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NASSAU COUNTY LEGISLATURE

RULES COMMITTEE

NORMA GONSALVES, Chairwoman

1550 Franklin Avenue
Mineola, New York

Monday, June 5, 2017
1:13 P.M

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A P P E A R A N C E S :

NORMA GONSALVES,
Chairwoman

RICHARD NICOLELLO,
Vice Chairman

HOWARD KOPEL

DENNIS DUNNE

KEVAN ABRAHAMS,
Ranking

DELIA DERIGGI-WHITTON

CARRIE SOLAGES

MICHAEL C. PULITZER,
Clerk of the Legislature

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EILEEN KRIEB.....	21
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INSERTS

By Reference:

Consent Clerk Items:

238, 239, 243, 88, 111, 138, 177, 209, 210,
212, 213, 214, 221, 224, 226, 230, 231,
232, 233, 234, 235

Locate in minutes of the Public Safety;
Planning/Development; Public Works,
Health; and Finance Committees

Dated 6-5-17.....101

Clerk Item 222

Refer to the minutes of the Finance

Committee dated 6-5-17 at pages 30-34....110

1 Rules Committee/6-5-17

2 CHAIRWOMAN GONSALVES: At this
3 point in time I would like to ask Legislator
4 Dunne to please lead us in the Pledge of
5 Allegiance and then remain standing.

6 (The Pledge of Allegiance was
7 recited.)

8 CHAIRWOMAN GONSALVES: I would
9 ask Legislator Walker for a moment of
10 silence.

11 LEGISLATOR WALKER: I would like
12 to ask everyone for a moment in memory FDNY
13 Firefighter Ray Pfeifer who was a dear dear
14 friend of mine, a neighbor.

15 Ray was honored here in the
16 Legislature not long ago and also given the
17 keys to the county as well as the keys to
18 the city of New York.

19 For those who weren't here at
20 that time and might not have read the papers
21 lately or heard, Ray was very very
22 instrumental in getting the Zadroga bill
23 passed to get medical coverage for those
24 that were affected by working on the pile at
25 911.

1 Rules Committee/6-5-17

2 So, please, let's keep him and
3 his wife Karen and his son Terrence and
4 daughter Taylor and all their friends and
5 relatives in your thoughts and prayers. So
6 a moment of silence, please.

7 (Whereupon, a moment of silence
8 was observed.)

9 LEGISLATOR WALKER: Thank you.

10 CHAIRWOMAN WALKER: Please remain
11 standing for a another moment of silence.

12 The weekend was a very disastrous
13 time for those of our friends and neighbors
14 across the ocean. Particularly, in London,
15 Manchester, who were victimized by the
16 terrorist group.

17 I ask you to keep all the victims
18 in your prayers; their family, their
19 friends, and, of course, all of the people
20 who live in London and in Manchester and ask
21 the Good Lord to grant them peace.

22 Now for a moment of silence.

23 (Whereupon, a moment of silence
24 was observed.)

25 LEGISLATOR WALKER: Thank you.

1 Rules Committee/6-5-17

2 CHAIRWOMAN GONSALVES: Today is
3 the committees of the Legislature beginning
4 with the Rules contracts. We will hear
5 those contracts first. Then the Rules
6 Committee will recess so the other
7 committees have an opportunity to meet and
8 discuss the items on their agendas.

9 So, Mr. Pulitzer, please call the
10 members of the Rules Committee.

11 CLERK PULITZER: Thank you.
12 Rules Committee. Legislator Carrie Solages?

13 LEGISLATOR SOLAGES: Here.

14 CLERK PULITZER: Legislator Delia
15 DeRiggi-Whitton?

16 LEGISLATOR DERIGGI-WHITTON:
17 Here.

18 CLERK PULITZER: Ranking Member
19 Kevan Abrahams?

20 LEGISLATOR ABRAHAMS: Here.

21 CLERK PULITZER: Alternate Deputy
22 Providing Officer Howard Kopel?

23 LEGISLATOR KOPEL: Here.

24 CLERK PULITZER: Legislator
25 Dennis Dunne?

1 Rules Committee/6-5-17

2 LEGISLATOR DUNNE: Here.

3 CLERK PULITZER: Vice Chairman

4 Richard Nicoletello?

5 LEGISLATOR NICOLELLO: Here.

6 CLERK PULITZER: Chairwoman Norma

7 Gonsalves?

8 CHAIRWOMAN GONSALVES: Present.

9 CLERK PULITZER: We have a
10 quorum, ma'am.

11 CHAIRWOMAN WALKER: Thank you
12 very much, Mr. Pulitzer.

13 The first contract is A-17, a
14 resolution authorizing the Director of
15 Nassau County Office of Purchasing to
16 request oversight of a contract between the
17 County of Nassau acting on behalf of the
18 Nassau County Police Academy and Atlantic
19 Tactical, Inc.

20 Motion, please.

21 LEGISLATOR DUNNE: So moved.

22 LEGISLATOR NICOLELLO: Second.

23 CHAIRWOMAN GONSALVES: Moved by

24 Legislator Dunne, seconded by Legislator
25 Nicoletello. We have the Lieutenant before

1 Rules Committee/6-5-17

2 us.

3 LIEUTENANT STEPHANOFF: Good
4 afternoon. Lieutenant Greg Stephanoff,
5 Nassau County Police Department.

6 Item A-17 of 2017 is a blanket
7 purchase order with Atlantic Tactical. We
8 use this purchase order, blanket purchase
9 order, to purchase service revolvers,
10 service pistols for the patrol.

11 We buy the service revolvers and
12 we also buy the parts to upgrade the guns or
13 fix the guns.

14 The first year we had the blanket
15 order it exceeded \$100,000, so we are
16 bringing it before you to renew it and also
17 add funding. This blanket order is going to
18 be used for the new recruit class to
19 purchase their service weapons.

20 CHAIRWOMAN GONSALVES: Any
21 questions of the Lieutenant? Legislator
22 Solages.

23 LEGISLATOR SOLAGES: Thank you
24 very much, Presiding Officer. Nice to see
25 you again.

1 Rules Committee/6-5-17

2 This is a sole source contract?

3 LIEUTENANT STEPHANOFF: No.

4 Originally we used this for a year. It's a
5 three year blanket order. We are renewing
6 it. It went out to bid when we first
7 created it.

8 LEGISLATOR SOLAGES: I
9 understand. Specifically what type of
10 pistols?

11 LIEUTENANT STEPHANOFF: We use
12 six hour, 30 caliber.

13 LEGISLATOR SOLAGES: I just want
14 to say I went to the police academy this
15 weekend and it's such a great institution
16 and you are doing great work there. So,
17 again, thank you.

18 LIEUTENANT STEPHANOFF: Thank
19 you.

20 CHAIRWOMAN GONSALVES: Any other
21 questions or comments?

22 (No verbal response.)

23 Is there any public comment?

24 (No verbal response.)

25 There being none, all those in

1 Rules Committee/6-5-17

2 favor of A-17 signify by saying aye.

3 (Aye.)

4 Any opposed?

5 (No verbal response.)

6 The item passes unanimously.

7 The next item is A-27, a

8 Resolution authorizing the director of

9 Nassau County Office of Purchasing to

10 request oversight of a contract between the

11 County of Nassau acting on behalf of various

12 Nassau County agencies and Elm Transit Mix

13 Corporation.

14 Motion, please.

15 LEGISLATOR DUNNE: So moved.

16 LEGISLATOR KOPEL: Second.

17 CHAIRWOMAN GONSALVES: Moved by

18 Legislator Dunne, seconded by Legislator

19 Kopel. Mr. Arnold.

20 MR. ARNOLD: Ken Arnold, Public

21 Works. Item A-27 is a blanket order that

22 supplies the department with the concrete

23 for various projects and repairs throughout

24 the county. This concrete contract is used

25 in conjunction with our in-house labor when

1 Rules Committee/6-5-17

2 we are doing repair work and rehabilitation
3 work.

4 CHAIRWOMAN GONSALVES: Any
5 questions of Mr. Arnold? Legislator
6 DeRiggi-Whitton.

7 LEGISLATOR DERIGGI-WHITTON: When
8 road surfacing is presented before the
9 Legislature and passed for bonding, does
10 that not include the concrete?

11 MR. ARNOLD: That would be part
12 of whatever construction contract that work
13 is done under. If county forces do
14 resurfacing in house, we would be utilizing
15 this contract. If we bid separate contract,
16 whether it's Liza Poscillico or another
17 contractor, they would provide their own
18 supplier of concrete and/or asphalt.

19 LEGISLATOR DERIGGI-WHITTON: So
20 do you know if there was anything bonded for
21 back in October with the 50 million for
22 concrete?

23 MR. ARNOLD: Back in October,
24 \$26.2 million was bonded. That was for
25 various stages of work throughout the

1 Rules Committee/6-5-17

2 county. None of which was directly tied to
3 this contract.

4 LEGISLATOR DERIGGI-WHITTON: So
5 we don't have enough left over from that to
6 afford the concrete for this?

7 MR. ARNOLD: I think we are
8 speaking to two different items here. This
9 is for a concrete to be utilized with bond
10 proceeds or operational proceeds depending
11 on the type of work.

12 LEGISLATOR DERIGGI-WHITTON: So
13 there's already a bond authorization for it.
14 It's just to purchase the -- I'm just trying
15 to understand. I haven't seen this before
16 as far as having it pulled out separately.
17 Usually we okay like a certain area or
18 whatever.

19 So we already have the bond
20 proceeds for this?

21 MR. ARNOLD: Yes, the bond
22 proceeds exist. This is a vehicle to get
23 the concrete. When our personnel do work
24 in-house, they would utilize this contract
25 for concrete.

1 Rules Committee/6-5-17

2 LEGISLATOR DERIGGI-WHITTON: So
3 when DPW does their own -- is it for
4 patchwork, or --

5 MR. ARNOLD: Could be for any
6 type of work. We could be doing large
7 patches, sidewalk replacement, doing curb
8 work, concrete aprons, anything that the
9 department personnel is doing when they need
10 concrete, they utilize this blanket order
11 for materials.

12 LEGISLATOR DERIGGI-WHITTON:
13 Again, I just haven't heard of this since
14 I've been here. Is there a way the county
15 can purchase it directly through some kind
16 of state bid or anything like that?

17 MR. ARNOLD: My understanding
18 there's no state bid. This is how the
19 county procures concrete.

20 LEGISLATOR DERIGGI-WHITTON:
21 Thank you.

22 CHAIRWOMAN GONSALVES: Minority
23 Leader.

24 LEGISLATOR ABRAHAMS: Thank you,
25 Madam Presiding Officer. Ken, the specifics

1 Rules Committee/6-5-17

2 in regard to the bid process, according to
3 our backup there was only one bid received
4 from Elm Transit Mix Corp.?

5 MR. ARNOLD: Yes, that's my
6 understanding.

7 LEGISLATOR ABRAHAMS: It seems
8 like the original RFP was issued in November
9 2015. The bids were open in December. Why
10 is it taking so long to get to this point
11 now where we are today?

12 MR. ARNOLD: I will let Mike
13 Schlernoff answer the question.

14 MR. SCHLERNOFF: Michael
15 Schlernoff, Director of Purchasing.

16 The contract has not reached the
17 level at that point that required oversight.

18 When the contract came up for
19 renewal, we noticed that it would need
20 oversight that's why we're coming to the
21 Legislature at this time.

22 LEGISLATOR ABRAHAMS: What were
23 the reasons that you thought it did not
24 require oversight?

25 MR. SCHLERNOFF: Well, the

1 Rules Committee/6-5-17

2 agencies tell us what their needs will be
3 and during that year, it's \$100,000 or more,
4 we are going to come to you when the bid is
5 approved. We only come to you for those
6 contracts of \$100,000 or more.

7 LEGISLATOR ABRAHAMS: Mike, maybe
8 I need Ken up here for this. This is
9 asphalt or concrete?

10 MR. SCHLERNOFF: This is
11 concrete.

12 LEGISLATOR ABRAHAMS: We use
13 concrete to patch blacktop streets?

14 MR. SCHLERNOFF: No. We use
15 concrete to patch concrete.

16 LEGISLATOR ABRAHAMS: So I guess
17 the question Legislator DeRiggi-Whitton had,
18 what is this exactly going to be used for,
19 sidewalks?

20 MR. SCHLERNOFF: Could be used
21 for sidewalks. Could be used for roads,
22 aprons, anything where concrete is needed.

23 LEGISLATOR ABRAHAMS: And
24 \$100,000 is --

25 MR. SCHLERNOFF: We spend -- we

1 Rules Committee/6-5-17

2 estimate we will be spending over \$100,000
3 and that's why we're required to come before
4 the Legislature.

5 LEGISLATOR ABRAHAMS: That part I
6 would understand. I would just think we
7 would spend much more than that.

8 MR. SCHLERNOFF: I have no idea
9 what the actual spend will be. Could be a
10 million dollars for that matter. We don't
11 know until the jobs come up and they write
12 their DPOs.

