 versus 2020, along with the percent change in that period.

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

Industry	June 2019	June 2020	% Change
Goods Producing			
Natural Resources, Mining & Construction	85.9	78.0	-9.2%
Manufacturing	71.7	62.6	-12.7%
Service Providing			
Wholesale Trade	68.5	65.2	-4.8%
Retail Trade	160.6	135.4	-15.7%
Transportation, Warehousing & Utilities	44.4	31.1	-30.0%
Information	15.8	14.6	-7.6%
Financial Activities	70.4	65.7	-6.7%
Professional & Business Services	175.3	155.6	-11.2%
Education & Health Services	281.5	246.3	-12.5%
Leisure & Hospitality	139.8	72.4	-48.2%
Other Services	61.4	53.6	-12.7%
Government	203.7	191.5	-6.0%
TOTAL	1,379.0	1,172.0	-15.0%

Source: New York State Department of Labor

As of August 2020, the County's unemployment rate was 10.4%, higher than the 4.0% figure recorded in August 2019. The County unemployment rate was lower than the rate in the State (12.6%) and in New York City (16.3%). As of August 2020, there were 709,200 employed residents in the County. This figure was 5.9% lower than the August 2019 figure (753,900).

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

Large Non-Government Employers, Nassau-Suffolk Region

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

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

According to the U.S. Bureau of Labor Statistics, as of the 4th quarter of 2019, there were 52,970 private business establishments located in the County, an increase of 3% since 2015. The County has its share of large employers. According to the U.S. Census Bureau, as of 2018, there were 25 businesses in the County that employed 1,000 or more persons yet small businesses comprise a large portion of the County's business establishments. As of 2018, 62% of the businesses with payroll in the County employed fewer than five persons and 78% employed fewer than 10 persons. In addition, according to the U.S. Census Bureau, in 2018, the County had 137,044 "non-employer" firms, mostly self-employed individuals. The number of these businesses increased by 11% in the five years between 2013 and 2018.

Technology Sector

The County is well positioned to support the growth of the technology industry. It is home to Brookhaven National Laboratory ("BNL"), a multipurpose research institution that employs 2,500 people and the source of several Nobel Prizes. In January 2020, the U. S. Department of Energy announced that a \$1.6 billion electron-ion collider will be

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

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

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

Economic Base

The County has a substantial commercial office building market. According to the County’s Department of Economic Development & Planning, there are 22.4 million square feet of commercial office buildings located in the County. This figure includes more than 900,000 square feet of new office space constructed in the five years since 2015. An additional 2.6 million square feet of office space has been proposed for future construction. The office market in the County remains strong. According to CBRE, a multinational real estate firm, the office vacancy rate in the County was 12.2% in the 2nd quarter of 2020, 0.20% improvement from the rate in the same period in 2019. The County’s office vacancy rate continues to outperform the Northern New Jersey, Westchester County (NY), and Fairfield County (CT) markets. The average office space rental rate in the County was \$25.89 per square foot in the 2nd quarter of 2020, increasing by 3.6% over the 2nd quarter 2019 figure.

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

The County has significant industrial space totaling 107.8 million square feet, according to the commercial real estate advisory firm Newmark Knight Frank. The industrial market fundamentals remained very strong in the County through the 2nd quarter of 2020. According to Newmark, the County’s 3.7% industrial vacancy rate in the 2nd quarter of 2020 was among the lowest in the nation and the industrial asking rent was \$11.10 per square foot, the same rate for 2019, a decrease of 2.4%. The largest concentration of industrial space in the County is located in Hauppauge, with more than 13 million square feet of space. Additionally, significant light industrial space is located in the area around Long Island MacArthur Airport in Ronkonkoma and Bohemia and further east in the Yaphank area.

According to the County’s Department of Economic Development & Planning, there are 282 hotels, motels and inns located in the County. Together these lodging properties have 12,106 rooms. Approximately 20% of these rooms are seasonal (open for half the year in the warmer months) and these seasonal rooms are located primarily in the eastern end of the County. In the five years since 2015, more than 400 lodging rooms have been added in the County. A 131 room Marriott Residence Inn in Riverhead opened in 2017, a 125-room Courtyard by Marriott opened in Central Islip in 2018, a 128-room Homewood Suites opened in Lake Ronkonkoma in 2019 and a 146-room Home2Suites by Hilton opened in Yaphank in 2019. Proposals have been made for several additional new hotels in the County,

which could result in an increase of more than 2,000 hotel rooms in the County. Before the COVID-19 pandemic hit the Long Island region in the spring of 2020, the County’s hotel businesses were enjoying strong and steady growth. According to Smith Travel Research, the occupancy rate of the County’s hotels was 68.7% in 2019, slightly higher than the 67.7% figure in 2018 and average daily room rates in 2019 increased in the same period by 7.4% to \$163. The pandemic has had a substantially negative effect on this industry on Long Island. In July 2020, the Nassau County Industrial Development Agency and Suffolk County Industrial Development Agency released a study, conducted by HR&A Advisors (the “HR&A Study”), on the economic impact of the COVID-19 pandemic in the Long Island region. The region’s hospitality sector experienced the greatest decline during initial months of the crisis, with employment down two-thirds. Since the initial impact of the COVID-19 pandemic, the hospitality industry has performed well in comparison to regional counterparts with regards to room and occupancy rates.

The County is a major retail market, as evidenced by \$27.8 billion in sales reported in 2017, according to the most recent U.S. Economic Census. Retail sales per household in the County amounted to \$57,667 in 2017, 39% higher than the nation as a whole and ranking it among the highest markets in the country. Between 2012 and 2017, per capita retail sales in the County increased by 20.8%, compared to 13.9% for the nation as a whole. Three regional malls and two regional outlet centers serve the County. According to the County Department of Economic Development & Planning, shopping center space in the County totals 41.0 million square feet and an additional 2.8 million square feet of new retail space is proposed for construction, including a new Walmart supercenter planned in Yaphank. Many of the County’s downtown business districts have emerged as attractive and vibrant centers for dining and entertainment. Ground floor retail space in the County’s downtown centers totals approximately 9 million square feet. In the HR&A Study , the retail sector experienced a decline of 52,000 jobs. The regional economy is expected to continue showing net job losses through 2021, though the pace of job loss will be moderate as segments of the economy begin to recover. The following table lists the major retail centers in the County.

Major Retail Centers in the County

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

* In August 2020, Lord & Taylor filed for bankruptcy and announced it was closing all of its stores.

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

There are 11 full service hospitals located in the County. Several of these hospitals have spent or are spending hundreds of millions of dollars on major construction projects to expand and modernize their facilities. For example,

Good Samaritan Hospital in West Islip has announced plans to invest \$525 million for a major expansion. Stony Brook University Hospital is undergoing a \$450 million expansion of its hospital campus, including a new cancer center, the expansion of its emergency, surgical, and obstetrics departments, and a major expansion to its Children's Hospital that opened in 2019. In 2020, Peconic Bay Medical Center in Riverhead completed a \$67 million expansion. A \$60 million cardiac care center at Long Island Community Hospital in Patchogue opened in 2016 and a \$53 million expansion of Huntington Hospital's emergency room opened in 2017. A completely new \$305 million Stony Brook Southampton Hospital is proposed for completion in 2025, replacing the existing Southampton facility.

The County has a significant agricultural sector. According to the most recent U.S. Census of Agriculture, the County has more than 30,000 acres of active farmland and agricultural production was valued at \$226 million in 2017, ranking fourth highest out of 62 counties in the State. In 2017, farms in the County averaged \$7,511 in agricultural sales per acre of farmland, approximately ten times the State average. Between 2012 and 2017, direct food sales at farm stands and farmers markets increased 209% to \$27.7 million. In 2015, the County updated its *Agricultural and Farmland Protection* Plan, which aims to support public policy to protect, encourage and sustain agriculture in the County. The County also participates in the New York State Department of Agriculture and Markets' Agricultural District Program. This program is based on a combination of landowner incentives and protections designed to encourage the continued use of farmland for agricultural production and forestall the conversion of farmland to non-agricultural uses.

The fishing industry and the shellfish industry are important sources of employment and income in the east end of the County. Commercial fishing is a heritage industry in the County that provides quality of life benefits, economic benefits and tourism revenue. According to the Atlantic Coastal Cooperative Statistics Program, in 2018, there were 488 commercial fishing establishments in the County landing more than 18 million pounds of fish, valued at nearly \$25 million. The County's shellfish industry (primarily bay scallops, oysters and hard clams) has been enhanced through the establishment and implementation of the Suffolk County Shellfish Aquaculture Lease Program in Peconic Bay and Gardiners Bay. As of August 2020, there are 59 shellfish aquaculture leases in place, which cover 820 acres of County-owned underwater lands.

Major Development Projects

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

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

A \$4 billion mixed-use development, Heartland Town Square, has been proposed for 452 acres of a surplus portion of the Pilgrim State Psychiatric Center in Brentwood, located at the intersection of the Long Island Expressway and the Sagtikos Parkway. At completion, the development is proposed to include 1,030,000 square feet of lifestyle retail space, 9,130 units of mid-rise rental housing, 3,239,000 square feet of office space, a hotel, and an aquarium. The project is proposed to be constructed in phases. The change of zoning for a 116 acre portion of the site was approved by the Town of Islip in 2017, but has not yet begun construction. In 2020, the Suffolk County Sewer Agency granted a one year extension for County Legislature approval of the sewer connection agreement. The agreement is subject to future review and action by the County Legislature.

The long-term redevelopment of the former Central Islip Psychiatric Center is continuing. Projects built on this site include the Long Island Ducks baseball team ballpark and a federal courthouse; the Touro Law School building; the

renovation of a former hospital building into a 175,000 square foot office building; and more than 1,500 units of rental and owner-occupied attached housing. A 268 unit apartment complex, Hudson Place, is under construction and will include former Psychiatric Center buildings. On former Psychiatric Center property, a new Courtyard by Marriott opened in 2018, and Ascent Pharmaceuticals and AlphaMed Bottles built a \$47 million manufacturing facility in two adjacent buildings in 2018. Also in Central Islip, Steel Equities plans to develop a new 90 acre industrial park at the former New York Institute of Technology site.

A 54 acre area adjacent to the Ronkonkoma LIRR station is currently being redeveloped as a \$700 million mixed-use transit oriented development known as the Ronkonkoma Hub. An extension of sewer service to the area has been approved and \$50 million in State funding has been earmarked for infrastructure at the site. At full completion in 2027, the Ronkonkoma Hub is expected to include 1,450 apartments, 195,000 square feet of retail space and 360,000 square feet of office space. In 2019, the first 245 residential units opened for occupancy and another 244 units are under construction. In 2018, the County selected a preferred developer for 40 acres of County-owned land south of the Ronkonkoma LIRR station. The developer is currently evaluating each component of the proposal, which includes a sports and entertainment venue, medical office space, and public space.

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

In the Town of Riverhead, a 131-room Marriott Residence Inn on Route 58 opened in 2017. In downtown Riverhead, the 45-unit workforce housing complex Peconic Crossing was completed in 2018. Riverview Lofts, a 116-unit mixed-use apartment complex, is currently under construction and on an adjacent site, a 170-unit apartment building is proposed. Calverton Executive Airpark, a former U. S. Navy aircraft test site used by Grumman Corporation, continues to be redeveloped for various light industrial purposes as the Enterprise Park at Calverton. At the site, a \$90 million, 134,000 square foot addiction treatment and research complex opened in 2020. Triple Five Group plans to purchase 1,644 acres at Calverton Airpark from the Town of Riverhead to construct \$110 million of industrial and commercial development for aviation, aerospace, technology, and renewable energy companies.

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

In other locations in the County, a number of additional significant development and redevelopment projects have recently been constructed or are proposed. The proposals include Islip Pines in Holbrook, a 136 acre, \$300 million development including apartments, retail space, office space, a movie theater and a hotel that was approved for construction. In Greenport, a 50 unit affordable apartment complex, Vineyard View, began construction in 2019 and received \$5.7 million in financing from the State in partnership with the Community Development Corporation of Long Island. In Lindenhurst, construction of Tritec's "The Wel," a 260-unit residential development immediately across from the Lindenhurst Train Station and a block away from Lindenhurst's downtown, is underway. This development comes on the heels of several new restaurants, bars and cafes that have opened in Lindenhurst in recent years. A recent code change in Smithtown will now permit residential construction on some parcels in the Long Island innovation Park at Hauppauge, representing a major opportunity for the future of what is one of the largest industrial parks in the northeast.

Housing

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

Multi-family housing construction is robust in the County. According to the Suffolk County Department of Economic Development & Planning, in the five years since 2015, a total of 64 multi-family housing complexes containing a total of 4,500 units have been built in the County and another 4,400 units are currently under construction. About half of the new units are in rental apartment complexes, and half are in ownership complexes. In addition, 113 multi-family housing complexes are currently proposed for construction in the County, which could add more than 14,000 housing units. Since 2015, ten assisted living facilities opened in the County and two facilities are currently under construction. Another 19 assisted living facilities have been proposed for construction in the County.

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

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

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

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

The housing market in the County remains strong. County home prices in the 1st quarter of 2020 were about 47% higher than the national median as reported by the National Association of Realtors. As reported by the New York State Association of Realtors, and indicated in the table below, in July 2020, the median selling price of a home in the County was \$440,000, an increase of 6.0% compared to the median price in July 2019.

Existing Home Sales in the County, July of Each Year

Year	Median Sales Price	Percentage Change From Previous Year	Number of Homes Sold
2020	\$440,000	6.0%	1,142
2019	415,000	6.4%	1,663
2018	390,000	6.8%	1,630
2017	365,000	5.8%	1,553
2016	345,000	1.5%	1,547
2015	339,900	2.2%	1,469

Source: New York State Association of Realtors

According to data provided by RealtyTrac, in July 2020, 0.01% of homes in the County were in some stage of foreclosure, the same as the national percentage. According to HUD, the foreclosure rate in the Nassau-Suffolk region is relatively high because rapidly rising sales prices in the early to mid-2000s caused a higher portion of homes to have outstanding mortgage loan balances in excess of their market value during the housing crisis compared to the rest of the country. Rates in the region and statewide also remain elevated because the State is a judicial foreclosure state where the average length of the foreclosure process is significantly longer than in states with a non-judicial foreclosure process.

