

Legislative Calendar  
Nassau County Legislature  
MINEOLA, NEW YORK  
SPECIAL MEETINGS  
October 5, 2016 3:00 P.M.

1. Meeting Minutes

Documents:

[2017 BUDGETHEARING, 10-05-16.PDF](#)

# **PUBLIC NOTICE**

**PLEASE TAKE NOTICE THAT**

**THE NASSAU COUNTY LEGISLATURE**

**WILL HOLD A SPECIAL MEETING OF**

**THE NASSAU COUNTY LEGISLATURE**

**WEDNESDAY, OCTOBER 5, 2016 AT 3:00 P.M.**

**IN**

**THE PETER J. SCHMITT MEMORIAL LEGISLATIVE CHAMBER**

**THEODORE ROOSEVELT EXECUTIVE AND LEGISLATIVE BUILDING**

**1550 FRANKLIN AVENUE, MINEOLA, NEW YORK 11501**

**AT WHICH TIME THE LEGISLATURE WILL HOLD A PUBLIC HEARING  
REGARDING THE 2017 NASSAU COUNTY BUDGET PERTAINING TO  
THE OFFICE OF MANAGEMENT AND BUDGET, COMPTROLLER,  
HUMAN SERVICES, DEPARTMENT OF SOCIAL SERVICES, TRAFFIC  
AND PARKING VIOLATIONS AGENCY, AND THE TAXI AND  
LIMOUSINE COMMISSION**

**MICHAEL C. PULITZER**  
**Clerk of the Legislature**

**DATED: September 28, 2016**

Mineola, NY

As per the Nassau County Fire Marshall's Office, the Peter J. Schmitt Memorial Legislative Chamber has a maximum occupancy of 251 people and the outer chamber which will stream the meeting live, has a maximum occupancy of 72. Passes will be distributed on a first come first served basis beginning one half hour before the meeting begins and attendees will be given an opportunity to sign in to address the Legislature for a maximum of three minutes. The Nassau County Legislature is committed to making its public meetings accessible to individuals with disabilities and every reasonable accommodation will be made so that they can participate. Please contact the Office of the Clerk of the Legislature at 571-4252, or the Nassau County Office for the Physically Challenged at 227-7101 or TDD Telephone No. 227-8989 if any assistance is needed. Every Legislative meeting is streamed live on  
<http://www.nassaucountyny.gov/agencies/Legis/index.html>.

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NASSAU COUNTY LEGISLATURE

2017 BUDGET HEARING

NORMA GONSALVES,  
Presiding Officer

1550 Franklin Avenue  
Mineola, New York

Wednesday, October 5, 2016  
7:42 P.M.

1

2     A P P E A R A N C E S:

3     NORMA GONSALVES, Presiding Officer

4     RICHARD NICOLELLO,  
5         Deputy Presiding Officer6     HOWARD KOPEL,  
7         Alternate Deputy Presiding Officer

8     STEVEN RHOADS

9     DENISE FORD

10    LAURA CURRAN

11    C. WILLIAM GAYLOR III

12    VINCENT MUSCARELLA

13    ELLEN BIRNBAUM

14    LAURA SCHAEFER

15    DONALD MACKENZIE

16    KEVAN ABRAHAMS,  
17         Minority Leader

18    ROSE MARIE WALKER

19    DENNIS DUNNE

20    JAMES KENNEDY

21    DELIA DERIGGI-WHITTON

22    CARRIE SOLAGES

23    SIELA BYNOE

24    MICHAEL PULITZER,  
25         Clerk of the Legislature

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1                   2017 Budget Hearing/10-5-16

2                   CHAIRWOMAN GONSALVES: Tonight is  
3 the first of three hearings on the 2017  
4 proposed budget.

5                   Each year we are tasked with  
6 adopting a budget for our county that will  
7 meet the needs of our residents in a cost  
8 effective manner.

9                   The County Executive has proposed  
10 a budget for 2017 that will require much  
11 study. Our hearings on the budget will give  
12 us the opportunity to hear from various  
13 agencies in the county and get much needed  
14 information. This will better enable us to  
15 adopt the budget that meets the  
16 aforementioned goals.

17                   This is not an easy task but  
18 hopefully, with the input from the  
19 department, we will achieve our goals which  
20 will be a budget that meets the needs of our  
21 residents and at the same time perform the  
22 responsibilities of the county.

23                   Without any further ado, I'm  
24 going to begin with the presentation of Eric  
25 Naughton, who is the Deputy County Executive

1                   2017 Budget Hearing/10-5-16  
2     for Finance for Nassau County.

3                   It's yours. I know you have a  
4     Power Point and hopefully it will be  
5     readable because the last one we had we  
6     couldn't read. Go ahead, Eric.

7                   MR. NAUGHTON: Eric Naughton,  
8     Deputy County Executive of Finance. To my  
9     right is Roseann D'Alleva, the county's  
10    budget director.

11                  Thank you for the opportunity to  
12    make this presentation to you. I believe  
13    everyone has a copy in front of them.

14                  I think before we get into the  
15    details of the budget, we think it's  
16    important to go back and take a look at  
17    where we started, because I think what  
18    you're going to hear from us tonight is that  
19    this county provides excellent services. We  
20    think that everyone is in agreement that we  
21    need to continue those services.

22                  We have, over the last seven  
23    years, we have done many things to keep  
24    expenses down. Right now we feel that we  
25    are at a point where the only solution to

1                   2017 Budget Hearing/10-5-16

2       maintain those services is to increase  
3       revenues.

4                   We will focus on what we've done  
5       and how we see the county going in the  
6       future.

7                   So, if you just go back to when  
8       this administration took over, the school  
9       taxes represented 67 percent of the total  
10      tax bill, the county's portion was only 19  
11      percent.

12                  Now, in 2016, the school portion  
13      is 71 percent and the county portion is only  
14      16 percent.

15                  So how did we get there? The  
16      administration cut \$330 million in wasteful  
17      spending. That was the equivalent of  
18      preventing a 34 percent property tax  
19      increase. Clearly every one has recognized  
20      that we have reduced the size of government  
21      by over 1,700 full-time positions;

22                  We have produced budgetary  
23      surpluses through strong fiscal management  
24      which has increased Nassau County's fund  
25      balance from \$60 million to \$160 million;



1                   2017 Budget Hearing/10-5-16

2                   We have negotiated labor  
3   agreements that saved hundreds of millions  
4   of dollars compared to prior contracts by  
5   implementing a new salary structure and by  
6   requiring new employee contributions to  
7   health care and pension costs while  
8   reforming work rules;

9                   Next year we will see the benefit  
10   from establishing the disputed assessment  
11   fund which will drastically reduce by  
12   millions of dollars annually the taxes or  
13   debt necessary to fund commercial property  
14   assessment tax refunds.

15                  We are now budgeting, actually it  
16   started in 2016, we budgeted Pay Go for all  
17   employee termination costs that used to be  
18   bonded for. That was at least \$20 million  
19   every year. Now we are funding that out of  
20   the operating budget.

21                  We developed a litigation fund to  
22   set forth a path for Pay Go.

23                  We are doing things that help to  
24   make this county structurally balanced. We  
25   have said to NIFA that we think we will get

1                   2017 Budget Hearing/10-5-16

2       there by 2018. The steps that we've taken  
3       so far lead us on that path.

4                   You also have to look at the  
5       county's infrastructure. Just look at the  
6       parks, the improvements made there, the  
7       Northwell Health Center at Eisenhower Park,  
8       will host official New York Islanders  
9       practices, youth hockey leagues, and we will  
10      share in the profits.

11                  There are new athletic fields  
12      being constructed countywide. I think most  
13      people have seen the new fields within  
14      Eisenhower Park, we have dog runs, miniature  
15      golf.

16                  I think throughout, I think all  
17      of you should be very proud of what is  
18      happening in this county, and there is a  
19      cost to that. Just keep that in mind.

20                  The actions that we've taken have  
21      lead to a strong Nassau economy. The  
22      county's unemployment rate right now is 3.9  
23      percent. Probably it's not the lowest, but  
24      probably the second lowest in New York  
25      State. Down 43 and a half percent since

1                   2017 Budget Hearing/10-5-16

2   2009.   Closed home sales are up.   Home  
3   values are increasing.   25,000 new jobs  
4   created.

5                   The County Executive has pointed  
6   out often to every one, the new employees  
7   who decided to relocate here, all that's  
8   only possible because of the environment  
9   that we create that make people want to work  
10  here, have the business here, and live here.

11                  We've created new housing  
12  opportunities so that there is actually  
13  people who can live here, young people, who  
14  can then be the employees for these new  
15  employers who are relocating here.

16                  In the future, next spring we  
17  will see the new Nassau Veterans Memorial  
18  Coliseum.   The county will no longer be  
19  responsible for the expenses such as  
20  utilities, repairs, and capital  
21  improvements.

22                  We're going to make \$334 million  
23  in rental income over the next 49 years.  
24  There will be a new Sloan Kettering Cancer  
25  Care Center employing approximately 250

1                   2017 Budget Hearing/10-5-16  
2       clinical and administrative positions.

3                   All this means is that the  
4       policies of this administration are working.  
5       Nassau is in a much better place than it was  
6       seven years ago and we hope to continue  
7       along that route.

8                   One of the major challenges that  
9       every one is aware that we face is the  
10      county guaranty. With the establishment of  
11      DAF starting in 2018, we will be no longer  
12      borrowing for tax certs.

13                  This is the largest structural  
14      reform that the county has ever achieved.  
15      It ends the need to borrow approximately \$60  
16      million annually for future property tax  
17      refunds.

18                  It results in a more equitable  
19      allocation of taxes between residential and  
20      commercial property owners.

21                  We estimate that over the next 20  
22      years, this will save us \$950 million. I  
23      think no one wants to borrow anymore, but we  
24      had to come up with a way to fund it, and  
25      now we have the mechanism to do that.

1                   2017 Budget Hearing/10-5-16

2                   Roseann is now going to discuss  
3     some of the challenges that we faced coming  
4     into the 2017 budget. Each year we provide  
5     a multiyear plan, there is gaps in the out  
6     years. Those gaps are real because our  
7     expenses keep growing with our labor  
8     contracts, health insurance costs, pension  
9     expenses. The investments that we make here  
10    that means additional debt service payments.

11                  Our revenue, very limited growth.  
12    Roseann will talk a little bit about how  
13    sales tax has been, marginal growth there.

14                  Property taxes, no one wants to  
15    see property taxes increase. So, with that  
16    combination, we had to be creative this year  
17    and say, what can we do to address the needs  
18    here? We think we've done that pretty well.

19                  We discussed a lot of the fees  
20    earlier and if there is a desire to have  
21    more conversation, we are here to continue  
22    that.

23                  But now I will let Roseann  
24    outline some of the challenges that we face.

25                  MS. D'ALLEVA: Thank you, Eric.

1                   2017 Budget Hearing/10-5-16

2       As you all know, we present the multiyear  
3       plan every year and, as Eric said, those  
4       multiyear plan GAAP adjustments are there  
5       and they're there for a reason. It's just  
6       to outlay where the future lies in the near  
7       future.

8                   In 2017 it's no different. The  
9       GAAP that we face was \$127 million, similar  
10      to what we outlined last year for the 2017  
11      GAAP. Just in public safety, and the DA  
12      alone, we faced a \$52.9 million shortfall as  
13      well as we had some recovery shortfalls, as  
14      you know, the 2016 budget included the items  
15      such as FIT recovery that did not come into  
16      fruition. We also had to back up proceeds  
17      of 19 million. All in all \$31.5 million of  
18      recovery shortfalls.

19                  Now, salary and fringes of course  
20      have increased overall for all the other  
21      departments to the tune of \$17.6 million.  
22      Health insurance goes up. Pension goes up.  
23      That accommodates for all the other major  
24      fund departments.

25                  There was an opposition to VLTs.

1                   2017 Budget Hearing/10-5-16

2       Basically the current 2016 budget  
3       accommodated for approximately \$15 million  
4       of VLT revenues. Currently we are  
5       projecting three million for this year and  
6       three million for 2017. Therefore, there is  
7       a shortfall of \$12 million.

8                   Other budgetary increases include  
9       items such as debt service, OTPS increases,  
10      for such things as Microsoft license  
11      agreements. That alone was about a \$1.7  
12      million increase that we had to face in the  
13      current year.

14                  So, all in all, other budgetary  
15      increases were to the tune of \$13.4 million.

16                  How did we close the GAAP?  
17      Obviously, you all know, in the previous  
18      hearing that we were engaged in, that we've  
19      put forth a revenue plan of \$88 million.  
20      It's extensive. We recognize that. But  
21      there are very few options that we have. I  
22      think we've covered those revenues but if  
23      you all have questions, please feel free.

24                  We've also included a modest  
25      sales tax growth. Compared to 2016 budget,

1                   2017 Budget Hearing/10-5-16  
2     it's \$28.9 million. In all, it's a 1.4  
3     percent growth over the current projection  
4     that we have at \$7.9 million surplus for  
5     this year. It is a very modest growth.  
6     Moody's Analytics is saying that the county  
7     could experience as much as 2.3 percent in  
8     2016 and 2017.

9                   Currently we are being  
10    conservative. The estimated checks that we  
11    were getting to this point were not showing  
12    that growth rate, but according to the last  
13    check we just received, it seems that it is  
14    a conservative growth rate and we should be  
15    able to achieve it.

16                  Lower expenses and increases in  
17    state and federal aid of about \$6.5 million  
18    in terms of reimbursement and case load  
19    changes. We're assuming a \$6.5 million  
20    increase.

21                  We also had changes to the tax  
22    levy in terms of adjustments for value of  
23    new construction as well as the LIPA pilot  
24    adjustments that you're also familiar with  
25    from last year in terms of how we had to



1                   2017 Budget Hearing/10-5-16  
2       accommodate a state statute in order to cap  
3       LIPA at two percent.

4                   MR. NAUGHTON:   Earlier today we  
5       were talking about public safety and I hope  
6       every one recognizes that resources are  
7       needed to safeguard the safety and security  
8       of the county's residents and visitors.

9                   We are happy to report that crime  
10      is down in 2015; 24.46 percent.   I'm sure  
11      you'll all go into that with the police  
12      commissioner next week.

13                  But, even with that, we still  
14      feel there is a need to increase the number  
15      of sworn personnel from 2,350 to 2,500  
16      officers.   As the commissioner stated  
17      earlier, the world has changed, we need to  
18      react to that.   We can't keep our head in  
19      the sand.   We're close to New York City.   We  
20      need to be prepared.

21                  We are also adding 81 civilian  
22      positions including police communication  
23      operators, security officers, police service  
24      aides and intelligence analysts.

25                  We have also provided additional

1                   2017 Budget Hearing/10-5-16

2       funding for the DA's office to improve their  
3       ability to attract and retain ADAs.

4                   If you look on the next slide,  
5       workforce management, you'll see that this  
6       year's budget was 7,395; next year's budget  
7       is 7,625. The new head count, that's all  
8       related to what I just spoke about in the  
9       police department.

10                  I will turn it back over to  
11       Roseann.

12                  MS. D'ALLEVA: As we discussed in  
13       terms of how the county basically, year  
14       after year, has to accommodate for increases  
15       that we really have very limited control  
16       over. One of the major increases that we  
17       don't have much control over is health care  
18       costs.

19                  The health care costs this year  
20       are \$304 million. I know that OLBR stated  
21       that we were possibly a little too  
22       aggressive in terms of our health care  
23       budgeting this year.

24                  We feel that the budget can  
25       accommodate the impending increase. We

1                   2017 Budget Hearing/10-5-16

2       don't know what that is yet. The state has  
3       given us an estimate, but we feel we can  
4       accommodate it.

5                   State mandated pension bill. Our  
6       pension bill is \$172 million. As you can  
7       see, last year it was 158. Yes, we are  
8       amortizing. We are amortizing to the tune  
9       of \$29 million. It's something that we have  
10      elected to do and at this point have decided  
11      to do so for 2017.

12                  MR. NAUGHTON: I just want to  
13      add, you have to look at, going back to  
14      2014, we amortized \$71 million. 2015 it was  
15      \$60 million. Last year we reduced it to 41,  
16      and next year it will be slightly under \$30  
17      million.

18                  So we are amortizing less each  
19      year. Fortunately the rates aren't that  
20      high. Next year I think it's about 2.75.  
21      Would we like to pay the whole bill? Yes,  
22      we would love to have that ability but what  
23      is the trade-off? Do we cut programs? Do  
24      we raise other revenues? We felt that it  
25      was best to keep amortizing right now.

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2                   MS. D'ALLEVA:   Just alone in  
3   pension costs, if we didn't amortize, it  
4   would be close to a three percent tax  
5   increase.

6                   The line on the graph actually  
7   depicts that we are amortizing less and  
8   less.

9                   In terms of the 2017 budget, as  
10   you know, it's a \$3 billion budget.  
11   Obviously, the largest portion of the budget  
12   is salaries and wages at \$902 million for  
13   the major funds. As well as fringe  
14   benefits, a little over \$500 million. That  
15   alone, fringe benefits alone is 19 percent  
16   of your budget.

17                  We also have other related  
18   expenses such as debt service expense is a  
19   very large component of our budget. It's  
20   12.6 percent at \$380 million.

21                  OTPS is 6.8 percent of our  
22   budget, and we also have direct expenditures  
23   at 18.4 percent all related to social  
24   service programs, things that are mandated  
25   and that we really can't control.