13 LEGISLATOR ABRAHAMS: I have two
14 questions, do we have any balance of
15 concrete that's left over from last year?
16 And that might be a better question for
17 Mr. Arnold.

18 And then the next question is,
19 how much did we spend on this type of
20 patchwork concrete last year?

21 MR. ARNOLD: The department has
22 issued work orders for various items. We
23 will put in what Mike calls a DPO to
24 purchasing and they will approve it with the
25 delivery order.

1 Rules Committee/6-5-17

2 All our ongoing work either has
3 money encumbered to do, or in continuing the
4 work there's -- we're waiting for this
5 contract to be approved and move forward
6 with our additional work for this upcoming
7 spring and summer work season.

8 As to what we spent to date, this
9 contract started 12-31-2015 and the
10 department spent about \$517,000.

11 LEGISLATOR ABRAHAMS: I'm
12 guessing there is nothing left in the
13 budgetary line? What was the budgetary line
14 for this expense last year 2016?

15 MR. ARNOLD: The budgetary line
16 is the project that supports the work. If
17 we are working in Wantagh Park, for example,
18 the Wantagh Park capital project, any
19 concrete that's needed it comes out of a
20 capital project.

21 LEGISLATOR ABRAHAMS: There's no
22 budget concrete line?

23 MR. ARNOLD: Right.

24 LEGISLATOR ABRAHAMS: I got you.

25 CHAIRWOMAN GONSALVES: Any other

1 Rules Committee/6-5-17

2 comments or questions?

3 (No verbal response.)

4 Is there any public comment?

5 (No verbal response.)

6 There being none, all those in
7 favor of A-27 signify by saying aye.

8 (Aye.)

9 Any opposed?

10 (Nay.)

11 The item passes four to three.

12 The next item is E-37, a personal
13 services agreement between the County of
14 Nassau acting on behalf of the Nassau County
15 Attorney's Office and Orrick, Herrington &
16 Sutcliffe, L.L.P.

17 Motion, please.

18 LEGISLATOR KOPEL: So moved.

19 LEGISLATOR NICOLELLO: Second.

20 CHAIRWOMAN GONSALVES: Moved by
21 Legislator Kopel, seconded by Legislator
22 Nicolello. Who is here to speak on this
23 item?

24 MS. DELLE: Deputy County
25 Attorney Jaclyn Delle from the County

1 Rules Committee/6-5-17

2 Attorney's office. This is a new contract
3 for bond counsel services. The term of the
4 contract will begin on the date the contract
5 is executed by the county and it will last
6 for five years.

7 We selected Orrick Herrington
8 Sutcliffe, L.L.P. as the highest ranking
9 proposer after an RFP was issued last June
10 of 2016.

11 CHAIRWOMAN GONSALVES: Legislator
12 Nicolello.

13 LEGISLATOR NICOLELLO: Were there
14 multiple firms put in proposals?

15 MS. DELLE: Yes, we had ten firms
16 that responded that were found to be
17 responsible bidders. We interviewed four of
18 those firms and we selected Orrick.

19 LEGISLATOR NICOLELLO: Thank you.

20 CHAIRWOMAN GONSALVES: Any other
21 questions?

22 (No verbal response.)

23 Is there any public comment?

24 (No verbal response.)

25 There being none, all those in

1 Rules Committee/6-5-17

2 favor of E-37 signify by saying aye.

3 (Aye.)

4 Any opposed?

5 (Nay.)

6 The item passes four to three.

7 E-94, is a personal services
8 agreement between the County of Nassau
9 acting on behalf of the Nassau County
10 Department of Parks, Recreation and Museums
11 and Brian Rosenberg New York Inc.

12 Motion, please.

13 LEGISLATOR DUNNE: So moved.

14 LEGISLATOR NICOLELLO: Second.

15 CHAIRWOMAN GONSALVES: Moved by
16 Legislator Dunne, seconded by Legislator
17 Nicolello.

18 MS. KRIEB: Eileen Krieb,
19 Department of Parks. This is in response to
20 an RFP that we issued last year for this
21 year's season. We've extended the term and
22 adjusted the entertainment as well as the
23 amount of funding. This is all funded Hotel
24 Motel for July 30-31st at Lakeside Theater.

25 CHAIRWOMAN GONSALVES: Any

1 Rules Committee/6-5-17
2 questions?
3 (No verbal response.)
4 Is there any public comment?
5 (No verbal response.)
6 There being none, all those in
7 favor of E-94 signify by saying aye.
8 (Aye.)
9 Any opposed?
10 (No verbal response.)
11 The item passes unanimously.
12 The next item is E-130, a
13 personal services agreement between the
14 County of Nassau acting on behalf of the
15 Nassau County Department of Public Works and
16 Gannett Fleming Engineers PC.
17 Motion, please.
18 LEGISLATOR DUNNE: So moved.
19 LEGISLATOR NICOLELLO: Second.
20 CHAIRWOMAN GONSALVES: Moved by
21 Legislator Dunne, seconded by Legislator
22 Nicolello.
23 Who do we have here to speak on
24 this one? Mr. Arnold.
25 MR. ARNOLD: E-130 is a contract

1 Rules Committee/6-5-17
2 amendment for Gannett Fleming Engineering.
3 They provide construction engineering
4 support for the project for the influent
5 screening at Bay Park. It's a time
6 extension and \$99,000 additional service to
7 cover a time lapse due to a delay.

8 CHAIRWOMAN GONSALVES: Comments
9 or questions from the legislators? Who's
10 going to ask? Minority Leader.

11 LEGISLATOR ABRAHAMS: Thank you,
12 Madam Presiding Officer. Ken, just to
13 refresh our memory. This contract is being
14 extended through 2017, correct?

15 MR. ARNOLD: Contract is being
16 extended for one additional year. We
17 anticipate the contract is work being done
18 by July 17 and then it's close out and some
19 retainage items on what the contract --
20 Gannett Fleming available to us, if we have
21 to ask them some questions, but the bulk of
22 the work will be done by July of '17.

23 LEGISLATOR ABRAHAMS: And then in
24 paragraph four, the contract term, according
25 to, the contract says, extended by letter

1 Rules Committee/6-5-17
2 dated September 26, 2016. The letter is on
3 the last page of the backup. I'm just
4 trying to make sure I understand. When
5 exactly did they start the work?

6 MR. ARNOLD: Work was started,
7 let me look it up, they were issued a notice
8 to proceed, Gannett Fleming, January 6,
9 2014.

10 LEGISLATOR ABRAHAMS: And the
11 cost of the contract is, if I'm
12 understanding the backup correctly, is
13 \$50,000 more than the engineer's estimate?

14 MR. ARNOLD: We are adding an
15 additional \$99,000 into the Gannett Fleming
16 contract.

17 LEGISLATOR ABRAHAMS: But if I'm
18 reading this correctly, it's a little crazy,
19 there was an interdepartmental memo dated on
20 the 29th that indicated that the contractor
21 was lowering their cost from 1.491 to 1.351
22 and then increased by \$99,000 to 1.450 which
23 brought it higher by \$50,000 of their
24 original engineer estimate of 1.4, if you
25 follow all that.

1 Rules Committee/6-5-17

2 MR. ARNOLD: Okay.

3 LEGISLATOR ABRAHAMS: But it
4 seems like it was higher then it was lower.
5 Now it's higher than the original estimate.
6 More than the explanation of all the
7 changes, this is an explanation more about
8 the variances and swings from to 1.491 to
9 1.351 to 1.564.

10 So what changed throughout the --
11 I guess what we were asking or what we were
12 expecting or clarification during the
13 process that had the swings?

14 MR. ARNOLD: The bottom line is
15 that Gannett Fleming is on-site overseeing
16 all the construction work. Construction
17 work is taking a longer duration which means
18 that people are on-site for a longer
19 duration than was initially anticipated.

20 LEGISLATOR ABRAHAMS: Why is
21 that? Why are we taking a little bit
22 longer?

23 MR. ARNOLD: There were some
24 delays in the contractor's work. We are
25 looking at those delays to find out the

1 Rules Committee/6-5-17

2 responsibility of those delays; whether it
3 was coordination with other work going on or
4 issues with delivering materials. We are
5 looking into that right now.

6 Once that's determined if there
7 are any penalties to the main contractor, it
8 will be looked at and will be applied.

9 LEGISLATOR ABRAHAMS: Can you
10 elaborate on the delays from the
11 contractor's end?

12 MR. ARNOLD: I don't have the
13 specifics. I would have to go back to my
14 staff and get that.

15 LEGISLATOR DUNNE: If I can
16 interject.

17 LEGISLATOR ABRAHAMS: I'm done.
18 We would just need to know the delays
19 basically.

20 CHAIRWOMAN GONSALVES: Now,
21 Legislator Dunne.

22 LEGISLATOR DUNNE: Isn't it true
23 that the first phase of the sewage treatment
24 is bar screens and depending on how many
25 storms you have, the bar screens takes out

1 Rules Committee/6-5-17

2 the wood, the rags? Anything that flows
3 through that nine foot pipe that goes into
4 the facility, so that screening differs with
5 the seasons and you can't really put a
6 direct price on it for any specific time
7 because it's always changing.

8 MR. ARNOLD: You are correct what
9 the screens do, but a delay would not have
10 been caused by that unless there was a storm
11 that further damaged something which I don't
12 believe that was the case. I believe which
13 is the case and I can go confirm is that
14 there are other valves as part of the
15 project that needed to be replaced and
16 probably a lead time to get those valves
17 that was not anticipated in the work. But I
18 have to go back and I have to get you the
19 details on what the delays were.

20 But that would be looked at with
21 the contractor and if the contractor is
22 responsible for those delays we would hold
23 damages as per our contract with them and
24 look for some reimbursement.

25 CHAIRWOMAN GONSALVES: Minority

1 Rules Committee/6-5-17

2 Leader.

3 LEGISLATOR ABRAHAMS: I'm going
4 to make a motion to table only because we
5 think we need to get more information.

6 MR. ARNOLD: Please understand,
7 there are two distinct things going on here.
8 Gannett Fleming is managing the contractor.
9 He's due a certain amount of costs to
10 continue on the work until we get to
11 completion.

12 At the end of the job we review
13 the contractors, which is the person
14 building the work and his interface with our
15 CN to find what delays are associated with
16 it and then we look for costs.

17 So I would ask not to delay
18 approving Gannett Fleming because he is
19 working currently right now. We are looking
20 to get this job done as soon as possible.
21 We would not want to incur any further
22 delays by not having him available to us.

23 LEGISLATOR ABRAHAMS: I'm being
24 advised by counsel, Ken, is part of Gannett
25 Fleming's responsibility to supervise the

1 Rules Committee/6-5-17

2 contractor to ensure that there aren't any
3 delays, is that part of his role?

4 MR. ARNOLD: That's correct.

5 LEGISLATOR ABRAHAMS: Well, then,
6 how can we go forward if there's been delays
7 without truly evaluating Gannett Fleming?
8 My motion stands, Madam Presiding Officer.

9 LEGISLATOR DERIGGI-WHITTON: I
10 will second it.

11 CHAIRWOMAN GONSALVES: Motion to
12 table by Minority Leader, seconded by
13 Legislator DeRiggi-Whitton.

14 All those in favor of tabling
15 item E-130 signify by saying aye.

16 (Aye.)

17 Any opposed?

18 (Nay.)

19 The item is not tabled.

20 Any other questions or comments?

21 (No verbal response.)

22 Is there any public comment?

23 (No verbal response.)

24 There being none, all those in
25 favor of E-130 signify by saying aye.

1 Rules Committee/6-5-17

2 (Aye.)

3 Any opposed?

4 (Nay.)

5 The item passes four to three.

6 The next item is E-132, a
7 resolution authorizing the County of Nassau
8 acting on behalf of the Office of Management
9 and Budget to proceed with KPMG, L.L.P. on
10 tasks two, three and four as set forth in
11 the county contract number CQBU-16000005.

12 Motion, please.

13 LEGISLATOR DUNNE: So moved.

14 LEGISLATOR NICOLELLO: Second.

15 CHAIRWOMAN GONSALVES: Moved by
16 Legislator Dunne, seconded by Legislator
17 Nicolello. Mr. Naughton is here together
18 with two other individuals. Would you
19 introduce them to us?

20 MR. NAUGHTON: With me is Steve
21 Conklin, the county's debt manager; and Ian
22 Tester, representative from KPMG.

23 LEGISLATOR ABRAHAMS: Madam
24 Presiding Officer, I think in our
25 correspondence, we have been very clear, no

1 Rules Committee/6-5-17

2 disrespect to Mr. Naughton or his team,
3 which I know has spent a lot of time in
4 evaluating these contracts; however,
5 embarking on this contract at this
6 particular phase, from our standpoint, would
7 be a waste of taxpayer dollars.