County Initiatives

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

The County continues to work to advance its Coastal Resiliency Initiative, which will utilize \$390 million in federal and state financial aid to connect nearly 6,500 parcels along river corridors on the County's south shore to sewers as part of the State's Post-Sandy Coastal Resiliency initiatives. The projects represent the largest investment in sewer infrastructure in the County in more than 40 years and will eliminate nearly 6,500 cesspools and septic systems in these areas, a primary source of nitrogen pollution that has degraded water quality in local bays. Construction had been expected to begin in early 2021, but the COVID-19 pandemic has delayed the project timetable and increased project cost estimates. The County is working to address those issues and anticipates letting of construction contracts in early 2021.

The County's Reclaim Our Water initiative continues to advance the use of Innovative and Alternative Onsite Wastewater Treatment Systems as an alternative to cesspools and septic systems in areas where sewerage is not a practical or cost-effective alternative. Along with the Center for Clean Water Technology at Stony Brook University, the County has piloted three versions of an experimental non-proprietary Nitrogen Reducing Biofilter on County-owned Park's properties. In 2017, the County Legislature approved the Septic Improvement Program, which provides grants and loans to homeowners to make voluntary replacement of cesspools and septic systems with provisionally approved nitrogen reducing technologies more affordable for homeowners. As of August 1, 2020, 1,762 property owners have applied and 522 advanced nitrogen reducing systems have been installed as part of the Septic Improvement Program. Another 250 installations are currently pending. In addition, more than 500 state-of-the-art nitrogen reducing septic systems have been installed outside of the grant program throughout the County. In early 2018, the State awarded the County \$10 million in Septic System Replacement Funds toward this grant program. As of August 1, 2020, over \$5.2 million in County funds and almost \$4.5 million in State funds have been expended as part of the program. In 2017, the County Legislature approved changes to the Suffolk County Sanitary Code to ban the in-kind replacement of cesspools effective July 1, 2019.

In 2012, County Executive Bellone introduced the Connect Long Island initiative, which encourages sustainable growth by supporting transit oriented developments and enhancing transportation infrastructure to help connect development hubs to the County's major research and educational institutions. In 2014, the County completed a Bus Rapid Transit ("BRT") feasibility study identifying Route 110, Nicolls Road, and Sagtikos Parkway as priority BRT corridors. Project development and 30% design on the Route 110 BRT is underway and scheduled to be completed by the middle of 2021. The County's Innovation Zone ("I-Zone") initiative began in 2015 with an aim to create a multi-modal corridor along Nicolls Road that will connect some of the County's key assets including: Downtown Patchogue, the Ronkonkoma HUB and MacArthur Airport, Stony Brook University and Brookhaven National Lab.

In Westhampton, County-owned land at Gabreski Airport is being developed for light industrial and research & development office space at the Hampton Business District. To date, three buildings in the development have been completed, totaling nearly 200,000 square feet of space. Construction is expected to begin on a fourth building in the fall of 2020 totaling 98,000 square feet. At completion, this nine building business park will total 440,000 square feet including a 145-room hotel and is expected to employ 1,100 people.

Through the County's Housing Opportunities Program, the County has committed more than \$26 million since 2012 to assist in the construction of 1,558 housing units, 1,405 of which are affordable to families earning at or below 120% of the area median income, and more than half of these affordable units are reserved for families earning at or below 60% of the area median income.

Transportation

The County's highway network includes the Northern and Southern State Parkways, which are located in the western portion of the County, and the Long Island Expressway (I-495) which extends eastward from New York City to the eastern portion of the County. Other major highways include Sunrise Highway, which connects the

County's western border to its eastern town of Southampton, and the Sunken Meadow/Sagtikos Parkway which connects the north and south shores in the western part of the County.

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

The extensive commuter rail system in the County, the LIRR, is managed by the Metropolitan Transportation Authority ("MTA"). There are 41 LIRR stations located in the County. The LIRR provides public transportation between the County and New York City and is used by both commuters and leisure travelers. The LIRR is the busiest commuter railroad in the nation as of 2019, serving 91.1 million customers. The MTA plans to spend \$5.7 billion between 2020 and 2024 on LIRR infrastructure including funds to modernize switch and signal systems and purchase 160 new train cars. The LIRR is also evaluating proposals for studying the potential electrification of the LIRR Port Jefferson Branch. The LIRR's \$2.6 billion Third Track project between Floral Park and Hicksville in neighboring Nassau County is under construction and scheduled for completion in 2022. In 2018, the LIRR completed the \$432 million construction of 17 miles of second electrified track between Farmingdale and Ronkonkoma in the County. These additional tracks will allow the LIRR to more easily flow around rail disruptions and will increase rail capacity to better serve commuters to New York City and reverse commuters to Long Island. The expanded rail service will help facilitate transit oriented development planned near the Republic, Wyandanch, and Ronkonkoma LIRR stations in the County. In addition, the MTA continues work on the \$11.2 billion East Side Access project. When fully completed in 2022, this project will connect the LIRR to Grand Central Station in Manhattan, providing a more direct trip between Long Island and the east side of midtown Manhattan.

There are nine public use airports located in the County. At Republic Airport in East Farmingdale, Sheltair Aviation is currently constructing a \$55 million, 210,000 square foot aircraft hangar and terminal. The vast majority of the County's air passenger traffic occurs at Islip MacArthur Airport in Ronkonkoma, because it is the County's only airport with regularly scheduled carrier service. According to the New York State Department of Transportation, Islip MacArthur Airport is the 8th busiest airport in the State, based on passenger volume. In 2018, the airport had 811,535 passenger enplanements, a 21.5% increase since 2012. In addition to numerous scheduled flights provided by Southwest Airlines, the airport offers scheduled flights to and from Philadelphia by American Airlines. In 2017, Frontier Airlines began serving Islip MacArthur Airport and offers nonstop flights to eight cities.

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

Educational Facilities

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

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

Stony Brook University is the largest university located in the County with a Fall 2019 enrollment of 17,100 undergraduate and 8,400 graduate students. The University continues to expand its facilities. The University's new

\$41 million, 70,000 square foot computer science building opened in 2015. A new \$63 million student services building currently under construction is expected to open by 2021 and two new residence halls with a total of 759 dorm rooms were completed in 2017. The University's Research and Development Park continues to expand with two additional buildings: the University's \$60 million Innovation and Discovery Center is under construction and is expected to open by the end of 2020, and the \$75 million Institute for Discovery and Innovation in Medicine & Engineering is expected to open in December 2021.

Tourism & Recreation

Tourism is a multi-billion dollar industry in the County. According to the consulting firm Tourism Economics, traveler spending in the County totaled \$3.3 billion in 2018; tourism supports 43,000 local jobs in the County and generates \$394 million in local and state tax revenues annually. There are 26 State parks located wholly within the County. According to the New York State Department of Parks and Recreation, the State parks in the County have more than 16 million attendees annually. The State parks in the County that were most frequently visited in 2019 were Robert Moses State Park (with 4.3 million visitors), Sunken Meadow State Park (with 3.6 million visitors), Captree State Park (with 1.4 million visitors), Heckscher Park (with 1.1 million visitors) and Montauk State Park (with 1.1 million visitors). Many of the other State, County, Town and Village parks are located inland and on beaches which attract hundreds of thousands of visitors each year. Indeed, the County has the largest County-owned parks system in the U.S. Altogether, there are 78 County parks and still hundreds more town and village parks and open space. More than 60,000 acres of trails, gardens, farmlands, woodlands, waterways, day camps, ball fields, and playgrounds provide County residents with recreation, relaxation and beauty. Moreover, a beach in the County has again been ranked as one of the top ten beaches in the United States in 2019 by Florida International University. With 986 miles of shoreline, industries such as recreational boating, boat sales and service, marinas, and charter boat fishing are prominent in the County.

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

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

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

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

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

population. Due to its proximity to New York City, the County is well situated to serve the vacation needs of New York City residents.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

For the thirty-sixth consecutive year the Government Finance Officers Association of the United States and Canada (the “GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting (the “Certificate”) to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018.

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

A Certificate is valid for a period of one year. The County believes that its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019 conforms to the requirements necessary for the award of a Certificate.

INDEBTEDNESS OF THE COUNTY

Constitutional and Statutory Requirements

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

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

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

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

Debt Limit – The County has the power to contract indebtedness for any County purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for

determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Computation of Debt Limit

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

Statutory Procedure

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

Pursuant to the County Charter and the Local Finance Law, as applicable, the County authorizes incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a bond resolution, approved by at least two-thirds vote of the County Legislature and subject to the approval of the County Executive in accordance with the County Charter. The County Legislature as a whole constitutes the finance board of the County. Such resolutions are not subject to referendum unless the County Legislature specifically determines that a particular resolution shall be subject to referendum. The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The County typically complies with this estoppel procedure and, except as noted below in this paragraph, it has done so with respect to each of the bond resolutions adopted by the County Legislature for the projects and expenditures to be financed by the Series A Bonds, the Series C BANs and the Series D BANs. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. It should be noted, however, that in accordance with Executive Order No. 202.15 issued by New York State Governor Andrew Cuomo on April 9, 2020, as extended to date, including as extended by Executive Order 202.67, issued on October 4, 2020, in response to the COVID-19 pandemic, the statute of limitations that would otherwise be imposed by undertaking the estoppel procedure has been tolled until at least until November 3, 2020. Therefore, with respect to those bond resolutions adopted by the County Legislature in 2020 for certain of the projects and expenditures to be financed by the Series A Bonds and the refunding bond resolution adopted by the County authorizing the Series B Bonds and the Series C Bonds, for which in each case there was an estoppel notice published but with respect to which the twenty day estoppel period had not elapsed prior to April 9, 2020, it is possible that a court could determine that the validity of the bonds authorized by such resolutions might still be challenged (although for how long and under what circumstances cannot be predicted). This is so notwithstanding the fact that over 20 days has elapsed since the publication of such estoppel notice, with no claim having been filed. Despite these unusual circumstances that have been triggered by the pandemic, and in light of the voluntary nature of the estoppel procedure, bond counsel is prepared to issue and deliver its traditional and expected opinions to the effect that each of the Bonds, the Series C BANs and the Series D BANs have been duly authorized and issued and constitute valid and legally binding general obligations of the County.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing, the estimated maximum cost thereof and the maximum maturity of the bonds, subject to the legal restrictions relating to the period of probable usefulness with respect thereto. Annual principal reductions must commence within twenty-four months of the original issue date. Adoption of a bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of bonds. Statutory law in the

State permits bond anticipation notes to be renewed each year provided that principal reductions commence within twenty-four months and provided that such renewals, except in the case of assessable improvement financings, generally do not extend more than five years beyond the original date of the borrowing. Notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal, beginning within twenty-four months of the original issue date, for the entire period of probable usefulness assigned to the purpose for which such notes were originally issued. The County Legislature has delegated certain of its powers in relation to the sale of bonds and any notes issued in anticipation thereof to the County Comptroller, as the Chief Fiscal Officer of the County.

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

Independent Auditors

The financial statements of the County as of and for the year ended December 31, 2019, a link to which is included in Appendix B to this Official Statement, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report dated August 28, 2020 appearing therein.

Cash Flow Borrowings

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

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

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

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

The County currently anticipates issuing approximately \$410,000,000 in tax anticipation notes in anticipation of the receipt of real property taxes levied for the fiscal year 2021 in December 2020 and revenue anticipation notes in anticipation of the receipt of State and Federal aid in April 2021.

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

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

	<u>Cash Flow Notes</u> (\$ in millions)				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020*</u>
Revenue Anticipation Notes	\$ 45	\$ 45	\$ 45	\$ 45	\$104
Tax Anticipation Notes	<u>510</u>	<u>510</u>	<u>504</u>	<u>508</u>	<u>510</u>
Total	<u>\$555</u>	<u>\$555</u>	<u>\$549</u>	<u>\$553</u>	<u>\$614</u>

* Projected.

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

Calculation of Total Net Indebtedness

(as of October 13, 2020)

Inclusions:

Outstanding General Obligation Bonds:

General Purpose and Improvement Bonds and Refunding Bonds	\$1,086,957,003	
County Sewer District No. 1 (Port Jefferson)	1,327,287	
County Sewer District No. 3 (Southwest)	102,821,425	
County Sewer District No. 5 (Strathmore-Huntington)	1,839,689	
County Sewer District No. 6 (Kings Park)	760,927	
County Sewer District No. 7 (Medford)	4,807,248	
County Sewer District No. 9 (College Park)	783,018	
County Sewer District No. 10 (Stony Brook)	307,827	
County Sewer District No. 11 (Selden)	7,829,009	
County Sewer District No. 12 (Birchwood)	762,000	
County Sewer District No. 13 (Windwatch)	196,201	
County Sewer District No. 14 (Parkland)	2,300,599	
County Sewer District No. 15 (Nob Hill)	78,481	
County Sewer District No. 16 (Yaphank Municipal)	232,478	
County Sewer District No. 18 (Hauppauge Industrial)	55,634,849	
County Sewer District No. 20 (William Floyd-Leisure Village)	1,070,295	
County Sewer District No. 21 (SUNY)	753,628	
County Sewer District No. 23 (Coventry Manor)	<u>613,036</u>	
Subtotal: Outstanding Bonds		\$1,269,075,000

Outstanding General Obligation Notes:

Bond Anticipation Notes – 2020 Series A	\$ 30,000,000	
Bond Anticipation Notes – 2020 Series B (Federally Taxable)	13,000,000	
Revenue Anticipation Notes – 2020	104,170,000	
NYS EFC Clean Water Facility Note – 2015A	8,114,700	
NYS EFC Clean Water Facility Note – 2016A	8,626,216	
NYS EFC Clean Water Facility Note – 2020	102,294,048	
Subtotal: Outstanding Notes		<u>266,204,964</u>

Total Inclusions

\$1,535,279,964

Exclusions and Assets on Hand for Debt:

Revenue Anticipation Notes	\$104,170,000	
Sewer District Bonds and Refunding Bonds ⁽¹⁾	<u>157,662</u>	
Subtotal: Exclusions		\$ 104,327,662

Assets on Hand for Debt:

Appropriations (other than for debt already excluded):		
Outstanding Bonds	<u>\$ 45,552,338</u>	
Subtotal: Assets on Hand		<u>45,552,338</u>

Total Exclusions and Assets on Hand for Debt:

\$ 149,880,000

Total Net Indebtedness ⁽²⁾⁽³⁾

\$1,385,399,964

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

(2) Represents approximately 6.84% of the Debt Limit of \$20,246,631,023.