1                   2017 Budget Hearing/10-5-16

2                   On the revenue side, obviously  
3   the largest component of our revenue is  
4   sales tax. Again, we discussed that we  
5   conservatively estimated sales tax growth  
6   for next year in 2017 at a 1.4 percent  
7   growth rate. That is 38 percent of our  
8   budget.

9                   Property taxes is the second  
10   largest component of our revenue budget at  
11   27.2 percent at \$816 million or close to  
12   \$817 million. Other revenue such as permits  
13   and licenses, fines and forfeits and  
14   investment income, we are estimating at 15.5  
15   percent of our total revenue budget.

16                  We are also expecting  
17   departmental revenues at \$234 million, which  
18   is 7.8 percent of our budget.

19                  Therefore, those are the largest  
20   components of our revenue budget.

21                  On the next slide, this slide is  
22   we're just depicting the largest component  
23   of our revenue budget which is sales tax.  
24   The blue line basically depicts CPI growth.  
25   The red line on the graph depicts the

1                   2017 Budget Hearing/10-5-16

2       county's sales tax performance since 2005.

3                   As you can see, in some respects  
4       in a few years, we did not perform relative  
5       to CPI. We actually under performed.  
6       Therefore, being aggressive on sales tax is  
7       not a good idea because you don't know  
8       what's happening in terms of the economy.

9                   MR. NAUGHTON: I just think in  
10      conclusion, County Executive Mangano has  
11      made expense reduction a priority, but the  
12      county needs additional revenue to continue  
13      delivering all quality of life services and  
14      complying with all state and federal  
15      mandates.

16                  The county continues to invest in  
17      public safety, health and quality of life  
18      initiatives to insure a path that continues  
19      to provide for financial stability.

20                  The administration has resolved  
21      the tax certiorari debt problem for both  
22      residential and commercial properties.

23                  We feel that the administration,  
24      together with the County Legislature, will  
25      continue to provide an affordable government

1                   2017 Budget Hearing/10-5-16  
2     for taxpayers, while maintaining safety and  
3     working tirelessly to make Nassau County the  
4     best place to live, work and raise a family.

5                   We understand that the choices  
6     before you are difficult, but I think if we  
7     all agree that the services that we provide  
8     are important, that we don't want to reduce  
9     them. We need to raise the revenues.

10                  With that, I will take any  
11     questions you may have.

12                  CHAIRWOMAN GONSALVES: Any  
13     questions of Mr. Naughton? Legislator  
14     Gaylor.

15                  LEGISLATOR GAYLOR: I have a  
16     question. I notice in the slide packet  
17     presentation that you just gave, you're  
18     projecting DA shortfall. We heard the  
19     police commissioner addressing the police  
20     shortfall.

21                  What is specifically the District  
22     Attorney shortfall? You lumped them  
23     together in the presentation and I'm just  
24     trying to figure it out.

25                  MR. NAUGHTON: The DA came to us

1                   2017 Budget Hearing/10-5-16  
2     with a request for \$4 million to add  
3     additional ADAs, increase the salary  
4     structure for the ADAs. They're having a  
5     difficult time recruiting and retaining  
6     ADAs. They gave us a very thorough analysis  
7     comparing them to the other counties from  
8     Westchester, Suffolk, New York, and it was a  
9     very compelling argument.

10                   We feel that, as we are investing  
11     in police officers, the other side of that  
12     is the District Attorney's Office.

13                   We met with them, they agreed  
14     with us. They understood that providing \$4  
15     million in one year was going to be  
16     difficult, so they agreed to I think we gave  
17     them about \$2.6 million extra in the 2017  
18     budget, and then they will get another \$2  
19     million in 2018.

20                   LEGISLATOR GAYLOR: So this is  
21     not for new positions, it's for bumping up  
22     the salaries of the existing positions to be  
23     comparable to neighboring counties?

24                   MR. NAUGHTON: It's a  
25     combination.



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2                   LEGISLATOR GAYLOR:    So this  
3   creates new Assistant District Attorney  
4   positions?

5                   MR. NAUGHTON:    Yes.

6                   LEGISLATOR GAYLOR:    Thank you.

7                   CHAIRWOMAN GONSALVES:   Legislator  
8   Curran.

9                   LEGISLATOR CURRAN:   Thank you.  
10   So, about the amortization, you mentioned  
11   that it's lower this year but it's still at  
12   the maximum allowable by the state, right,  
13   the 29?

14                   MR. NAUGHTON:    That is accurate.

15                   LEGISLATOR CURRAN:   It just seems  
16   like it's borrowing money to pay back  
17   borrowed money and pushing the costs out to  
18   the out years.   And it seems like, do you  
19   think that's sound fiscal policy?

20                   MR. NAUGHTON:    If you go back to  
21   the slide, the intent of the program was to  
22   smooth out the cost, so that you could  
23   weather the storm.

24                   As you can see, if you go back to  
25   2010, compared to 2014, the cost doubled.

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2       There was no way the county could have  
3       afforded that. We needed to amortize. It  
4       was a smart decision to make and, yes, we  
5       are admitting that, you are stretching the  
6       costs over the next 12 years, but I think if  
7       you look at -- you have to prioritize  
8       things. Do you raise taxes so you can pay  
9       the bill? I don't think there was an  
10      appetite here to do that.

11                   Could you cut programs, eliminate  
12      services? There was wasn't an appetite to  
13      do that either. So, when you're faced with  
14      those choices, this was a smart decision to  
15      make.

16                   LEGISLATOR CURRAN: Right. And I  
17      think starting to do that had to do with the  
18      recession, and it gave municipalities a way  
19      to deal with that.

20                   But it seems that other  
21      municipalities are doing it, fewer and fewer  
22      are doing it and the trend is now going the  
23      other way.

24                   MR. NAUGHTON: It depends. The  
25      tell us can't borrow for term pay anymore.

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2       So that's \$20 million that I have to find.  
3       They tell us we now have to include tax  
4       certs in our operating budget. Next year's  
5       budget has \$15 million of operating funds in  
6       there. So if you're trying to slowly weed  
7       yourself away from some of those bills, you  
8       can't take over more at one time.

9                   LEGISLATOR CURRAN: Right.

10      Speaking of tax certs, I know last year we  
11      approved \$60 million in bonding for tax  
12      certs. It's emerged that most of that  
13      hasn't been used yet and, in fact, the  
14      amount owed on residences is even more than  
15      it was five years, six years ago.

16                  I think that could be risky  
17      putting that \$60 million in this year when  
18      you haven't spent the first 60 yet is risky.

19                  MR. NAUGHTON: Just remember two  
20      things. We came to this body wanting to do  
21      the bonding early in the year. We were told  
22      we had to wait. We were told you had to  
23      pull out the residential piece first, that  
24      was not efficient. That takes time.

25                  We could not go to market until

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2     the end of June. So, to say to us, okay,  
3     it's now the beginning of October, you  
4     haven't spent it, realistically we just  
5     couldn't get it done. My staff in the  
6     treasurer's office, the Assessment Review  
7     Commission, OMB spent most of summer working  
8     on setting up the disputed assessment fund.

9                   Our purpose would have been able  
10    to work on tax certs in the spring but that  
11    didn't happen. So we had to wait. We had  
12    to wait for the commitment from this body to  
13    do that. We will spend the money within the  
14    next year. It's not just going to sit  
15    there. The estimated liability is there.

16                  LEGISLATOR CURRAN: You will  
17    spend it on tax certs?

18                  MR. NAUGHTON: The money is  
19    bonded for tax certs. That is the purpose  
20    of it. That is where it will go.

21                  Earlier the minority leader made  
22    a statement saying that he thought that  
23    perhaps we were slowing it down. The pace  
24    is slower but that the treasurer's office  
25    sent out \$4 million last week. I estimate

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2       that they will send out about \$10 million  
3       this week. We're working on it. We'll get  
4       it done.

5                   LEGISLATOR CURRAN: So you're  
6       saying within the next year, the one that we  
7       passed last year, will be spent?

8                   MR. NAUGHTON: Yes. Definitely.  
9       And if you approve another 60 for next year,  
10      we will get it done again.

11                  LEGISLATOR CURRAN: I want to  
12      talk about the bus briefly, that part of the  
13      budget.

14                  I remember we worked to get \$3  
15      million from the surplus put back in to  
16      restore some of the eliminated routes. We  
17      were told it was going to stay in that \$3  
18      million, that we're going to have another \$3  
19      million this year for next year. I see now  
20      that it's not there.

21                  MR. NAUGHTON: I actually  
22      remember it just the opposite.

23                  LEGISLATOR CURRAN: Do you?

24                  MR. NAUGHTON: Yes, I believe the  
25      statement that was made was that it was \$3

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2       million for this year. We could not commit  
3       to next year.

4                   LEGISLATOR CURRAN: It was not an  
5       official on the record conversation that was  
6       had. So maybe nobody told you.

7                   MR. NAUGHTON: I was at the press  
8       conference and I thought it was made clear  
9       that we were honoring it for this year and  
10      this body, if they wanted to maintain it,  
11      find \$3 million.

12                  LEGISLATOR CURRAN: There was a  
13      subsequent conversation that said it would  
14      be in the budget for 2017. That appears to  
15      not be the case.

16                  MS. D'ALLEVA: It was funded in  
17      2016 with fund balance.

18                  LEGISLATOR CURRAN: And then also  
19      I see in the budget it's the \$2 million for  
20      the fare box, but then I read in the paper  
21      that that is not happening; is that correct?

22                  MR. NAUGHTON: That's correct.  
23      We will be pulling that out. We will be  
24      looking through our technical amendment  
25      process to suggest some other fees to make

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2       up the \$2 million.

3                   LEGISLATOR CURRAN:    Okay.

4                   CHAIRWOMAN GONSALVES:   Any other  
5       questions?

6                   LEGISLATOR CURRAN:    Yes.    One  
7       more quick question.   This might be more for  
8       the police department about the fees for the  
9       \$105 fee.   Can I ask you about that?

10                  MR. NAUGHTON:    Of course.

11                  LEGISLATOR CURRAN:    So that is,  
12       if I'm not mistaken, \$64 million, that's  
13       revenue for \$64 million.   It's for more  
14       police.

15                  MR. NAUGHTON:    It's helping to  
16       fund all the police costs.

17                  LEGISLATOR CURRAN:    So if we're  
18       talking about 150 new police officers,  
19       that's about \$9 million.   A little more than  
20       an eighth.   So the rest is going towards all  
21       police stuff?

22                  As it is now, we heard in  
23       testimony earlier, police costs are 87  
24       percent as you said of our property tax bill  
25       and yet we still need \$64 million more?

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2                   MR. NAUGHTON: The legislative  
3 body approved labor agreements that called  
4 for salary increases. We have to fund  
5 those.

6                   Pension costs go up for them,  
7 health insurance goes up for them.

8                   LEGISLATOR CURRAN: I understand  
9 that.

10                  MS. D'ALLEVA: But pension and  
11 fringe bill alone for the police district  
12 fund, headquarters and district, went up a  
13 little over \$20 million.

14                  MR. NAUGHTON: And you look at  
15 the public safety fee, it represents only  
16 about seven percent of the total revenue for  
17 the police department.

18                  LEGISLATOR CURRAN: Say that one  
19 more time.

20                  MR. NAUGHTON: The public safety  
21 fee will represent about seven percent of  
22 the revenue for the police department.

23                  LEGISLATOR CURRAN: Okay.

24                  MS. D'ALLEVA: To support the  
25 police district and police headquarter



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2       funds, you need \$833 million. To support  
3       police district and headquarters, we need a  
4       revenue source of \$833 million.

5                   LEGISLATOR CURRAN: So this is  
6       not a huge part of that?

7                   MS. D'ALLEVA: Right. 64.

8                   LEGISLATOR CURRAN: Now just back  
9       to tax certs and then I'll stop because I'm  
10      sure other people have questions.

11                   So the backlog has grown and  
12      continues to grow. That's very concerning.  
13      I think I understood what you said about why  
14      the \$60 million wasn't spent more quickly  
15      and I'm happy to hear that it will be spent  
16      within the next year.

17                   But if these numbers are correct,  
18      around 207 percent in five years, fiscal  
19      year ten to 15, that's a big backlog.

20                   MR. NAUGHTON: I would just say  
21      that the backlog is an estimated number.  
22      Whether or not the original number was  
23      accurate or not, I can't say. This is the  
24      best information right now. When ARC looks  
25      at it, they take a look at the recent

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2       trends, what the settlements are, revalue  
3       what those estimates are. They take a look  
4       at what is dropped off, what's been added,  
5       and right now we think that \$300 million is  
6       the best number that we have.

7                   LEGISLATOR CURRAN: Why is it  
8       that -- this might be a dumb question but  
9       I'm going to ask it anyway.

10                  The amount is bigger than it was.  
11       It's class one in 2010, was \$24.8 million  
12       and last year it was almost \$40 million.  
13       It's a big jump.

14                  MR. NAUGHTON: What happened is  
15       ARC has taken a look at a lot of the large  
16       estates, the condos, considered Class I,  
17       those properties that are three stories or  
18       less are considered Class I. They have not  
19       actually done much with those before, so the  
20       estimate before was actually wrong.

21                  LEGISLATOR CURRAN: So you think  
22       that the earlier number was --

23                  MR. NAUGHTON: Was understated.

24                  LEGISLATOR CURRAN: Okay. Thank  
25       you. That's all I have for now.

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2                   CHAIRWOMAN GONSALVES: Any other  
3 legislator? Minority Leader.

4                   LEGISLATOR ABRAHAMS: Thank you.  
5 Eric, a couple of points. I think I heard  
6 in the Q and A between yourself and  
7 Legislator Curran that you plan to spend  
8 down the remaining of the tax cert bonding  
9 over the next year?

10                  MR. NAUGHTON: That's correct.

11                  LEGISLATOR ABRAHAMS: In keeping  
12 with our agreement, the County Executive was  
13 seeking the bonding in the beginning of each  
14 year, between January, first quarter of the  
15 year so, if my math is correct, then you  
16 won't be seeking that bonding until that  
17 money is paid down which is going to happen  
18 over the next year, so this time next year  
19 we will be looking to that?

20                  MR. NAUGHTON: No. We should  
21 have -- I think clearly we understand that  
22 we have to demonstrate that we are spending  
23 the money before we come to you.

24                  I think by some time early next  
25 year we should be able to demonstrate that

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2       and come to you, assuming that, depending on  
3       what NIFA considers the deficit to be,  
4       whether or not they think \$60 million of  
5       borrowing next year is okay, then we will  
6       come to you.

7                   LEGISLATOR ABRAHAMS:   It will be  
8       within the next six months, not the next  
9       year?

10                  MR. NAUGHTON:   I will hedge to  
11       say some time between the next six months --  
12       before the June borrowing that it will be to  
13       you.

14                  LEGISLATOR ABRAHAMS:   I think I  
15       got into a lot of fee questions.   I don't  
16       think I have anything else at this time.

17                  CHAIRWOMAN GONSALVES:  Legislator  
18       DeRiggi-Whitton.

19                  LEGISLATOR DERIGGI-WHITTON:   Just  
20       getting back to the money we bonded for for  
21       the tax certs, are you saying that by the  
22       end of this year that that money will be  
23       depleted?

24                  MR. NAUGHTON:   No.   My statement  
25       is within a year.

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2                   LEGISLATOR DERIGGI-WHITTON:   By  
3   the beginning of next year?

4                   MR. NAUGHTON:   Within a year.

5                   LEGISLATOR DERIGGI-WHITTON:  
6   Within a year.   Is it possible that that  
7   funding is going to be for closing the GAAP  
8   deficit?

9                   MR. NAUGHTON:   No, it would  
10   actually increase the deficit.

11                   LEGISLATOR DERIGGI-WHITTON:  
12   Right.   But if we have it in our accounts  
13   receivable as money we received --

14                   MR. NAUGHTON:   We haven't  
15   received it.   It doesn't count -- for tax  
16   cert borrowing, it only counts as revenue as  
17   you spend it.

18                   LEGISLATOR DERIGGI-WHITTON:   So  
19   are we slowing that down to stop --

20                   MR. NAUGHTON:   No.

21                   LEGISLATOR DERIGGI-WHITTON:   Let  
22   me finish the question.   See, that's what I  
23   think we're doing.   I think we're using this  
24   money temporarily to help with our deficit.

25                   MR. NAUGHTON:   Not at all.

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2                   LEGISLATOR DERIGGI-WHITTON: Is  
3 NIFA currently counting it towards our GAAP  
4 deficit?

5                   MR. NAUGHTON: They are assuming  
6 we will spend the entire \$60 million.

7                   LEGISLATOR DERIGGI-WHITTON: So  
8 it does close the GAAP if we don't spend it  
9 by the end of the year, it reduces the debt.

10                  MS. D'ALLEVA: And we've  
11 addressed an action plan on August 1st to  
12 facilitate that GAAP deficit.

13                  LEGISLATOR DERIGGI-WHITTON: So,  
14 did the action plan include anything about  
15 paying off the tax certs or no? Or not  
16 paying off the tax certs, rather?

17                  MR. NAUGHTON: The action plan  
18 assumed that we will pay the \$60 million  
19 this year.

20                  LEGISLATOR DERIGGI-WHITTON: If  
21 you don't, then that would help with any  
22 deficit, GAAP deficit. I got it.

23                  Can I ask you a question going  
24 back to your proposed budget expenses. The  
25 debt service which is 12.6 percent now, do

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2     you know what it was last year?

3                   MS. D'ALLEVA:   Approximately the  
4     same.

5                   LEGISLATOR DERIGGI-WHITTON:  
6     Okay.   Hasn't changed much.   And just for  
7     your projection for the sales tax.