8 It is very clear that this
9 implementation of the plan would take well
10 beyond this administration's time and unless
11 something has changed in the last few
12 months, we are going to have a new County
13 Executive come January 2018.

14 It does not make any sense for
15 this body to consider proposals at a future
16 time the next County Executive may totally
17 throw them in the trash.

18 Also, this is a plan I have not
19 seen to date, which I know we're probably
20 going through the evaluation process to
21 determine. I have not seen once what we
22 would be -- what the cap rate expense would
23 be for ratepayers.

24 I understand that the county will
25 control rates, but, at the same time, I

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2 understand also the county is also in
3 control of subsidizing a bus system. If the
4 bus system requires more money, guess what?
5 They have to either cut routes or we are
6 responsible for finding them more subsidy.

7 At the end of the day if we do
8 not have a strong handle of what that cap
9 may be, it may be all well and good that
10 this legislative body will control rates,
11 but if the body that is in charge of the
12 sewers is saying they need X amount of
13 dollars, guess what? They are going to use
14 X amount of dollars or something has to be
15 cut.

16 No investor on this earth is
17 going to invest the amount of money that
18 we're talking about \$750 million without a
19 proper return. They're not doing this for
20 goodwill. They are doing this to make
21 money. Money on the backs of a system that
22 is supported by ratepayers.

23 So it doesn't make any sense for
24 me or our Legislative body to pursue this
25 unless there is a commitment from the next

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2 County Executive to see this go forward.

3 I strongly suggest that we table
4 this matter. No disrespect to Mr. Naughton.
5 But it does not make any sense for this
6 Legislative body to proceed until we have a
7 greater understanding from the next
8 administration on whether or not this is
9 even doable, so motion to table.

10 LEGISLATOR DERIGGI-WHITTON: I'll
11 second it.

12 CHAIRWOMAN GONSALVES: Motion to
13 table by Minority Leader, seconded by
14 Legislator DeRiggi-Whitton. All those in
15 favor of tabling the item at this time
16 signify by saying aye.

17 (Aye.)

18 Any opposed?

19 (Nay.)

20 I think at this point in time
21 what we will do, with no disrespect to you,
22 we're going to have Mr. Naughton give us an
23 overview because there are a number of
24 questions that we have to ask as well before
25 we even take a motion to table.

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2 Mr. Naughton, it's your turn.

3 MR. NAUGHTON: Thank you. And
4 just in response to the Minority Leader, I
5 think I read in Newsday, Adam Boston put it
6 quite well, think that it's best that
7 whoever is the County Executive come January
8 has the information that they need to make
9 an intelligent decision and that's why we
10 are presenting this contract to you today.

11 CHAIRWOMAN GONSALVES: Bring the
12 mike a little closer.

13 MR. NAUGHTON: Is that better?
14 Great. The reason why it is critical to
15 come up with some type of a solution, if you
16 take a look at this first slide, and we're
17 trying to get copies printed for you because
18 I know sometimes it's difficult to see it on
19 the screen, but, as you can see, the yellow
20 indicates the amount of fund balance the
21 county has been drawing down each year from
22 the system.

23 If you all remember correctly,
24 NIFA, in 2009, stated that they thought the
25 fund was going to run out of money come

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2 2013.

3 This administration, by entering
4 into an operating agreement with Suez, by
5 doing some debt restructuring and other
6 smart management, we have been able to
7 extend the life of the fund up until we
8 expect to need some type of increase revenue
9 in 2018.

10 As it stands right now we would
11 have about \$16.8 million of fund balance to
12 draw down from, but we would still need 13.6
13 million in revenue to have the fund balance
14 for 2018.

15 Obviously the number one source
16 of revenue in that fund is property taxes,
17 we would be looking at roughly, if it is
18 coming from property taxes at 11.8 percent
19 increase.

20 Going into 2019, since there
21 would no longer be any fund balance
22 available, now you're looking at a 17.5
23 percent increase in 2019. That's just the
24 basic reality of the system as we stand
25 today.

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2 So we feel that you are at a
3 crucial point where you really need to make
4 a decision what do you want to do in the
5 future.

6 That doesn't mean with the
7 passing of this contract that you are
8 entering into any type of concessionaire
9 deal. We are not asking for that right now.

10 We are asking for the opportunity
11 for KPMG to complete task two through four
12 which is essentially to do market sounding,
13 issue an RFQ, see what the interest is out
14 there, see what type of deal could possibly
15 be structured. That is all we are asking
16 for today.

17 We think that this process would
18 take roughly about six months to complete.
19 So, come the end of the year, you have a
20 report that says here's what the market is
21 willing to do for you. You have a better
22 understanding of the risks that they're
23 willing to take, what type of return on
24 investment they would be willing to take and
25 working together you would decide whether or

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2 not you want to issue an RFP or not.

3 If you decide at that point not
4 to, then at least you did it based off of
5 having some good information.

6 Next slide. So KPMG has looked
7 at so far is taking a look at the status quo
8 scenario. They have estimated that just
9 looking at what is needed from a capital
10 basis, use the engineering report from
11 Arcadis, and looking at what the operating
12 costs are with Suez, a status quo scenario
13 suggests that sewer rates would have to
14 increase by roughly \$628 million over the
15 next 40 years.

16 Under the concessionaire's
17 scenario, we're talking 481 to \$511 million.

18 So, based off of that, we as an
19 administration thinks that it would be in
20 the county's best interest to continue with
21 the study, get more information and then
22 come back to you in six months with those
23 results.

24 As I stated, we have a
25 representative here who can answer some

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2 questions after the presentation.

3 LEGISLATOR ABRAHAMS: Not to cut
4 you off. What was your number? Do you
5 agree with that analysis in regard to those
6 numbers?

7 MR. NAUGHTON: Yes, we do.

8 So they have come up with some
9 different scenarios which is what was asked
10 of them in this process. They think that
11 it's possible you can get a cap back
12 sufficiency, meaning savings of capital
13 investment, of roughly -- anywhere from six
14 to 15 percent on the different assumptions.

15 The concessionaire would look for
16 a return of their equity investment of
17 somewhere in the 11 and a half percent to 15
18 and a half percent range.

19 And, also, it's possible to get
20 still some savings on the county's
21 operations.

22 Now someone may say, wow, that's
23 a big return on their investment. Yes. We
24 agree it is, but, to us, this is a win-win
25 scenario. We get a system that will be debt

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2 free, operated efficiently, properly, that
3 will be meet all environmental standards and
4 be good for our residents and, yes, the
5 investor will get a return on their money.
6 That's a simple win-win scenario.

7 So, in summary, the county would
8 be difease of roughly \$572 million of sewer
9 debt. That's where we anticipate the debt
10 to be worth come the end of 2018.

11 So obviously we have a system
12 that can keep operating so we are going to
13 keep issuing bonds until we do move forward
14 or we don't move forward.

15 The sewer increases number for
16 2019 would be anywhere from 131 to \$139
17 million. The model assumes that to get that
18 type of -- that the concessionaire would
19 require some type of revenue increase of
20 roughly 3.4 percent a year compared to a
21 status cost scenario of 3.95.

22 The reason why you have that half
23 percent difference in savings is essentially
24 from the efficiencies that can be generated.

25 Some other considerations. So,

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2 based on the preliminary analysis, we think
3 that the sewer rate increases will be less
4 under concession agreement versus status
5 quo.

6 The county, under scenario four,
7 we believe would see some type of up front
8 payment which could potentially seem to
9 cover sewer debt. That upfront payment
10 would be used to retire possible other
11 county debt, it could be used to pay tax
12 certs or any other thing that the county
13 decides as a whole would benefit the
14 residents of this county on a long term
15 basis.

16 It would be foolish to use this
17 as one shot revenue and, clearly, I don't
18 think this body would want to do that and
19 definitely we know NIFA would not approve
20 anything of that nature.

21 The other thing I think that has
22 to be clear that everyone understands is
23 that under the concessionaire agreement,
24 this Legislative body would set the rates
25 for the sewer system.

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2 You would be approving a contract
3 with a concessionaire that would call for
4 some type of revenue increase each year. So
5 that revenue increase can be done from
6 probably tax increases, it could be done
7 from adding new customers to the system or
8 you may generate savings in other parts of
9 the county to pay the concessionaire. It
10 does not necessarily have to equate to a
11 rate increase.

12 I'm not going to sit here and
13 tell you over 40 years rates won't go up,
14 they will. But we strongly believe, that,
15 under the concessionaire's agreement, the
16 rates will go up less than under our current
17 way of operating.

18 So, some of the other benefits.
19 So, public acceptance. The county needs to
20 effectively communicate the concession,
21 value proposition. We have to educate the
22 public on this if we decide to move forward.
23 That's going to take time.

24 The county may need to
25 renegotiate certain provisions in the

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2 existing OEM contract.

3 What we envision right now is
4 that the current contract, which is in the
5 third year, would be assigned to whoever is
6 selected as a concessionaire, and the reason
7 we think that makes sense is because I think
8 most people are happy with the performance
9 of Suez, so we would want to keep them as
10 the operator, but, the concessionaire should
11 have the opportunity to negotiate more
12 favorable terms.

13 In conclusion, we think that
14 based off the preliminary analysis, the
15 county should move forward with tasks two
16 through four.

17 We think it's clear that it will
18 benefit our ratepayers and the overall
19 citizens of Nassau County and, in addition,
20 you are going to eliminate capital operation
21 and financial risk.

22 The key to this is actually going
23 to be whatever concession of contract is
24 created. In that contract, that's where you
25 are going to determine the revenue

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2 increases. That's where you're going to
3 determine the condition that the system will
4 be handed back to the county, and also
5 whatever improvements we feel are necessary
6 to keep the system functioning properly for
7 our residents.

8 We don't want to be in a
9 situation where there's something unforeseen
10 and have to come back for more revenue.
11 There has to be that proper balance of a
12 risk transfer.

13 So, what are we asking KPMG to
14 do? We are asking them to do a pre-request
15 for qualifications and a due diligence,
16 prepare an RFQ, evaluate that, come back to
17 us, tell us how many potential bidders there
18 could be, what we think could possibly
19 generate for the county based upon a certain
20 set of assumptions that we would have to
21 agree to with the Legislature and with NIFA
22 and how we will ultimately use whatever
23 excess resources can be generated.

24 With that, I'm here to take any
25 questions.

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2 CHAIRWOMAN GONSALVES: I have
3 Legislator Kopel, he would like to ask a few
4 questions.

5 LEGISLATOR KOPEL: Thank you,
6 Madam Presiding Officer. Good afternoon,
7 Eric and Ian, right?

8 MR. NAUGHTON: Yes.

9 LEGISLATOR KOPEL: I've got a
10 number of questions with regard to this
11 analysis.

12 While I would love to see a
13 scenario where it's going to end up saving
14 money, there is some things that puzzle me.

15 First of all, not in any
16 particular order, I see that the projection
17 is for the trend lines that you show, run
18 fairly even between the county case and the
19 concessionaire cases.

20 Indeed, for a while, the county
21 case runs even lower in terms of cost. Then
22 it explodes in about 30 years' time. Why?

23 MR. NAUGHTON: Ian, I'm going to
24 turn it over to you.

25 LEGISLATOR KOPEL: In other

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2 words, all of a sudden, the county costs
3 have a sharp upward trend in the
4 concessionaire case, while I understand why
5 that would remain flat, in terms of cost to
6 us, right? But that's not the cost to them?

7 MR. TESTER: The explosion that
8 you are referring to is the additional
9 revenue that will be needed to leave the
10 system in a non debt environment, so no debt
11 is revised, so you would have to assume --

12 LEGISLATOR KOPEL: So, basically
13 the amortization of the debt would be left
14 for the final years?

15 MR. TESTER: In the last 20
16 years, yes, sir. There is debt that's
17 amortized through but to increase that to a
18 level that provides a like for like
19 investment, both in the status quo, the
20 county currently doing it, or the
21 concessionaire, it would require that
22 additional revenue to support that
23 investment.

24 LEGISLATOR KOPEL: And that's the
25 entire difference. But the capital

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2 expenditures would be constant -- I wouldn't
3 say constant throughout but it would be the
4 same in either case of course --

5 MR. TESTER: No, sir. I think
6 there's a slight difference there. The
7 service would be the same but the amount
8 that was invested --

9 LEGISLATOR KOPEL: No. I'm
10 talking about the amounts required to be
11 invested to maintain the system in good
12 shape. Either case, logically would be the
13 same. You are going to require a system
14 that is operating well and you're going to
15 require certain equipment, and basically
16 this is just capital equipment.

17 For the most part, we are not
18 talking about labor and that kind of thing.

19 MR. TESTER: Sir, let me reflect
20 on that. We are suggesting that there are
21 different contracting models that allow you
22 to put in fixed price date certain contracts
23 that would allow you to generate those
24 efficiencies. So if you reflect on that
25 last motion where you were talking about

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2 change orders, that would largely be that
3 risk of capital investment would be
4 transferred, and the output that you receive
5 would ultimately be the same.