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

Source: Suffolk County Comptroller’s Office

Details of Short-Term Indebtedness Outstanding
(as of October 13, 2020)

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

	<u>Dated</u>	<u>Maturity</u>	<u>Amount</u>
NYS EFC Clean Water Facility Note – 2015A	09/24/15	09/24/21	\$ 8,114,700 ⁽¹⁾⁽⁴⁾
NYS EFC Clean Water Facility Note – 2020	08/06/20	09/15/21	102,294,048 ⁽²⁾⁽⁴⁾
NYS EFC Clean Water Facility Note – 2016A	08/04/16	08/04/21	8,626,216 ⁽³⁾⁽⁴⁾
Bond Anticipation Notes – 2020 Series B (Federally Taxable)	06/25/20	11/05/20	13,000,000 ⁽⁵⁾
Bond Anticipation Notes – 2020 Series A	04/09/20	11/13/20	30,000,000 ⁽⁶⁾
Revenue Anticipation Notes – 2020	04/09/20	03/19/21	104,170,000 ⁽⁷⁾

- (1) The maximum principal amount of this EFC note is \$9,072,500. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2020.
- (2) The maximum principal amount of this EFC note is \$189,101,217. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2021.
- (3) The maximum principal amount of this EFC note is \$20,395,377. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2021.
- (4) The County has entered into various Project Financing Agreements (“PFAs”) with the New York State Environmental Facilities Corporation (“EFC”), pursuant to which the County issued the EFC notes referred to in this table. The proceeds of the EFC notes are advanced by EFC to the County as work on the respective projects financed by the respective EFC notes progresses. The amounts set forth in the table above reflect the sum of advances made by EFC to the County and reduced by scheduled principal repayments that have been made by the County to date. See “Anticipated Capital Borrowings” herein.
- (5) The proceeds from the sale of the Series D BANs, together with a \$3,000,000 portion of the proceeds from the sale of the Series D BANs and \$3,300,000 in available funds, will be used to redeem these notes at maturity.
- (6) A \$15,936,505 portion of the proceeds from the sale of the Series C BANs, together with \$14,063,495 in available funds, will be used to redeem these notes at maturity.
- (7) Expected to be paid from State and Federal aid expected to be received by the County.

Source: Suffolk County Comptroller’s Office

Summary of Bonded Debt (in thousands)
(as of December 31 in each year):

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

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

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

Due to an extra “0” erroneously inserted into an account number in a wire sent to the Depository Trust Company (“DTC”) by U.S. Bank National Association (“US Bank”) acting as escrow agent for the County, a portion of the principal payment of the County’s Public Improvement Serial Bonds - 2010 Series B (the “2010 Series B Bonds”), which was due on October 15, 2018, was paid one day late despite the fact that the correct amount of funds was wired to and received by DTC late in the day on October 15, 2018. US Bank had entered into an Escrow Contract with the County on December 28, 2017 in which US Bank agreed to pay a portion of the principal of and interest on various County bonds including the 2010 Series B Bonds when due to DTC. The County made its payment of \$5,465,775, representing the balance of the principal and interest due on the 2010 Series B Bonds to DTC in full and on time on October 15, 2018. The County filed a notice on EMMA related to this event on October 24, 2018.

Authorized and Unissued Capital Indebtedness

As of September 29, 2020, the County had authorized and unissued indebtedness for general capital purposes of approximately \$528,237,000. Included in that amount is approximately \$210,449,000 of capital purposes that may be funded with bond anticipation notes issued in anticipation of expected Federal and/or State aid.

In addition to the above, the County adopted Resolution 290-2020 and 666-2020 authorizing, in aggregate, the issuance of up to \$331,900,000 bonds to refund certain outstanding bonds of the County. As of September 29, 2020, the County has \$331,900,000 remaining authorized and unissued pursuant to these resolutions.

Anticipated Capital Borrowings

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

During the Spring of 2021, the County anticipates issuing serial bonds of approximately \$55,000,000 for general capital purposes, which includes \$6,000,000 for the purchase of public safety vehicles and \$5,300,000 in connection with strengthening and improving County roads. During the Fall of 2021, the County anticipates issuing serial bonds for approximately \$50,000,000 to \$55,000,000 for general capital purposes. In addition to issuing bonds for general capital purposes, the following material sewer related borrowings are authorized as described below.

The County Legislature has adopted Resolutions #1203-2011, #1134-2012 and #426-2015 authorizing the issuance of \$35,000,000, \$20,000,000 and \$207,000,000, respectively, in serial bonds to finance improvements and the outfall system of the Suffolk County Sewer District No. 3 – Southwest. \$5,000,000 of the above noted amounts has been issued by the County as Suffolk County Sewer District Bonds. \$189,101,217 of the above noted authorizations was issued to EFC in the form of draw down bond anticipation notes under the Storm Mitigation Loan Program (“SMLP”). Grant funding associated with these loans has been awarded by EFC up to a maximum amount of \$20,485,289. It is expected that these short term loans will be refinanced at or prior to maturity with proceeds from the sale of bonds issued to EFC in connection with a long-term loan to the County under EFC’s State Revolving Fund program.

The County Legislature has adopted Resolutions #721-2015 and #1167-2015 authorizing the issuance of \$2,000,000 and \$20,100,000, respectively, in serial bonds to finance the planning and design cost of Nitrogen Reduction Projects. \$20,395,377 of the above noted amounts has been issued in the form of a draw down bond anticipation note to EFC under its Short Term Loan Program. As of October 1, 2020, the County has requisitioned \$8,626,216 of the available proceeds of such short term loan from EFC. It is expected that these short term loans will be refinanced at or prior to maturity with proceeds from the sale of bonds issued to EFC in connection with a long-term loan to the County under EFC’s State Revolving Fund program.

As of October 1, 2020, the status of the NYS EFC short term loans are as follows:

	<u>Maximum Principal Amount of Note</u>	<u>SMLP Grant Funding Received to Date</u>	<u>Requisitions Drawn Against Note to Date</u>	<u>Principal Repayments</u>	<u>Net Outstanding Note Liability</u>
NYS EFC Clean Water Facility Note – 2015A, Final Effluent Pump Station , Sewer District No. 3 – Southwest	\$9,072,500	\$1,418,187	\$8,549,700	\$435,000	\$8,114,700
NYS EFC Clean Water Facility Note – 2019, Outfall Replacement Pipe, Sewer District No. 3 – Southwest	189,101,217	16,857,789	102,700,548	406,500	102,294,048
NYS EFC Clean Water Facility Note – 2016A, Suffolk County Coastal Resiliency Initiative	20,395,377	0	10,192,716	1,566,500	8,626,216

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

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

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

The Legislature has adopted Resolutions #467-2016, 851-2016, 856-2016, 860-2016, 862-2016, 972-2016, 989-2016, 76-2017, 538-2017, 703-2017, 389-2018, 705-2018, 728-2018, 49-2019 and 303-2020 authorizing, in the aggregate, the issuance of \$29,400,000 in serial bonds to finance projects under the New Enhanced Drinking Water Protection Program. \$14,698,481 in bonds has been issued pursuant to these resolutions. Approximately \$8,042,517 will be funded with a portion of the proceeds from the sale of the Series A Bonds. (See “FINANCIAL FACTORS – Drinking Water Protection, Sewer Tax Rate Stabilization, Environmental Protection and Property Tax Mitigation Programs” herein.)

Underlying and Overlapping Indebtedness of Political Subdivisions Within the County

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

	<u>Fiscal Year</u>	<u>Gross Debt</u> ⁽¹⁾⁽²⁾
Towns	12/31/18	\$ 1,430,771
Villages	Various 2019	99,582
School Districts	06/30/19	2,200,020
Fire Districts	12/31/18	<u>132,738</u>
	Totals	<u>\$ 3,863,111</u>

(1) Amounts in thousands.

(2) Exclusive of local government exclusions.

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

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Annual Debt Service Requirements

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

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

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

Other Transactions

New York State HEAL Grant

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

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

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

Lease Payments

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

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

(1) Off slightly due to rounding.

(2) For the entire calendar year.

CAPITAL PLANNING AND BUDGETING

The County annually adopts a capital program which includes all anticipated capital expenditures for the next three fiscal years. No later than April 15 of each year, the proposed three-year capital program is submitted by the County Executive to the County Legislature. The Capital Budget and Program is adopted in June of each year. Due to the COVID-19 pandemic, the 2021-2023 Proposed Capital Budget and Program submission date to the County Legislature was extended via Executive Order to September 18, 2020 and the adoption date for the 2021-2023 Proposed Capital Budget was also extended to not later than November 30, 2020. The County’s capital budget sets forth the capital projects, both new and previously authorized, expected to be undertaken or continued in the ensuing fiscal year. The adoption of the capital budget does not constitute an authorization to proceed with a project and the financing thereof. In the event the County wishes to finance a project through the issuance of bonds or notes, such issuance of bonds or notes requires further authorization by a two-thirds vote of the County Legislature.

The 2021-2023 Proposed Capital Budget and Program was submitted to the County Legislature on September 18, 2020 and the County Legislature has until November 30, 2020 to adopt the Proposed Capital Budget and Program with or without amendments. The 2021-2023 Proposed Capital Program (the “2021-2023 Proposed Capital Program”) includes the following:

	2021-2023 <u>Capital Program</u> (<u>\$000s</u>)
General Government Support: Judicial	\$ 33,705
General Government Support: Elections	0
General Government Support: Shared Services	45,810
Education: Community College	35,580 ⁽¹⁾
Public Safety and Law Enforcement	87,648
Health: Public Health	1,100
Transportation: Highways	162,865 ⁽²⁾
Transportation: Waterways	21,600
Transportation: Other	154,833 ⁽³⁾
Social Services	0
Economic Assistance and Opportunity	29,300
Culture, Recreation and Preservation	27,275
Home & Community Services: Sanitation	463,558 ⁽⁴⁾⁽⁵⁾
Home & Community Services: Other	<u>13,000</u>
Total Program:	<u>\$ 1,076,274</u>

- (1) Community college projects include anticipated 50% State aid.
- (2) Includes anticipated Federal aid of \$57,542,000 and State aid of \$1,875,000.
- (3) Includes anticipated Federal aid of \$104,161,000 and State aid of \$6,373,000.
- (4) Includes anticipated State aid of \$75,461,000.
- (5) Proposes to fund County Sewer District No. 3 (Southwest) projects in the amount of \$76,577,000 through the Southwest Assessment Stabilization Reserve. (See “Anticipated Capital Borrowings” herein.)

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

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

The County continues to work to advance its Coastal Resiliency Initiative (“CRI”), which will utilize \$390 million in federal and state financial aid and lending programs to connect nearly 6,500 parcels along river corridors on the County’s south shore to sewers as part of the State’s Post-Sandy Resiliency initiatives. The project represents the largest investment in sewer infrastructure in the County in more than 40 years, and will eliminate nearly 6,500 cesspools and septic systems that have been identified as a primary source of nitrogen pollution that has degraded water quality in local bays. Construction had been expected to begin in early 2021, but the COVID-19 pandemic has delayed the project timetable and increased project cost estimates. The County is working to address those issues and anticipates letting of construction contracts in early 2021.

Source: County Executive’s Budget Office

COUNTY INVESTMENT POLICY

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

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

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

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

unsecured short term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization payable to the County as security for the payment of one hundred percent (100%) of the aggregate amount for the County deposits and the agreed upon interest, if any.

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

FINANCIAL FACTORS

Operating Budget

Pursuant to the County Charter, on or before the third Friday in September of each year, the County Executive must submit to the County Legislature the recommended operating budget for the following fiscal year, which includes the general fund and other fund budgets. The operating budget must be adopted as submitted or amended by the County Legislature not later than November 10 of each year or the 52nd day after the County Executive has submitted the recommended budget, whichever is later. In the event the County Legislature does not adopt such operating budget as submitted or amended within such time frame, the recommended budget as submitted by the County Executive is deemed adopted. The County Executive may veto legislative budget modifications in their entirety or by individual line item. Such budget amendment resolutions shall be approved or disapproved no later than the 10th day subsequent to submission of budget amendment resolutions to the County Executive. On September 18, 2020, the County Executive issued Local Emergency Order No. 130 extending the date for the submission of the County's Proposed Budget. Said Executive Order extended the due date for the submission of the 2021 Recommended Operating Budget to the County Legislature (the "2021 Recommended Budget") from September 18, 2020 to October 2, 2020 and extended all associated actions required by the County Executive's office and the County Legislature following the submission of the proposed budget by two weeks. An additional extension has been issued via Executive Order No. 148 extending the 2021 Recommended Budget submission date to October 9, 2020. On October 9, 2020, the County Executive submitted the 2021 Recommended Budget to the County Legislature.

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

Sales Tax

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

A county must secure State legislative approval to impose a sales tax rate above 3%. The State grants that authority for a set period of time, usually two years. A county must then seek reauthorization from the State legislature. Pursuant to Chapter 58 of the Laws of 2020, the County is authorized to continue to impose an additional sales and compensating use tax for a three year period, beginning December 1, 2020 and ending November 30, 2023. The County Legislature authorized this extension via Resolution 584-2020, which was adopted July 22, 2020.

The Office of the State Comptroller ("OSC") is now required by Chapter 59 of the Laws of 2019 to withhold certain county sales tax revenues and make payments to the impacted towns and villages in the amounts that they had previously received through Aid and Incentives for Municipalities ("AIM") in State Fiscal Year 2018-2019. For the County, the AIM Related Expense withheld from sales tax collections in 2019 was \$7.0 million. In 2020, the amount of AIM Related Expense to be withheld from sales tax collections is \$7,536,040. In May 2020, \$527,298 of the total amount was withheld from County sales tax collections, leaving a balance of \$7,008,742 which will be withheld

from December 2020 County sales collections. In addition, as part of the 2020-21 Enacted New York State Budget, the OSC is required to withhold county and New York City sales tax revenues and place it in a Distressed Provider Assistance Account to support financially distressed hospitals and nursing homes throughout the State. Withholdings for Distressed Provider Assistance will begin in January 2021 and end in January 2022. The County's share of the first year's withholding (based on collections from December 1, 2018 through November 30, 2019) is \$8,903,119. This amount will be withheld from January 2021 sales tax collections. The amount due for year two (based on collections from December 1, 2019 through November 30, 2020) will be determined by the State by January 1, 2021 and will be broken into four quarterly installments to be made on April 15, 2021, July 15, 2021, October 15, 2021 and January 15, 2022.