8                   So right now we're saying 38  
9     percent for 2017 from sales tax.   Do you  
10    know what we actually got for 2016?

11                  MS. D'ALLEVA:   Year to date we  
12    are at, with the last check we just  
13    received, which was yesterday, we are at a  
14    3.6 percent growth.

15                  LEGISLATOR DERIGGI-WHITTON:   So  
16    are we right around the 38 percent, do you  
17    know?   Or where were you for 2016?

18                  MS. D'ALLEVA:   It's approximately  
19    the same percentage.

20                  LEGISLATOR DERIGGI-WHITTON:   Is  
21    there another reconciliation check coming?

22                  MR. NAUGHTON:   Yes, there will be  
23    checks coming up through February.

24                  LEGISLATOR DERIGGI-WHITTON:   Do  
25    you expect the same growth for those?

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2                   MR. NAUGHTON:   We have  
3   conservatively assumed that we will finish  
4   the year with two percent growth.   As  
5   Roseann stated, currently you are at 3.6  
6   percent growth.   So if there is a slow down,  
7   we feel that we are still covered.

8                   LEGISLATOR DERIGGI-WHITTON:   For  
9   next year, we are putting in how much?

10                  MR. NAUGHTON:   1.4 percent.

11                  LEGISLATOR DERIGGI-WHITTON:   So  
12   we are at about two percent this year?

13                  MR. NAUGHTON:   That's what we're  
14   assuming.

15                  LEGISLATOR DERIGGI-WHITTON:   Next  
16   year we're supposed to get a number of  
17   police officers retiring.   Do you know about  
18   that?   That's like the final raise or  
19   something?

20                  MS. D'ALLEVA:   We are expecting  
21   135 officers to retire.

22                  LEGISLATOR DERIGGI-WHITTON:   Yet  
23   we are hiring additional police officers now  
24   for this security effort that we're talking  
25   about?



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2                   MS. D'ALLEVA:   We're assuming a  
3   small fall class and a class next year as  
4   well.

5                   LEGISLATOR DERIGGI-WHITTON:   So  
6   if we are going to be losing you said 134  
7   police officers with this whole project, how  
8   many do you think we are going to be hiring  
9   to replace them?

10                  MS. D'ALLEVA:   We are going to  
11   accommodate a staffing level of 2,500.

12                  LEGISLATOR DERIGGI-WHITTON:   So  
13   losing 135, we're going to be hiring right  
14   around 135?

15                  MS. D'ALLEVA:   More.

16                  MR. NAUGHTON:   More.

17                  LEGISLATOR DERIGGI-WHITTON:   150?

18                  MR. NAUGHTON:   The plan is to  
19   beef up the department too so they'll be at  
20   a level of 2,500.   I think we're about 2,400  
21   now.

22                  CHAIRWOMAN GONSALVES:   Yes, we're  
23   around 2,400.

24                  LEGISLATOR DERIGGI-WHITTON:   So  
25   after the police officers retire next year,

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2       how many more police officers do we have  
3       after we hire this year and the next year?

4                   MR. NAUGHTON:   At some point in  
5       next year you should be at 2,500.

6                   LEGISLATOR DERIGGI-WHITTON:   And  
7       right now we are at?

8                   MR. NAUGHTON:   Roughly 2,400.

9                   LEGISLATOR DERIGGI-WHITTON:   So  
10      we will have about a hundred more police  
11      officers than we have now?

12                  MR. NAUGHTON:   Correct.

13                  LEGISLATOR DERIGGI-WHITTON:   I  
14      think that's all I have for now.

15                  CHAIRWOMAN GONSALVES:   Any other  
16      legislators?   Legislator Bynoe.

17                  LEGISLATOR BYNOE:   Thank you.   I  
18      just have a question about the VLT income  
19      projected at \$3 million.

20                  I know at some point early on I  
21      asked some questions regarding if there was  
22      an agreement or anything that we could have  
23      that would document whatever the agreement  
24      was between the county and OTB.   Have we  
25      received anything or have we formalized an

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2       actual agreement?

3                   MR. NAUGHTON:   It's my  
4       understanding that the agreement with  
5       Genting was approved either yesterday or  
6       today.   I have not received a copy of it  
7       yet.   My understanding is OTB has finally  
8       been approved for that.

9                   LEGISLATOR BYNOE:   So this body  
10      will receive something regarding that, I  
11      guess, first thing tomorrow or soon after?

12                  MR. NAUGHTON:   I can't comment on  
13      that because I don't have it and I don't  
14      control that.

15                  CHAIRWOMAN GONSALVES:   Mr.  
16      Naughton, when you're able to do it, you're  
17      going to share it with this body, right?

18                  MR. NAUGHTON:   Yes.

19                  CHAIRWOMAN GONSALVES:   Thank you.

20                  LEGISLATOR BYNOE:   Will it also  
21      address the proposed income for VLTs in the  
22      out years, because from what I can see for  
23      2018, '19 and '20, there is considerable  
24      projected income, goes from 3 million up to  
25      19 million for 2018, \$25 million for the

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2       subsequent two years '19 and '20.

3                   MR. NAUGHTON:    Yes.

4                   LEGISLATOR BYNOE:   So I'm really  
5       interested to see how that plays out.

6                   MR. NAUGHTON:    Essentially what's  
7       happening is OTB is getting up front money  
8       for this, so that's how they are going to  
9       pay us the three million.

10                  As the facility gains the 1,000  
11       machines and opens, obviously their income  
12       goes up, our income goes up.

13                  LEGISLATOR BYNOE:   This agreement  
14       is supposed to be speak to all of that?  I  
15       guess I'll have to wait until tomorrow.

16                  MR. NAUGHTON:    Or when we get it.

17                  LEGISLATOR BYNOE:   Or the next  
18       day.   Okay.   Thank you.

19                  CHAIRWOMAN GONSALVES:   Any other  
20       questions for Mr. Naughton or Roseann?  
21       Legislator Rhoads.

22                  LEGISLATOR RHOADS:   Thank you,  
23       Madam Presiding Officer.   Mr. Naughton, I  
24       just wanted to follow-up with respect to a  
25       point, a point that you were making with

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2       respect to certiorari payments and  
3       assessments.

4                   Is it your testimony that the  
5       reason that there is a backlog in payment of  
6       money that's owed to taxpayers partially due  
7       to the delays in our being able to secure  
8       bonding approval, money to pay those?

9                   MR. NAUGHTON:    Yes.

10                  LEGISLATOR RHOADS:   So the reason  
11       that we've been slow in paying those \$60  
12       million is the fact that you weren't able to  
13       borrow the \$60 million while there was a  
14       three to four month delay since we couldn't  
15       get approval from some of our colleagues?

16                  MR. NAUGHTON:    That is correct.

17                  LEGISLATOR RHOADS:   Thank you.

18                  CHAIRWOMAN GONSALVES:   Go ahead  
19       and respond.

20                  LEGISLATOR ABRAHAMS:   I need to  
21       respond, make sure I understand what I just  
22       heard.   We gave the authorization to bond in  
23       what, March, February?

24                  MR. NAUGHTON:    No, it was later  
25       than that.

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2                   LEGISLATOR ABRAHAMS:   April.   And  
3   the reason we weren't able to -- you're  
4   saying, if I understand you correctly, the  
5   reason that we weren't able to pay off the  
6   tax certioraris was because we didn't bond  
7   earlier?

8                   MR. NAUGHTON:   Essentially it's a  
9   two part problem.   I need funding and I also  
10   need personnel to handle the situation.

11                   Our time to do work load wise was  
12   the spring.   That was the time for the  
13   treasurer's office to be able to get that  
14   out.   So if we had a commitment from this  
15   legislative body earlier, we would advance  
16   the money, paid the refunds then.

17                   However, because we had to wait  
18   until June, remember, we get approval from  
19   this body in April, approval from NIFA in  
20   May.   So now you issue the bonds in June.  
21   Now I have the money.

22                   Unfortunately, I have now  
23   dedicated my staff to work on disputed  
24   assessment fund, and collection of taxes.

25                   LEGISLATOR ABRAHAMS:   It made it

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2       sound like in the Q and A with Legislator  
3       Rhoads, that because of the Legislature's  
4       inaction, it was completely that.

5                   MR. NAUGHTON:   Yes, because if I  
6       had the approval earlier, I could have done  
7       it in the spring.

8                   LEGISLATOR ABRAHAMS:   Well, you  
9       had to approve earlier, but you also made  
10      decisions with different parts of your  
11      staff.

12                  MR. NAUGHTON:   There's one set of  
13      a group of people that can handle this.

14                  LEGISLATOR ABRAHAMS:   No.   What  
15      I'm saying is, how do we not know you would  
16      have made those decisions then if you had  
17      the bonding set in February.

18                  MR. NAUGHTON:   The treasurer's  
19      office has cyclical work.

20                  MS. D'ALLEVA:   As does the budget  
21      office.

22                  LEGISLATOR ABRAHAMS:   If I  
23      remember correctly, maybe I'm wrong, but if  
24      I remember correctly, I remember that when  
25      we were going back to January, you had

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2       specified, or the County Executive  
3       specified, that you needed this money  
4       immediately to start to pay out.

5                   MR. NAUGHTON:   Yes, because I  
6       would have had staff available in March to  
7       make the payments.

8                   LEGISLATOR ABRAHAMS:   But we are  
9       in October of 2016, almost six months after  
10      we gave the authorization to bond, and only  
11      12 million has been paid.

12                  MR. NAUGHTON:   No, roughly I  
13      believe the number is probably up to -- we  
14      probably paid about \$30 million so far this  
15      year.

16                  LEGISLATOR ABRAHAMS:   We've paid  
17      30 of the 60 that we bonded?

18                  MR. NAUGHTON:   About 20 of the  
19      60.

20                  LEGISLATOR ABRAHAMS:   20 or 30?

21                  MR. NAUGHTON:   20 of the 60; 30  
22      in total, including 10 million operating.

23                  LEGISLATOR ABRAHAMS:   So 20 of  
24      the 60 has been paid.

25                  MR. NAUGHTON:   Yes.   And,



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2       remember, this body required us to take out  
3       of order residential claims, that slows down  
4       the process.

5                   LEGISLATOR ABRAHAMS:   I'm just  
6       flabbergasted to a degree.   I don't  
7       understand where is the urgency?

8                   You made it sound like the place  
9       was burning down in January through March,  
10      and I understand you had to divert staff and  
11      put folks on different funds, but the bottom  
12      line is that that urgency doesn't seem to be  
13      real because it's October.   We thought that  
14      money would be gone by now.

15                  MR. NAUGHTON:   Had you given us  
16      the approval earlier, it would have been  
17      gone.

18                  LEGISLATOR ABRAHAMS:   Eric, I  
19      understand the had, but obviously there's  
20      people, the same people that was making this  
21      situation to you guys dire and urgent in  
22      January, February, March, did they go to  
23      wayside, did they disappear?

24                  It doesn't make any sense.   Still  
25      there and they still need the money, the

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2       same position you painted, a very grim you  
3       painted in March is still there.

4                   MR. NAUGHTON:   Legislator, if we  
5       go back two years when we got approval for  
6       \$125 million, the treasurer's office paid  
7       out \$80 million in one month in the month of  
8       December.   Why?   Because that was the time  
9       that they could get that type of work done.

10                  LEGISLATOR ABRAHAMS:   Maybe I'm  
11       asking this question, and I will wrap this  
12       up after this.   The situation that you  
13       painted in the early part of this year  
14       accurate and fair, and it was it truly grim  
15       and dark in terms of us being able to get  
16       this money to pay off these tax certs as  
17       quickly as possible?

18                  MR. NAUGHTON:   Had I had approval  
19       back in February, we would have paid out the  
20       money in the spring.

21                  LEGISLATOR ABRAHAMS:   That's not  
22       my question.   My question was, was the  
23       situation as grim and dark as the  
24       administration painted it when they  
25       specified that we needed to do this back in

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2       the first quarter of this year?

3                   MR. NAUGHTON:   You're using  
4       adjectives that --

5                   LEGISLATOR ABRAHAMS:   They're not  
6       my adjectives.   They're the County  
7       Executive's.

8                   MR. NAUGHTON:   I don't know if he  
9       used word grim or dark to you, so I'm not  
10      going to comment on that.

11                  LEGISLATOR ABRAHAMS:   Words to  
12      that effect.

13                  MR. NAUGHTON:   I think people can  
14      misinterpret things, so I'm not going to  
15      comment on that.

16                  LEGISLATOR ABRAHAMS:   If I  
17      remember correctly, and we can look up the  
18      record, I remember something to the effect  
19      that accounts were going to start to be  
20      frozen.   It was a very -- judgments were  
21      going to come, and how come we're not doing  
22      this, and catastrophic might have been an  
23      adjective that was used.   We will look up  
24      the record because I remember it vividly.

25                  MR. NAUGHTON:   And we were able

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2     to avoid that by having the County  
3     Attorney's Office, ARC meet with the tax  
4     cert bar explaining to them that we were  
5     working with your caucus to get something  
6     done. They decided to hold off on coming to  
7     us with judgments. Fortunately we did good  
8     negotiations because we had to manage the  
9     situation as far as our contingency plan.

10                   LEGISLATOR ABRAHAMS: I  
11     understand, but maybe the majority was told  
12     but we weren't told of the talks with the  
13     tax cert bar so we would have liked to have  
14     heard them because then maybe the situation  
15     wasn't as dark. We thought the world was  
16     coming to an end. So from our standpoint,  
17     we're glad to hear that it didn't. Thank  
18     you.

19                   LEGISLATOR NICOLELLO: Legislator  
20     Rhoads and then Legislator Solages.

21                   LEGISLATOR RHOADS: Whether or  
22     not a dire situation was painted, that  
23     dire situation certainly didn't force us  
24     to -- didn't result in us moving any quicker  
25     to get this approved.

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2                   But, Mr. Naughton, when does the  
3                   administration anticipate, if there is a  
4                   borrowing for tax certs for 2017, when do we  
5                   anticipate receiving the bond request?

6                   MR. NAUGHTON: Again, the  
7                   question was asked earlier, I would say it  
8                   would say it would be some time to get us  
9                   approved so we can go to market by June, so  
10                  the latest it would probably be is either  
11                  March or April of next year.

12                  LEGISLATOR RHOADS: I appreciate  
13                  that so I'm hoping that now that we know  
14                  there is an issue we won't have the same  
15                  delay.

16                  MR. NAUGHTON: I said that will  
17                  be the latest.

18                  CHAIRWOMAN GONSALVES: Legislator  
19                  Solages.

20                  LEGISLATOR SOLAGES: Good  
21                  evening. Thank you very much for being here  
22                  this late.

23                  You pointed to in your  
24                  presentation on page 13 of the booklet to  
25                  workforce management and how there has been

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2       allegedly a 16.9 decrease from 2009. I  
3       would like to know if there is any study by  
4       the administration or by any department  
5       where you look at the reduction in your  
6       workforce and where it has been; for  
7       example, an outside vendor that has taken on  
8       some of these services, such as an example,  
9       the County Attorney's Office, how you have  
10      reduced many positions for attorneys there  
11      and now the work is being handle by an  
12      outside counsel as a vendor.

13                   How do you re-quantify those  
14      savings?

15                   MR. NAUGHTON: I think especially  
16      in that issue we provided information before  
17      that has shown that the costs are probably  
18      less now for the County Attorney's Office  
19      than it was then.

20                   LEGISLATOR SOLAGES: But what  
21      true savings is it if we don't have these  
22      positions anymore and now with these outside  
23      counsel we are losing some of these cases  
24      and we have to go into executive session.

25                   How much of a true savings is

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2       there?

3                   MS. D'ALLEVA:   We can definitely  
4       provide you an analysis in terms of --  
5       between staffing and fringe benefit costs,  
6       related back to 2009 verse their DE  
7       contractual services cost which would be for  
8       outside counsel within the department of the  
9       County Attorney's Office, we can definitely  
10      show you there has been savings in that  
11      department alone.

12                  LEGISLATOR SOLAGES:   I understand  
13      that you can point to the lack of positions  
14      and what you save in terms of pension costs,  
15      but there has to be some analysis. Take for  
16      example other P3 contracts, NICE Bus, or  
17      with Armor and our correctional facility.

18                  How do you quantify savings when  
19      in essence another problems arises; decrease  
20      profits, fare box with our buses, or at the  
21      correctional facility, new litigation  
22      against the provider and the county?

23                  How can you really quantify these  
24      savings of other problems arise from these?

25                  MS. D'ALLEVA:   Well, at the

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2       correctional facility, I'm sorry, but,  
3       really, we were paying NHCC to provide  
4       health care for the inmates versus the Armor  
5       contract, which we currently have now, which  
6       that alone was a savings of \$7 million.  
7       Granted there are issues and we are  
8       re-RFPing the contract, but we anticipate  
9       similar savings.

10                   LEGISLATOR SOLAGES: I thank you  
11       very much for being here at this late hour.  
12       Mr. Naughton, do you want to add anything?

13                   MR. NAUGHTON: No. Nothing.

14                   LEGISLATOR SOLAGES: Thank you.

15                   CHAIRWOMAN GONSALVES: Very nice,  
16       Legislator Solages.

17                   Other questions for Eric or  
18       Roseann?

19                   (No verbal response.)

20                   MR. NAUGHTON: Thank you for your  
21       time.

22                   CHAIRWOMAN GONSALVES: Thank you  
23       for yours. And hopefully we will resolve  
24       this to the best we can do.

25                   Now, Department of Social



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2       Services, Dr. Imhof.