6 So the contracting mechanism
7 would be on maybe a design build basis where
8 those elements were transferred to that
9 concessionaire.

10 LEGISLATOR KOPEL: But what you
11 are simply suggesting, I think, is that you
12 need good management, proper management, to
13 make sure that you don't have the volume of
14 change orders, that's where the risk comes
15 from, right?

16 MR. TESTER: Correct.

17 LEGISLATOR KOPEL: Is there any
18 reason, without being cynical, that the
19 county can successfully manage that process
20 equally well?

21 MR. TESTER: If consensus were
22 aligned, that could, entirely possible.

23 LEGISLATOR KOPEL: That's not a
24 real good mike.

25 CHAIRWOMAN GONSALVES: I think

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2 you need to bring it closer to you too.

3 LEGISLATOR KOPEL: That's not a
4 real good mike.

5 MR. TESTER: Do you want to
6 restate the question? Did you hear my
7 answer?

8 LEGISLATOR KOPEL: The question
9 was, without any degree of cynicism, is
10 there any reason to believe that the county
11 can't equally manage the process of
12 procuring new equipment such as to arrive at
13 a similar price for the equipment?

14 MR. TESTER: I think the answer
15 is potentially yes, but you have to look at
16 it year on year over a 40 year period.

17 My professional view is, there
18 are other jurisdictions who have had
19 challenges in that regard.

20 LEGISLATOR KOPEL: Could this not
21 be -- we are using Suez now, as Mr. Naughton
22 said, we're generally satisfied with them.
23 Could we not simply, whether it's Suez or
24 whoever succeeds them, contract this process
25 out as well relying on their private sector

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2 presumed greater efficiency?

3 MR. TESTER: That is effectively
4 what we are talking about here.

5 LEGISLATOR KOPEL: Well, what I
6 mean is, without undergoing this process we
7 could simply contract out the management,
8 not even the management but the procurement
9 process, to Suez as well.

10 In other words, we have a public
11 private partnership here, I'll move along
12 because I understand your response there,
13 but it kind of overlaps with some other
14 things.

15 Typical public private
16 partnership we see is most efficient I think
17 when you've got the operations and
18 maintenance portions of things given over
19 the private sector, you get certain
20 efficiencies, operational efficiencies, you
21 might have lower labor costs, certain
22 things.

23 But the efficiency in the capital
24 market portion of that when you go in the
25 capital market portion of that, when you're

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2 going into the capital market, you're
3 relying on a capital efficiency, in most of
4 these cases, significant capital efficiency
5 of what is it ten to 15 percent?

6 MR. TESTER: Six to 15.

7 LEGISLATOR KOPEL: And the
8 county's got a vastly lower cost of
9 borrowing; private industry has a far higher
10 cost of borrowing, not to mention the equity
11 component which is going to require 11.7
12 percent to 15 percent return as well, which
13 means that you are starting out of a deep
14 hole, wouldn't that be true?

15 MR. TESTER: I wouldn't
16 characterize it as a deep hole. I would say
17 three things I want to correct.

18 I think there's a slight
19 confusion around the word capital, you're
20 used to the word capital here. The six to
21 15 percent represents efficiency savings on
22 the capital construction or maintenance;
23 i.e., the holes that are dug and filled with
24 concrete, that piece of capital, the
25 construction element. That's one thing to

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2 say.

3 Your question around the cost of
4 finance. I won't dispute that there may be
5 a slight disadvantage. Equity will
6 generally represent in this transaction only
7 a small fraction somewhere in the order of
8 ten to 15 percent of the overall capital,
9 sources of capital, debt being the
10 remainder. What that leaves you with
11 overall is a slightly more --

12 LEGISLATOR KOPEL: I'm sorry,
13 what?

14 MR. TESTER: Overall a slightly
15 more expensive cost of capital, but that
16 overall weighted cost of capital is offset
17 by the efficiencies that are driven through
18 the capital maintenance program and
19 potentially through the --

20 LEGISLATOR KOPEL: The capital
21 maintenance. Okay. What would the degree
22 of capital efficiency that you need to
23 overcome?

24 MR. NAUGHTON: I'm sorry,
25 Legislator Kopel?

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2 LEGISLATOR KOPEL: What would be
3 the blended cost of capital in the
4 concessionaire case versus the typical
5 municipal scenario where you are borrowing
6 all of it on a tax advantage basis? Well,
7 they're both tax advantage when you're
8 borrowing.

9 But when you are borrowing on a
10 tax exempt basis, what would be the amount
11 of capital cost -- cost of capital that you
12 would have to overcome?

13 MR. NAUGHTON: Before we answer
14 that question, I want to go back to the
15 question of the difference between the
16 concessionaire's capital cost and the
17 government cost, because there's some legal
18 reasons why the concessionaire will have it
19 cheaper and an advantage.

20 MR. DENION: Yes, thank you.
21 Conal Denion, County Attorney's Office.

22 What Eric is speaking about is
23 that we believe in speaking with our outside
24 counsel, is that a private concessionaire
25 would be able to take advantages of private

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2 sector contracting procurement, much freer
3 rules that would apply to them that don't
4 apply to governments and we believe those
5 efficiencies will be able to drive down that
6 cost of capital considerably.

7 LEGISLATOR KOPEL: No, no, no.
8 That's not so. Forgive me, but you're
9 essentially disagreeing with Ian.

10 MR. NAUGHTON: I don't think so.

11 LEGISLATOR KOPEL: I'm talking
12 about the cost, not of the construction, I'm
13 talking about the cost of the capital,
14 strictly financial, the same dollar of
15 capital that you've got, one of the inputs
16 in there, that's the same dollar that's
17 going to cost X or it will cost Y depending
18 on which model you're using, whether it's
19 the public model or private model.

20 Everything else equal, the public
21 model is going to be cheaper.

22 MR. DENION: Financing costs I
23 think Eric is going to address, but on the
24 contracting side of procurement --

25 LEGISLATOR KOPEL: I wasn't up to

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2 that.

3 MR. DENION: We do want to stress
4 that point as well.

5 LEGISLATOR KOPEL: Well, again, I
6 have a question on the construction thing as
7 well.

8 MR. NAUGHTON: No, our point is
9 that it's not the same dollar cost. The
10 dollar cost -- their project costs will be
11 cheaper. The financing costs, yes, will be
12 more, but since their actual capital cost
13 will be less that is how you are achieving
14 the savings. That is what Conal is
15 referring, mostly funded design build, and
16 just looking at the other that you require,
17 and --

18 LEGISLATOR KOPEL: Why do you not
19 achieve the same cost savings if you were to
20 simply give that piece over to Suez or its
21 successor? Give them some sort of incentive
22 agreement. They're operating the plant, let
23 them design, build and everything, and we
24 will simply --

25 MR. DENION: Well, Suez is an

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2 operating contract, so they are operating on
3 behalf of the county and all the rules
4 apply. They're just operating. They are
5 not in charge of capital right now. The
6 county still retains the capital
7 requirement.

8 LEGISLATOR KOPEL: What I'm
9 simply suggesting is --

10 MR. DENION: But that's what this
11 is.

12 LEGISLATOR KOPEL: No. Could we
13 not modify or give them an additional piece
14 of work where they would be responsible for
15 the design build, but not get involved in
16 the finance piece of it?

17 MR. DENION: I think you need to
18 do what we're doing a process to turn over
19 the concession to a private concessionaire
20 which is exactly what this process is, and
21 that private concessionaire would be running
22 its business under the contract and
23 according to the rules put in under the
24 contract but it would no longer be procuring
25 on behalf of the government but would

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2 instead be running just like a private
3 utilities in the county that provide water
4 services, would be a private utility under
5 the contract with the county. Under its own
6 rules would be much more efficient than the
7 county could.

8 LEGISLATOR KOPEL: So I hear what
9 you're saying, I just have to understand it
10 better. Let me understand something else.
11 You're forecasting costs and you're going
12 out 40 years. What degree of confidence do
13 you have in the reliability of your
14 forecast?

15 MR. NAUGHTON: I will answer that
16 and also let Ian answer that. Clearly, once
17 you get passed year five, you are using a
18 best guess. Also, the problem is without
19 doing the other market sounding, you don't
20 have all the information you need to make
21 this information more accurate.

22 But, based off the information
23 you have right now, this is the best model
24 that you can come up with.

25 I think when we look at this, if

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2 we are allowed to do more market sounding
3 and go through the RFQ process, this model
4 will get refined at that point and we will
5 have better numbers.

6 MR. TESTER: So I agree with what
7 Eric just said. The process of market
8 sounding will help refine these assumptions.
9 I think these assumptions are based on what
10 we see elsewhere in the market currently.

11 LEGISLATOR KOPEL: I'm not even
12 talking about those assumptions. I'm
13 talking about the cost of -- even in the
14 county retained case. You've got a forecast
15 out 40 years. What degree of confidence do
16 you have in those numbers?

17 MR. NAUGHTON: Well, just to give
18 you an example, one of the problems we had,
19 when you just look at the capital side, the
20 Arcadis reports, they just refreshed my
21 memory what the range was.

22 MR. TESTER: We took a mid point.
23 For each year, on average, throughout this
24 process, we took an average of the high and
25 low range they provide, which came out to

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2 about 50 to \$60 million a year of investment
3 that would be needed, so in some years that
4 would be up to \$100 million. That mid point
5 reflects the averaging of that cost. So
6 it's somewhere between.

7 LEGISLATOR KOPEL: I think we can
8 probably safely say no one knows what's
9 happening in 20 or in 30 years. Things
10 change.

11 MR. DENION: Right. No. We
12 would agree with that, but just to put what
13 I am in total, so if you're talking about 50,
14 60 million over 40 years, you're talking
15 about over \$2 billion and that's just
16 keeping those dollar constant, obviously
17 they grow with inflation, so well over \$2
18 billion for a total capital investment over
19 this period.

20 LEGISLATOR KOPEL: Right. Now
21 moving on to the question of the debt
22 repayment; why bother? Why repay debt when
23 we can finance debt at such a low rate, why
24 repay it at all?

25 Obviously you want to amortize

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2 debt over the life of each asset, but, A,
3 first of all, why bother to repay it?

4 And, second of all, you showing
5 at the end I think of the county retained
6 case, what is it, two point something
7 billion dollars in debt?

8 MR. DENION: As to the first
9 question, we don't have much choice because
10 the federal tax exempt bond will require us
11 on a change of use like this with the
12 private activity to remedy the bond and
13 maybe easiest remedy is to repay them.

14 LEGISLATOR KOPEL: No. I don't
15 mean -- obviously, in a system like this
16 you're always amortizing hopefully over the
17 life of the equipment, and, as you are
18 replacing the equipment, you are borrowing
19 again for the life of new equipment. That's
20 a constant thing, and that's happening in
21 the county case right now, it always happens
22 that way, right? It should happen that way
23 if it works right.

24 Now, all of a sudden, you
25 mentioned earlier that the trend line for

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2 the county case slopes sharply upward
3 primarily because of the debt repayment I
4 think you said.

5 MR. DENION: The reason we did
6 that because with the concessionaire cases
7 after 40 years they would return the system
8 to us debt free and it would be an agreed
9 upon condition based on what was stated in
10 the contract so we didn't want to compare
11 getting a system back --

12 LEGISLATOR KOPEL: I understand.
13 But if you didn't do that, if you didn't do
14 that but merely kept staying the course, as
15 it were, the trend line probably would stay
16 the same, right, in terms of cost?

17 MR. DENION: That is correct. We
18 did look at that scenario with the county
19 continuing to do what it did but then you're
20 not comparing apples to apples so to speak
21 because if we kept issuing debt --

22 LEGISLATOR KOPEL: Maybe oranges
23 are better. I mean, why explode the rates
24 back then?

25 MR. DENION: Because you couldn't

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2 compare the two scenarios on the status quo.
3 It was 2.1 billion of debt outstanding just
4 for the sewer system with the status quo if
5 we didn't have --

6 LEGISLATOR KOPEL: I don't
7 understand the \$2.1 billion. Where does
8 that come from?

9 MR. NAUGHTON: Essentially,
10 Legislator Kopel, if we were to do -- if we
11 were to do as you suggested that we just
12 keep issuing county bonds, don't take pay it
13 off, at the end of 40 years where your rates
14 may be lower, you would owe, you have about
15 \$2 billion worth of bonds outstanding.

16 LEGISLATOR KOPEL: How? What I'm
17 saying is the 500 some odd million that
18 you've got out there now, those are being
19 amortized, right?

20 MR. NAUGHTON: Yes.

21 LEGISLATOR KOPEL: Of course they
22 are. As you need new equipment, you are
23 issuing new bonds and those are being
24 amortized as you go.

25 MR. NAUGHTON: Right. I

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2 understand where you're headed. The problem
3 though is, we are adding more debt faster
4 than we are paying off the old debt.