As reported¹ by OSC, the COVID-19 pandemic shuttered many businesses in mid-March 2020, caused spikes in unemployment and a national recession, and was the main driver of quarterly sales tax declines, which were especially steep in April and May, with improved collections beginning in June 2020 when most retail stores and offices were permitted to reopen. Sales tax remitted to the County in May 2020 (reflecting mostly April sales activity) was down 27.2% over the prior year. Sales tax remitted to the County in June 2020 (reflecting mostly May sales activity) was down 33.5% and July 2020 remittance (reflecting June sales activity) was down 9.2% from the prior year. Year to date collections as of September 11, 2020 totaled \$808.0 million, down 11.2% from the same period in 2019.

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

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

Drinking Water Protection, Environmental Protection and Property Tax Mitigation Programs

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

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

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

¹ <https://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-07/2020-local-sales-tax-collections-second-quarter.pdf>

treatment plants and for installation of residential and commercial enhanced nitrogen removal septic systems. This Enhanced Program became effective December 1, 2014 and is set to expire December 31, 2020 unless amended by the County Legislature.

The 2020 Adopted Budget estimated \$89.7 million of sales tax revenues for the Program with a resulting transfer to the general fund of \$28.8 million in 2020. The 2020 estimate, adjusted based on effects of the COVID-19 pandemic on sales tax collections, is projected to be \$25.1 million. The 2021 Recommended Budget estimates a transfer to the General Fund of \$25.7 million.

State and Federal Aid

The County receives substantial financial assistance from State and Federal reimbursement, mainly for human services and other mandated entitlement programs. The 2021 Recommended Budget projects 20.9% of general fund revenue would be derived from State and Federal aid. The receipt of CARES Act federal funding increased the 2020 estimated annual County general fund revenue derived from State and Federal aid to 28.3%.

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

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

State legislation adopted with the State’s 2020-2021 Enacted Budget granted the State Budget Director the authority to reduce aid-to-localities appropriations and disbursements by any amount needed to achieve a balanced budget, as estimated by the State’s Division of Budget (“DOB”). In addition, the State Budget Director is authorized under section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during FY 2020-2021 if the budget is deemed unbalanced and if the State Budget Director, in his sole discretion, deems that such withholding is necessary to respond to the direct and indirect economic, financial, and social effects of the COVID-19 pandemic (the “Reduction Authority”). The budget is deemed out of balance for the fiscal year, and the State Budget Director’s powers are activated, if actual tax receipts are less than 99 percent of estimated tax receipts, or actual disbursements are more than 101 percent of estimated disbursements, as measured at three points during 2020 (April 1–30, May 1 – June 30 and July 1 – December 31). Upon identification of an imbalance, the State Budget Director is authorized to transmit a plan to the State Legislature identifying the specific appropriations and cash disbursements that would be reduced. The State Legislature would then have ten days to adopt, by concurrent resolution, its own plan for eliminating the imbalance. If no plan is adopted, the plan submitted by the State Budget Director would take effect automatically. The process exempts certain types of local assistance appropriations from uniform reduction, including public assistance and Supplemental Security Income SSI payments. Any reductions made pursuant to this authorization may be paid in full or in part if one or both of the following events occur: (i) Actual State Operating Funds Tax Receipts through February 28, 2021 are not less than 98 percent of Estimated State Operating Funds Tax Receipts through February 28, 2021; or (ii) the federal government provides aid that the State Budget Director deems sufficient to reduce or eliminate the imbalance in the General Fund for FY 2020-2021 and does not adversely impact the projected budget gap in FY 2021-2022. As of the initial measurement period (April 1–30) the budget was deemed out of balance for the fiscal year and the State Budget Director’s powers have been activated and in force for the entire FY 2020-2021².

² <https://www.budget.ny.gov/pubs/archive/fy21/enac/fy21-fp-q1.pdf>

The State DOB began withholding 20% of some local aid payments since June, pursuant to the withholding authority granted in the FY 2020-2021 Enacted Budget. While the DOB and the County consider these withholdings to be temporary, all or a portion of the withheld amounts may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any.

Medicaid

The Medicaid expense share of general fund expenditures for 2019 was 11.1%. The 2021 Recommended Budget estimates the 2021 Medicaid expense at 9.8% of general fund expenditures. Under the State Medicaid cap law, the County's Medicaid expenses are capped by a formula which sets calendar year 2005 base period with local Medicaid payments to the State increasing by an annual, non-compounded inflation factor. (For example, the 2012 payment was determined by increasing the 2005 base by 3.50% for 2006, 3.25% for 2007 and 3.00% for 2008, 2009, 2010, 2011 and 2012, for a total increase of 21.75% over the 2005 base). Since 2015, the State has implemented a 0% cap on growth for local Medicaid contributions. The State cap on Medicaid expenses provides significant savings to the County each year, as well as providing an accurate method for budgeting for such expenses in future years.

On March 11, 2020 Congress passed the Families First Coronavirus Response Act ("FFCRA"). FFCRA provides a 6.2% enhanced Federal Medical Assistance Percentage ("eFMAP") funding for Medicaid expenditures incurred by localities from January 2020 through June 2020. The estimated savings to the County is \$17.1 million for 2020 and \$5.7 million in 2021.

2020 Adopted Budget with Updates

The 2020 Recommended Operating Budget was submitted to the County Legislature (the "2020 Recommended Budget") on September 20, 2019 and was adopted by the County Legislature on November 23, 2019 (the "2020 Adopted Budget"). The 2020 Adopted Budget is in compliance with the Tax Levy Limitation Law and local budget cap laws. The COVID-19 pandemic's impact on economic activity has rendered the 2020 Adopted Budget estimates obsolete.

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. On March 22, 2020, all non-essential businesses statewide closed when Governor Cuomo announced the "New York State on PAUSE" executive order, a 10-point policy to assure uniform safety for everyone. New York State on PAUSE restrictions remained in place for Long Island through May 26, 2020. Starting May 27, 2020, the Long Island region entered Phase 1 of reopening. The Phase 2 reopening was June 10, 2020; Phase 3 reopening was June 24, 2020; and Phase 4 reopening started July 8, 2020.

The initial impact of social distancing and Governor Cuomo's PAUSE Executive Order resulted in a severe decline in sales tax revenue. Starting the week of March 9, 2020, the County experienced dramatic declines in revenues. The steep fall in revenue reflects the initial impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic.

Compared to 2019 results, sales tax revenue as of October 9, 2020 has declined 6.05%. County management projects the full financial impact on all revenue from the COVID-19 crisis to the County to be between \$0.6 billion and \$0.9 billion for 2020 and 2021, respectively.

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On April 17, 2020, County Executive Steve Bellone announced the creation of a Fiscal Impact Task Force (the “Task Force”) and charged it with the responsibility of conducting an extensive review of the County’s multi-year plan and determining the fiscal impact that various scenarios related to the COVID-19 pandemic would have on the County’s finances for 2020-2022. The Task Force’s Report was released June 1, 2020. The Task Force’s Report estimated incremental negative revenue impacts on the County ranging from \$1.1 billion to \$1.5 billion for the three-year period from 2020-2022.

The 2020 estimates submitted in the 2021 Recommended Budget estimate the following losses:

Revenue Type	2020 Current Estimated Loss
Sales Tax	\$204.0 million
Property Tax, Interest and Penalties	30.0 million
OTB/VLT Revenue	24.0 million
Traffic & Violations Bureau	24.0 million
State Aid	25.0 million
Hotel/Motel Tax	6.0 million
Bus Fares	4.0 million
Miscellaneous (Real Property, Sheriff, Alarm Fees, Probation, etc.)	<u>8.0 million</u>
Total	<u>\$325.0 million</u>

Note: NYS Division of Budget 20% withholdings are considered a temporary measure, which would impact the County’s cash flow, but would be recognized as revenue.

County Management continues to work towards addressing the immediate financial emergencies facing the County by:

- (1) Assessing the County’s current liquidity resources to meet immediate operating needs and to meet all commitments to bondholders;
- (2) Appealing to the Federal Government for additional substantial funding resulting in (a) Federal emergency legislation (CARES Act) – of which the County has received \$257.8 million to date; (b) County accepted \$26.6 million from Section 5307 CARES Act funding by the Federal Transit Administration to support public bus transit operations; (c) the passage of the Families First Coronavirus Response Act, which provides eFMAP funding associated with Medicaid expenditures estimated to be worth \$17.1 million for 2020 and \$5.7 million in 2021; (d) the County’s eligibility for FEMA payments for COVID-19 related expenses, which is in addition to the CARES Act funding; and (e) making an additional request to Congress urging Congressional action to provide additional Federal grant assistance to offset the operating budget impact of the COVID-19 pandemic.
- (3) On June 22, 2020, the County Executive issued a Notice of Deficiency. This has resulted in reduced spending for supplies, equipment, contracts and the backfilling of vacant positions.
- (4) Transferring \$25 million from the Tax Stabilization Reserve Fund to the General Fund.
- (5) Seeking voter approval to allow for the transfer of \$15 million of excess funds from the Assessment Stabilization Reserve Fund (“ASRF”) to the General Fund and the elimination of the payback of funds transferred out of the ASRF, which will benefit the General Fund by a total of \$154.17 million from 2020 to 2029.
- (6) Negotiating with the various labor unions to achieve savings.
- (7) Analyzing expenditure reductions to contract agencies especially if the State decides to reduce aid to local governments if the federal government does not provide additional financial relief.
- (8) Exploring further reductions to various County departments if the federal government does not provide additional financial relief.
- (9) Implementing a bond refunding plan with estimated savings of over \$10 million.

2021 Recommended Budget

The 2021 Recommended Operating Budget was submitted to the County Legislature (the “2021 Recommended Budget”) on October 9, 2020. All items contained in the 2021 Recommended Budget are subject to the approval of and adoption by the County Legislature. The 2021 Recommended Budget is in compliance with the Tax Levy Limitation Law and local budget cap laws.

The 2021 Recommended Budget projects sales tax revenue of \$1.40 billion, 7.2% less than 2019 actual collections. This amount includes estimated State withholdings of \$8.9 million from County sales tax collections. Due to the COVID-19 pandemic, the County is simultaneously confronting a public health and safety crisis, as well as the economic crisis resulting from the pandemic. Without federal assistance, the County, like all counties across the nation, is forced to make historic budget cuts in 2021. The 2021 Recommended Budget is predicated on most of the cuts not being implemented until July 1, 2021. If federal aid materializes, the County will be able to roll back some of the proposed reductions.

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

Budget Cuts (Due to lack of Federal Aid)	\$56.0
ASRF Referendum	44.4
Use of 2020 Surplus	27.3
Pension Amortization	23.0
FEMA	19.0
Increase Property Taxes within Tax Levy Limitation Law	14.0
No ASRF Payback (subject to referendum)	12.1

ADDITIONAL FINANCIAL INFORMATION

Pension Payments

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

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

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

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

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

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

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

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

PENSION COSTS

Year Paid	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 Est.	2022 Proj.
Invoice Period	4/2010-3/2011	4/2011-3/2012	4/2012-3/2013	4/2013-3/2014	4/2014-3/2015	4/2015-3/2016	4/2016-3/2017	4/2017-3/2018	4/2018-3/2019	4/2019-3/2020	4/2020-3/2021	4/2021-3/2022
Gross Invoice Amounts (excluding Installments on Prior Deferrals)	136,045,644	182,737,273	203,604,694	233,895,448	228,960,795	195,059,113	195,346,037	205,491,878	202,134,461	206,582,649	207,710,871	243,159,786
Installments on Prior Deferrals	0	2,470,993	8,035,837	15,154,187	24,306,282	30,494,139	35,062,374	38,524,402	41,807,773	41,807,773	41,807,774	41,458,269
Gross Invoice Amount	136,045,644	185,208,266	211,640,531	249,049,635	253,267,077	225,553,252	230,408,411	244,016,280	243,942,234	248,390,422	249,518,645	284,618,055
Less: Pension amounts deferred ²	(19,080,351)	(45,702,894)	(60,720,972)	(87,101,698)	(59,795,324)	(44,642,145)	(35,234,699)	(32,086,087)	0	0	(22,996,642)	0
Pension Amount	116,965,293	139,505,372	150,919,559	161,947,937	193,471,753	180,911,107	195,173,712	211,930,193	243,942,234	248,390,422	226,522,003	284,618,055
Employees Retirement System (ERS)	58,994,854	65,934,963	76,854,241	84,793,660	114,096,596	95,752,292	99,577,355	107,823,546	128,126,363	130,243,787	114,179,715	138,147,353
Police and Fire Retirement System (PFRS)	57,970,439	73,570,409	74,065,318	77,154,277	79,375,157	85,158,815	95,596,357	104,106,647	115,815,871	118,146,635	112,342,288	146,470,702
Total Net Pension Costs	116,965,293	139,505,372	150,919,559	161,947,937	193,471,753	180,911,107	195,173,712	211,930,193	243,942,234	248,390,422	226,522,003	284,618,055

(1) Represents amounts deferred and paid over time.

The County did not defer the allowable pension payment of \$22,124,802 in 2019 and did not defer the allowable pension payment of \$21,028,512 in 2020. Due to insufficient federal assistance, the 2021 Recommended Budget includes amortization of \$22,996,642 of pension expense.

Source: Suffolk County Budget Office.