3                   DR. IMHOF:    Good evening,  
4       Majority Leader, John Imhof, Commissioner of  
5       Social Services.   On my left is Paul  
6       Broderick, our deputy commissioner and CFO,  
7       and on my right is Brendan Roche, our  
8       account executive for Social Services.

9                   Before I proceed, I wanted to ask  
10      you, we had also prepared a Power Point for  
11      your information.   This morning we had  
12      copies delivered to each of your offices.   I  
13      don't know if you had an opportunity to  
14      review them, but I just wanted to suggest in  
15      the interest of time, you wanted to get  
16      right to the questions or if you wanted us  
17      to go through the entire presentation.

18                  LEGISLATOR NICOLELLO:   Questions.

19                  CHAIRWOMAN GONSALVES:   In the  
20      interest of saving time, that would be the  
21      best way to go.   Who wants to ask a  
22      question?   Legislator Bynoe.

23                  LEGISLATOR BYNOE:    Thank you.

24                  Good evening.   I have a couple of  
25      different questions.   I know there has been

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2       a reduction in SNAP and also TANF. But  
3       we're actually experiencing an increase in  
4       childcare services.

5                   So that would support I guess an  
6       assumption that people are less reliant on  
7       the services provided through those programs  
8       because they're actually going to work?

9                   DR. IMHOF: Well, in terms of  
10      SNAP, the numbers are still very high. But  
11      because the federal government has now  
12      expanded the ability for more people to  
13      apply for SNAP. So it's still a very high  
14      volume with SNAP.

15                  With Safety Net and TANF, the  
16      numbers are beginning to decrease. And the  
17      childcare numbers are going up and  
18      continuing to rise because more people are  
19      able to be employed, the economy has  
20      improved, more people are working. The more  
21      people that can get back to work need more  
22      childcare.

23                  So, as a result of the increased  
24      employment, many of our residents in Suffolk  
25      County, we're getting more requests for

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2       chide care. That number is going up.

3                   Fortunately we don't have a  
4       waiting list, so we've been able to  
5       accommodate all the applications.

6                   LEGISLATOR BYNOE: All of the  
7       applications on the childcare?

8                   DR. IMHOF: Absolutely, yes. I  
9       have an additional question about the  
10      childcare services. Did you want to say  
11      something?

12                  MR. BRODERICK: Yes. The county,  
13      while it has gone up just to expand on what  
14      the commissioner just said, you do have the  
15      working poor, where people are under  
16      employed. So whether they're seeking  
17      employment or are marginally employed,  
18      they're still coming in seeking subsidies  
19      for daycare benefits.

20                  LEGISLATOR BYNOE: Okay. Good.  
21      What I've understood, and I have had some  
22      exposure to some of the residents my  
23      constituents who are attempting to access  
24      the childcare services. I'm understanding  
25      that there is a delay in the approval of

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2     those services. It could be up to 30 to 40  
3     days to be approved for the childcare  
4     services.

5                   I would think that if one is  
6     offered employment and would be in need of  
7     the services, that we would need that to  
8     turn around in a fast pace in order for  
9     people to be able to accept the employment  
10    and be able to go to work.

11                  So I know that even as late as  
12    today, I received a call from a constituent  
13    and they had been waiting 30 days and we in  
14    turn reached out, Susan Saxon is awesome,  
15    she was able to go back and pull the  
16    record. But we could confirm that it had  
17    been a long time in the process.

18                  So, my concern is that if people  
19    are applying for child care services and if  
20    we're not prepared to expedite and turn  
21    those requests around, I would think that  
22    most people would accept employment within  
23    seven to ten days or 14 days, probably  
24    maximum, they're not waiting a month to  
25    start a job.

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2                   DR. IMHOF:   What you're saying is  
3   very unusual for me to hear.   In my review  
4   of the childcare section, the employment  
5   section, we've been very rapid in turning  
6   around applications.

7                   There are requirements to be  
8   eligible childcare, and there may be, and  
9   I'm not saying this happened in the case you  
10   presented, but there may be instances where  
11   certain documents have not yet been provided  
12   yet to the department.

13                  But if you or any many of the  
14   Legislature has a constituent, you get a  
15   call that they feel they are not being taken  
16   care of immediately, we do want to hear  
17   about it, and we will address it.

18                  What you're saying is very  
19   unusual for me to hear.

20                  LEGISLATOR BYNOE:   Well, I can  
21   give you the name and I have the timeline  
22   right here on this document.

23                  But what is the goal for turning  
24   something around for childcare given the  
25   fact that we know that it's probably

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2       contingent -- taking the job is contingent  
3       upon having proper care for their children.  
4       What is the goal?

5                   MR. BRODERICK: I'll clarify that  
6       a little bit. There's one misnomer here  
7       because, as I explained earlier, if you have  
8       a situation, if someone is looking to be, if  
9       they're "employable" and they are seeking  
10      work, we give day care. So they're not  
11      actually working yet, but they are seeking  
12      going out doing job interviews, job  
13      readiness, prepare for resume preparation,  
14      and then they get a phone call for a job  
15      interview or an opportunity, so one  
16      situation would segue into the next.

17                  LEGISLATOR BYNOE: One second.  
18      It's just not my understanding that that's  
19      how it always works. In this particular  
20      case, this person was offered a job.

21                  MR. BRODERICK: She didn't have  
22      day care prior to getting that job?

23                  LEGISLATOR BYNOE: No, she did  
24      not. She got the job and she submitted a  
25      request for childcare. When she submitted

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2       the application, there was a form letter  
3       that was then sent to the childcare provider  
4       that said, we have received an application  
5       for childcare and, based on that, the  
6       childcare provider I believe took the child  
7       in and started providing services, but said,  
8       listen, if we don't get the approval by the  
9       end of this week, meaning Friday, that they  
10      were going to rescind the offer to provide  
11      the service on consignment, so to speak, and  
12      as a result, the person was concerned about  
13      being able to continue employment.

14                   I don't want to get totally into  
15      the specifics of this particular person.  
16      I'm asking now in a more general sense, what  
17      is the goal of your department in being able  
18      to turn around childcare services' request  
19      by application to your department for  
20      service?

21                   DR. IMHOF:   First, thank you for  
22      bringing that case to my attention.   I would  
23      like to look into it.   If you can provide  
24      the information to me later because this in  
25      fact if there was a delay on the part of

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2       social services I want to know about it and  
3       address it right away.

4                   In my experience with our staff,  
5       two to three weeks is the longest time  
6       people have to wait to get their child into  
7       day care. Sometimes they have to go through  
8       the Nassau County Childcare Council. Some  
9       day care centers in their areas are filled  
10      and they may have to go to another day care  
11      center.

12                  But, generally, two to three  
13      weeks assuming all the documents,  
14      verification, according to the state regs  
15      have been provided. We can't grant it until  
16      we get everything cleared.

17                  LEGISLATOR BYNOE: What I'm  
18      trying to help you see or what I can clearly  
19      see is that two to three weeks could  
20      potentially remove the opportunity from  
21      employment for someone who has been offered  
22      a job. They may not be able to accept the job.  
23      Employers typically aren't waiting two to  
24      three weeks for someone to line up  
25      childcare. Especially in, I would say, a



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2       first line job opportunity maybe in a fast  
3       food opportunity or retail store. Usually  
4       the employer's need is immediate and they  
5       want someone to come in and start working  
6       within seven to ten days.

7                   Is there an opportunity to try to  
8       shorten the time frame to which you are  
9       evaluating those applications?

10                  DR. IMHOF: We try to do it as  
11       quickly as possible.

12                  LEGISLATOR BYNOE: I think two to  
13       three weeks is too long.

14                  DR. IMHOF: Again, I don't know  
15       the specifics of this case. As I said, this  
16       is the first time I'm hearing this, I  
17       believe, it's been any delay in a person  
18       getting employment because they couldn't get  
19       childcare on time. So I will to look into  
20       it and see what happened.

21                  We've never had a problem with  
22       the two weeks, two and half weeks. If we  
23       can do it faster, we can. If people get  
24       their documents in -- there is a problem  
25       sometimes with documentation and

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2       verification of income, living arrangements,  
3       and things like that. But I do want to know  
4       about it.

5                   LEGISLATOR BYNOE: There was a  
6       comment from your department that says it  
7       takes typically 30 days. I think that's way  
8       too long.

9                   DR. IMHOF: I don't know who said  
10      that.

11                  LEGISLATOR BYNOE: I will give  
12      you the handwritten note.

13                  DR. IMHOF: Sure, of course.

14                  LEGISLATOR BYNOE: I have another  
15      question regarding child protective  
16      services.

17                  Can you tell me what was your  
18      request for staffing for that particular  
19      department?

20                  DR. IMHOF: Sure. We have a  
21      request in to ten case workers. It's been  
22      approved. We are waiting for the list from  
23      civil service department. We do not yet  
24      have the scoring list so we cannot yet  
25      proceed with the hiring.

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2                   The problem with -- and this is a  
3   problem in every county in the state, we can  
4   select a lot of new case workers but there  
5   is a very high drop out rate from the very  
6   beginning. So out of every 15 caseworkers,  
7   we end up losing perhaps five, six or seven  
8   case workers. They find out once they begin  
9   their work as a case worker they are not  
10   able to do it. They are not satisfied with  
11   the job or basically it's too difficult for  
12   them.

13                  So we need to maintain a current  
14   case load of our workers and make sure we  
15   have sufficient staff to address the  
16   emergencies.

17                  LEGISLATOR BYNOE: Can you give,  
18   me the exact number of what you requested  
19   for staffing? Not just for additional  
20   employment, additional staffing.

21                  MR. BRODERICK: Right now we have  
22   a head count in there of 197.

23                  LEGISLATOR BYNOE: In CPS?

24                  MR. BRODERICK: No. That's all  
25   across service. I don't have the breakout

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2       right in front of me.

3                   DR. IMHOF:    CPS, foster care,  
4       adoption.

5                   LEGISLATOR BYNOE:   Right now,  
6       from what I'm seeing in the budget book I  
7       reviewed, it shows there were 109 actual in  
8       your CPS department, that there was a  
9       request for 134, and it looks like it was an  
10      adoption of 125.

11                  So I'm seeing that there was a  
12      difference between what you actually  
13      requested and what has been approved for  
14      allocation or for appropriation for your  
15      department; specifically in your child  
16      protective services.

17                  DR. IMHOF:    There is a turn over  
18      problem that we. We have a turnover of new  
19      case workers. We also have the fact that  
20      caseworkers, after two years, are eligible  
21      to become probation officers. We just lost  
22      four of our case workers to the probation  
23      department.

24                  In the last five years, I would  
25      say close to 20 case workers that have taken

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2       a probation position which does pay a little  
3       higher salary.

4                   So we are constantly attuned to  
5       the changeover in staffing, asking for new  
6       staff, giving promotions as well to staff  
7       that are there currently.

8                   MR. BRODERICK: Specifically I  
9       believe your answer is, 30 additional heads  
10      were requested. We receive 23. Right now  
11      we're not -- we are below budget because  
12      we're waiting -- we have fully approved, we  
13      received full approval from the  
14      administration to hire additional case  
15      workers.

16                  As the commissioner had  
17      mentioned, we do hire plenty of case workers  
18      but the attrition rate is very high, it's  
19      extremely high. The time horizon to train  
20      these individuals, it's not just coming in  
21      and six months you hit the road. You have  
22      to go through state mandated training, and a  
23      lot of people don't cut it, essentially.

24                  So, right now we did receive  
25      approval to increase the head count. We

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2       have approval to fill the heads. We are  
3       waiting for appropriate candidates from the  
4       civil service commission.

5                   LEGISLATOR BYNOE: I just need to  
6       go back over this question, I'm sorry. I  
7       don't feel like you are actually hearing me.

8                   So, the request was for 134 and  
9       you got approved for 135?

10                  MR. BRODERICK: Correct.

11                  LEGISLATOR BYNOE: So that is  
12       less than what you requested?

13                  MR. BRODERICK: That's correct.

14                  LEGISLATOR BYNOE: So that was  
15       the first question. And now I want to lead  
16       into the next part of the question.

17                  Since you were not provided the  
18       level of staffing that you requested, do you  
19       still feel that you can provide the level of  
20       service that this department warrants in  
21       order to keep young people safe?

22                  MR. BRODERICK: Yes. Absolutely.

23                  LEGISLATOR BYNOE: Do feel that  
24       the safety and well being of young people  
25       who might be in compromising situations are

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2       actually in jeopardy because you are not  
3       being staffed as requested?

4                   DR. IMHOF:   No.   I don't believe  
5       that at all.   Also, in the last three years  
6       we have expanded a number of other types of  
7       children's services to provide protective  
8       barriers for children and their families.  
9       We have reduced a number of children  
10      referred to foster care from about 500 three  
11      years ago to about 250 currently.

12                  We added a new prevention unit  
13      that wraps itself around families that have  
14      been reported for CPS difficulties.   We are  
15      doing what we call blind removals now where  
16      we evaluate cases without any reference to  
17      cultural, ethnic situations that would, in  
18      the past, end up in a referral to foster  
19      care.   Close to percent reduction in  
20      referrals to foster care of minority  
21      population report to have CPS cases.

22                  I think that we are staffed very  
23      well.   I think we can always use more staff  
24      but we have been able to do the job.   We  
25      have protective programs.   We have a very

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2       skilled and effective and efficient staff  
3       and I think they're doing just an incredible  
4       job.

5                   LEGISLATOR BYNOE:    So although  
6       you asked for 134 and you're going to end up  
7       with 125, you are getting less than what you  
8       requested, you feel that your department  
9       will be well equipped and resourced to  
10      handle the needs of individuals who are in  
11      need of child protective services?

12                  DR. IMHOF:    Yes, I do.

13                  LEGISLATOR BYNOE:   Thank you.

14                  CHAIRWOMAN GONSALVES:   Legislator  
15      Solages.

16                  LEGISLATOR SOLAGES:   Thank you  
17      for being here.   My district includes Inwood  
18      which has the fastest growing Latino  
19      population in Nassau County, and also  
20      includes Elmont which has a sizeable  
21      Haitian, Haitian American population as well  
22      as a growing Pakistan population.

23                  Thank you very much for  
24      presenting your presentation.   On page 20  
25      you point to your various goals in hiring



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2       more individuals that can speak multiple  
3       languages.

4                   Where are you along those goals?

5                   DR. IMHOF:   On hiring?

6                   LEGISLATOR SOLAGES:   Bilingual  
7       employees.

8                   DR. IMHOF: We have a very high  
9       percentage of employees that are bilingual.  
10      I don't know the exact number but I believe  
11      our total workforce speaks about 30  
12      different languages. We have done a very  
13      high percentage of promotions as well for  
14      minority individuals. So I think we're well  
15      staffed in all areas of cultural and ethnic  
16      staff.

17                   LEGISLATOR SOLAGES:   And  
18      specifically how many speak Farsi or Haitian  
19      Creole?

20                   DR. IMHOF:   I don't have the  
21      number with me but I'll get that to you.

22                   MR. BRODERICK:   Legislator, just  
23      to expand on the answer, you had asked, we  
24      depend on civil service lists, and what they  
25      call like a case worker or social welfare

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2       examiner, the initial people coming in the  
3       door, they might be social welfare examiner  
4       or you have a social welfare examiner  
5       bilingual. So civil service establishes  
6       what bilingual is.

7                   Traditionally it is Spanish.  
8       That's where they establish the civil  
9       service list and the criteria.

10                  CHAIRWOMAN GONSALVES: Any other  
11       questions for Dr. Imhof? Legislator Curran.

12                  LEGISLATOR CURRAN: Very quickly.  
13       I see something called human services,  
14       transportation services.

15                  What is that and why has it gone  
16       down so dramatically and is it going to  
17       impact what it is that it is?

18                  MR. BRODERICK: Good question.  
19       Thank you for the question. Medicaid  
20       redesign, you must have heard that before  
21       coming from the state, as part of the  
22       state's initiative to assume some  
23       responsibilities from the counties, Nassau  
24       County, up until I believe it was July, was  
25       responsible for a Medicaid transportation

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2       coordination.

3                   So, for example, if you're an  
4       individual living at home and you're on  
5       Medicaid and needed to go to a doctor's  
6       appointment, you would call up our Nassau  
7       County DSS contractor who would arrange for  
8       your transportation to and from your visits.

9                   So they had coordinate between  
10      the recipient, the doctor, and the patient  
11      to take them to and from. The state assumes  
12      the responsibility so we shed that contract.

13                  We did, however, maintain a piece  
14      the funding there, and that was, if you  
15      recall last year, Governor Cuomo initiated  
16      Executive Order 151 in times of emergency or  
17      drastic temperature changes, freezing  
18      temperatures, that we would supply  
19      transportation to the indigent, whoever  
20      called our emergency night service.

21                  So, we are currently RFPing for a  
22      contract for a provider to provide those  
23      kinds of services as well as for our adult  
24      protective service population. If we have  
25      to transport an elderly individual from

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2       their home to court which happens quite  
3       frequently for guardianship, or any of or  
4       service divisions, if we need transportation  
5       component, we have that readily available.

6                   LEGISLATOR CURRAN:   And the rest  
7       was shed to the state?

8                   MR. BRODERICK:   Yes, that was for  
9       Medicaid Transportation.

10                  LEGISLATOR CURRAN:   Thank you.

11                  CHAIRWOMAN GONSALVES:   Any other  
12       legislators?

13                  (No verbal response.)

14                  Is there any public comment?

15                  (No verbal response.)

16                  Thank you very much, Dr. Imhof,  
17       Mr. Broderick.   I know the lateness of the  
18       hour.