5 LEGISLATOR KOPEL: Which means we
6 are not using the right kind of amortization
7 period. I don't mean legally but factually.

8 MR. NAUGHTON: No. The problem
9 is that the demand your system requires
10 takes more than you can actually pay off at
11 any given time.

12 So, as you keep adding \$50
13 million a year, you're not getting rid of
14 \$50 million worth of debt each year.

15 LEGISLATOR KOPEL: I guess that's
16 my question. I would love to see those
17 numbers.

18 In other words, I would like to
19 see how you get there. I would also like
20 very much to see continuation of steady as
21 she goes so to speak and continuing the
22 current process without showing the
23 amortization, what would that trend line
24 look like?

25 MR. NAUGHTON: We can easily

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2 provide that to you.

3 LEGISLATOR KOPEL: I'm almost
4 done here. In the concessionaire case, who
5 bears the risk of new regulation? The feds
6 or the state promulgate a whole new set of
7 regulations requiring a vastly more
8 expensive system.

9 MR. NAUGHTON: I'm not going to
10 speak for Conal, I will let him answer this,
11 it all depends on the details in the
12 contract.

13 LEGISLATOR KOPEL: I'm asking
14 about your forecast.

15 MR. TESTER: I think there is a
16 difference between what the general industry
17 regulation changes versus federal imposed
18 legislation, a concessionaire would have no
19 control over.

20 I think the answer to your
21 question is, if the feds came in and said if
22 we wanted everything gold plated, for
23 example -- I think that frankly it's a risk
24 that you and/or the feds would take, and I
25 use it as an obtuse example that hopefully

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2 illustrates the point.

3 LEGISLATOR KOPEL: So, basically,
4 I'm sure other people have questions, I will
5 let them get to it, but, again, for myself,
6 I would love to see something happen that's
7 going to make a lot of sense for the county
8 and I would love to see some further
9 responses to a lot of these questions. I
10 would love to see the public accept it if
11 that's the case, if that indeed is the
12 outcome. Thank you, Madam Presiding
13 Officer, I'm done for the moment.

14 CHAIRWOMAN GONSALVES: Any other
15 comments? Minority Leader.

16 LEGISLATOR ABRAHAMS: Thank you,
17 Madam Presiding Officer. Just a couple of
18 questions.

19 Eric, in your presentation on
20 page four, concessionaire case four column,
21 it talks about the \$572 million amount to be
22 defeased debt, and then it has X. Do you
23 have any projections on what X is?

24 MR. NAUGHTON: We have a
25 projection on what X is. We don't think

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2 it's in the best interest of the county to
3 discuss that publically. We would be
4 willing to talk about that in executive
5 session on what X could be.

6 LEGISLATOR ABRAHAMS: I
7 understand, if that's what it is.

8 My next question is, I want to
9 make sure this is clarified. It was said
10 earlier the best practice for the county is
11 for the private entity to handle the
12 procurement process for savings purposes.
13 Am I generalizing that correctly?

14 MR. NAUGHTON: We didn't use the
15 word best, but we did say that would be
16 cheaper.

17 LEGISLATOR ABRAHAMS: It would
18 be cheaper to have the newer entity come in
19 to provide and handle the procurement
20 process?

21 MR. NAUGHTON: That's correct.

22 LEGISLATOR ABRAHAMS: I'm just
23 curious, Madam Presiding Officer, if you
24 indulge me, I do see Mr. Cleary here. Do
25 you mind if Mr. Cleary -- he's sitting over

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2 to our right. He's in plain sight. But I
3 would just like to --

4 CHAIRWOMAN GONSALVES: There is a
5 question on the floor which needs your
6 response.

7 LEGISLATOR ABRAHAMS: Do you
8 mind, Mr. Cleary?

9 CHAIRWOMAN GONSALVES: I hope we
10 are not catching you off guard and, if not,
11 say so. Ask the question. What was the
12 question?

13 LEGISLATOR ABRAHAMS: It was,
14 basically, do you agree with the position
15 that Mr. Naughton as well as our consultants
16 have made in regard to the procurement
17 process being handled -- it would be cheaper
18 to handle the procurement process through
19 this newer entity than through the standard
20 governmental municipal procurement process
21 and why?

22 MR. CLEARY: Robert Cleary,
23 director of procurement compliance.

24 I haven't been involved in the
25 discussions in this regard. I don't feel

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2 qualified to answer the question, frankly.

3 I think I have to stop at that
4 point. I don't have any insight into it.

5 LEGISLATOR ABRAHAMS: Let me ask
6 you this: In general, is it cheaper to not
7 have -- because we always had the
8 understanding that government gets in many
9 cases some of the best pricing. At least as
10 has been testified to us many times when
11 considering contracts.

12 That being said, it seemed a
13 little unusual that a private entity would
14 be able to leverage different types of
15 resources to be able to get better pricing
16 than a municipality?

17 In general, do you think that
18 could be a standard to have private entities
19 that would be able to secure better pricing
20 or do this stuff cheaper than the county?

21 MR. CLEARY: Speaking very
22 generally and not being able to claim any
23 insight into this particular matter, because
24 I don't know this market and this particular
25 contract or these negotiations, there are

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2 circumstances in which marketplaces are so
3 unique and so specific that you do want to
4 leverage expertise to take advantages of the
5 opportunities in those markets where you
6 don't have the expertise yourself.

7 So if I wanted to build a space
8 shuttle tomorrow, I wouldn't put a
9 solicitation on the street. I would hire
10 someone to help me with that.

11 There is an awful lot that I
12 don't know about that marketplace and I
13 wouldn't put together a good solicitation
14 and I wouldn't negotiate an effective
15 contract. So I don't know if that's what
16 we're talking about here.

17 LEGISLATOR ABRAHAMS: I guess
18 what we're talking about is the actual
19 procurement process that will take place --
20 the contract is already in place. KPMG is
21 here. They are helping us put together, if
22 we chose to go forward, potential RFQ, RFP
23 to go forward.

24 So I guess the expertise that
25 you're talking about and use your analogy in

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2 regards to building a space shuttle, that
3 expertise is sitting here already.

4 What I'm asking is the process
5 going forward, the actual construction
6 contracts.

7 MR. ARNOLD: Ken Arnold, Public
8 Works. In regard to the actual construction
9 contracts, just the cost of payment would be
10 cheaper on a private entity as compared to
11 the county.

12 Our payment timing is much
13 extended over what a private entity would
14 do. A private entity pays within days. We
15 pay within weeks. The cost of doing
16 business is much cheaper.

17 LEGISLATOR ABRAHAMS: So let me
18 ask you, Ken, should DPW be privatized?

19 MR. ARNOLD: There are parts of
20 the country that do privatize a lot of DPW
21 functions.

22 LEGISLATOR ABRAHAMS: I mean, if
23 we're saying that we don't pay on time and
24 the fact that it seems -- why do we have a
25 department?

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2 MR. ARNOLD: Payment on time,
3 it's oversight, all the rules and
4 regulations that go along with all these
5 contracts. County payment goes through
6 Comptroller, goes through budget, goes
7 through many entities.

8 LEGISLATOR ABRAHAMS: I get
9 that, but it seems --

10 MR. ARNOLD: A private entity is
11 directly to the contractor.

12 LEGISLATOR ABRAHAMS: If we are
13 paying that much more, it just seems to be
14 that -- I don't understand this. Because
15 every time I hear us get up in regards to a
16 contract, it always sounds like we are --
17 maybe we are getting the best pricing
18 available to us?

19 MR. ARNOLD: Also, don't -- you
20 have to be careful comparing a purchasing
21 item and a construction contract.

22 LEGISLATOR ABRAHAMS: I got you,
23 but even on the construction contracts, I
24 was always under the impression it would be
25 cheaper for us to pave a parking lot per

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2 square foot than it would be to have a
3 homeowner use the same contract to pave the
4 driveway, which, it sounds like today you're
5 telling me, on a square foot basis, that
6 would not be the case, that the guy paving
7 his driveway is going to get the better cost
8 than this county.

9 MR. ARNOLD: The person paving
10 his driveway is not paying for all the
11 regulations that go along with paving the
12 driveway.

13 LEGISLATOR ABRAHAMS: Okay. I
14 got you. I'm just saying, if somebody is
15 coming they're going to pour some blacktop
16 on my driveway, versus someone who is going
17 to pour the same amount of blacktop on a
18 stretch of road on Franklin. I'm going to
19 get a better cost because I'm a private
20 entity in comparison to a government entity.
21 That, to me, sounds astonishing. It's the
22 opposite of everything I have heard.

23 MR. ARNOLD: The difference with
24 the risk is, the public entity will
25 definitely pay, but will be delayed payment.

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2 The private entity in some cases may not
3 pay. That's the risk that that contractor
4 will be taking.

5 LEGISLATOR ABRAHAMS: But this
6 private entity, as big as this contract will
7 be, this private entity, we are talking
8 about a DPW department, a capital plan
9 that's hundreds of millions of dollars,
10 billions, over the course of maybe a dozen,
11 five, six years. It just seems astonishing
12 that we are not leveraging all of that to
13 get the best pricing possible.

14 MR. ARNOLD: Each construction
15 contract is with a different contractor and
16 is specific to the project.

17 Now, if we were running a
18 requirements contract, where we're doing a
19 road resurfacing requirements contract, then
20 you're leveraging a price of concrete for
21 amount of work.

22 But when you are going out doing
23 a specific project where you're putting in
24 influent screens or grid -- where it's
25 specific to the work, it's a one time bid,

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2 there is no leveraging other than the known
3 entity of --

4 LEGISLATOR ABRAHAMS: I see your
5 point.

6 CHAIRWOMAN GONSALVES: I believe
7 Legislator DeRiggi-Whitton, and I have
8 another question from Legislator Kopel and
9 then we'll move on.

10 LEGISLATOR DERIGGI-WHITTON: I
11 know you have to think back to the last time
12 something was privatized with the county,
13 and one of the problems I have with Violaia
14 and NICE Bus is there is a continuation, I
15 don't want to say of a threat, coming back
16 to us every year saying we're going to cut
17 routes unless the county subsidizes it more.

18 And during this time their profit
19 has increased I think it's close to 100
20 percent from the first year they took over
21 the bus. The number varies, but it is
22 astronomical as far as percentage-wise.

23 Is there anything in place to
24 control the profit that whoever takes over
25 this company is entitled to?

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2 MR. NAUGHTON: That's not
3 something that you would put into the
4 contract, however, what you would put into
5 the contract are performance standards,
6 state clearly what level performance must be
7 done by the concessionaire so that they
8 can't change the level of service on you.
9 That's the major difference. We didn't put
10 into the bus contract and say you must have
11 these routes.

12 LEGISLATOR DERIGGI-WHITTON: Oh,
13 yes, we did. But they were not supposed to
14 be cutting any routes or services for a
15 number of years and they did right away
16 almost.

17 The problem is, the legislators
18 are going to have to increase taxes because
19 of a rate that we're not going to control
20 over partially because this company who's
21 put into place to make money is going to be
22 able to take whatever profit they wish prior
23 to any debt.

24 We see it, it's the same company
25 most likely, Violaia, and they're doing it

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2 with the bus system. They are taking
3 whatever profit they want regardless of how
4 they're performing.

5 If their profit was based on
6 their performance, it would be zero, and it
7 has increased 100 percent. Maybe more than
8 100 percent. It may be more than 100
9 percent.

10 So I got the answer, there is
11 nothing in place to regulate that. I do
12 understand that.

13 MR. NAUGHTON: Well, I'm sorry,
14 but there is no contract before you to put
15 something in place so you can't say there's
16 nothing in place, you don't have an
17 agreement before you to have something in
18 place.

19 LEGISLATOR DERIGGI-WHITTON:
20 Right. But what you answered before was
21 that now you were going to regulate -- you
22 basically told me that we wouldn't be able
23 to regulate. Are you changing your answer?

24 MR. NAUGHTON: I'm saying that we
25 wouldn't tell them what their profit should

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2 be or minimize what that profit would be.

3 However, what we would do is put
4 in cost saving incentives so that we can
5 mutually come up with some way to save money
6 where we could share in that savings, that
7 we would do.

8 LEGISLATOR DERIGGI-WHITTON: So
9 it's just like what the bus has basically,
10 it's the same exact situation? There's
11 really nothing in place to regulate?

12 MR. NAUGHTON: No. It's not.
13 The bus is not investing in the system. The
14 bus is your operator. So these are two
15 different types of scenarios.

16 LEGISLATOR DERIGGI-WHITTON: But,
17 again, it's really about the profit in my
18 mind. And we are going to be the ones who
19 are going to be responsible.

20 See, when the county runs it we
21 would have a say, a say in the cost and
22 maybe, who knows, maybe the private sector
23 could save more than the county and maybe
24 the county can save more money than the
25 private sector. Like Howard said, I think

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2 there are a lot of questions that are not
3 answered.