Employee Medical Health Plan

On May 14, 2019, the Suffolk County Legislature ratified a new contract with the Suffolk Coalition of Public Employees (“SCOPE”), a legal entity representing all nine County unions for the Employee Medical Health Plan (“EMHP”). The new contract, developed with the help of outside consultants, is effective July 16, 2019 (60 days after notification) and expires December 31, 2025. The agreement requires all active employees to pay 2% of their salary toward the cost of the EMHP with a minimum contribution of \$1,500 and a cap of \$3,750. Starting January 1, 2021, the contribution amount will grow 1/10 of a percent per year until 2025 when it will be 2.5%. Effective January 1, 2026, continuing contribution rates will be 2.5% with an increased cap of \$4,000. For 2019, employee contributions totaled \$9.9 million, \$5.4 million above the 2019 Adopted Budget amount. The 2021 Recommended Budget estimates Employee Healthcare Premium contributions of \$18.5 million for 2020 and \$19.9 million for 2021.

Additional design changes have been made as follows:

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

Annual savings for plan design changes implemented to date total approximately \$25.8 million. The agreement requires annual savings of \$40 million. SCOPE and the County are on track to implement additional plan changes before the end of 2020.

The EMHP direct COVID-19 costs have been minimal. The plan has seen an increase in COVID-19 and antibody testing which will largely be covered by federal aid through FEMA. The suspension of elective surgeries has caused a temporary drop in costs year to date. Conservatively, the County has not included any reduction in costs as the County is anticipating a surge in these types of procedures in the fourth quarter barring any second wave of COVID-19. The 2020 estimated costs reflect a .05% increase over 2019 actual amounts. The 2021 Recommended Budget projects increased net costs due to the expected cumulative increase for services postponed from 2020.

NYS Fiscal Stress Monitoring System

A Fiscal Stress Monitoring System (“FSMS”) was developed by the New York State Comptroller in 2012 as a way to identify local governments facing fiscal stress, factors influencing fiscal stress and ways in which local governments can manage fiscal stress. The FSMS evaluates local governments on the basis of financial and environmental indicators to create a Fiscal Stress score and an Environmental Stress score. The State Comptroller’s August 30, 2013 update identified the County, along with eleven other municipalities, as having “significant stress.” Such fiscal stress designations relied on data obtained from annual financial reports submitted by local governments to the Office of the State Comptroller. The State’s analysis did not take into account the fact that the County maintained nearly \$430 million in special revenue funds. After review of the County’s 2013 fiscal year, the State Comptroller improved the County’s fiscal stress designation from significant to moderate, effective August 29, 2014. The County had remained in the moderate stress category, through the report issued in September 2017. In January 2018, the State Comptroller implemented changes to the FSMS scoring calculations. Since September 2018, under the new scoring system, the County is in the “significant fiscal stress” category. The latest report issued September 2020 showed an improved fiscal score for the County but still within the “significant stress” category. The improvement in the County’s Environmental Stress score moved the County into the top category of “no designation” from “susceptible environmental stress”.

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

Strategic Fiscal Planning

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

- 1) **Introductory Resolution No. 1132-2019 (“IR 1132”): ADOPTING THE OFFICIAL DEBT POLICY OF SUFFOLK COUNTY.** The County recognizes that one of the attributes of sound financial management is a comprehensive debt policy. The development of a debt policy is a recommended best practice by the Government Finance Officers Association. The goals and objectives of the County’s Debt Policy are to: guide the County and its managers in policy and debt issuance decisions, maintain appropriate capital assets for present and future needs, promote sound financial management, protect and enhance the County’s credit rating, ensure the legal and prudent use of the County’s debt issuance authority and evaluate debt issuance options. IR 1132 passed out of committee on March 18, 2019 and was adopted by the County Legislature on March 26, 2019 as Resolution No. 208-2019 and approved by the County Executive on March 29, 2019.
- 2) **Introductory Resolution No. 1208-2019 (“IR 1208”): ADOPTING LOCAL LAW 18-2019, A LOCAL LAW TO MODERNIZE THE COUNTY INSURANCE RESERVE FUND.** The legislature finds and determines that it is a best practice in municipal finances to establish a fund with the express purpose of funding certain uninsured losses, claims, actions, or judgments for which a local government is required to purchase or maintain insurance, with certain exceptions. The County hereby establishes a reserve fund known as the “Insurance Reserve Fund” which shall consist of such moneys as are included in the adopted budget. The amount paid into such fund during any fiscal year shall not exceed the greater of \$33,000 or 5% of the total budget for such fiscal year, as established in New York State General Municipal Law Sec 6-N. IR 1208 was adopted by the County Legislature on April 9, 2019 as Resolution No. 377-2019 and approved by the County Executive on April 26, 2019.
- 3) **Introductory Resolution No. 1141 (“IR 1141”): ADOPTING A LOCAL LAW TO ESTABLISH A MULTI-YEAR FINANCIAL PLAN (“MYP”).** As part of the County’s ongoing fiscal strengthening and structural enhancements and, in accordance with the best practice recommendations from the Office of the New York State Comptroller and the Government Finance Officers Association, the County is adopting a MYP. Beginning in 2020, the County Executive shall submit, no later than sixty (60) days after the adoption of the County Operating Budget, to the County Legislature, a four-year financial plan consisting of the total estimated expenditures and income for the fiscal year and for each of the next three successive fiscal years. The Legislative Budget Review Office will then review the MYP submitted by the County Executive and issue a report within 45 days of submission to the Legislature. IR 1141 was adopted by the County Legislature on April 9, 2019 as Resolution No. 277-2019, approved by the County Executive on April 26, 2019. On January 24, 2020 the County Executive submitted the 2020 – 2023 MYP to the County Legislature. The COVID-19 pandemic’s impact on economic activity has rendered the 2020-2023 MYP estimates obsolete. The County Executive requested the Budget Office to develop a long-term forecast for the General and Police District Funds. While, at this point in the budget process, the County does not have all the solutions required to balance the out-years of this MYP, the plan provides an essential tool that identifies the potential long-term economic impact of the COVID-19 pandemic and provides insight for the development of strategies to achieve long-term sustainability consistent with the County’s service objectives. The table set forth on the following page contains such long-term forecast for the General and Police District Funds.

Combined General Fund and Police District Multi-Year Forecast
(in millions)

	2019	2020	2021	2022	2023	2024
Revenue	Actual	Estimated	Projected	Projected	Projected	Projected
Sales Tax	1,426.04	1,294.35	1,323.47	1,358.40	1,385.57	1,420.21
State Aid	259.76	245.48	259.85	283.31	287.53	291.93
Federal Aid	173.40	465.16	188.50	193.47	197.85	202.57
Departmental Income	156.91	141.97	143.14	142.99	143.25	143.52
Real Property Taxes	633.40	637.00	655.60	655.60	655.60	655.60
Interfund Revenue	139.20	104.82	99.81	97.16	96.81	96.55
Other	131.41	87.85	114.91	113.71	114.68	112.13
Total Revenue	2,920.12	2,976.64	2,785.28	2,844.65	2,881.29	2,922.50
Expenditures						
Contractual Expenses	943.28	953.52	1,000.31	1,021.53	1,044.02	1,068.02
Personal Services	952.32	969.45	972.47	983.75	998.51	1,020.88
Interfund Transfers	495.88	527.75	507.78	541.68	570.04	600.45
Employee Benefits	297.85	307.48	309.32	329.41	332.23	332.80
Principal on Debt	91.11	95.52	95.38	100.58	105.54	110.62
Interest on Indebtedness	49.76	43.13	52.06	46.98	46.66	46.06
Supplies, Materials, & Other Expenses	32.51	43.24	35.98	36.70	37.43	38.18
Uncollected Taxes	0.00	0.00	15.00	15.00	15.00	15.00
Equipment	0.89	1.10	1.31	1.34	1.37	1.39
Total Expenditures	2,863.59	2,941.20	2,989.61	3,076.98	3,150.81	3,233.40
Operating Surplus/(Deficit)	56.52	35.43	(204.32)	(232.33)	(269.52)	(310.90)
Opening Fund Balance	(64.61)	(8.09)	27.34	(176.98)	(409.31)	(678.83)
Ending Fund Balance	(8.09)	27.34	(176.98)	(409.31)	(678.83)	(989.73)

Source: Suffolk County Budget

Suffolk Share

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

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

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

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

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

Suffolk STAT

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

Suffolk County Tax Act Study Committee

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

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

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

Tax Stabilization and Debt Service Reserve Funds

The 2019 Adopted Budget included a transfer to the Debt Service Reserve Fund in the amount of \$26.1 million which represents 25% of the audited discretionary fund balance in the General Fund in 2017. The \$26.1 million was used to pay debt service in 2019. The 2020 Adopted Budget did not require a transfer to the Debt Service Reserve Fund. The 2021 Recommended Budget includes a transfer of \$13.7 million to the Debt Service Reserve Fund, representing 25% of the audited discretionary fund balance in the General Fund for 2019.

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

Sewer Tax Rate Stabilization

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

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

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

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

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

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

this section the resolution for enhanced County wide property tax protection. The appropriation for this transfer and deposit shall be effectuated via duly approved legislative resolution.

The Resolution also repeals subdivisions (L) of Section C4-6 of Article IV of the Suffolk County Charter which requires interfund transfers of no less than 5% of the outstanding balance due for funds allocated from the ASRF for fiscal years 2014 – 2017, inclusive. The Proposition shall require the affirmative vote of a majority of the qualified electors of the County of Suffolk in order to take effect.

Employees

The County employs approximately 8,797 employees as of October 4, 2020, approximately 93% are represented by collective bargaining units. This includes the completion of several classes of Police Officers and corrections officers who replace higher paid officers that are retiring. The Association of Municipal Employees (“AME”) represents approximately 51% of the County’s employees, the Suffolk County Police Benevolent Association (“PBA”) represents approximately 18% of the County’s employees and the remaining employees are represented by various other collective bargaining units or are management.

The collective bargaining units representing employees of the County include:

<u>Association</u>	<u>Expiration Date</u>
Association of Municipal Employees	12/31/24
SC PBA, Probation Officers Association Unit	12/31/24
Superior Officers Association	12/31/24
Deputy Sheriffs Benevolent Association	12/31/24
Suffolk Detectives Association	12/31/24
Police Benevolent Association	12/31/24
Detectives Investigators Police Benevolent Association	12/31/18 ⁽¹⁾
Correction Officers Association	12/31/24
Faculty Association of Suffolk Community College	08/31/22
Guild of Administrative Officers of Suffolk County Community College	08/31/19 ⁽¹⁾

(1) In negotiations.

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

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

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

Union Contracts

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Detectives Investigators PBA (DIPBA)** – The contract expired December 31, 2018 and is currently in negotiations.
- **Correction Officer’s Association (COA)** – The Memorandum of Agreement was approved by the County Legislature on July 16, 2019 via Resolution 737-2019, signed by the County Executive on July 18, 2019 and ratified by union members. The agreement provides for a six-year contract from 2019-2024 and includes the following wage increases:

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

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

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

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

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

Other Post Employment Benefits

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

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

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

Nyhart, formerly Alliance Benefit Group of Indiana, has completed its analysis and actuarial valuation of the County’s OPEB obligation as of the fiscal year ended December 31, 2019 in accordance with GASB 75. The Nyhart report determined that as of December 31, 2019, the County’s total OPEB liability was approximately \$5,996,110,000 using a discount rate of 3.26% and healthcare cost trend rates of 8.0% decreasing to 4.5%. For the year ended December 31, 2019, the County reported deferred outflows of \$661,880,000 and deferred inflows of \$590,010,000.

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

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

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

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

The following table sets forth revenues and expenditures of the County’s General, Police District, Suffolk Tobacco Asset Securitization Corp. and Non-major Governmental Funds for the five years ended December 31, 2019. On June 24, 2011, the Tax Levy Limitation Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the County, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the County. (See also “TAX LEVY LIMITATION LAW” herein.)

Revenues and other financing sources:	<u>2015</u>
Real property taxes and tax items	\$ 701,630,731
Other taxes	1,328,634,123
Departmental	250,739,291
State aid	268,677,610
Federal aid	258,646,120
Other revenues	<u>91,831,972</u>
Total revenues.....	2,900,159,847
Transfers from other funds and other financing sources.....	<u>574,088,550</u>
Total revenues and other financing sources.....	<u>3,474,248,397</u>
Expenditures and other financing uses:	
General government support.....	256,247,282
Education	176,244,321
Public Safety.....	682,072,974
Health	135,095,593
Transportation.....	118,459,368
Economic assistance and opportunity	651,108,760
Culture and recreation.....	20,397,496
Home & community services	57,461,058
Employee Benefits.....	644,135,633
Debt Service	196,405,618
Capital Outlay	<u>43,921,468</u>
Total expenditures	2,981,549,571
Transfers to other funds	<u>569,888,571</u>
Total expenditures and other financing uses.....	<u>3,551,438,142</u>
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(77,189,745)
Fund balances, beginning of year	<u>281,234,470</u>
Fund balances, end of year	<u>\$ 204,044,725</u>

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 676,586,851	\$ 693,254,446	\$ 714,668,954	\$ 741,012,960
1,352,668,032	1,409,558,615	1,473,533,128	1,531,413,321
288,628,759	338,137,043	326,783,621	340,520,933
275,915,481	277,736,387	303,780,212	333,260,124
263,691,029	253,754,841	238,232,853	219,490,902
<u>127,847,940</u>	<u>114,532,591</u>	<u>127,926,881</u>	<u>148,074,802</u>
2,985,338,092	3,086,973,923	3,184,925,649	3,313,733,042
<u>569,905,253</u>	<u>865,438,892</u>	<u>447,241,269</u>	<u>403,091,372</u>
<u>3,555,243,345</u>	<u>3,952,412,815</u>	<u>3,632,166,918</u>	<u>3,716,864,414</u>
259,792,731	276,289,346	275,639,314	283,081,076
182,908,987	187,321,905	217,377,566	213,926,045
725,579,250	747,511,282	767,683,456	753,265,869
132,805,340	134,649,931	134,847,577	126,981,591
120,117,926	123,221,331	128,329,884	129,109,976
650,517,546	637,885,067	629,706,702	638,271,624
21,082,145	21,889,140	21,974,468	22,643,569
56,695,479	57,547,213	57,666,955	57,898,077
672,908,146	731,011,751	769,170,117	793,684,215
211,386,323	205,239,599	202,253,823	194,448,731
<u>45,905,201</u>	<u>28,561,895</u>	<u>62,280,461</u>	<u>88,581,465</u>
3,079,699,074	3,151,128,460	3,266,930,323	3,301,892,238
<u>566,019,294</u>	<u>806,287,093</u>	<u>414,406,195</u>	<u>394,572,010</u>
<u>3,645,718,368</u>	<u>3,957,415,553</u>	<u>3,681,336,518</u>	<u>3,696,464,248</u>
(90,475,023)	(5,002,738)	(49,169,600)	20,400,166
<u>204,044,725</u>	<u>114,503,173⁽¹⁾</u>	<u>109,404,531⁽²⁾</u>	<u>60,234,931</u>
<u>\$ 113,569,702</u>	<u>\$ 109,500,435</u>	<u>\$ 60,234,931</u>	<u>\$ 80,635,097</u>

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

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

Sources: 2015-2019: Derived from audited financial statements. Summary itself is not audited.