19                  LEGISLATOR DUNNE:   I just want to  
20       say thank you for all your help you did with  
21       my constituents.   Your office has been  
22       phenomenal.

23                  DR. IMHOF:   Thank you.

24                  MR. BRODERICK:   Thank you.

25                  CHAIRWOMAN GONSALVES:   Human

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2       Services, Mr. Dolan.

3                   ACTING COMMISSIONER DOLAN:   James  
4       Dolan, acting commissioner, Department of  
5       Human Services. This is my director of  
6       fiscal services Brian Hall. I would be  
7       delighted to provide a little introduction  
8       or we can just jump into questions if you  
9       like.

10                  CHAIRWOMAN GONSALVES:   In the  
11       interest of saving time, and at the same  
12       time, the questions should give us a good  
13       idea of what your department is all about.  
14       Questions first. Who is going to answer,  
15       how many bilingual employees?

16                  ACTING COMMISSIONER DOLAN:   Well,  
17       we contract out for the preponderance of our  
18       operation. We contract with 124 different  
19       agencies for the delivery of services. We  
20       require those agencies to have culturally  
21       competent services which require they hire a  
22       range of different type of individuals based  
23       on their cultural identity or ability to  
24       speak foreign languages.

25                  CHAIRWOMAN GONSALVES:   There are

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2       several segments of population that human  
3       services deals with, that's youth services,  
4       services for the aging, mental health  
5       services, and of course the project meals on  
6       wheels.

7                   I'm going to begin with youth  
8       services do you feel that the level of  
9       funding for youth services in the proposed  
10      2017 budget is consistent with 2016?

11                  ACTING COMMISSIONER DOLAN:   Yes,  
12      it's a stand still budget and we're glad  
13      that that's the case and there should be no  
14      diminution of services for the youth.

15                  CHAIRWOMAN GONSALVES:   As far as  
16      the services for the aging, can we say the  
17      same thing, that the funding for the  
18      services in the proposed 2017 budget is  
19      consistent with 2016?

20                  ACTING COMMISSIONER DOLAN:  
21      Correct.   There will be no diminution of  
22      services for the aging as well.   That's the  
23      end of my questioning.   Anybody else?  
24      Legislator Dunne.

25                  LEGISLATOR DUNNE:   Jim, you do

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2       drug and alcohol, used to be?

3                   ACTING COMMISSIONER DOLAN:   Well,  
4       as Legislator Gonsalves said, the Department  
5       of Human Services is made up of the  
6       Department of Mental Health.   It has four  
7       divisions; Mental Health, Chemical  
8       Dependency, and Development Disabilities,  
9       Office of the Aging, Office For the  
10      Physically Challenged and the Office For  
11      Youth Services.

12                  My background is in mental  
13      health, chemical dependency, and  
14      developmental disability services.

15                  LEGISLATOR DUNNE:   You helped  
16      fund for Saint Bernards?

17                  ACTING COMMISSIONER DOLAN:  
18      That's right.   You and I were at Saint  
19      Bernards.

20                  LEGISLATOR DUNNE:   Excellent job.  
21      Every Tuesday they have a wonderful thing.  
22      Thank you for all your help.

23                  ACTING COMMISSIONER DOLAN:   Thank  
24      you.

25                  CHAIRWOMAN GONSALVES:   Minority

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2     Leader.

3                   LEGISLATOR ABRAHAMS:   How are  
4     you, gentlemen?   I just have a quick  
5     question.   I'm not too sure how familiar you  
6     are with this.   But there were some budget  
7     allocation money that was in the Roosevelt  
8     community for quite some time, then the  
9     money was -- one of the agencies that  
10    represented Roosevelt, I support Roosevelt,  
11    they are located at 55 Mansfield in  
12    Roosevelt, their money was pulled out.   They  
13    were defunded because of ability to voucher  
14    or claim -- they always left money on the  
15    county.   The county deemed them as not a  
16    well run fiscal program.

17                  Long story short, the county then  
18    chose to enter into a contract which is a  
19    choice for all which I'm in complete support  
20    of.   My understanding is that choice for all  
21    gets less money than what I support  
22    Roosevelt received.   So I'm trying to figure  
23    out what that difference is.   Would you  
24    gentlemen have that number?

25                  MR. HALL:   Well, I know we have



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2       Lidick House, a community center in  
3       Roosevelt.

4                   LEGISLATOR ABRAHAMS:   Lidick  
5       House, that's the parent to Choice For All?

6                   MR. HALL:   Right.   They're in  
7       there now.   We had done an RFP and we had  
8       picked them -- I think it was last year or  
9       the year before.   I'm not sure what the  
10      funding was, the prior one that was in  
11      there.

12                  LEGISLATOR ABRAHAMS:   Could you  
13      find out for me?

14                  MR. HALL:   Sure.   I can find out  
15      for you.   I think that was back in 2014 or  
16      '15 when you had that.   I would have to go  
17      back.   I don't have it in front of me.

18                  LEGISLATOR ABRAHAMS:   No.   That's  
19      quite all right.   If you can get back to  
20      Rob, he's the executive director in my  
21      office, I would appreciate it.

22                  MR. HALL:   No problem.

23                  LEGISLATOR ABRAHAMS:   Nothing  
24      else, Presiding Officer.

25                  CHAIRWOMAN GONSALVES:   Legislator

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2       DeRiggi-Whitton.

3                   LEGISLATOR DERIGGI-WHITTON:

4       Thank you.   Regarding the mental health and  
5       chemical dependency, I understand that you  
6       have you added some programs to help combat  
7       the opiate situation that we're all very  
8       much aware of.

9                   Can you just explain what new  
10      programs you have?

11                  MR. HALL:   We have a number of  
12      new initiatives and I meant to thank  
13      publicly Legislator Bynoe for her  
14      collaboration and actually a critical role  
15      that she has played in helping to bring to  
16      Nassau County the mental health first aid  
17      training which enables people in the general  
18      population to be better able to identify  
19      when one is struggling with a mental illness  
20      and help them understand what steps they can  
21      take to help remediate that situation.

22                  We have been also able to, with a  
23      close collaboration with the Nassau County  
24      PD, bring that training of seven times to  
25      the different classes held for the new

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2       Cadettes. So we are in an excellent  
3       situation where more and more police  
4       officers are better able to respond in a way  
5       that enables them to assess whether or not  
6       there is a mental illness that's a  
7       significant contributing factor as to why  
8       the police were called to the scene.

9                   I should add that we are now  
10       entering into a contract with one of our  
11       contract agencies that is going to be able  
12       to provide an increased amount of respite  
13       and crisis housing and psychiatric  
14       stabilization services to that clientele in  
15       a community setting.

16                  So we're offering the police this  
17       third option of not only a rest bring to the  
18       hospital, perhaps, but also a community  
19       based option.

20                  So when you marry those two ideas  
21       together that the police are better able to  
22       identify for mental illness, know about the  
23       sources of referral that can provide the  
24       follow-up services in the community and to  
25       be able to come through with that service in

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2     the community, that's one issue that I would  
3     like to always bring up because sometimes we  
4     look at chemical dependency issues, and  
5     don't recognize that it's a co-occurring  
6     condition.

7                   So, with regard to more specific  
8     to your question about other initiatives  
9     with regard to chemical dependency  
10    treatment, we have -- I should point out  
11    that we have -- what is going on for some  
12    time now, we have the Narcan training which  
13    is more available, even though that  
14    medication is over the counter, could be  
15    purchased over the counter, the fact that we  
16    provide that medication for free, there is  
17    still about 150 people coming to each of our  
18    training and we're rolling out those  
19    trainings a few times a month.

20                  We've established a Vivitrol  
21    treatment track in our opoid treatment  
22    program so that the patient can either be  
23    treated with Methadone, Suboxone, or with  
24    Vivitrol in our opoid treatment program.

25                  We've made it more known to our

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2    provider community about the availability of  
3    Vivitrol as a treatment option. It is  
4    really only just an option but a very  
5    option.

6                   LEGISLATOR DERIGGI-WHITTON: One  
7    quick question about that. As far as, if  
8    someone doesn't have insurance and if  
9    insurance doesn't cover, I hear it's an  
10   expensive drug, the Vivitrol. Do we  
11   subsidize that?

12                  MR. HALL: Yes. No one is ever  
13   denied services based on an inability to  
14   pay. Our opioid treatment program is funded  
15   also through deficit funding. So no one is  
16   ever denied services based on an inability  
17   to pay.

18                  LEGISLATOR DERIGGI-WHITTON: So  
19   you would do what, once a month  
20   administration of that drug?

21                  ACTING COMMISSIONER DOLAN: It's  
22   not only that, yes, obviously that's a  
23   critical component of the treatment plan.  
24   But what we know is that the people who are  
25   most successful on that course of treatment

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2       are individuals who are actively involved in  
3       counseling.

4                   Otherwise, if you lose that  
5       therapeutic alliance or if that's weakened,  
6       then the person tends to lose their interest  
7       in remaining involved in care.

8                   I would like to mention about the  
9       single point of entry services that we have  
10      in our county that sometimes we refer to  
11      them SPOEs or SPOAs, single point of access  
12      or single point of entry, services.

13                  What we put a great deal of  
14      emphasis is on making access to services  
15      simplified so that referral sources, family  
16      members or people struggling with the  
17      condition only have to know to call one  
18      number. Instead of having to navigate a  
19      maze of the social service system, or mental  
20      health system, they only need to call the  
21      227 talk number. It is available 24/7.

22                  We have licensed mental health  
23      practitioners answering that call 24/7 and,  
24      what happens in that situation is that the  
25      person calling that number gets objective

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2     input.    There is no bias as to where the  
3     person is get referred to for services.  
4     That 227 talk number works very closely with  
5     our mobile crisis team.  It's through that  
6     227 talk number that not only can you get  
7     information referral, coaching on how to  
8     navigate the service system or even crisis  
9     counseling over the phone, but you can get  
10    immediate access to mobile crisis services  
11    if you need someone to come to your house as  
12    well.

13                   We have a very close working  
14    relationship with the health homes in Nassau  
15    County as well.  Health homes in essence is  
16    about care management.  Making sure that the  
17    persons who are high users of medical  
18    services, people who are frequent attendees  
19    at emergency rooms or long stay patients in  
20    hospitals, that they have care management  
21    services made easily accessible to them so  
22    that they more so take advantages of the  
23    services in the community as opposed to  
24    always showing up in the emergency room.

25                   Again, what we've done is

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2       simplified for the community that you only  
3       need to go to one place in order to access  
4       care management.

5                   In New York City there is nine  
6       locations a person would have to go to or a  
7       referral source would have to go to.  
8       Suffolk County there are four points of  
9       entry into that case management system. So  
10      if one wanted to find out if their client  
11      had a case manager, it's very difficult to  
12      ascertain.

13                  In Nassau County, you only have  
14      to go to one point to get crisis services.  
15      You only have to go to one point for  
16      information referral. One point to get a  
17      case manager. The same applies to mental  
18      health housing. We're very proud of that  
19      effort and how it has again helped with  
20      mental health and chemical dependency.

21                  LEGISLATOR DERIGGI-WHITTON:

22      Thank you very much. And I'm not surprised  
23      about the impetus behind that other great  
24      achievement. So thank you.

25                  MR. HALL: I should also mention,



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2       and I know I'm babbling away more than  
3       anyone wants me to, but we are increasingly  
4       also expanding our presence in the specialty  
5       courts. These provide diversionary services  
6       for those who are involved with the criminal  
7       justice system due to untreated or  
8       undiagnosed behavioral health issues so  
9       we're increasingly expanding our presence in  
10      the mental health courts and the felony  
11      treatment court, misdemeanor drug court, and  
12      the DWI jail diversion program and we also  
13      have a presence in the veterans treatment  
14      court.

15                   LEGISLATOR DERIGGI-WHITTON: I  
16      appreciate your passion with this and Nassau  
17      County really needs it at this time and I'm  
18      really grateful to have you there.

19                   CHAIRWOMAN GONSALVES: Mr. Dolan,  
20      I know there is another service that is  
21      provide by Human Services and that's the  
22      Meals on Wheels program.

23                   Would you say that that program  
24      is being fully funded in 2017?

25                   ACTING COMMISSIONER DOLAN: Yes,

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2       we serve over 4,000 people per year with the  
3       Meals on Wheels, meals brought to people's  
4       homes. And we also have the Congregate  
5       Meals Program where we bring meals to the  
6       senior centers as well.

7                   CHAIRWOMAN GONSALVES: God bless  
8       you. Legislator Birnbaum.

9                   LEGISLATOR BIRNBAUM: I know part  
10      of your agency is the Office for the  
11      Physically Challenged, right? You give out  
12      the handicap parking permits.

13                  ACTING COMMISSIONER DOLAN:  
14      Correct.

15                  LEGISLATOR BIRNBAUM: Is there  
16      also a program to monitor parking in  
17      handicap parking spaces?

18                  ACTING COMMISSIONER DOLAN: Yes.  
19      Thank you for asking that. We have just  
20      recently hired, so to speak, ten volunteers  
21      that we have just recently trained, and,  
22      again, it's another coordinated effort that  
23      we're doing with the police department, that  
24      we are working in tandem with them to  
25      implement methodologies for when people are

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2       violating the law in that regard. We just  
3       hired those volunteers within the past  
4       month.

5                   LEGISLATOR BIRNBAUM: And they  
6       have ticketing capacity?

7                   ACTING COMMISSIONER DOLAN:  
8       Actually, they take pictures of it, photos  
9       of it, and then they turn it into the police  
10      and the police ticket the vendors.

11                  LEGISLATOR BIRNBAUM: Got it.  
12      Thank you.

13                  CHAIRWOMAN GONSALVES: Mr. Dolan,  
14      the volunteer program regarding the  
15      violators of the parking in handicapped  
16      parking, that has been going on for a while.  
17      Would you say it's been successful?

18                  ACTING COMMISSIONER DOLAN: It's  
19      been a great success and we're kind of  
20      rejuvenating it very recently.

21                  CHAIRWOMAN GONSALVES: I have no  
22      other questions. Any other questions from  
23      the legislators?

24                  (No verbal response.)

25                  Is there any public comment?

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2                   (No verbal response.)

3                   There being none, thank you, Mr.  
4   Dolan, Mr. Hall. Never expected it to be  
5   this late, so thank you again.

6                   TLC, before I call TLC up, I  
7   would like to note for the record that  
8   Traffic and Parking Violations Agency TPVA  
9   was here earlier and many of the legislators  
10   had an opportunity to speak directly to  
11   Judge Marks and hopefully the questions that  
12   they had were answered satisfactorily. So  
13   they will not be presenting tonight.

14                  I trust your discretion,  
15   Presiding Officer, but we have a sitting  
16   elected official, Comptroller Maragos,  
17   waiting.

18                  COMMISSIONER MAY: I have a brief  
19   36 slide presentation to go through. That's  
20   clearly not true. I closed this down.  
21   Everyone is laughing. Got to break the ice  
22   somehow.

23                  CHAIRWOMAN GONSALVES: Beginning  
24   with questions like the past two presenters,  
25   we will carry on in that tradition and go

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2       ahead and ask Mr. May and whomever is with  
3       you.

4                   COMMISSIONER MAY:   This is Mr.  
5       Robert Bedford, the Deputy County Attorney  
6       assigned to my office.

7                   CHAIRWOMAN GONSALVES:   All right.  
8       You may want to ask him questions.   I  
9       believe Legislator Nicoletto wanted to  
10      start.

11                  LEGISLATOR NICOLELLO:   Can you  
12      just briefly give us an idea as to the  
13      amount of fines you are collecting, the  
14      status of that?

15                  COMMISSIONER MAY:   We have  
16      collected about \$450,000 in fines to date  
17      this year.

18                  The Taxi and Limousine  
19      Commission, when it was under the office of  
20      Consumer Affairs, and I just want to briefly  
21      thank Commissioner Farley and her staff, we  
22      built our department based on the structure  
23      that they had in their department.

24                  Obviously my department was  
25      broken off of theirs back in the end of 2014

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2       at this point. I would be remiss in not  
3       thanking them.

4                   They averaged about 300, 330  
5       violations a year. This year we have seven  
6       CSEA staff members, investigators working  
7       for us. We have been able to increase that  
8       number of violations to over 3,100 since  
9       really May. And we have collected about  
10      \$450,000 in fines.

11                  LEGISLATOR NICOLELLO: Good job.

12                  COMMISSIONER MAY: It's \$450,000  
13      in fines so far. Over 3,100 violations  
14      issued since the beginning of the year but  
15      the investigators hadn't been on full time  
16      until April and even then it was still in a  
17      training period so the bulk of the  
18      violations issued really started in May of  
19      this year.

20                  So for the last five months or so  
21      we have been able to pull in about 3,100  
22      violations and the money that we've pulled  
23      in so far is not representative of that  
24      total. If anybody who is issued a violation  
25      wants to settle or if they've settled, we

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2       tend to give them some period of time to  
3       pay.

4                   So there's somewhat of a lag for  
5       some of the violations. So it's probably  
6       more than \$450,000 in the pipe.

7                   CHAIRWOMAN GONSALVES: Legislator  
8       DeRiggi-Whitton.

9                   LEGISLATOR DERIGGI-WHITTON: Can  
10      you just tell me where we are in Nassau  
11      County with Uber; is it legal or not?

12                  COMMISSIONER MAY: Uber is not  
13      currently operating legally in Nassau  
14      County. Typically if we see a Uber vehicle  
15      it is operating utilizing its New York city  
16      license and registration which is obviously  
17      not valid in Nassau County for point to  
18      point operation.