4 However, I do think that the
5 county is -- I'm not in favor of this
6 situation because it's not regulated. The
7 bus is like a little design of this and what
8 this is it's like the bus on steroids.

9 What's unfortunate is the
10 taxpayers are going to be held to what the
11 agreement we're into with this private
12 company. We're going to have nothing to do
13 as far as controlling the cost of their
14 rates especially if the company decides to
15 skyrocket their profit as they did with the
16 NICE Bus.

17 MR. NAUGHTON: I just need to
18 correct the record on that. The contract
19 itself is going to set the revenue that they
20 get. They cannot go back to the ratepayers
21 and demand more money from them. That's not
22 what's going to be the case here.

23 LEGISLATOR DERIGGI-WHITTON: It's
24 going to be the same thing as the bus. It's
25 going to be -- they're going to demand all

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2 these amendments. How long was it? A
3 couple of months they have come back to us.
4 They've come back so many times.

5 Eric, I wish you were right. But
6 it's not what happened in the microcosm of
7 the bus. This is basically the same thing
8 all over again. I feel terrible because
9 every homeowner in Nassau County is going to
10 be tied to this company, not even an
11 American company that is going to be able to
12 put whatever profits they want to in place
13 and, as legislators, our hands are going to
14 be completely tied.

15 CHAIRWOMAN GONSALVES: One more
16 question from Legislator Kopel.

17 LEGISLATOR KOPEL: Yes. What I
18 forgot to ask you before is your use of the
19 CPI, whether it's plus one and a quarter or
20 plus 5.5 percent down the road.

21 The CPI doesn't seem like a
22 logical index for this kind of thing. We
23 are talking about strictly capital
24 expenditures here. CPI is heavy on food,
25 shelter and that kind of thing. There's

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2 really not much of a relationship it would
3 seem to me. So where does that come from?

4 MR. NAUGHTON: I will let Ian
5 explain the use of CPI.

6 MR. TESTER: CPI plus a margin
7 effectively.

8 LEGISLATOR KOPEL: Yes.

9 MR. TESTER: So, there are two
10 things to say. You're right. We are trying
11 to in some ways trying to match the revenues
12 that you would receive at the county. And
13 looking historically of what CPI has done
14 historically of where your rates have
15 increased and try to match that trend line.

16 So, you're right, going forward
17 it was an assumption, and it could certainly
18 change if you decided to look at something
19 else going forward.

20 LEGISLATOR KOPEL: I think that
21 all of us up here are in agreement that we
22 want to make sure that we have an analysis
23 that leads to a solution and not a solution
24 that leads to an analysis if you will.

25 So, come back with some answers.

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2 I would suggest that you might want to get
3 the transcript to get all the questions, and
4 I will make a motion to table at this time
5 so you'll have time to do that.

6 LEGISLATOR NICOLELLO: Second.

7 CHAIRWOMAN GONSALVES: A motion
8 to table by Legislator Kopel, seconded by
9 Legislator Nicolello.

10 All those in favor of tabling
11 this item signify by saying aye.

12 (Aye.)

13 Any opposed?

14 (No verbal response.)

15 The item is tabled unanimously.
16 Thank you very much. Mr. Naughton, I have
17 my own questions but I will ask you after
18 the meeting.

19 Next is E-136, a personal
20 services agreement between the County of
21 Nassau acting on behalf of the Nassau County
22 Comptroller and Albrecht, Viggiano, Zurek &
23 Company, P.C.

24 Motion, please.

25 LEGISLATOR DUNNE: So moved.

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2 LEGISLATOR NICOLELLO: Second.

3 CHAIRWOMAN GONSALVES: Moved by
4 Legislator Dunne, seconded by Legislator
5 Nicolello. Who is here to speak on this
6 item?

7 Hold on. I'm going to call the
8 next one as well E-137, a personal services
9 agreement between the County of Nassau
10 acting on behalf of the Office of the Nassau
11 County Comptroller and RSM US, LLP.

12 Motion, please.

13 LEGISLATOR DUNNE: So moved.

14 LEGISLATOR KOPEL: Second.

15 CHAIRWOMAN GONSALVES: Moved by
16 Legislator Dunne, seconded by Legislator
17 Kopel. Now you can talk to both.

18 MR. BLANCO: Hi. Sergio Blanco
19 from the County Comptroller's Officer here
20 to talk about these two items.

21 CHAIRWOMAN GONSALVES: Educate
22 us.

23 MR. BLANCO: These two contracts,
24 one is RSM, who is our county's outside
25 auditor. The other is with AVZ who is an

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2 accounting company who helps us prepare the
3 CAFR. These two amendments are for
4 out-of-scope work that came about during the
5 2015 CAFR year that its services performed
6 in 2016.

7 After a thorough negotiation, we
8 have entered into these amendments to pay
9 these vendors for the out of scope work that
10 was required to complete last year's CAFR.

11 CHAIRWOMAN GONSALVES: Any
12 questions of Sergio? Legislator Solages,
13 ask your question.

14 LEGISLATOR SOLAGES: Thank you.
15 Good afternoon. As stated I guess in
16 amendment one, the scope of services is
17 being amended to include issuing an
18 additional revised draft of the financial
19 statements to include a restatement of the
20 capital fund. Why is it necessary to have a
21 restatement?

22 MR. BLANCO: I'm going to call up
23 our director of accounting, Lisa Tsikouras,
24 if she can come and explain that.

25 LEGISLATOR SOLAGES: The

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2 comprehensive annual financial report, is
3 that due again?

4 MS. TSIKOURAS: It's due June
5 30th of every year. The CAFR, the
6 restatement basically means that the opening
7 fund balance for a particular fund would
8 have to be restated. There were significant
9 construction invoices paid after the close,
10 after the fiscal close, so on a GAAP basis
11 you have to record those expenditures in the
12 current year that they're incurred.

13 Since there was a large swing
14 normally, it's about the same so there was
15 no effect. But there was a large swing and
16 in '16, and in '15 to '14, and the auditors
17 required that we go back and restate the
18 opening fund balance.

19 We're not issuing a new CAFR,
20 we're just restating the opening fund
21 balance for a particular fund. In this case
22 it was the consolidated capital funds.

23 LEGISLATOR SOLAGES: Understood.
24 How long will it take to issue a revised
25 draft of the financial statement and perform

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2 a reconciliation of the general fund?

3 MS. TSIKOURAS: It depends. The
4 problem is, we have -- our systems do not
5 are really not meet our needs at this point,
6 our financial system. The CAFR is prepared
7 primarily if Xcel and what happens is it
8 becomes more and more time consuming every
9 year. That's why the county has gone to
10 utilizing AVZ.

11 The hospital's financial
12 statements were very late last year.

13 LEGISLATOR SOLAGES: Why?

14 MS. TSIKOURAS: Good question. I
15 would like an answer myself. Every year we
16 seem to have trouble getting the hospital's
17 financial statements.

18 LEGISLATOR SOLAGES: How late was
19 it?

20 MS. TSIKOURAS: Seven weeks.
21 And, as a result, the Comptroller made the
22 decision to have ABZ provide us with an
23 additional CAFR so that the orders, we could
24 keep moving to try to get the CAFR out. As
25 it were, the CAFR was released like two

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2 weeks past the deadline, which was a
3 significant endeavor on our part to make
4 sure we got it out as quickly as we could
5 even though we received the financial
6 statements from the hospital on June 22nd I
7 believe it was.

8 LEGISLATOR SOLAGES: Nothing
9 further. Thank you.

10 CHAIRWOMAN GONSALVES: Minority
11 Leader.

12 LEGISLATOR ABRAHAMS: Two quick
13 things, we know it's in the backup and in
14 the contract on paragraph two it mentions if
15 an unexpected circumstance occurred with the
16 County Executive's indictment after the CAFR
17 audit but before the DOT audit was issued,
18 mitigation procedures were required in order
19 for the contractor to be able to issue the
20 DOT report.

21 It goes on to say that the
22 contractor had to do work with this national
23 office of risk management to evaluate the
24 indictment and available news information,
25 additional required procedures in order to

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2 issue the DOT report.

3 I guess from the Comptroller's
4 Office perspective, can you elaborate how
5 the county executive's indictment impacted
6 the affected CAFR audit and the procedures
7 that had to be conducted in order to issue
8 the DOT report?

9 MS. TSIKOURAS: Under accounting
10 standards, auditing standards, there are
11 standards that every auditor has to follow.
12 Once there is any kind of a -- there's
13 something that looks untoward, they are
14 required to expand their testing.

15 We issue two single audit reports
16 a year for the county; one is consolidated
17 single audit report that goes to the federal
18 government for all the federal awards. We
19 also issue one to the New York State DOT.
20 We are required to do so.

21 The auditors had issued the
22 single audit and the CAFR and subsequent to
23 that there was the issue with the County
24 Executive. So they were required to
25 increase their testing and because of the

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2 allegations they have to go to their
3 national office.

4 Their national office has to come
5 in and they basically look at the county
6 from a risk perspective and determine
7 whether or not they want to maintain the
8 county as a client. They have to go through
9 their own procedures. It's a requirement.
10 That's what that entails. It's really
11 outside the scope of the normal outside
12 audit.

13 LEGISLATOR ABRAHAMS: That cost
14 us, that report cost us 5,101?

15 MS. TSIKOURAS: Yes. Because,
16 again, it has to go to national office. Now
17 you're having senior partners within the
18 organization reviewing and making
19 determinations of risk.

20 LEGISLATOR ABRAHAMS: Can you
21 describe the nature of the additional
22 testing?

23 MS. TSIKOURAS: We're not really
24 privy to what their risk analysis is, but
25 basically it's looking at the county and

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2 determining -- we are high risk to begin
3 with, so whether or not there was enough
4 risk to tell them that they would have to
5 pull out of the engagement.

6 Some of the testing could be like
7 procurement testing which they are doing
8 right now. They are doing additional
9 testing in '16 also as a result of what
10 happened. So we will have additional costs
11 this year as well.

12 LEGISLATOR ABRAHAMS: So I guess,
13 if I'm gathering, we don't know the result
14 of the --

15 MS. TSIKOURAS: Not the
16 specifics, no. But it is a requirement.
17 Every accounting firm, Arthur Anderson is a
18 perfect example of what happens to
19 accounting firms that don't do risk
20 analysis.

21 LEGISLATOR ABRAHAMS: Do they
22 tell you what is involved, talk to county
23 employees, do they tell you anything on the
24 testing criteria?

25 MS. TSIKOURAS: No. It's

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2 basically an internal factor on their end to
3 determine whether or not to continue with
4 the county as a client.

5 LEGISLATOR ABRAHAMS: Okay. The
6 next question, and you will be the best
7 person to answer, in Section 2B it indicates
8 two of the county's federally -- I'm quoting
9 from the contract -- federally funded grant
10 programs require qualified opinions from the
11 contractor due to the unanticipated matters
12 which occurred during the performance of the
13 auditing procedures above the normal scope
14 of audit because of the lateness in
15 obtaining responses to questions and the
16 support of selections and because of the
17 significance of the findings, and the
18 required, the contract qualified opinions on
19 two programs -- it continues on.

20 I just wanted to ask more
21 specifically, the unanticipated matters that
22 require the auditor to qualify his opinions
23 and what they were in the nature of their
24 qualifications.

25 MS. TSIKOURAS: When the auditors

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2 are performing testing of any nature, if
3 they can't get satisfaction that they feel
4 the information that's provided is
5 reasonable, then they will qualify an
6 opinion.

7 In this case, I don't remember
8 off the top of my head which two programs, I
9 can find out, but --

10 LEGISLATOR ABRAHAMS: But what
11 would we need know in order --

12 MS. TSIKOURAS: For example, one
13 of the requirements for the single audit
14 report, one of the federal requirements, and
15 the requirements for testing are set by the
16 federal government, not by the auditor.
17 They have to follow a program for testing
18 any program where the county receives any
19 federal award money.

20 I believe in this case there was
21 a requirement for sub-recipient monitoring.
22 So, in other words, if the county provides
23 funds to a nonprofit agency or some other
24 agency, it's fulfilling that program, the
25 county is required by the federal government

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2 to have some recipient monitoring to monitor
3 that sub-recipient to ensure they are
4 following all the requirements.

5 I believe that in this case the
6 program had no support to show that the
7 department was monitoring the
8 sub-recipients.

9 So the auditors can't make a
10 determination that all the federal
11 requirements were being followed, thus, it
12 has to be a qualified opinion on that
13 particular program.

14 LEGISLATOR ABRAHAMS: This sounds
15 to be very significant. Do you know if the
16 federally funded grant program is FEMA
17 related?

18 MS. TSIKOURAS: I'm not sure.
19 Off the top of my head, I don't know.

20 These items are, typically, they
21 are discussed in detail in the single audit
22 report which is distributed to every single
23 legislator. Once we issue it to the federal
24 government, we send an email with the
25 attachment with the single audit report.