County Budgets – 2020 Adopted Budget, 2020 Estimates, and 2021 Recommended Budget

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

	2020 Adopted Budget ⁽¹⁾			
	General Fund	Police District	Other Funds	All Funds
Revenues and other financing sources:				
Real property taxes and tax items	\$98,841,278	\$618,810,218	\$44,325,534	\$761,977,030
Other taxes	1,480,585,758	32,212,733	110,038,024	1,622,836,515
Departmental	149,322,607	3,142,340	66,931,696	219,396,643
State Aid	281,568,922	200,000	32,226,017	313,994,939
Federal Aid	200,627,238	0	28,066,337	228,693,575
Other revenues	<u>39,660,180</u>	<u>2,989,871</u>	<u>61,360,145</u>	<u>104,010,196</u>
Total revenues	2,250,605,983	657,355,162	342,947,753	3,250,908,898
Transfers from other funds and other financing sources	<u>62,971,874</u>	<u>38,428,396</u>	<u>111,589,191</u>	<u>212,989,461</u>
Total revenues and other financing sources	<u>2,313,577,857</u>	<u>695,783,558</u>	<u>454,536,944</u>	<u>3,463,898,359</u>
Expenditures and other financing uses:				
General government support	211,291,612	1,234,451	14,585,043	227,111,106
Education	210,932,371	0	0	210,932,371
Public Safety	345,584,328	386,642,210	17,888,348	750,114,886
Health	135,511,889	0	2,518,042	138,029,931
Transportation	114,835,897	0	12,161,561	126,997,458
Economic assistance and opportunity	635,124,137	0	51,266,096	686,390,233
Culture and recreation	15,869,336	0	8,012,370	23,881,706
Home & community services	5,716,279	0	58,071,022	63,787,301
Employee Benefits	183,786,282	126,495,335	7,203,832	317,485,449
Debt Service	<u>137,290,999</u>	<u>5,801,041</u>	<u>34,429,014</u>	<u>177,521,054</u>
Total expenditures	1,995,943,130	520,173,037	206,094,018	2,722,251,495
Transfers to other funds	<u>303,049,709</u>	<u>164,312,409</u>	<u>258,838,719</u>	<u>726,200,837</u>
Total expenditures and other financing uses	<u>2,298,992,839</u>	<u>684,485,446</u>	<u>464,974,047</u>	<u>3,448,452,332</u>
Excess/(deficiency) of revenues and other financing sources over/under expenditures and other financing uses	14,585,018	11,298,112	(10,437,103)	15,446,027
Fund balances, beginning of year	<u>(14,585,018)</u>	<u>(11,298,112)</u>	<u>198,827,704</u>	<u>172,944,574</u>
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$188,390,601⁽²⁾</u>	<u>\$188,390,601⁽²⁾</u>

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

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

2020 Estimated Results⁽³⁾

2021 Recommended Budget

General Fund	Police District	Other Funds	All Funds	General Fund	Police District	Other Funds	All Funds
\$68,286,633	\$616,663,890	\$44,672,484	\$729,623,007	\$98,286,632	\$628,215,204	\$46,627,743	\$773,129,579
1,286,516,796	9,600,000	92,226,939	1,388,343,735	1,309,387,847	29,851,864	97,408,193	1,436,647,904
139,866,199	2,107,220	66,374,703	208,348,122	140,901,312	2,239,708	67,694,159	210,835,179
245,281,495	200,000	75,147,746	320,629,241	259,648,321	200,000	29,419,213	289,267,534
399,104,461	66,052,508	65,102,695	530,259,664	205,008,882	1,455,558	26,461,417	232,925,857
<u>36,872,783</u>	<u>1,263,498</u>	<u>39,121,867</u>	<u>77,258,148</u>	<u>39,041,235</u>	<u>2,132,714</u>	<u>61,441,342</u>	<u>102,615,291</u>
2,175,928,367	695,887,116	382,646,434	3,254,461,917	2,052,274,229	664,095,048	329,052,067	3,045,421,344
<u>103,856,991</u>	<u>962,669</u>	<u>125,063,979</u>	<u>229,883,639</u>	<u>168,986,144</u>	<u>991,989</u>	<u>99,536,157</u>	<u>269,514,290</u>
<u>2,279,785,358</u>	<u>696,849,785</u>	<u>507,710,413</u>	<u>3,484,345,556</u>	<u>2,221,260,373</u>	<u>665,087,037</u>	<u>428,588,224</u>	<u>3,314,935,634</u>
193,550,958	1,251,271	47,899,588	242,701,817	211,993,117	1,254,550	14,512,964	227,760,631
213,865,421	0	0	213,865,421	237,874,405	0	0	237,874,405
343,023,806	393,085,459	38,180,987	774,290,252	326,363,688	378,095,719	18,562,848	723,022,255
131,371,211	0	14,817,402	146,188,613	127,223,607	0	2,783,308	130,006,915
112,529,956	0	9,706,634	122,236,590	103,983,953	0	11,365,071	115,349,024
600,598,517	0	54,098,284	654,696,801	612,399,755	0	47,701,763	660,101,518
17,863,466	0	5,931,394	23,94,860	14,680,827	0	5,856,188	20,537,015
5,474,415	0	54,865,760	60,340,175	5,275,696	0	60,687,078	65,962,774
182,827,055	127,065,490	7,107,218	316,999,763	164,691,080	121,000,601	7,329,728	293,021,409
<u>133,588,273</u>	<u>5,781,040</u>	<u>34,320,343</u>	<u>173,689,656</u>	<u>142,091,640</u>	<u>6,114,936</u>	<u>34,159,899</u>	<u>182,366,475</u>
1,934,693,078	527,183,260	266,927,610	2,728,803,948	1,946,577,768	506,465,806	202,958,847	2,656,002,421
<u>317,923,189</u>	<u>161,403,177</u>	<u>273,229,716</u>	<u>752,556,082</u>	<u>302,026,248</u>	<u>158,621,231</u>	<u>319,616,799</u>	<u>780,264,278</u>
<u>2,252,616,267</u>	<u>688,586,437</u>	<u>540,157,326</u>	<u>3,481,360,030</u>	<u>2,248,604,016</u>	<u>665,087,037</u>	<u>522,575,646</u>	<u>3,436,266,699</u>
27,169,091	8,263,348	(32,446,913)	2,985,526	(27,343,643)	0	(93,987,422)	(121,331,065)
<u>174,552</u>	<u>(8,263,348)</u>	<u>247,600,513</u>	<u>239,511,717</u>	<u>27,343,643</u>	<u>0</u>	<u>215,153,600</u>	<u>242,497,243</u>
<u>\$27,343,643</u>	<u>\$ 0</u>	<u>\$215,153,600</u>	<u>\$242,497,243</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$121,166,178</u>	<u>\$121,166,178</u>

(3) 2020 Estimated Results included in the 2021 Recommended Budget as of October 9, 2020.
Source: Suffolk County Budget Office.

REAL PROPERTY TAXES

Constitutional Real Property Tax Limit

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

Real Property Tax Collection

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

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

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Taxable Full Valuation - Six-Year Summary

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

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

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

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

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

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

State Equalization Rates

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

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

Source: New York State Office of Real Property Services.

Selected Listing of Large Taxable Properties

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

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

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

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

Assessed and Taxable Full Valuation - Towns

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

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

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

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

(1) Per Resolution 1056 of 2014.

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

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

(4) Per Resolution 922-2017.

(5) Per Resolution 895-2018.

(6) Per Resolution 982-2019.

Source: New York State Office of Real Property Services.

Other Tax and Assessment Information

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

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

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

Source: Budget Review Office.

STATISTICAL INFORMATION

Population and Land Areas - By Towns

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

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

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

Source: U.S. Bureau of the Census

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Employment Statistics

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

Year	Number of Persons <u>Employed</u>	Number of Persons <u>Unemployed</u>	<u>Unemployment Rate</u>		
			<u>County</u>	New York <u>State</u>	United <u>States</u>
2010	717,600	60,300	7.7%	8.6%	9.6%
2011	711,900	58,600	7.6	8.3	9.0
2012	718,700	60,700	7.8	8.5	8.1
2013	730,000	51,600	6.6	7.7	7.4
2014	724,700	41,300	5.4	6.3	6.2
2015	739,600	36,500	4.7	5.3	5.3
2016	740,100	33,700	4.4	4.9	4.9
2017	741,900	34,700	4.5	4.7	4.4
2018	746,700	29,900	3.8	4.1	3.9
2019	749,300	28,800	3.7	4.0	3.7

2020 Actual Employment Statistics

January	754,700	33,000	4.2%	4.1%	4.0%
February	752,500	31,500	4.0	3.9	3.8
March	745,900	31,600	4.1	4.2	4.5
April	626,200	123,300	16.5	15.1	14.4
May	669,700	95,000	12.4	14.2	13.0
June	681,200	99,400	12.7	15.5	11.2
July	700,700	110,100	13.6	16.0	10.5
August	709,200	82,100	10.4	12.6	8.5

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

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

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

Source: U.S. Census Bureau.

LITIGATION

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

The County is subject to a number of lawsuits and claims in the ordinary conduct of its affairs. The County has elected to self-insure for workers' compensation claims, general liability claims, automobile liability claims, and

medical malpractice claims. The County maintains catastrophe excess coverage for general liability and automobile liability with self-insured retentions in the amount of \$5,000,000 per occurrence.

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

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

Andersen, Danny v. Samuel D. Roberts, as Commissioner of the New York State Office of Temporary and Disability Assistance, and John F. O'Neil, as Commissioner of the Suffolk County Department of Social Services: This is a hybrid Article 78/Declaratory Judgement Class Action brought against the Commissioner of the New York State Office of Temporary and Disability Assistance and the Commissioner of the Suffolk County Department of Social Services ("DSS") in Supreme Court, Albany County, on behalf of a former County recipient of public assistance. The claim asserted is that the named plaintiff (and those similarly situated for six years preceding commencement of the action), who was placed in the "Work Experience" program by DSS, as a condition of receiving benefits, is considered an "employee" under the Federal Fair Labor Standards and is therefore entitled to be credited for work performed at the rate of the minimum wage for purposes of calculating the amount he will owe to DSS via the mortgage on his real property that DSS required him to execute as a condition of receiving benefits. The County's and the State's motions to dismiss were denied and an amended petition/complaint adding another Suffolk County petitioner/plaintiff and a St. Lawrence County petitioner/plaintiff and adding the County of St. Lawrence as a respondent/defendant was filed. The Court held a telephone conference on September 6, 2019. Negotiations between plaintiffs' counsel and the State have stalled. Plaintiffs allege that part of their claim is seeking a determination that public assistance recipients should receive credit for their work at minimum wage rates. Defendants take the position that the only issue in the lawsuit is whether the Fair Labor Standards Act applies to workfare and the issue of how to calculate the value of the work is not part of the lawsuit. Plaintiff were granted leave to file a Second Amended Petition and Class Action Complaint, but they have not yet done so. Said decision was dated 2019 rather than 2020 so plaintiffs' counsel has been trying to have the court amend the order to reflect the correct year, which should be done shortly. Once the County is served with the order with notice of entry and the Second Amended Petition and Class Action Complaint, an Answer will be prepared and served.

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

Baruch/Belli/Arundel/Crai/Lipets/DiMonte/Grabina/Schulman v. County of Suffolk, et al.: This case arises out of a two vehicle accident that occurred at the intersection of a County road and a Town road. Several young females in their early twenties were in a limousine, which was struck by a pick-up truck as the limousine was attempting a u-turn. Four of the limousine passengers were killed. 50-h hearings have been conducted. All eight cases are now in

suit. Discovery is ongoing. All plaintiffs have amended their complaints to include a product defect claim against the stretch limousine company.

Bens BBQ, et al v County of Suffolk: This is a potential class action federal lawsuit brought by a commercial establishment that challenges as unconstitutional the County's "False Alarm Fees" statute. The plaintiffs argue that the fees are an excessive fine under the eighth amendment; a violation of its due process rights; an unconstitutional taking under the fifth amendment; and a violation of State law. The County made a motion to dismiss, and the Magistrate Judge recently recommended that all the claims be dismissed except for the Eighth Amendment claim for excessive fines. The Plaintiffs have made a motion to voluntarily withdraw their 8th Amendment claim so that they can proceed with an appeal. The County will oppose.

Booker, Gregory as administrator of Mary Alice Booker, Jacqueline & Anthony McCoy v. County of Suffolk: The police were allegedly pursuing a vehicle stolen by Londell Skinner when Skinner crashed into the Booker vehicle, killing Mary Alice Booker and Jacqueline and Anthony McCoy. Mary Alice was Gregory's mother; Jacqueline was his sister; and Anthony was his brother. A fourth passenger in the vehicle, Tameka Foster, who was Anthony's girlfriend and the mother of his children, was also killed, as was a passenger in Skinner's vehicle. The County has not received a claim on behalf of either of those two decedents, Foster and the passenger in Skinner's vehicle. The claim is of an improper pursuit. A complaint has been served and discovery is proceeding.

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

Bush, Keith v. County of Suffolk: Plaintiff was convicted of murder in 1976 and served over 30 years in prison. Upon release in 2008, he was required to register as a sex offender for 12 years. In 2019, the District Attorney's newly formed Conviction Integrity Bureau issued a report finding that Mr. Bush's conviction was based on wrongdoing by the District Attorney's Office and members of the Suffolk County Police Department. The District Attorney exonerated Bush of the murder and set aside his conviction. A 50-h hearing has been held. Plaintiff's counsel sent a letter demanding settlement in the amount of twenty million dollars. The County extended an offer of eight million dollars. The plaintiff has not responded. The plaintiff filed a complaint in federal court on August 12, 2020. Discovery will proceed.