19                  Under state law with reciprocity,  
20      they can do a one point pick up or drop off  
21      in Nassau County with their New York City  
22      registration. In other words, they can pick  
23      up in Nassau County and leave typically to  
24      go back to New York City or, if for some  
25      reason, you wanted to spend a lot of money,

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2       you can take an Uber from Times Square, to  
3       your house in Nassau County.

4                   They would not then be able to  
5       operate point to point within the county on  
6       their New York City license and  
7       registration.

8                   LEGISLATOR DERIGGI-WHITTON:   Have  
9       you had many instances where you have had to  
10      fine Uber drivers, like do you find that  
11      they're operating here?

12                  COMMISSIONER MAY:   They're  
13      absolutely operating here.   Yes.

14                  LEGISLATOR DERIGGI-WHITTON:  
15      That's what I wanted to know.

16                  LEGISLATOR GAYLOR:   A question,  
17      if I may, Madam Presiding Officer.

18                  CHAIRWOMAN GONSALVES:   Legislator  
19      Gaylor.

20                  LEGISLATOR GAYLOR:   So let's  
21      focus on Uber because there's a large  
22      increase in the number of Uber operators in  
23      my district, either point to point because  
24      we're close to the Queens border and they're  
25      coming over, what specific actions are your



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2       investigators taking to combat this until  
3       such time when Uber may become legal in the  
4       future?

5                   I'm not seeing investigators  
6       anywhere around in my area checking  
7       vehicles.

8                   COMMISSIONER MAY: I hate to  
9       discuss the strategies we have for  
10      enforcement in a public setting like this.  
11      I don't want to give away the store, as it  
12      were.

13                  However, I do know there has been  
14      some issues with the south shore and I'm  
15      happy to adjust my resources accordingly to  
16      deal with the issues down in your district.

17                  LEGISLATOR GAYLOR: Let me maybe  
18      rephrase the question. How much in the  
19      revenue from fines has the TLC captured  
20      directly attributable to Uber?

21                  COMMISSIONER MAY: We don't break  
22      it out based on whether or not someone is an  
23      Uber operator. I can take a look at the  
24      data that we have and see if I can give you  
25      a more accurate number.

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2                   But it's not like we are keeping  
3           a score sheet or that I have a list up on my  
4           wall of the number of Uber drivers that we  
5           hit. It's just anybody who is operating in  
6           an illegal for hire vehicle in Nassau County  
7           is the target of our investigation and our  
8           violations.

9                   LEGISLATOR GAYLOR:    So Uber might  
10          not be a problem at all then?

11                  COMMISSIONER MAY:    No. We know  
12          that they are. But we also know that there  
13          are -- depending on where you are, we have  
14          had issues in the Massapequa around Sunrise  
15          Mall where we see vandi-cabs operating out  
16          of Suffolk County.

17                  When we started doing this last  
18          year we had stopped one car. It was a stray  
19          plate which is -- you know, the license  
20          plates that you have on your car, sort of  
21          the term of the industry is stray plate.  
22          The vehicle was a Toyota Prius. The driver  
23          told us he was operating rides from Suffolk  
24          County to Sunrise Mall for about \$5 and the  
25          company that owned the car did have some

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2       registered cars with us, but they were  
3       acting as the gentleman's loan officer and  
4       he was paying off his car at \$5 a clip.

5                   So, you know, it just depends on  
6       where we are and what kind of for hire  
7       vehicle or illegal for hire vehicle  
8       operations we see going on.

9                   I certainly understand what  
10      you're saying, and we have heard some  
11      complaints in your neck of the woods and I'd  
12      be happy to address my resources.

13                  LEGISLATOR GAYLOR:   One last  
14      question.   Has the number of investigators  
15      increased in the 2017 budget from '16?

16                  COMMISSIONER MAY:    No.   The  
17      number of investigators in the budget was  
18      eight.   We have seven currently.   The head  
19      count remains the same and certainly be  
20      looking forward to fill that.

21                  LEGISLATOR GAYLOR:   Thank you.

22                  CHAIRWOMAN GONSALVES:   Legislator  
23      Bynoe.

24                  LEGISLATOR BYNOE:    So the  
25      transportation network companies like Uber,

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2       Lift and the like, I know there is a fee  
3       that is proposed that will possibly grow, I  
4       guess the revenue for your department?

5                   COMMISSIONER MAY:   Possibly.

6                   LEGISLATOR BYNOE:   If we were to  
7       engage -- let me back up.   How long is that  
8       actual law been under review with the County  
9       Attorney's Office?

10                  COMMISSIONER MAY:   It was only  
11       recently submitted to the County Attorney's  
12       Office for review.

13                  LEGISLATOR BYNOE:   Is there any  
14       estimation as to when you might receive  
15       word?

16                  COMMISSIONER MAY:   I would not  
17       presume to say when the County Attorney  
18       would be able to give me a response on the  
19       request.

20                  It is certainly a complicated  
21       issue.   It involves state law and local  
22       regulations, not just at the Nassau County  
23       level but at the town, city, and village  
24       level.   It is a very complicated issue that  
25       we are looking to work through.

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2                   LEGISLATOR BYNOE:   If this law  
3   were to pass muster with the County  
4   Attorney's Office, this law would actually  
5   allow for them to do the inter-county?

6                   COMMISSIONER MAY:   It's possible.  
7   It would depend on what we are actually  
8   allowed to do.   Assuming the County Attorney  
9   said we could do it and that is a big  
10   assumption at this point, we would still  
11   have to analyze how they would operate  
12   vis-à-vis the rules and regulations of the  
13   towns, cities, and villages.

14                  Even if we were given authority  
15   to regulate the T and Cs through any office,  
16   we would still have to promulgate rules and  
17   regulations that would go to the Taxi and  
18   Limousine Board which, as you know, is  
19   composed of members of the riding public,  
20   industry stake holders, village  
21   representatives.

22                  So, anything that we do, if we  
23   were able to do it, and, again, that is a  
24   big if, is still a way off.

25                  LEGISLATOR BYNOE:   Thank you.

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2                   LEGISLATOR SOLAGES:   Just one  
3   last question.   Assuming that big if, how  
4   much revenue can we possibly gain if Uber  
5   were allowed to do business?

6                   COMMISSIONER MAY:   I would not  
7   speculate.   I wold not speculate at all,  
8   legislator.   If I wanted to speculate about  
9   revenue, I would like to speculate about the  
10   revenue that my investigators have been  
11   bringing in based on year to day totals.

12                   Like I said, they really got  
13   going in May.   We had 200 and something  
14   violations issued in April.   Honestly a  
15   handful were issued in March, February and  
16   January.   We still have all of October,  
17   November, December to go if my investigators  
18   doubled the number of violations that have  
19   been issued year to date which I think is  
20   entirely possible, we can increase the  
21   number that I mentioned to Legislator  
22   Nicolello, \$450,000, I would like to  
23   speculate that could hit a million dollars  
24   by next year.

25                   LEGISLATOR SOLAGES:   Mr. May, I

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2       would like to thank you for your hard work  
3       as commissioner of the TLC. Thank you.

4                   COMMISSIONER MAY: Thank you,  
5       legislator, I appreciate that.

6                   LEGISLATOR CURRAN: Just very  
7       briefly. Commissioner May and Bob Bedford  
8       came to Baldwin High School. They reached  
9       out -- I don't know if they reached out to  
10      all the legislators around prom season, so I  
11      invited them to come to a meeting at Baldwin  
12      High School with all the parents. All the  
13      parents and kids had to go if they wanted to  
14      go to the prom they had to go to this  
15      meeting.

16                  Anyway, they were really  
17      entertaining and funny and gave a lot of  
18      really good information that people could  
19      use. So I would encourage everyone to avail  
20      them themselves of this opportunity come  
21      prom season.

22                  COMMISSIONER MAY: Thank you,  
23      legislator, I appreciate that.

24                  CHAIRWOMAN GONSALVES: There  
25      being no other questions, thank you, Mr.

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2       May, thank you, Bob.

3                   COMMISSIONER MAY:   Thank you very  
4       much.   I appreciate the opportunity to  
5       address the body.

6                   CHAIRWOMAN GONSALVES:   Enjoy the  
7       rest of the evening, whatever is left.  
8       Thank you again.

9                   I have to indicate that  
10      Comptroller Maragos was here earlier but he  
11      had to leave and, under the circumstances,  
12      we felt that we should move the process  
13      along and so unfortunately we've saved you  
14      for the last of the presenters tonight, only  
15      because there was a change in your schedule,  
16      and then of course we changed ours to  
17      accommodate.

18                  So, thank you, Mr. Maragos, for  
19      coming back to us and presenting the  
20      Comptroller's report on the budget.

21                  COMPTROLLER MARAGOS:   Good  
22      evening.

23                  CHAIRWOMAN GONSALVES:   Good  
24      evening, Comptroller Maragos.   You're with  
25      who?



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2                   COMPTROLLER MARAGOS: To my  
3 immediate right is Lisa Tsikouras, director  
4 of accounting in the comptroller's office.  
5 To her right is Mayor Jim Garner, my chief  
6 deputy comptroller.

7                   CHAIRWOMAN GONSALVES: Again, are  
8 we going to do this, follow what we've done  
9 earlier and just ask questions?

10                  I think we should unless you want  
11 to give us an overview of what you see as  
12 the budget.

13                  COMPTROLLER MARAGOS: I would  
14 like to do that. It would be about two or  
15 three minutes.

16                  CHAIRWOMAN GONSALVES: It's your  
17 call.

18                  COMPTROLLER MARAGOS: Thank you.  
19 First of all, let me apologize for having to  
20 step out. I had a prior commitment.

21                  Thank you for accommodating me.  
22 I feel that my short absence was worth while  
23 in helping this budget because I feel like,  
24 I think I probably got a red light ticket  
25 coming back.

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2                   This is our analysis of the  
3       proposed 2017 budget. The administration  
4       has proposed a nearly \$3 billion budget for  
5       2017. The budget increases spending by 3.2  
6       percent primarily due to a 4.4 percent  
7       increase in budgeted employee salaries and  
8       benefits, an increase in debt service costs  
9       of 25.6 million.

10                  In order to offset these higher  
11       costs and achieve budgetary balance, the  
12       administration proposing raising  
13       approximately \$88 million in revenues from  
14       new fees, increasing existing fees, and  
15       utilizing \$15 million from prior year fund  
16       balance.

17                  Due to the risks associated with  
18       Legislative approval and the proposed  
19       increases in fees, fines and borrowing, the  
20       Comptroller's Office estimates that the  
21       proposed 2017 budget contains a budgetary  
22       risk of \$114 million.

23                  A potential \$134 million deficit  
24       on a GAAP basis, and a possible \$194 million  
25       deficit using presentations described by

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2       NIFA.

3                   Even if 100 percent of all new  
4       fees and fines are legislative and  
5       collected, the NIFA presentation deficit  
6       would still be projected at \$143.8 million  
7       well above its mandate of no more than \$60  
8       million.

9                   This result would be due to other  
10      revenues and expense risks such as those of  
11      sales tax, Income Tax Expense Law, OTB  
12      profits, unfunded judgements and  
13      settlements, used fund balance, and used up  
14      borrowing to pay for property tax refunds.

15                  The long term debt of the county  
16      is projected to edge higher by \$50 million,  
17      approaching \$3.7 billion.

18                  The deferred pension liability is  
19      projected to grow to \$236 million. The  
20      property tax refund liability is estimated  
21      to increase to \$341 million and the utility  
22      and liability could be as high as \$345  
23      million.

24                  Should the budgetary deficit  
25      materialize, the county unreserved fund

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2       balance would be nearly eliminated.

3                   The county's ending fund balance  
4       is projected to decline to \$16.3 million and  
5       the unreserved fund balance as per county  
6       policy of at least four percent of prior  
7       year expenditures including the PDD may  
8       decline to nearly zero, at one point \$6  
9       million at the end of 2017.

10                  Finally, the county sewer system  
11       continues to be under funded. The 2017  
12       proposed budget includes \$23 million of  
13       appropriated fund balance, thereby depleting  
14       the remaining fund balance in the fund.

15                  We expect that the county will  
16       face difficult choices in 2017 and beyond,  
17       as structural costs continue to climb and  
18       new revenue sources prove more challenging  
19       to find.

20                  We urge our re-thinking of  
21       government to put the county back on a  
22       stronger financial footing.

23                  I'm happy to take your questions.

24                  CHAIRWOMAN GONSALVES: Who wants  
25       to be first up? Any questions? Legislator

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2       Curran.

3                   LEGISLATOR CURRAN:    Hi.    I'm  
4       looking at your report on page three  
5       Exhibit-1.   Under revenues I see a risk, we  
6       were talking about this before, the \$60  
7       million for tax certs, but then it's also an  
8       opportunity under expenses.   That seems  
9       contradictory.

10                  MS. TSIKOURAS:   It's purely  
11       presentation.   Normally when the borrowing  
12       comes in, it's in the capital funds not in  
13       the operating funds.   So we chose to show  
14       that this would be risk.   You wouldn't bring  
15       \$60 million into the operating funds, and  
16       you wouldn't be paying \$60 million out of  
17       tax certs out of the operating fund.   You  
18       would be paying them out of the capital  
19       fund, if the borrowing is achieved.

20                  We did show \$60 million as an  
21       adjustment to the NIFA presentation so that  
22       it's in there assuming that the borrowing is  
23       paid out.   The \$60 million.

24                  LEGISLATOR CURRAN:   I didn't  
25       quite get that.   Could you explain that

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2       again?

3                   MS. TSIKOURAS:    Sure.

4                   COMPTROLLER MARAGOS:   Let me try  
5       in simpler language.   It's basically the  
6       risk that's taken us as a debit and a credit  
7       but at the end it's zeroed out, given the  
8       risk just to -- for accounting purposes to  
9       show that we have not overlooked that  
10      potential expenditure.

11                  LEGISLATOR CURRAN:   That makes  
12      sense.   Thank you.

13                  CHAIRWOMAN GONSALVES:   I'm going  
14      to ask a question.   It's not related to your  
15      comments before.   But you said that we  
16      received a copy of your budget report.

17                  COMPTROLLER MARAGOS:   Yes, it was  
18      mailed to all the legislators late this  
19      morning.

20                  CHAIRWOMAN GONSALVES:   I'm  
21      looking.   If it was emailed I would have  
22      been able to get it and I don't have a copy  
23      of it.

24                  COMPTROLLER MARAGOS:   Did anybody  
25      get it?

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2                   LEGISLATOR GAYLOR: I received a  
3 copy around 1 o'clock today while in the  
4 Legislature.

5                   CHAIRWOMAN GONSALVES: Okay, 1  
6 o'clock today.

7                   LEGISLATOR GAYLOR: Came by  
8 email. But if you have a hard copy can you  
9 provide it to us right now?

10                  COMPTROLLER MARAGOS: I'm happy  
11 to give you my copy, yes.

12                  CHAIRWOMAN GONSALVES: That's  
13 okay. I will reproduce it. But the idea is  
14 that at 1 o'clock this afternoon, we were  
15 sitting here doing the committee reports.  
16 So we had no opportunity to bring the  
17 document up. So I guess we'll have to do it  
18 when we leave here tonight.

19                  COMPTROLLER MARAGOS: Okay. I  
20 apologize about that.

21                  CHAIRWOMAN GONSALVES: Legislator  
22 Curran, go ahead.

23                  LEGISLATOR CURRAN: So also  
24 Exhibit-1, under fines and forfeitures,  
25 public safety fee. You have \$48.3 million,

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2       but according to the administration it's  
3       \$64.4 million. I'm wondering where you got  
4       your number from?

5                   COMPTROLLER MARAGOS: We did not  
6       risk the full amount. Actually we assumed  
7       that all the fee increases, we were kind of  
8       generous would be approved. Only 25 percent  
9       of the new fees of the public safety fees  
10      would be approved.

11                  I understand that the legislative  
12      budget office and NIFA has risked those  
13      total amounts.

14                  LEGISLATOR CURRAN: Right. They  
15      put it at 64. Yours is maybe --

16                  COMPTROLLER MARAGOS: We gave  
17      them the fee increases but risked 75  
18      percent.

19                  LEGISLATOR CURRAN: Is there a  
20      particular kind of fee that you took out of  
21      that?

22                  COMPTROLLER MARAGOS: The public  
23      safety fees, we assumed that at least 25  
24      percent would be legislated and/or  
25      collected.



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2                   LEGISLATOR CURRAN:    Okay.

3                   CHAIRWOMAN GONSALVES:   Minority  
4   Leader.

5                   LEGISLATOR ABRAHAMS:   Thank you,  
6   Madam Presiding Officer.   How are you,  
7   Comptroller Maragos.   I don't know if you  
8   were here or maybe you heard or Mayor Garner  
9   had a chance to hear, there was some back  
10   and forth about the paying of tax  
11   certioraris and the back log and what we  
12   were able to gather today, it looks like  
13   according to the NIF system, the county has  
14   paid approximately \$20 million of the \$60  
15   million that was borrowed earlier this year.

16                  COMPTROLLER MARAGOS:   We show 15  
17   paid out.

18                  LEGISLATOR ABRAHAMS:   I guess  
19   what I'm driving at is, by your estimations,  
20   are those calculations correct, and when do  
21   you envision the county spending down the  
22   entire \$60 million?

23                  COMPTROLLER MARAGOS:   We were  
24   told and we expect that the full \$60 million  
25   will be paid out by the end of the year.

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2                   LEGISLATOR ABRAHAMS: By the end  
3 of this year?