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2 And there are details in the back, every
3 finding, what the testing was and what kind
4 of funding it was and the county's response
5 to each of those?

6 LEGISLATOR ABRAHAMS: Can you
7 find out today the two county's federally
8 funded grant programs were?

9 MS. TSIKOURAS: Yes.

10 LEGISLATOR ABRAHAMS: Madam
11 Presiding Officer, I respectfully request
12 that we just table until we find out what
13 those two programs were.

14 CHAIRWOMAN GONSALVES: Would you
15 be able to get that before the end of the
16 day?

17 MS. TSIKOURAS: I'm actually
18 going to email my staff right now to tell me
19 what they were.

20 CHAIRWOMAN GONSALVES: Hold on
21 to your motion to table. Do you have the
22 response?

23 MS. TSIKOURAS: No.

24 CHAIRWOMAN GONSALVES: We will
25 table it until you get a response. We have

1 Rules Committee/6-5-17

2 few more items.

3 LEGISLATOR SOLAGES: I second the
4 motion.

5 LEGISLATOR ABRAHAMS: Just a
6 quick question before we table. Which in
7 regards to these two federally funded grant
8 programs, which year CAFR are we talking
9 about?

10 MR. BLANCO: 2015.

11 LEGISLATOR ABRAHAMS: That's the
12 only one we're talking about?

13 MR. BLANCO: Correct.
14 Essentially last year's CAFR.

15 MS. TSIKOURAS: Just to clarify,
16 we don't reissue a CAFR, we restate an
17 opening fund balance, that's typical.

18 LEGISLATOR ABRAHAMS: Motion to
19 table this matter.

20 CHAIRWOMAN GONSALVES: All those
21 in favor of tabling 136 and 137 signify by
22 saying aye.

23 (Aye.)

24 Any opposed?

25 (No verbal response.)

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2 The items are tabled and
3 hopefully you will get back to us before the
4 end of the session.

5 The next three items, I'm going
6 to begin with U-27, a personal services
7 agreement between the county of Nassau
8 County acting on behalf of the Traffic and
9 Parking Violations Agency and Edward A.
10 Maron.

11 Motion, please.

12 LEGISLATOR DUNNE: So moved.

13 LEGISLATOR NICOLELLO: Second.

14 CHAIRWOMAN GONSALVES: Moved by
15 Legislator Dunne, seconded by Legislator
16 Nicolello. Who is here to speak on this
17 item? This is U-27, Mr. Becker.

18 LEGISLATOR BECKER: Madam chair,
19 this is an appointment for another hearing
20 officer for TPVA, Edward Maron.

21 CHAIRWOMAN GONSALVES: Okay.
22 Anybody have any questions of Mr. Becker?

23 (No verbal response.)

24 Is there any public comment?

25 (No verbal response.)

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2 There being none, all those in
3 favor of U-27 signify by saying aye.

4 (Aye.)

5 Any opposed?

6 (No verbal response.)

7 The item passes unanimously.

8 The next two items I'm going to
9 call them together. U-30 and U-31, personal
10 services agreements between the County of
11 Nassau acting on behalf of the Nassau County
12 Department of Parks, Recreation and Museums
13 and Christopher Yerlig;

14 And U-31, a personal services
15 agreement between the County of Nassau and
16 the Department of Parks, Recreation, and
17 Museums, and Dr. K's Motown Revue.

18 Motion, please.

19 LEGISLATOR NICOLELLO: So moved.

20 LEGISLATOR DUNNE: Second.

21 CHAIRWOMAN GONSALVES: Moved by
22 Legislator Nicolello, seconded by Legislator
23 Dunne. Ms. Krieb.

24 MS. KRIEB: Eileen Krieb,
25 Department of Parks.

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2 U-30 is for Chris Yerlig who is
3 the mime, provides entertainment out of
4 Bethpage for \$7,000 funded through Hotel
5 Motel and is for the season beginning the
6 summer through the end the year;

7 U-31 is Dr. K's contract for
8 Lakeside theater for August 4th and it's for
9 \$2,800 also funded through Hotel Motel.

10 CHAIRWOMAN GONSALVES: Any
11 questions? Legislator DeRiggi-Whitton.

12 LEGISLATOR DERIGGI-WHITTON: I
13 know recently we have been approached by
14 some people who contribute to the Hotel
15 Motel tax and they have been questioning
16 like how much we are spending on actually
17 attracting tourism.

18 Is there a way to provide us with
19 a list of how much, first of all, you've
20 taken in the last maybe three years and what
21 each project that we've spent Hotel Motel?

22 MS. KRIEB: Yes, each year we
23 prepare the Parks Department with a summary
24 report which both majority and minority
25 group should have received by now.

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2 LEGISLATOR DERIGGI-WHITTON: Can
3 you send that to us for the last three year,
4 send to the legislators directly, because I
5 haven't seen it?

6 MS. KRIEB: Sure. They are due
7 in February and I send it to the state,
8 senate and local. Questions?

9 LEGISLATOR DERIGGI-WHITTON: I
10 don't think that any of us received that.

11 MS. KRIEB: It shows the amount
12 received and how it has been allocated.

13 LEGISLATOR DERIGGI-WHITTON: That
14 would be helpful. Not that we're
15 criticizing, it's just to know because we
16 are being questioned on how the money is
17 actually follows what it's supposed to do
18 which is promote tourism I would like to
19 have.

20 MS. KRIEB: Three years?

21 LEGISLATOR DERIGGI-WHITTON: Yes.

22 CHAIRWOMAN GONSALVES: Any public
23 comment?

24 (No verbal response.)

25 There being none, all those in

1 Rules Committee/6-5-17

2 favor of U-30 and U-31 signify by saying
3 aye.

4 (Aye.)

5 Any opposed?

6 (No verbal response.)

7 The items pass unanimously.

8 Now, Sergio, did you get a
9 response back?

10 MR. BLANCO: Yes.

11 CHAIRWOMAN GONSALVES: So motion
12 to untable 136 and 137.

13 LEGISLATOR DUNNE: So moved.

14 LEGISLATOR NICOLELLO: Second.

15 CHAIRWOMAN GONSALVES: Moved by
16 Legislator Dunne, seconded by Legislator
17 Nicolello. All those in favor of untabling
18 136 and 137 signify by saying aye.

19 (Aye.)

20 Any opposed?

21 (No verbal response.)

22 Give us the info.

23 MS. KRIEB: The two programs are
24 within the housing department, it's the
25 emergency solutions grant and the Home

1 Rules Committee/6-5-17

2 Investment Partnership Program. I have
3 asked my staff to send over the scanning,
4 single audit pages that deal with it and the
5 letter that talks about qualification.

6 So as soon as I get that I will
7 forward that too. But those are the two
8 programs, both within the housing
9 department.

10 CHAIRWOMAN GONSALVES: Any
11 comments?

12 LEGISLATOR ABRAHAMS: Not to make
13 this more difficult but I think we would
14 have to read those pages to determine how to
15 proceed. Up to you. I make a motion to
16 table.

17 LEGISLATOR DERIGGI-WHITTON: I
18 will second it.

19 CHAIRWOMAN GONSALVES: All those
20 in favor of tabling E-136 and E-137 signify
21 by saying aye.

22 (Aye.)

23 Any opposed?

24 (Nay.)

25 Now, for the two items that are

1 Rules Committee/6-5-17

2 before us; E-136 and E-137, all those in
3 favor of E-136 and E-137 signify by saying
4 aye.

5 (Aye.)

6 Any opposed?

7 (Nay.)

8 The items pass four to three.

9 Thank you very much and rules is now in
10 recess.

11 MR. BLANCO: Thank you.

12 (Whereupon, the Rules Committee
13 recessed at 2:49 p.m. and reconvened at 4:15
14 p.m.)

15 CHAIRWOMAN GONSALVES: We are
16 back in session for the Rules Committee.

17 First of all, I would like to
18 motion to suspend the rules. We have an
19 addendum.

20 Motion, please.

21 LEGISLATOR DUNNE: So moved.

22 LEGISLATOR NICOLELLO: Second.

23 CHAIRWOMAN GONSALVES: Moved by
24 Legislator Dunne, seconded by Legislator
25 Nicolello. All those in favor of suspending

1 Rules Committee/6-5-17

2 the rules signify by saying aye.

3 (Aye.)

4 Any opposed?

5 (No verbal response.)

6 The rules are suspended.

7 As is customary, there are
8 several items that will be on the consent
9 agenda and I'm going to read those items
10 into the record, and make sure that these
11 are items that were voted on in the
12 committees.

13 Again, I'm going to begin with
14 the items on the agenda.

15 (Whereupon, please refer to the
16 minutes of the Public Safety, Planning,
17 Public Works, Health, and Finance Committees
18 dated 6-5-17 pertaining to Clerk Items 238,
19 239, 243, 88, 111, 138, 177, 209, 210, 212,
20 213, 214, 221, 224, 226, 230, 231, 232, 233,
21 234, 235.)

22 I'm going to begin with the items
23 on the addendum; Items 238, 239, 243, all
24 part of the consent calendar. 88, 111, 138,
25 177, 209, 210, 212, 213, 214, 221, 224, 226,

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2 230, 231, 232, 233, 234, 235, and I believe
3 that's it.

4 Motion, please.

5 LEGISLATOR DUNNE: So moved.

6 LEGISLATOR NICOLELLO: Second.

7 CHAIRWOMAN GONSALVES: Moved by
8 Legislator Dunne, seconded by Legislator
9 Nicolello. Any comments or questions
10 regarding the items just called?

11 (No verbal response.)

12 Is there any public comment?

13 (No verbal response.)

14 There being none, all those in
15 favor of the items just called signify by
16 saying aye.

17 (Aye.)

18 Any opposed?

19 (No verbal response.)

20 The items pass unanimously.

21 Let's go to those non-consent;
22 I'm going to begin with Item 217, a
23 resolution requesting the Legislature of the
24 State of New York to enact and the governor
25 to approve an act providing disability

1 Rules Committee/6-5-17

2 benefits for sheriffs, deputy sheriffs,
3 under sheriffs, and correction officers.

4 Motion, please.

5 LEGISLATOR NICOLELLO: So moved.

6 LEGISLATOR KOPEL: Second.

7 CHAIRWOMAN GONSALVES: Moved by
8 Legislator Nicolello, seconded by Legislator
9 Kopel. Who is here to speak on this item?

10 MR. PODLESAK: I am. The purpose
11 of the bill is to provide accidental
12 disability benefits for sheriffs, deputy
13 sheriffs, and under sheriffs, and correction
14 officers should any of those titles listed
15 become physically or mentally incapacitated
16 for the performance of their duties they
17 will be eligible for the benefits.

18 The bill provides safeguards to
19 assure only those that meet certain
20 thresholds receive the benefits.

21 CHAIRWOMAN GONSALVES: Legislator
22 Nicolello.

23 LEGISLATOR NICOLELLO: Just to
24 clarify, correct me if I'm wrong, this
25 relates to injuries sustained as a result of

1 Rules Committee/6-5-17

2 a civilian as opposed to when an inmate
3 causes an injury which is already covered,
4 so it's simply closing a loophole and
5 there's very little budgetary impact to the
6 county?

7 MR. PODLESACK: That's correct,
8 sir.

9 CHAIRWOMAN GONSALVES: Any other
10 questions or comments regarding this item?

11 (No verbal response.)

12 Is there any public comment?

13 (No verbal response.)

14 There being none, all those in
15 favor of 217 signify by saying aye.

16 (Aye.)

17 Any opposed?

18 (No verbal response.)

19 The item passes unanimously.

20 Thank you very much.

21 The next item is 218, a
22 resolution requesting the Legislature of the
23 State of New York to enact and the governor
24 to approve an act providing disability
25 benefits for ambulance, medical technician

1 Rules Committee/6-5-17
2 supervisors, ambulance medical technician
3 coordinators, and ambulance medical
4 technicians.

5 Motion, please.

6 LEGISLATOR DUNNE: So moved.

7 LEGISLATOR KOPEL: Second.

8 CHAIRWOMAN GONSALVES: Moved by
9 Legislator Dunne, seconded by Legislator
10 Kopel. Are you going to speak to this one,
11 Mr. Podlesak?

12 MR. PODLESAK: Yes, I am. It
13 also closes the gap as far as these other
14 individual titles. Everything I said would,
15 in fact, for the sheriff's bill would also
16 be for the AMTs. The approximate cost would
17 be \$300,000 per year.

18 CHAIRWOMAN GONSALVES: Any
19 questions for Mr. Podlesak?

20 (No verbal response.)

21 Is there any public comment?

22 (No verbal response.)

23 There being none, all those in
24 favor of 218 signify by saying aye.

25 (Aye.)

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2 Any opposed?

3 (No verbal response.)

4 The item passes unanimously.

5 The next item is 219, an
6 ordinance to amend Ordinance 543-1995 as
7 amended to authorize additional pay for
8 certain assistant District Attorneys.