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

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

their administrative remedies prior to filing suit, the Court gave plaintiffs' attorneys the opportunity to see if they could locate alternative representatives who had. Plaintiffs have located several potential representatives and have moved to have them join the case. The summary judgment motions are stayed in the interim.

Castaneda, Orellana v. County of Suffolk: This is a federal civil rights lawsuit challenging the detention of illegal immigrants in the Suffolk County Jail past their release date based upon Department of Homeland Security ("DHS")/Immigration and Customs Enforcement ("ICE") detainers and warrants. In November 2018, the New York State Appellate Division ruled that the detainers and warrants from ICE were insufficient to hold individuals as they were civil in nature. The case may become a class action potentially involving up to 800 inmates. The County has engaged in extensive settlement discussions with the plaintiffs but has been unable to resolve the case. The County's motion to dismiss the complaint was fully submitted on May 8, 2020 and is pending before Federal District Judge Mauskopf. Discovery is ongoing.

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

Ciervo, Rosina et al. v. County of Suffolk et al.: This is a federal court action brought by two allegedly indigent plaintiffs that challenges the constitutionality of the TPVA's suspension of motor vehicle registrations for habitual and persistent violations of the Vehicle and Traffic Law/red light camera violations. Plaintiffs claim that constitutional due process requires TPVA to hold an indigency hearing regarding their ability to pay any assessed fines prior to registration suspensions and the County maintains that no indigency hearing is required because no due process rights are implicated. Plaintiffs seek a declaration from the Court that the registration suspension process without an indigency hearing is unconstitutional and to enjoin the defendants from further suspensions until such time as the alleged constitutional defect is cured. The County has submitted a pre-motion conference request to submit a motion for summary judgment and is waiting to hear back from the Court regarding scheduling.

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

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

Gonzales-Mugaburu, Cesar v. County of Suffolk: Plaintiff was a foster parent who fostered over 140 children at his home in the County. He was supervised by the Department of Social Services and the Saint Christopher's Otilie Agency. In January 2016, two of plaintiff's foster children told social workers that plaintiff was having sexual relations with the family dog. As a result, all foster children were removed from plaintiff's home. Eventually, numerous other foster children advised Suffolk County Detectives that they had been sexually assaulted by plaintiff. Plaintiff was indicted on 17 counts of sexual abuse and was incarcerated for sixteen months before being found not

guilty on all counts after a jury trial. Plaintiff sued the County and the two detectives who investigated the charges for both federal and state claims of false arrest; malicious prosecution; denial of a fair trial; abuse of process; defamation; and coercion and intimidation of defense witnesses. Specifically, plaintiff alleges that the investigating detectives coerced the children to falsify the claims of sexual abuse. Plaintiff's lawsuit demands 100 million dollars in damages, plus attorney's fees. A complaint has been filed and the County interposed an answer. Discovery is ongoing.

Green, Isaac, et al. v. County of Suffolk, et al.: A proposed class action suit was filed by fifteen individual plaintiffs in Suffolk County Supreme Court in connection with a residual firefighting suppressant alleged to be a groundwater contaminant that was used by the Air National Guard, a tenant at County-owned Gabreski Airport. In addition to the County, several corporate entities have been sued: the 3M Company; Tyco Fire Products; the Ansul Company; Angus Fire Company; National Foam; Buckeye Fire Protection Company and Chemguard. The defendants removed the case to Federal court. The District court issued a briefing schedule for the defendants' motions to dismiss. The defendants' motion to dismiss has been fully briefed. However, the chemical manufacturing defendants submitted a motion for a stay on this action and the related *Ayo, Singer* and *Py* actions. The motion for a stay was initially granted because a motion was made before the "Judicial Panel on Multidistrict Litigation" to transfer all similar cases to one federal district court. That motion was granted and the Judicial Panel on Multidistrict Litigation has transferred all similar cases to Judge Gergel in the District of South Carolina. Judge Gergel has denied all motions to dismiss as premature. Discovery will now proceed. The State Department of Environmental Conservation has this matter under review.

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

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

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

Long Island Pine Barrens Society, et al. v. County of Suffolk, et al.: Resolution #625-2011, a Charter Law regarding use of Assessment Stabilization Reserve Fund ("ASRF") surpluses to enhance sewer capacity and provide tax relief, was adopted on August 2, 2011 by the County Legislature. This legislation establishes a limit for the balance of the Sewer District Tax Rate Stabilization fund at \$140 million for the fiscal years 2011 through 2021, inclusive. In fiscal years 2011, 2012 and 2013, of the fund balance which exceeded \$140 million, 62.5% of the excess funds were required to be used for sewer projects approved by the County Legislature and 37.5% was appropriated by resolution to a reserve fund for bonded indebtedness or to a retirement contribution reserve. If the fund balance exceeds \$140 million in 2014 through 2021, the excess fund balance shall be used exclusively for sewer projects as approved by legislative resolutions. In September 2011, two environmental groups filed a lawsuit to block the County Executive and the County Legislature from using the surplus in this manner without voter approval. In a decision by the New York State Supreme Court on July 19, 2012, the Court found that the plaintiffs

lacked the necessary standing to challenge the law. Plaintiffs appealed the decision and the Appellate Division, Second Department declared the law to be null and void and remanded the case to the New York State Supreme Court for, inter alia, entry of judgment. Judgment has been entered nullifying the 2011 law, but no damages were awarded in the judgment. Plaintiffs appealed from the judgment and briefs were filed. The appeal was argued before the Appellate Division, Second Department on October 17, 2018. On June 26, 2019, the Appellate Division reversed the lower court's judgment and held that the lower court's decision should have directed the County to transfer \$29,409,109 from the County General Fund to the Assessment Stabilization Reserve Fund and to conform all future County Operating Budgets accordingly. The County has moved to reargue and for leave to appeal to the Court of Appeals. The Second Department denied the County's motion by decision dated January 21, 2020 as to reargument and leave to appeal. The County made a Motion for Permission to Appeal the January 21, 2020 decision of the Second Department to the Court of Appeals. The Court of Appeals denied the County's motion, finding that the order appealed from was not a "final order".

Long Island Power Authority and Long Island Lighting Company d/b/a LIPA v. County of Suffolk, Suffolk

County Comptroller: LIPA has commenced this action seeking a declaratory judgment and permanent injunction declaring that purported tax liens and tax sales held by the County on LIPA properties are illegal and void and should be cancelled. LIPA seeks to permanently enjoin the County from taking liens, holding any tax sales and issuing any tax deeds regarding LIPA properties in the future. The County Comptroller has previously purchased tax liens and has indicated its intent to issue tax deeds to remedy partial remittances by LIPA to towns and/or school districts for sums owed as payments in lieu of taxes ("PILOTs"). Pursuant to the Public Authorities Law, the PILOT payments are to be made to the subject taxing jurisdictions, however, year over year increases are not to exceed two percent. As a result of an ongoing billing dispute between LIPA and the other taxing jurisdictions, the remitted PILOTs are less than the amounts actually charged. Due to the method by which payments are remitted and dispersed in the County under law, school districts and towns take one hundred percent of their respective amounts billed and the County is owed the difference between what was billed and what was actually paid by LIPA. Successful prosecution of this action by LIPA could render the unpaid PILOT charges for which the liens were issued uncollectable by the County. LIPA's motion for preliminary injunction was granted. The towns moved to dismiss the County's impleader action. The motion was denied. The County filed an answer, counterclaims and third-party complaint. LIPA filed a reply to counterclaims, and the 10 towns in the County filed their answer to plaintiffs' complaint and to the County's counterclaims and third-party complaint.

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

Matter of a Remedial Program for Suffolk County Firematics, Order on Consent and Administrative

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

McGrath, Robert v. County of Suffolk: This is an action pending in Suffolk County Supreme Court wherein Plaintiff is challenging the constitutionality of the Traffic Violations Bureau's \$30.00 administrative fee, which is added to the \$50.00 fine for red light camera convictions. Plaintiff's complaint indicates that he will be requesting that the case be given "class action" status in the future. Plaintiff argues that the New York State Vehicle and Traffic Law prohibits the imposition of the thirty-dollar fee. Plaintiff argues that the fee is an improper revenue generating penalty, not a true administrative fee. Plaintiff seeks a declaration from the court that the imposition of the administrative fee is unconstitutional; that the defendants have committed fraud; and seeks an order directing restitution of the thirty-dollar fees to the putative class members. The County has submitted a motion for summary

judgement, asking the court to find, as a matter of law that the fee is not unconstitutional. The Plaintiff has crossed-moved for summary judgment and has opposed the County's motion for summary judgment. In the County's reply, it advised the court of a similar case brought in Nassau County by the same attorneys, *Guthart v. Nassau County*, which was dismissed by Judge Palmieri. Recently, however, the Second Department reversed that decision holding that dismissal of plaintiff's claim for declaratory relief at the pleading stage was improper. On April 28, 2020, Judge Reilly issued his decision which denied the County's motion but granted the plaintiff's motion to the extent of declaring that the County's imposition of a monetary liability for vehicle owners in excess of \$50.00, or \$75.00 with a statutory authorized late fee for a red light violation issued through the Red Light Safety Program is void as a matter of law. The Court further ordered that the County is enjoined from collecting any fines, penalties or fees under the Program beyond the liability provided for in VTL § 1111-b(e) as determined by the Court. In the Order, the Court further stayed the injunction provision until the County has filed a notice of appeal. The County has filed its Notice of Appeal; the injunction is in place until the appeal is decided.

Mendez-Castaneda, an Infant By Her Mother and Natural Guardian, Aleida Castaneda and Aleida Castaneda Individually v. Patricia O'Sullivan, MD and Southside Hospital: This is a medical malpractice lawsuit whereby it is alleged that from on or about December 7, 2010, leading to the birth of the infant plaintiff on December 7, 2010, and continuing until the infant plaintiff's discharge/transfer on December 15, 2010, and continuing through the infant plaintiff's pediatric visits and admissions, defendants were negligent and committed malpractice in their treatment of the infant plaintiff and the infant plaintiff's mother by failing to timely and properly deliver. It is alleged that the infant plaintiff sustained global developmental delays, brain damage, cerebral palsy, neurological/cognitive deficits, motor delays, inability to live independently, and loss of enjoyment of life. No Notice of Claim was ever served on the County. The County filed a motion for summary judgment and the motion was granted on July 18, 2018. The plaintiff filed an appeal and the co-defendant hospital has opposed it. In its opposition, co-defendant is attempting to bring the County, through Dr. O'Sullivan, back into the case.

Monteleone, Daniel v. County of Suffolk: A motorcyclist was involved in an accident with another vehicle on a County owned roadway. Injuries to the motorcyclist included a leg amputation. Discovery is complete and the County is waiting for a trial date.

Newkirk, Lance, et al. v Pierre, Frances, Commissioner of DSS: This is a potential federal class action lawsuit brought by plaintiffs who allege that they are impoverished individuals with physical or mental disabilities who have applied for or are receiving benefits and services from DSS. They allege that DSS has failed to provide legally required accommodations to the class plaintiffs. The County has submitted an answer to the complaint. The plaintiff's motion for class certification has been fully briefed. Oral argument on plaintiffs' motion for class certification was held on May 12, 2020. Magistrate Gold has issued a Report and Recommendation that the motion for class certification be granted. The County will not oppose.

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

Plaintiffs #1-21, individually and on behalf of all others similarly situated v. County of Suffolk, et al.: Federal lawsuit wherein plaintiffs claim that they were the victims of discriminatory policing by the Suffolk County Police Department ("SCPD"), in that Latinos have been subjected to unlawful arrests and seizures; subjected to a violation of equal protection in that the SCPD has failed to provide police services to Latino individuals; that two individual SCPD police officers have stolen property from Latino individuals; and that the County has created a policy sanctioning all of these constitutional violations. Defendant Green has filed multiple motions for appointed counsel, which the Court continues to deny. Fact discovery has been completed. Plaintiffs have moved for class certification; that motion is pending. Expert discovery is ongoing and was completed by August 31, 2020. The County has moved for summary judgment. The fully briefed motion must be submitted to the Court by September 30, 2020.

Py et al. v. County of Suffolk: This is a class action lawsuit arising out of alleged groundwater water contamination in the area surrounding the Suffolk County Fire Academy in Yaphank. Plaintiffs, who are homeowners who live near the Academy, allege that their water supply has been contaminated by a foam firefighting suppressant used at the Academy. The plaintiffs sued the County and the manufacturers of the foam. The plaintiffs brought suit in state court and the defendants removed the case to federal court. The defendants made a motion to dismiss, which was pending. The plaintiffs made a motion to stay the dismissal motions, which was

initially granted because a motion was made before the “Judicial Panel on Multidistrict Litigation” to transfer all similar cases to one federal district court. That motion was granted and the Judicial Panel on Multidistrict Litigation has transferred all similar cases to Judge Gergel in the District of South Carolina. Judge Gergel has denied all pending motions to dismiss as premature. Discovery will now proceed. The State Department of Environmental Conservation has this matter under review.

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

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

Rogers, Grant v. Suffolk County: A Notice of Claim was served regarding this medical malpractice matter whereby claimant alleges that while he was an inmate at the Suffolk County jail (between December 2017 and March 2018), the County failed to timely diagnose and treat a detached retina to claimant’s left eye despite claimant’s repeated complaints of severe pain and loss of vision to his left eye.

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

Scott, Tawana as Administratrix of the Estate of Turner, Kevin v. County of Suffolk: Plaintiff estate sues individual police officers in federal court for violation of his civil rights and also brings a claim against the County based upon the case of *Monell v. the Department of Social Services*. A Monell claim is a claim against a municipality that alleges that the municipality had an official policy that allowed the violation of civil rights. Plaintiff was involved in an altercation with the police during which he sustained head injuries. He remained in a coma for six months prior to his death. Discovery is complete. The County is moving for dismissal of the *Monell* claim. Plaintiff has made a combined demand to the County and Brookhaven Memorial Hospital for seven million dollars. The hospital did not want to discuss settlement. The County will be moving for summary judgment on the Monell claim by September 11, 2020.