4                   COMPTROLLER MARAGOS: Yes.

5                   LEGISLATOR ABRAHAMS: I guess,  
6 and I'm listening to counsel, we're going to  
7 have to pick up the pace to pay down the  
8 rest of the 40.

9                   Have they given you some time of  
10 projection monthly? Are they going to spend  
11 like \$15 million a month?

12                  MS. TSIKOURAS: It was our  
13 understanding prior to tonight that the \$60  
14 million was going to be paid this year.

15                  However, we do an analysis at the  
16 end of the year as part of our year end  
17 review where we will look at what is  
18 actually due and payable and what resides in  
19 the treasurer's office.

20                  So, even if it is not paid out,  
21 if it is accruable, then we would record an  
22 expenditure at the end of the year and that  
23 expense would appear as a payment, in other  
24 words, it becomes an expense of the year,  
25 but we won't know that until the end of the

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2       year.

3                   LEGISLATOR ABRAHAMS:     Just to  
4       remind folks, maybe you haven't had a chance  
5       to, when we were going through the back and  
6       forth, what we're talking about is, when we  
7       thought the liability was going to be paid  
8       out.

9                   I don't know if you remember  
10      earlier this year, it was at least presented  
11      to us that we had to bond for the tax  
12      certiorari as we quickly as possible or the  
13      county was facing very grim dark practices,  
14      accounts were going to get frozen.

15                  So I just want to make sure.   And  
16      that was our understanding that was  
17      presented to us.   But I just want to make  
18      sure from your standpoint, when do we  
19      envision the pay down to be complete?   Just  
20      for the bonding.

21                  COMPTROLLER MARAGOS:   Right.   We  
22      have not been given an indication, a clear  
23      indication of when that would happen.

24                  Again, we would expect that it  
25      will be paid, but as the director indicated,

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2       even if it's not paid, if it's a judgement  
3       it will be accrued as a liability, as a  
4       paydown, whether it's actually paid or not.

5                   I think some of the legislators  
6       here were at a recent meeting with NIFA  
7       where it was further expressed by the County  
8       Executive that because of this other NIFA  
9       mandate to come at least than \$80 million  
10      deficit on a NIFA presentation basis, there  
11      may be some consideration as to the payment  
12      schedule for the property tax refund  
13      liabilities.

14                  LEGISLATOR ABRAHAMS:   That's what  
15      we're thinking, that they're just not being  
16      paid.

17                  COMPTROLLER MARAGOS:   But it  
18      really doesn't matter whether it's actually  
19      paid or not.  If it's a liability we will  
20      accrue it and essentially show it as  
21      payment.

22                  LEGISLATOR ABRAHAMS:   How does  
23      that apply to the GAAP deficit?

24                  COMPTROLLER MARAGOS:   It doesn't.  
25      It has no effect.

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2                   LEGISLATOR ABRAHAMS: It doesn't  
3 effect it even if it's not paid?

4                   COMPTROLLER MARAGOS: If it's due  
5 and payable, then we will accrue it as if  
6 it's paid.

7                   LEGISLATOR ABRAHAMS: The thing  
8 is, our finance people are saying, if we  
9 don't pay it, does it count towards the GAAP  
10 deficit?

11                  COMPTROLLER MARAGOS: If it's due  
12 and payable then it has to be accrued and it  
13 counts, whether the check is written or not.

14                  LEGISLATOR ABRAHAMS: I think,  
15 Mr. Maragos, what we are talking about up  
16 here is that based off the NIFA meeting that  
17 we all attended a couple of weeks ago, if  
18 you pay it with capital funds, it goes  
19 against your GAAP deficit.

20                  MS. TSIKOURAS: You are talking  
21 about the NIFA presentation, the NIFA GAAP?

22                  LEGISLATOR ABRAHAMS: Yes.

23                  MS. TSIKOURAS: Okay. If the  
24 money is borrowed but not spent, it would  
25 not be an adjustment to get to NIFA

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2       presentation.   If the money is spent, then  
3       it will be.

4                   However, again, if we accrue that  
5       expenditure because based on our analysis of  
6       the settlements, the judgments and  
7       settlements that are in the treasurer's  
8       office at the year end, if we determine that  
9       those are due and payable, then we will  
10      accrue an expense which will affect the NIFA  
11      GAAP.   But we won't know that until the end  
12      of the year.

13                  LEGISLATOR ABRAHAMMS: We were told  
14      in November 2015 that 85.3 was ready to be  
15      up.   Did they ever accrue that expense?

16                  MS. TSIKOURAS:   What we did was,  
17      at the end of the year, 2015, I'm not sure,  
18      I think I brought 2015 with me, we did  
19      accrue an additional \$12 million of expense  
20      for items that were due and payable, but in  
21      the capital fund, for items that were due  
22      and payable that had not yet been paid as of  
23      year end.   I don't think I have the 15  
24      numbers with me.

25                  LEGISLATOR ABRAHAMMS:   I just want

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2       to quickly dive into, Comptroller Maragos,  
3       if you are prepared to do it tonight, some  
4       of the P3s. Are you able to that?

5                   COMPTROLLER MARAGOS: That would  
6       be the outside the scope of the budget  
7       presentation tonight.

8                   LEGISLATOR ABRAHAMS: To me, it's  
9       all budget because it's tied to numbers and  
10      savings and everything along those lines.  
11      Obviously one of the more interesting P3s is  
12      the one, correctional health care, that I  
13      wanted to discuss with you.

14                  When we initially engaged in this  
15      P3, it was embarking on trying to incur  
16      millions of dollars in savings. The County  
17      Executive touted it as being able to  
18      generate millions of dollars in savings.  
19      However, over this period of time, other  
20      than the savings from the contracts, I  
21      haven't seen any type of fiscal analysis in  
22      regards to what it generates in savings. Or  
23      what it has generated in savings.

24                  Has your office been able to put  
25      anything like that together?

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2                   COMPTROLLER MARAGOS:    Yes,  
3    actually we are very close to releasing a  
4    rather extensive audit of the jail  
5    healthcare system, that has been I think  
6    maybe 18 months, two years in the making to  
7    get the information we needed.

8                   There is various findings.   One  
9    of the findings is that there were savings  
10   of 6 to \$8 million per year versus the prior  
11   provider.

12                  LEGISLATOR ABRAHAMS:        You mean  
13   the medical center?

14                  COMPTROLLER MARAGOS:    The medical  
15   center, correct.

16                  LEGISLATOR ABRAHAMS:    Your report  
17   obviously would compare apples to apples.  
18   So will we be comparing what the services  
19   that NUMC provided if they were higher  
20   standard or lower in standard in comparison  
21   to what --

22                  COMPTROLLER MARAGOS:    No.   We are  
23   not qualified to assess the medical care  
24   other than to point out some of the -- a  
25   number of the deficiencies that we have all



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2       been reading about and there will be more  
3       quantified and analyzed in the audit report  
4       that we will be issuing.

5                   And of course we couldn't  
6       estimate or offset any potential liability  
7       that may accrue.

8                   LEGISLATOR ABRAHAMS: I guess the  
9       next P3 I want to talk to you is the one  
10      with United Water/Suez.

11                  There has also been \$10 million  
12      in annual savings that have been touted.  
13      The County Executive has indicated, or paid  
14      approximately \$60 million a year for this  
15      contract.

16                  We just want to get a general  
17      sense from you in terms of the savings.

18                  COMPTROLLER MARAGOS: I think the  
19      legislative Budget Office if I recall had  
20      its review recently a few months back and  
21      issued a report that basically indicated  
22      those savings have not materialized.

23                  LEGISLATOR ABRAHAMS: Does your  
24      office concur with that report?

25                  COMPTROLLER MARAGOS: We have not

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2       done an independent analysis. We have on  
3       our schedule to go back and, now that we  
4       will have two years experience with United  
5       Water to see how well they are performing  
6       and what are the benefits and efficiencies  
7       that have been derived.

8                   LEGISLATOR ABRAHAMS: My finance  
9       person is telling me you had some type of  
10      year report that reflected no savings as  
11      well.

12                  COMPTROLLER MARAGOS: I don't  
13      recall it. We've been commenting with  
14      regard to the sewer fund and its depleted  
15      fund balance. And we have done in this  
16      report as well that the fund balance, given  
17      the deficit that its been running, will be  
18      depleted by the end of 2017 and we will  
19      present additional challenges to this body.

20                  LEGISLATOR ABRAHAMS: I have  
21      nothing further. Thank you.

22                  CHAIRWOMAN GONSALVES: Legislator  
23      DeRiggi-Whitton.

24                  LEGISLATOR DERIGGI-WHITTON: In  
25      your opening statement you mentioned how

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2       much the deficit was growing from last year  
3       to next year.   What were those numbers  
4       again, do you have them?

5                   COMPTROLLER MARAGOS:   What I said  
6       is that we project a budgetary risk of 114  
7       million, on a GAAP basis 134.1 million and a  
8       possible 194 million deficit using NIFA's  
9       presentation.

10                  LEGISLATOR DERIGGI-WHITTON:   As  
11       far as our borrowing, do you have an idea of  
12       how much that's gone up?

13                  COMPTROLLER MARAGOS:   I have  
14       indicated that it will probably go up by 50  
15       million which is a relatively small amount  
16       to 3.7 billion.

17                  LEGISLATOR DERIGGI-WHITTON:   You  
18       know what I was just looking at, the  
19       proposed budget that was just presented by  
20       the administration and your discussion of  
21       expenses both regarding expenses.

22                         They have the debt services at  
23       12.6 percent, and you have the debt service  
24       at 7.1 percent --

25                  COMPTROLLER MARAGOS:   Where are

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2       you referring to?

3                   LEGISLATOR DERIGGI-WHITTON:   Debt  
4       service of our full budget which is about  
5       seven percent.   It's just a big difference.  
6       It's almost a six percent difference.

7                   COMPTROLLER MARAGOS:   I would  
8       need to see how they calculated theirs.

9                   LEGISLATOR DERIGGI-WHITTON:  
10      Yours is on page 10 and their presentation,  
11      theirs is on 16.

12                  MS. TSIKOURAS:   Our numbers are  
13      based off of what we have -- what was  
14      presented in the budget.

15                  We also include expensive loans  
16      in our numbers, so it's possible that their  
17      presentation is a little different.   I can't  
18      answer what they're showing versus what we  
19      have.

20                  LEGISLATOR DERIGGI-WHITTON:   It  
21      almost sounds like seven percent for that  
22      much debt doesn't almost sound right for our  
23      budget.   Debt service is more along the  
24      lines --

25                  MS. TSIKOURAS:   We also exclude

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2       interfunds. It could be that they are not  
3       excluding any interfunds in that as well.  
4       That could be part of the difference.

5                   COMPTROLLER MARAGOS: We can try  
6       to clarify that at least with the numbers we  
7       have.

8                   LEGISLATOR DERIGGI-WHITTON:  
9       Maybe if you can just compare the two and  
10      see what --

11                  COMPTROLLER MARAGOS: Okay.

12                  MS. TSIKOURAS: Sure. We can ask  
13      the budget office.

14                  CHAIRWOMAN GONSALVES: Earlier we  
15      discussed we have companies that are put on  
16      the emergency list for storms and there's  
17      still a good amount of money outstanding  
18      from 2013 with our FEMA claims with Sandy.

19                  I've heard all different numbers  
20      including up to \$30 million we are still  
21      waiting for. Have you tracked that at all  
22      as far as what claims we have not been  
23      reimbursed for and why?

24                  MS. TSIKOURAS: We do do an  
25      analysis. I think the last time we did the

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2       analysis was probably for the mid-year  
3       report. It has not yet been updated.  
4       Periodically during the year we will do that  
5       and, at the end of the year, because we need  
6       to access if there are any receivables that  
7       need to be adjusted, et cetera. But at the  
8       moment we don't have that.

9                   We get the information basically  
10      from the budget office and then put that  
11      together against the information that we  
12      have. They're our primary source.

13                  LEGISLATOR DERIGGI-WHITTON: I  
14      think there is still a substantial amount  
15      that's outstanding and I would just like to  
16      know if we're not getting it, and if we are  
17      getting it. It would be good to know.

18                  COMPTROLLER MARAGOS: Let me say  
19      to that, we are getting a lot of requests  
20      from FEMA with regards to invoices that have  
21      been paid.

22                  So I think they are looking to  
23      scrutinize the expenditures. So far we have  
24      been given no indication that any are in  
25      dispute. So, unlike what we have heard in

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2       North Hempstead.

3                   LEGISLATOR DERIGGI-WHITTON:

4       Right. I think that's what's on everybody's  
5       minds.

6                   MS. TSIKOURAS: In order to be  
7       reimbursed, they have got to provide that  
8       the payments were actually made. So it been  
9       has significant requests for information of  
10      late so, as the comptroller said, we have to  
11      assume that's what's happening at this  
12      point.

13                  LEGISLATOR DERIGGI-WHITTON: Just  
14      to piggyback on what our leader said about  
15      the tax certs, my one concern is just that  
16      us borrowing that money specifically for tax  
17      certs was used to cover the operational  
18      deficit that we were faced for this year.  
19      You said that couldn't be the case, it  
20      couldn't happen?

21                  MS. TSIKOURAS: The borrowed  
22      funds are in the capital funds; they are  
23      not in the budgetary results.

24                  However, as part of the NIFA  
25      presentation, if the money is not spent, and

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2       it's not accruable, then it will have an  
3       impact on the NIFA presentation. That part  
4       is correct. However, the money is not  
5       brought into the operating funds.

6                   LEGISLATOR DERIGGI-WHITTON: But  
7       it's used to offset a deficit in the  
8       operating funds, the GAAP.

9                   MS. TSIKOURAS: Well, the NIFA  
10      presentation. The NIFA --

11                  LEGISLATOR DERIGGI-WHITTON:  
12      That's what we're just trying to figure out.  
13      We kind of feel that's what happened.

14                  Hi Mayor, it's good to see. I  
15      haven't seen our mayor.

16                  CHAIRWOMAN GONSALVES: Legislator  
17      Schaefer.

18                  LEGISLATOR SCHAEFER: Thank you.  
19      Hi Mr. Maragos.

20                  COMPTROLLER MARAGOS: Hello.

21                  LEGISLATOR SCHAEFER: You said at  
22      the end of your presentation you stated that  
23      you suggest a rethinking of county  
24      government. Can you explain what you meant  
25      by that? Expand on that? Any ideas?



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2 COMPTROLLER MARAGOS: Well, now  
3 you're basically moving into the side of  
4 policy. I would like to think there is  
5 significant room for improvement and how we  
6 run a number of the operations, the  
7 departments.

8 As you are very well aware, as an  
9 example, we issued a rather extensive audit  
10 of the police department and a number of  
11 deficiencies. I think there is a lot of  
12 opportunity there to find savings without  
13 sacrificing public safety.

14 I think you will probably find  
15 similar type of opportunities in many of our  
16 departments.

17 LEGISLATOR SCHAEFER: Right now  
18 you are talking about the audit you're doing  
19 with the police department, and did you say  
20 something else; another area or no?

21 COMPTROLLER MARAGOS: What I'm  
22 talking about looking at government from a  
23 kind of management consulting point of view  
24 and streamlining the way we provide  
25 services, make sure they are provided as

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2       effectively as possible, without any waste.

3                   LEGISLATOR MACKENZIE: I'm sorry.

4       It's very easy to say you want to streamline

5       and not find waste, can you give us some

6       specific examples and, when you say you

7       don't want to get into policy, you

8       specifically said in your presentation to us

9       here today, that you want to rethink

10      government.

11                  Can you please give us specific

12      examples rather than just platitudes?

13                  COMPTROLLER MARAGOS: No. This

14      is not platitudes. And specific examples

15      come -- like any sizeable organization needs

16      to be subjective to scrutiny every three to

17      five years. And management consultants

18      brought in -- and I was in the role in some

19      of my past lives to look at restructuring,

20      improving operations, deploying the latest

21      tools, best practices, and to ensure that

22      the organization is operating efficiency,

23      meeting its mission as effectively as

24      possible to provide high quality service to

25      its residents in this case.

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2                   Those are principles from the  
3   mental management principles that I don't  
4   believe this county has ever been subjected  
5   to that scrutiny unlike private  
6   organizations.

7                   LEGISLATOR MACKENZIE:   You are  
8   unable to give us any specific examples?

9                   COMPTROLLER MARAGOS:   I have.

10                  LEGISLATOR MACKENZIE:   I don't  
11   think you have.   You gave us management  
12   principles that are very nice and every one  
13   would agree, but then can you give us  
14   specific examples.

15                  COMPTROLLER MARAGOS:   Sure.   Take  
16   a look at the police department audit and  
17   you will find many.

18                  LEGISLATOR MACKENZIE:   Other than  
19   the police department, do you have any other  
20   examples?

21                  COMPTROLLER MARAGOS:   Housing.

22                  LEGISLATOR MACKENZIE:   What in  
23   housing?

24                  COMPTROLLER MARAGOS:   Take a look  
25   at the audits that we have.   I'm happy to

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2       come back and discuss those in details with  
3       you.

4                   LEGISLATOR MACKENZIE:   Anything  
5       else besides looking at the audits you've  
6       performed?

7                   COMPTROLLER MARAGOS:   DSS.

8                   LEGISLATOR MACKENZIE:   What  
9       specifically with DSS?

10                  COMPTROLLER MARAGOS:   Same thing,  
11       I'm happy to -- please read the audit and we  
12       are happy to come back and discuss the  
13       specifics with you.