9 Motion, please.

10 LEGISLATOR NICOLELLO: So moved.

11 LEGISLATOR KOPEL: Second.

12 CHAIRWOMAN GONSALVES: Moved by
13 Legislator Nicolello, seconded by Legislator
14 Kopel.

15 MR. MCMANUS: Thank you. Bob
16 McManus, District Attorney's Office.

17 The County Legislature approved
18 Ordinance 50-2016 in June of 2016. This
19 item increased the levels of compensation
20 only for those Assistant District Attorneys
21 who work nights and weekends at the early
22 case assessment bureau which operates on a
23 24/7 basis 365 days a year.

24 That ordinance provided pay
25 increases for those individuals for the

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2 first time in several years.

3 Unfortunately, the ordinance as
4 written by our office inadvertently admitted
5 certain time frames and as a result created
6 inequities in compensation for ADAs working
7 certain weekend shifts. This item before
8 you addresses those gaps and is basically a
9 correction of the aforementioned ordinance
10 approved last year.

11 CHAIRWOMAN GONSALVES: Any
12 questions of Mr. McManus?

13 (No verbal response.)

14 Is there any public comment?

15 (No verbal response.)

16 There being none, all those in
17 favor of 219 signify by saying aye.

18 (Aye.)

19 Any opposed?

20 (No verbal response.)

21 Unanimous.

22 The next item is 220, a
23 resolution requesting the Legislature of the
24 State of New York to enact and the governor
25 to approve an act providing accidental

1 Rules Committee/6-5-17
2 disability benefits for chief fire marshals,
3 assistant chief fire marshals, division
4 supervising fire marshals, supervising fire
5 marshals, fire marshals, and the fire
6 marshal trainees.

7 Motion, please.

8 LEGISLATOR DUNNE: So moved.

9 LEGISLATOR NICOLELLO: Second.

10 CHAIRWOMAN GONSALVES: Moved by
11 Legislator Dunne, seconded by Legislator
12 Nicolello. Mr. Podlesak.

13 MR. PODLESAK: This is the third
14 of the Home Rule messages in the series also
15 designed to close the gap as far as these
16 employees are concerned as far as their
17 benefits are concerned.

18 CHAIRWOMAN GONSALVES: Any
19 questions of Mr. Podlesak?

20 (No verbal response.)

21 Is there any public comment?

22 (No verbal response.)

23 There being none, all those in
24 favor of Item 220 signify by saying aye.

25 (Aye.)

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2 Any opposed?

3 (No verbal response.)

4 The item passes unanimously.

5 Thank you very much.

6 The next item is 222, a
7 resolution requesting the Legislature of the
8 State of New York to enact and the governor
9 to approve an act extending the authority of
10 the County of Nassau to impose Hotel and
11 Motel taxes.

12 Motion, please.

13 LEGISLATOR KOPEL: So moved.

14 LEGISLATOR NICOLELLO: Second.

15 CHAIRWOMAN GONSALVES: Moved by
16 Legislator Kopel, seconded by Legislator
17 Nicolello. Mr. Podlesak.

18 MR. PODLESAK: As I said before
19 in the Finance Committee, this is part of
20 the two year cycle necessary in order that
21 the Hotel Motel tax continues. In addition
22 to that it also has other items involved
23 with it including the entertainment
24 surcharge.

25 CHAIRWOMAN GONSALVES: Any

1 Rules Committee/6-5-17
2 questions or comments for Mr. Podlesak?
3 Legislator DeRiggi-Whitton.

4 LEGISLATOR DERIGGI-WHITTON: We
5 just wanted to make sure that everything
6 that was discussed in Finance is
7 incorporated on to the record.

8 (Whereupon, please refer to the
9 minutes of the Finance Committee dated
10 6-5-17 pertaining to Clerk Item 222 at pages
11 30-34.)

12 LEGISLATOR DERIGGI-WHITTON: Can
13 you just explain one more time, if we put in
14 a request stating that in order for this to
15 pass the fees have to be separated, you feel
16 it's not even worth trying that?

17 MR. PODLESAK: I don't understand
18 your question.

19 LEGISLATOR DERIGGI-WHITTON:
20 Basically we would like to have the fees and
21 the bills separated. Have you ever gone
22 back to Albany and requested such a thing?
23 You said it's typical it's done this way, I
24 understand that, I think all of us on this
25 side feel it would be necessary to get our

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2 support to do it.

3 MR. PODLESAK: I understand where
4 you're coming from, but it's been this way
5 since the prior administration at least.

6 As I said before in Finance, I
7 think the hour is kind of late to change it
8 now. Perhaps in the next two year cycle.

9 LEGISLATOR DERIGGI-WHITTON:
10 Thank you.

11 CHAIRWOMAN GONSALVES: Any public
12 comment?

13 (No verbal response.)

14 There being none, all those in
15 favor of 222 signify by saying aye.

16 (Aye.)

17 Any opposed?

18 (Nay.)

19 The item passes four to three.

20 The next item is 223, a bond
21 ordinance providing for a capital
22 expenditure to finance the capital projects
23 identified herein within the County of
24 Nassau and authorizing \$2,500,000 of bonds
25 of the County of Nassau to finance such

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2 expenditure pursuant to the Local Finance
3 Law of New York and the County Governmental
4 Law of Nassau County.

5 Motion, please.

6 LEGISLATOR DUNNE: So moved.

7 LEGISLATOR KOPEL: Second.

8 CHAIRWOMAN GONSALVES: Moved by
9 Legislator Dunne, seconded by Legislator
10 Kopel. Mr. Arnold.

11 MR. ARNOLD: Ken Arnold,
12 Department of Public Works. Item 223 as
13 discussed in Finance is a bond ordinance
14 associated with park improvements for the
15 Inwood Park. Any questions?

16 CHAIRWOMAN GONSALVES: Any
17 questions? Any comment, Legislator Solages.

18 LEGISLATOR SOLAGES: Just for the
19 record, I sent several correspondence to the
20 County Executive regarding conditions of
21 that park. That's just for the record.
22 That's all.

23 CHAIRWOMAN GONSALVES: Any public
24 comment?

25 (No verbal response.)

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2 There being none, all those in
3 favor of 223 signify by saying aye.

4 (Aye.)

5 Any opposed?

6 (Nay.)

7 The item passes five to two.

8 The next item is 225, a bond
9 ordinance providing for a capital
10 expenditure to finance the capital projects
11 identified herein within the County of
12 Nassau and authorizing \$2,500,000 of bonds
13 of the County of Nassau to finance such
14 expenditure pursuant to the Local Finance
15 Law of New York and the County Governmental
16 Law of Nassau County.

17 Motion, please.

18 LEGISLATOR DUNNE: So moved.

19 LEGISLATOR NICOLELLO: Second.

20 CHAIRWOMAN GONSALVES: Moved by
21 Legislator Dunne, seconded by Legislator
22 Nicolello. Mr. Arnold.

23 MR. ARNOLD: Ken Arnold,
24 Department of Public Works.

25 225 I discussed in the Finance

1 Rules Committee/6-5-17

2 Committee is for various park improvements
3 throughout the county park infrastructure.

4 These park improvements will be
5 focus on the condition of the court
6 facilities, whether they're basketball,
7 paddle board, or tennis. In addition, the
8 playgrounds, both the equipment and the
9 safety surfaces associated with them are in
10 need of being addressed.

11 CHAIRWOMAN GONSALVES: Any
12 comments or questions from the legislators?

13 (No verbal response.)

14 Is there any public comment?

15 (No verbal response.)

16 There being none, all those in
17 favor of 225 signify by saying aye.

18 (Aye.)

19 Any opposed?

20 (Nay.)

21 The item passes five to two.

22 The next item is 227, a
23 resolution authorizing the County Executive
24 to execute an intermunicipal agreement with
25 the Town of Hempstead in relation to

1 Rules Committee/6-5-17
2 providing monitoring of the Piping Plovers
3 at Nickerson Beach.

4 Motion, please.

5 LEGISLATOR KOPEL: So moved.

6 LEGISLATOR NICOLELLO: Second.

7 CHAIRWOMAN GONSALVES: Moved by
8 Legislator Kopel, seconded by Legislator
9 Nicolello. Ms. Krieb.

10 MS. KRIEB: Eileen Krieb,
11 Department of Parks. This contract is very
12 late, it started in 2015. It is a municipal
13 agreement with the town of Hempstead to
14 supervise and monitor the activity of the
15 Piping Plover's habitat at Nickerson Beach.

16 The contract started in early
17 2015 where we started exchanging drafts but
18 there were changing in staffing at the
19 Department of Conservation followed by the
20 reorganization of the town so the agreement
21 in the town was not reviewed by their
22 attorney or actually assigned to their
23 counsel until 2016.

24 From then we started with the
25 back and forth process of discussing the

1 Rules Committee/6-5-17

2 draft of the contract and then there was
3 great holdup when we tried to impose our new
4 documentation on the town.

5 After that was clarified, it
6 finally went before their town council March
7 28th of this year. Now it's before you.

8 So we have used their services
9 for 2015 through present because of their
10 expertise, knowledge, and location. They
11 are the best to help us in monitoring this
12 activity and it is required by law that we
13 have to monitor the habitat of these of
14 these precious birds.

15 CHAIRWOMAN GONSALVES: Any
16 comments or questions from the legislators?

17 (No verbal response.)

18 Is there any public comment?

19 (No verbal response.)

20 There being none, all those in
21 favor of 227 signify by saying aye.

22 (Aye.)

23 Any opposed?

24 (No verbal response.)

25 It's unanimous. That item passed

1 Rules Committee/6-5-17
2 unanimously. The next item is 228, a
3 resolution requesting the Legislature of the
4 State of New York to enact and the governor
5 to approve an act to require the just and
6 proper payment of taxes after the
7 termination of the Industrial Development
8 Agency agreement.

9 Motion, please.

10 LEGISLATOR KOPEL: So moved.

11 LEGISLATOR NICOLELLO: Second.

12 CHAIRWOMAN GONSALVES: Moved by
13 Legislator Kopel, seconded by Legislator
14 Nicolello. Is that you, Mr. Becker?

15 MR. BECKER: We are talking 228,
16 this is a legislative item.

17 LEGISLATOR NICOLELLO: I believe
18 this is the item that would put the
19 property, the Green Acres Mall back on the
20 tax roll. There is no bill yet in Albany,
21 but this is a Home Rule item to sort of get
22 that process rolling hopefully.

23 MR. BECKER: That's it. Thank
24 you for your help.

25 CHAIRWOMAN GONSALVES: At this

1 Rules Committee/6-5-17

2 point I don't know who we're going to refer
3 any questions to, but I would ask that if
4 the legislators have any questions, put them
5 on the record. Legislator Solages.

6 LEGISLATOR SOLAGES: Good
7 afternoon. Thank you.

8 This question is for the County
9 Attorney's Office. Is there any written
10 opinion that could be provided regarding
11 whether or not Article 5 of the Real
12 Property Law can be used to do a correction
13 of errors to at least get the mall back on
14 the tax roll?

15 MR. PODLESAK: Not to my
16 knowledge, no.

17 LEGISLATOR SOLAGES: Can you
18 please provide one?

19 MR. PODLESAK: I will discuss
20 with the County Attorney, all opinions are
21 issued in his name and on his approval.

22 I'm sure that someone over there
23 is monitoring this now, so I will have a
24 discussion with him.

25 LEGISLATOR SOLAGES: I appreciate

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2 that because under my research and of course
3 the counsel of the caucus, Mr. Kleins, we
4 thought it was a different provision that
5 would be used to get the mall back on the
6 tax roll, that no Home Rule law was
7 necessary here.

8 So I would really appreciate a
9 written opinion from the county attorney as
10 to whether or not a correction of errors
11 procedure would be necessary to put the mall
12 back on the tax roll.

13 MR. PODLESACK: I will convey your
14 request.

15 LEGISLATOR SOLAGES: Nothing
16 more. Thank you.

17 CHAIRWOMAN GONSALVES: Any public
18 comment regarding this item?

19 (No verbal response.)

20 There being none, all those in
21 favor of 228 signify by saying aye.

22 (Aye.)

23 Any opposed?

24 (No verbal response.)

25 Unanimous.

1 Rules Committee/6-5-17

2 I believe that's the end of the
3 rules agenda. Motion to adjourn.

4 LEGISLATOR DUNNE: So moved.

5 LEGISLATOR KOPEL: Second.

6 CHAIRWOMAN GONSALVES: Moved by
7 Legislator Dunne, seconded by Legislator
8 Kopel. All those in favor of adjourning the
9 Rules Committee signify by saying aye.

10 (Aye.)

11 Those opposed?

12 (No verbal response.)

13 The Rules Committee is now
14 adjourned.

15 (Whereupon, the Rules Committee
16 adjourned at 4:34 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 5th day of June, 2017.

FRANK GRAY