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

Taouil, Elvis v. County of Suffolk, et al.: A notice of claim was served on the County setting forth allegations of negligence, medical malpractice and civil rights violations (Section 1983) in connection with a Suffolk County Correctional Facility inmate who alleges that in August 2018 he was severely injured by other inmates and not given the proper medical care for the injuries he sustained. The claimant alleges, among other things, that the County was

negligent in failing to separate inmates who had a history of violence, in acting with deliberate indifference in allowing the claimant to face a substantial risk of harm and in failing to control the safety of inmates. The injuries alleged in the notice of claim include permanent loss of vision to left eye, ruptured globe, orbital medial wall fracture, skull fracture, disfigurement, loss of teeth and emotional and psychological injuries. A 50-h hearing was conducted. A summons and complaint have been served. The matter is in discovery.

Trinidad, Sebastian v. County of Suffolk: Plaintiff was involved in an accident at the intersection of a Town and County road. The claim is negligent roadway/traffic control design and defect. Plaintiff suffered a traumatic amputation of his leg. Discovery is complete. The County's motion for summary judgment was denied and the case will be scheduled for trial. This case has been assigned to outside counsel for trial. A trial date has not yet been issued by the court.

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

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

End of Appendix A

APPENDIX B

Link to Audited Financial Statements*

For the Year Ended

December 31, 2019

(With Auditors' Report Thereon)

*** The County's financial statements for the year ended December 31, 2019 and opinion are intended to be representative only as of the date thereof. The financial statements referenced above are hereby incorporated by referral into the attached Official Statement. Deloitte & Touche LLP, Independent Auditors, has not been requested by the County to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

The County's financial statements for the fiscal year ended December 31, 2019 have been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system ("EMMA").

Copies of the County's audited financial statements for the fiscal year ended December 31, 2019 are available on EMMA and can be viewed and downloaded at the following web address: (<https://emma.msrb.org/P21402899-P21090718-P21499269.pdf>).

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APPENDIX C

Form of Bond Counsel's Legal Opinions

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

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

November __, 2020

The County Legislature of
the County of Suffolk, New York

**Re: County of Suffolk, New York
\$105,195,000* Public Improvement Serial Bonds - 2020 Series A**

Ladies and Gentlemen:

We have examined a record of proceedings relating to the sale and issuance of \$105,195,000* Public Improvement Serial Bonds - 2020 Series A (the “**Bonds**”) of the County of Suffolk (the “**County**”), New York.

The Bonds are authorized and issued in accordance with (a) the Constitution and statutes of the State of New York, including, in particular, the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, (b) various bond resolutions duly adopted by the County Legislature on their respective dates, authorizing the issuance of bonds of the County to finance various projects in and for the County (collectively, the “**Resolutions**”), and (c) a Certificate of Determination executed by the County Comptroller as of October 22, 2020 and a Certificate of Award executed by the County Comptroller as of October 22, 2020, determining the terms, form and details of issuance of the Bonds and providing for their public sale (said Certificate of Determination and said Certificate of Award are hereinafter collectively referred to as the “**Certificate of Determination**”).

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

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

* Preliminary, subject to change

of ownership interests in the Bonds will be made only in book-entry form in denominations of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of Bonds maturing in any year.

In our opinion, said Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York, the Resolutions and the Certificate of Determination, and constitute valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to the applicable statutory limitations set forth in Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided that the enforceability (but not the validity) of the Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other laws (State or Federal) affecting the enforcement of creditor's rights.

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

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

Based upon our examination of law and review of the Arbitrage and Use of Proceeds Certificate, dated November __, 2020 (the "**Arbitrage Certificate**"), executed by the County Comptroller pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said Arbitrage Certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Bonds will not be "arbitrage bonds" within the meaning of said section, and no matters have come to our attention which makes unreasonable or incorrect the representations made in said Arbitrage Certificate. We express no opinion regarding other Federal income tax consequences arising with respect to the Bonds.

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

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

The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the County, together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of or interest on said Bonds as the same respectively become due and payable. Reference should be made to the Official Statement of the County relating to the Bonds for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest. Further, although we have participated in the preparation of the Official Statement relating to the Bonds, we have not verified the accuracy, completeness or fairness of the factual information contained therein, and accordingly we express no opinion as to whether the County, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made therein, in light of the circumstances under which they were made, not misleading.

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

Very truly yours,

HARRIS BEACH PLLC

By: _____

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

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

November __, 2020

The County Legislature of
the County of Suffolk, New York

**Re: County of Suffolk, New York
\$59,670,000* Refunding Serial Bonds - 2020 Series B**

Ladies and Gentlemen:

We have examined a record of proceedings relating to the sale and issuance of \$59,670,000* Refunding Serial Bonds - 2020 Series B (the “**Bonds**”) of the County of Suffolk (the “**County**”), New York.

The Bonds are authorized and issued in accordance with (a) the Constitution and statutes of the State of New York, including, in particular, the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, (b) Refunding Bond Resolution No. 290-2020, duly adopted by the County Legislature on April 28, 2020 and approved by the County Executive on May 7, 2020, authorizing the issuance of refunding bonds of the County in an aggregate principal amount not to exceed \$289,000,000 to provide funds required by the County to refund certain serial bonds heretofore issued by the County referred to therein (the “**Resolution**”), and (c) a Certificate of Determination executed by the County Comptroller as of November __, 2020 determining the terms, form and details of issuance of the Bonds and providing for their private sale (the “**Certificate of Determination**”).

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

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

* Preliminary, subject to change

In our opinion, said Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York, the Resolution and the Certificate of Determination, and constitute valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to the applicable statutory limitations set forth in Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided that the enforceability (but not the validity) of the Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other laws (state or Federal) affecting the enforcement of creditor's rights.

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

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

Based upon our examination of law and review of the Arbitrage and Use of Proceeds Certificate, dated November __, 2020 (the "**Arbitrage Certificate**"), executed by the County Comptroller pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said Arbitrage Certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Bonds will not be "arbitrage bonds" within the meaning of said section, and no matters have come to our attention which makes unreasonable or incorrect the representations made in said Arbitrage Certificate. We express no opinion regarding other Federal income tax consequences arising with respect to the Bonds.

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

In rendering the opinions expressed herein, we have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and we also have assumed the genuineness

of the signatures appearing upon such public records, documents and proceedings and such certifications. The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein.

The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the County, together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of or interest on said Bonds as the same respectively become due and payable. Reference should be made to the Official Statement of the County relating to the Bonds for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest. Further, although we have participated in the preparation of the Official Statement relating to the Bonds, we have not verified the accuracy, completeness or fairness of the factual information contained therein, and accordingly we express no opinion as to whether the County, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made therein, in light of the circumstances under which they were made, not misleading.

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

Very truly yours,

HARRIS BEACH PLLC

By: _____

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

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

November __, 2020

The County Legislature of
the County of Suffolk, New York

**Re: County of Suffolk, New York
\$123,715,000^{1*} Refunding Serial Bonds - 2020 Series C (Federally Taxable)**

Ladies and Gentlemen:

We have examined a record of proceedings relating to the sale and issuance of \$123,715,000^{2*} Refunding Serial Bonds - 2020 Series C (Federally Taxable) (the “Bonds”) of the County of Suffolk (the “**County**”), New York.

The Bonds are authorized and issued in accordance with (a) the Constitution and statutes of the State of New York, including, in particular, the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, (b) Refunding Bond Resolutions No. 290-2020, duly adopted by the County Legislature on April 28, 2020 and approved by the County Executive on May 7, 2020, authorizing the issuance of refunding bonds of the County in an aggregate principal amount not to exceed \$289,000,000 to provide funds required by the County to refund certain serial bonds heretofore issued by the County referred to therein (the “**Resolution**”), and (c) a Certificate of Determination executed by the County Comptroller as of November __, 2020 determining the terms, form and details of issuance of the Bonds and providing for their private sale (the “**Certificate of Determination**”).

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

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

* Preliminary, subject to change

In our opinion, said Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York, the Resolution and the Certificate of Determination, and constitute valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to the applicable statutory limitations set forth in Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided that the enforceability (but not the validity) of the Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other laws (state or Federal) affecting the enforcement of creditor's rights.

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

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

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

The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the County, together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of or interest on said Bonds as the same respectively become due and payable. Reference should be made to the Official Statement of the County relating to the Bonds for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest. Further, although we have participated in the preparation of the Official Statement relating to the Bonds, we have not verified the accuracy, completeness or fairness of the factual information contained therein, and accordingly we express no opinion as to whether the County, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made therein, in light of the circumstances under which they were made, not misleading.

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

Very truly yours,

HARRIS BEACH PLLC

By: _____

**PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL WITH RESPECT
TO THE SERIES C BANS**

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

November __, 2020

The County Legislature of
the County of Suffolk, New York

**Re: County of Suffolk, New York
\$30,000,000* Bond Anticipation Note – 2020 Series C**

Ladies and Gentlemen:

We have examined a record of proceedings relating to the authorization, sale and issuance of \$30,000,000* Bond Anticipation Notes - 2020 Series C (the “**Notes**”) of the County of Suffolk (the “**County**”). Said Notes are dated November __, 2020 bear interest, at the rate of _____% per annum, to be computed on the basis of a 30-day month and 360-day year, payable at maturity, and mature on April 16, 2021. The Notes are not subject to redemption prior to maturity.

The Notes are issued pursuant to (a) the Constitution and statutes of the State of New York, including, in particular, the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York; (b) various bond resolutions duly adopted by the County Legislature on their respective dates authorizing the issuance of bonds and, in anticipation thereof, bond anticipation notes, of the County to finance various projects in and for the County (collectively, the “**Resolutions**”); and (c) the Certificate of Determination of the County Comptroller executed and filed with the Clerk of the County Legislature on or before November __, 2020 (the “**Certificate of Determination**”).

The Notes are payable as to both principal and interest at the office of the County Comptroller, Hauppauge, New York, and are in the form of a single, fully registered note, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, an automated depository for securities and clearing house for securities transactions which will maintain a book-entry system for recording the ownership interests in the Notes. Purchases of ownership interests in the Notes will be made only in book-entry form in denominations of \$5,000 or any integral multiple thereof.

In our opinion, said Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York, the Resolutions and the Certificate of Determination, constitute a valid and legally binding general obligation of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the

* Preliminary, subject to change

taxable real property within the County is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to the applicable statutory limitations set forth in Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other laws (state or Federal) affecting the enforcement of creditor's rights.

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

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

Based upon our examination of law and review of the Arbitrage and Use of Proceeds Certificate, dated November __, 2020 (the "**Arbitrage Certificate**"), executed by the County Comptroller pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said Arbitrage Certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be "arbitrage bonds" within the meaning of said section, and no matters have come to our attention which makes unreasonable or incorrect the representations made in said Arbitrage Certificate. We express no opinion regarding other Federal income tax consequences arising with respect to the Notes.

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

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

The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the County, together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of or interest on said Notes as the same respectively become due and payable. Reference should be made to the Official Statement of the County relating to the Notes for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest. Further, although we have participated in the preparation of the Official Statement relating to the Notes, we have not verified the accuracy, completeness or fairness of the factual information contained therein, and accordingly we express no opinion as to whether the County, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the executed Notes, and in our opinion the form of said notes and their execution are regular and proper.

Very truly yours,

HARRIS BEACH PLLC

By: _____

**PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL WITH RESPECT
TO THE SERIES D BANS**

November __, 2020

The County Legislature of
the County of Suffolk, New York

**Re: County of Suffolk, New York
\$10,000,000* Bond Anticipation Notes – 2020 Series D (Federally Taxable)**

Ladies and Gentlemen:

We have examined a record of proceedings relating to the authorization, sale and issuance of the \$10,000,000* Bond Anticipation Notes – 2020 Series D (Federally Taxable) (the “**Notes**”) of the County of Suffolk, New York (the “**County**”). Said Notes is dated November __, 2020, is issued in anticipation of the sale of serial bonds and bears interest at the rate of ____% per annum, to be computed on the basis of a 30-day month and 360-day year, is payable at maturity, and matures on June 25, 2021. The Notes are not subject to redemption prior to maturity.

The Notes are authorized and issued in accordance with (a) Constitution of the State of New York and the statutes thereof, including, in particular, the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York; (b) Bond Resolution No. 90-2017, duly adopted by the County Legislature on March 7, 2017 and approved by the County Executive on March 3, 2017, authorizing the issuance by the County of serial bonds or notes in anticipation of such bonds to finance the cost of improvements to the Suffolk County Sewer District No. 3 – Southwest (Ronkonkoma Hub Project) (the “**Resolution**”); and (c) the Certificate of Determination of the County Comptroller executed and filed with the Clerk of the County Legislature on or before November __, 2020 (the “**Certificate of Determination**”).

The Notes are payable as to both principal and interest at the office of the County Comptroller, Hauppauge, New York, and are in the form of a single, fully registered note, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, an automated depository for securities and clearing house for securities transactions which will maintain a book-entry system for recording the ownership interests in the Notes. Purchases of ownership interests in the Notes will be made only in book-entry form in denominations of \$5,000 or any integral multiple thereof.

In our opinion, said Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York, the Resolution and the Certificate of Determination, constitute a valid and legally binding general obligation of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to the applicable statutory limitations set forth in Chapter 97

* Preliminary, subject to change

of the Laws of 2011 of the State of New York; as amended, provided that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other laws (state or Federal) affecting the enforcement of creditor's rights.

We are further of the opinion that interest on the Notes is not excluded from gross income of the owners thereof for Federal income tax purposes.

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

We express no opinion regarding any other Federal, state or local income tax consequences relating to the ownership or disposition of, or the receipt or accrual of interest on, the Notes.

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

The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the County, together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of or interest on said Notes as the same respectively become due and payable. Reference should be made to the Official Statement of the County relating to the Notes for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest. Further, although we have participated in the preparation of the Official Statement relating to the Notes, we have not verified the accuracy, completeness or fairness of the factual information contained therein, and accordingly we express no opinion as to whether the County, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the executed Notes, and in our opinion the form of said Notes and its execution is regular and proper.

Very truly yours,

HARRIS BEACH PLLC

By: _____