14                  CHAIRWOMAN GONSALVES:   Legislator  
15       Solages.

16                  LEGISLATOR SOLAGES:    Thank you  
17       very much.   Good evening, comptroller.

18                  COMPTROLLER MARAGOS:   Good  
19       evening.

20                  LEGISLATOR SOLAGES:    The  
21       administration painted an overly optimistic  
22       portrayal of the revenue that they seek to  
23       get, specifically sales tax.   They painted a  
24       picture where there was a 1.9 percent growth  
25       in sales tax.

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2                   Can you please tell us about the  
3 risks there?

4                   COMPTROLLER MARAGOS:    Our  
5 projection is for one percent growth.   Being  
6 conservative, I think the trends in the past  
7 three years, in sales tax growth has been  
8 declining due to the perceived and verified  
9 shift to online shopping.

10                  We feel conservative at one  
11 percent and we'd much rather be conservative  
12 on the revenue side and kind of liberal on  
13 the expense side to ensure that we have a  
14 high degree of probability that we will be  
15 ending in balance.

16                  LEGISLATOR SOLAGES:    So when it  
17 comes to sales tax, you're saying that  
18 online sales, internet sales take away from  
19 possible revenue that we may gain?

20                  COMPTROLLER MARAGOS:    They have  
21 historically in the past three years and we  
22 expect that trend to continue.

23                  LEGISLATOR SOLAGES:    Understood.  
24 As for the ticket surcharge, is there a risk  
25 there, the administration is banking on --

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2       no money intended -- public safety fee. Can  
3       you please talk about the risk there,  
4       please?

5                   COMPTROLLER MARAGOS: That's a  
6       legislative risk. It's up to this body  
7       whether to approve or not to approve and the  
8       second risk, even if it is approved, certain  
9       percent increase is approved, there will be  
10      some falloff due to collection, some people  
11      won't be able to pay.

12                  LEGISLATOR SOLAGES: As for the  
13      productive revenue from OTB, that \$3  
14      million, and that's after they pay certain  
15      debts, is that correct?

16                  COMPTROLLER MARAGOS: After they  
17      pay their expenditures.

18                  LEGISLATOR SOLAGES: So if they  
19      have expenditures, more than what --

20                  COMPTROLLER MARAGOS: Right. We  
21      haven't seen profits in a few years now, and  
22      they continue to lose money, and unable to  
23      pay their bills.

24                  So we don't think that the  
25      increased revenue, whatever revenue they get

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2     in the early years from the OTB settlement  
3     will cause them to go to flip to profit for  
4     them to be able to make that profit  
5     contribution.

6                   LEGISLATOR SOLAGES:   Understood.  
7     Just going back to what Legislator Abrahams  
8     is talking about with you.

9                   How can the county possibly  
10    achieve a NIFA GAAP deficit less than \$80  
11    million when tax certs alone are projected  
12    to be \$60 million and litigation liability  
13    could be over \$300 million?

14                  COMPTROLLER MARAGOS:   That's  
15    going to be a real challenge.   I hope the  
16    budget director indicated that they feel  
17    comfortable.   They presented a plan to NIFA  
18    to meet that goal this year.   I think it  
19    will be even more challenging next year.

20                  LEGISLATOR SOLAGES:   Thank you.

21                  CHAIRWOMAN GONSALVES:   Legislator  
22    Kopel.

23                  LEGISLATOR KOPEL:   Long day.   If  
24    you'll forgive me, I may be going over some  
25    ground.   I didn't see it but a few moments

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2       ago, your presentation. I just didn't get  
3       it.

4                   If I understand correctly, you're  
5       suggesting that the deficit, in truth, is  
6       probably significantly larger than that  
7       projected by the administration?

8                   COMPTROLLER MARAGOS: What I'm  
9       saying is, the risk of a deficit.

10                  LEGISLATOR KOPEL: The risk is  
11       significantly larger than projected?

12                  COMPTROLLER MARAGOS: Correct.  
13       Of course the administration is reasonably,  
14       I guess reasonably feels that this body will  
15       approve all --

16                  LEGISLATOR KOPEL: I will grant  
17       them good faith, why not? But you in good  
18       faith believe that it's underestimated in  
19       terms of the size of the GAAP?

20                  COMPTROLLER MARAGOS: Some vary  
21       like the OTB profit, the --

22                  LEGISLATOR KOPEL: And you think  
23       that the opportunities are not such that  
24       they would offset the additional  
25       opportunities.



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2                   You mentioned opportunities and  
3 I'm interested in that. I guess it would  
4 come under the old heading of waste, fraud  
5 and abuse. Cutting that out from various  
6 departments. There's always sufficient --  
7 I'm using those words. They weren't yours.

8                   COMPTROLLER MARAGOS: Okay.

9                   LEGISLATOR KOPEL: In a large  
10 organization you will always find something,  
11 which is true.

12                  However, do you still really  
13 think that there is a significant amount to  
14 be found in this, after there's been eight  
15 years and they've been cutting and cutting  
16 and cutting? You believe there is enough  
17 cutting to be done that we could  
18 significantly reduce the risk with just  
19 that?

20                  COMPTROLLER MARAGOS: I just  
21 don't know. I can't say at this point. But  
22 it's usually not only cutting expenses.  
23 It's about restructuring things and  
24 introducing new tools, new management  
25 practices, new technologies.

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2                   LEGISLATOR KOPEL:   And all of  
3   that cost money too.   Wouldn't you agree  
4   that that's usually not a short term fix but  
5   that's perhaps more of a medium term result  
6   that one would expect?

7                   COMPTROLLER MARAGOS:   Well, you  
8   have to start some time.

9                   LEGISLATOR KOPEL:   You've got to  
10   start some time but that would -- might that  
11   not exacerbate the short term results?

12                   I'm not saying it's a bad idea  
13   even if you do exacerbate the short term  
14   result, but --

15                   COMPTROLLER MARAGOS:   Not exactly  
16   because technology, as an example, has moved  
17   very rapidly, very dynamically.   I'm sure  
18   you have all been hearing about these cloud  
19   concepts that basically allow large  
20   organizations to find solutions, ready made  
21   solutions for various industry segments,  
22   that you can essentially lease on an ongoing  
23   basis.

24                   So then you don't have the  
25   development expense, you don't have the

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2       development risk. You don't have the  
3       capital investment. You just use that  
4       technology and in most cases it's much more  
5       cost effective.

6                   LEGISLATOR KOPEL: So the  
7       application of technology you feel might be  
8       insufficient?

9                   COMPTROLLER MARAGOS: I think  
10      there is probably significant opportunities  
11      to be based on part of streamlining  
12      operations.

13                  LEGISLATOR KOPEL: Based upon  
14      your observations, you think that there is  
15      significant opportunity in the streamlining?

16                  COMPTROLLER MARAGOS: We couldn't  
17      count the number of individual systems that  
18      we have that are all archaic in each of the  
19      departments that are not centralized. It's  
20      a big task for certainly the Comptroller's  
21      Office and as I'm sure for the budget office  
22      to try to gather us an example of the  
23      accounting information, the transactions,  
24      that go on in this county.

25                  LEGISLATOR KOPEL: I'm sorry, you

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2       said what?

3                   COMPTROLLER MARAGOS:   There's a  
4       lot of opportunity to introduce new tools,  
5       concepts, management practices, best  
6       practices and any -- those types of  
7       investments are not very costly.

8                   LEGISLATOR KOPEL:   I will grant  
9       you that, and you think that it would not  
10      exacerbate the short term results.

11                  But, even so, that type of  
12      solution doesn't get done in a day or two or  
13      month or three; that's usually a multiyear  
14      program in my business experience, is it not  
15      in yours?

16                  COMPTROLLER MARAGOS:   No.   In my  
17      business it's usually clearly defining the  
18      opportunity, and --

19                  LEGISLATOR KOPEL:   Yes.   But if  
20      you got a large complex organization, it  
21      takes time to define the issue and then  
22      you've got to go through many many different  
23      potential solutions, identify them, go  
24      through them, bid them, once you have  
25      identified which ones you like the best, I

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2       don't see that that ever happens in the  
3       short time.

4                   I think you're talking, with all  
5       due respect, I think you're talking about  
6       medium to long range, which again, I'm not  
7       saying is a bad idea, probably it's always a  
8       good idea to continue doing things like  
9       that, but I don't see those as short term  
10      opportunities for this year's budget.

11                  COMPTROLLER MARAGOS:   But would  
12      one or two years be short term or long term?  
13      I think it's short term.

14                  LEGISLATOR KOPEL:   Well, let's  
15      just agree that it's not a 17 budget, it's  
16      beyond that.

17                  COMPTROLLER MARAGOS:   That is  
18      correct, yes.   But it's not five years.

19                  LEGISLATOR KOPEL:   I understand  
20      that, but just coming back to your point  
21      that you believe there are opportunities to  
22      restructure into all kinds of good things.

23                  For this year's budget, would you  
24      still say so after our little discussion  
25      here?

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2                   COMPTROLLER MARAGOS: I'm not  
3 here to comment about those opportunities.  
4 Those are policy choices that I think should  
5 be analyzed and presented to the  
6 Legislature.

7                   At the end of the day it's going  
8 to policy decisions and priorities.

9                   LEGISLATOR KOPEL: Of course, and  
10 what would you present, in your studies what  
11 would you present to us as your suggested  
12 revisions for this year?

13                   In other words, we're sitting  
14 here and you've looked at all these things  
15 and we would love to hear your suggestions.  
16 Do you have any suggestions for us for the  
17 '17 year that would make sense and you would  
18 recommend?

19                   COMPTROLLER MARAGOS: I pointed  
20 out to some audits that we've done in the  
21 police department, in housing and DSS that I  
22 think can go a long ways.

23                   LEGISLATOR KOPEL: The police  
24 department and DSS for '17, for this year's  
25 budget?

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2 COMPTROLLER MARAGOS: Yes.

3 LEGISLATOR KOPEL: You think --  
4 and what kind of savings would you hope, not  
5 expect, I will say hope you would realize  
6 from something like that for this year's  
7 budget?

8 COMPTROLLER MARAGOS: Again, I  
9 would refer you at this point to the audit.

10 LEGISLATOR KOPEL: Read the  
11 audit. Thank you, Mr. Comptroller, I  
12 appreciate your time.

13 CHAIRWOMAN GONSALVES: Legislator  
14 Gaylor.

15 LEGISLATOR GAYLOR: For a point  
16 of clarification, because I'm having a hard  
17 time following the discussion between  
18 Legislator Kopel and yourself, the audits  
19 that you keep referencing were based on  
20 actual numbers comparing 2016 or 2015 data.

21 We're looking at 2017, which  
22 includes a budget that includes hiring new  
23 and additional people for many departments,  
24 increase in salaries across the board.

25 So I think what I would like to

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2   hear is, what specific recommendations  
3   towards the 2017 budget which brings us here  
4   tonight to discuss can you offer?

5                   COMPTROLLER MARAGOS: I don't  
6   have any specific recommendations for you.  
7   Those are policy decisions. That's the  
8   domain of the County Executive.

9                   Our responsibility here, the  
10   comptroller's responsibility, was to opine  
11   on the risks in the budget and the  
12   likelihood that that budget will end in  
13   balance.

14                  LEGISLATOR GAYLOR: Thank you,  
15   Comptroller.

16                  LEGISLATOR RHOADS: I'm a little  
17   bit frustrated though because it's easy to  
18   tell everybody what the potential problems  
19   are, but the solutions are much harder.

20                  So you are not able to offer us  
21   any suggestions for 2017 whatsoever?

22                  COMPTROLLER MARAGOS: No. I  
23   would suggest that we bring in  
24   professionals, management professionals to  
25   look at the county, and how we can



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2       streamline operations, deploy best  
3       practices, deploy the best technology  
4       possible. That's what I would recommend  
5       should be the professional approach.

6                   LEGISLATOR RHOADS: Thank you.

7                   CHAIRWOMAN GONSALVES: Anybody  
8       else? Legislator Curran.

9                   LEGISLATOR CURRAN: I just have a  
10      few rapid fire questions.

11                   Can you quantify how much can be  
12      saved in 2017? Would you have a ballpark  
13      number?

14                   COMPTROLLER MARAGOS: No, I  
15      can't, and that's not the purpose for  
16      tonight.

17                   LEGISLATOR CURRAN: What is your  
18      position on the amortization of the pension  
19      costs?

20                   COMPTROLLER MARAGOS: I think  
21      it's a reasonable approach given the various  
22      significant pension contributions demanded  
23      by the state comptroller.

24                   LEGISLATOR CURRAN: So you think  
25      it's reasonable?

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2 COMPTROLLER MARAGOS: Yes.

3 LEGISLATOR CURRAN: Also, do you  
4 have a projection by the end of 2016 of what  
5 the tax cert backlog will be?

6 COMPTROLLER MARAGOS: That's one  
7 the tables.

8 LEGISLATOR CURRAN: Okay. I  
9 didn't get a chance to see it so I will  
10 look.

11 COMPTROLLER MARAGOS: It's page  
12 16.

13 LEGISLATOR CURRAN: I've got it.  
14 Thank you. And just back to the  
15 amortization.

16 Do you see maybe now you think  
17 it's a good idea, do you see where we will  
18 soon come a time where we won't have to do  
19 this to push off the cost and then have to  
20 repay it plus interest?

21 COMPTROLLER MARAGOS: I hope that  
22 would be the case, but I think that's going  
23 to be a daunting challenge given the very  
24 significant premiums that we are asked to  
25 pay by the state comptroller's office, state

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2       fund remains fully funded.

3                   I think we're paying at about 20,  
4       25 percent of salary which is exorbitant  
5       versus private industry which is probably  
6       less than ten percent and usually closer to  
7       five percent.

8                   LEGISLATOR CURRAN: But those are  
9       state mandated. So there's not much we can  
10      do.

11                  COMPTROLLER MARAGOS: Sure.  
12      Understood. Exactly.

13                  LEGISLATOR CURRAN: Okay.  
14      Thanks.

15                  CHAIRWOMAN GONSALVES: I'm going  
16      to make one comment, Comptroller Maragos.

17                  COMPTROLLER MARAGOS: Yes.

18                  CHAIRWOMAN GONSALVES: We are  
19      here all day long hoping to find some  
20      solutions to the budget problems that we  
21      have in this county. You, as comptroller,  
22      with your staff has a good handle on the  
23      budget of Nassau County.

24                  Often times you comment on some  
25      of the things that we do right, and most of

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2       the times on some of the things that we do  
3       wrong.

4                   I want to ask you, in all  
5       sincerity, do you have immediate solutions  
6       for the budget of 2017? That's what you're  
7       here for. Not just to tell us what is  
8       wrong, but how can we correct what is wrong?  
9       That's what I'm looking to you for. I'm not  
10      too happy. And don't give me the audit  
11      business.

12                  COMPTROLLER MARAGOS: No. I'm  
13      not going to give you that.

14                  CHAIRWOMAN GONSALVES: I want to  
15      hear from you saying that there are  
16      solutions. If there's no solutions, then  
17      we're wasting our time. I'm really uptight  
18      right now. I'm tired. We've been here all  
19      day. We want help. That's why we have  
20      budget hearings.

21                  Often times, we look to the  
22      department heads to give us some  
23      recommendations. Some of them we may take  
24      and some of them we may not take.

25                  But you, as Comptroller, should

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2     be able to give us some idea of how we can  
3     resolve some of the issues in the 2017  
4     budget. It's not all gloom and doom, okay?  
5     I hope it's not. That's how you're  
6     projecting it to me.

7                   COMPTROLLER MARAGOS: No, I'm  
8     not. I'm expressing the risks that are  
9     associated in this budget, and those risks  
10    certainly, if the Legislature decides to  
11    approve all the fee increases, that  
12    certainly will substantially reduce the  
13    risks to the tune of \$88 million.

14                  CHAIRWOMAN GONSALVES: We will  
15    review the budget in a very careful way, but  
16    we do look to the department heads and  
17    officials like yourself.

18                  If there is anything out there  
19    that you can voice your concerns about and  
20    give us some kind of answer to those  
21    concerns. It gets very frustrating to sit  
22    up here and listen to all of the things that  
23    are wrong and no solutions to resolving the  
24    things that are wrong.

25                  COMPTROLLER MARAGOS: The bottom

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2       line, whatever the options are, those will  
3       result in policy decisions that the  
4       administration in conjunction with the  
5       Legislature will have to make.

6                   I cannot make those policy  
7       decisions for you. It's not the domain of  
8       the Comptroller's Office.

9                   CHAIRWOMAN GONSALVES: Okay.  
10      That's it. Anyone else have a question?

11                   (No verbal response.)

12                   I told you I didn't want to open  
13      my mouth but I did. Anyway, I think maybe  
14      we should end this.

15                   Thank you, Comptroller Maragos.  
16      Thank you Mayor Garner. Thank you all. I  
17      know the hour is late. I say to you safe  
18      home and I thank my colleagues on both sides  
19      of the aisle because this was a very long  
20      day and very trying.

21                   (Whereupon, the 2017 Budget  
22      Committee Hearing adjourned at 10:14 p.m.)

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C E R T I F I C A T E

I, FRANK GRAY, a Shorthand Reporter and  
Notary Public in and for the State of New  
York, do hereby stated:

THAT I attended at the time and place  
above mentioned and took stenographic record  
of the proceedings in the above-entitled  
matter;

THAT the foregoing transcript is a true  
and accurate transcript of the same and the  
whole thereof, according to the best of my  
ability and belief.

IN WITNESS WHEREOF, I have hereunto set  
my hand this 17th day of October, 2016.

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FRANK GRAY