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**Via Fax: (516) 627-4204**

Supervisor Jon Kaiman  
Town of North Hempstead  
220 Plandome Road  
Manhasset, NY 11030

**Via Fax (516) 538-2908**

Supervisor Kate Murray  
Town of Hempstead  
One Washington Street  
Hempstead, NY 11550

**Via Fax (516) 624-6362**

Supervisor John Venditto  
Town of Oyster Bay  
Town Hall East  
54 Audrey Avenue  
Oyster Bay, NY 11771

**Re: Special District Budget Review**

Dear Supervisors:

As I did last year, I write to urge your active review of the budgets proposed by special districts before the budgets are adopted by your town board. As you know, our audits of sanitary, water and sewer districts have identified wasteful spending and, in some instances, what appears to be outright fraud. The taxpayers in these districts, your taxpayers, are burdened by these practices. The tendency to wasteful spending is exacerbated by the districts' assumption that there will not be serious scrutiny of the proposed budgets before their adoption.

Last year the Towns of North Hempstead and Oyster Bay encouraged special districts to submit their budgets on the same timetable as Town departments, enabling budget analysts to carefully review the spending plans before they are finalized. This year, the Town of North Hempstead has also engaged accounting services to review the proposed budgets, and the Town of Oyster Bay is also requesting that each special district disclose its policy on travel, cell phone use and automobile use. The Town of Hempstead changed its position last year, after budget season, and committed for the first time to review the proposed budgets as part of its 2008 budget process. The serious review by the Town Supervisors of proposed special district is a very encouraging

development – just the promise of such a review may impose a greater degree of discipline on district spending plans, to the benefit of our taxpayers.

Considering that commissioner-run special district taxes make up approximately 40 percent of Town taxes paid by residents of unincorporated areas, no Town should simply rubber-stamp these budgets. *All our Towns should exercise their right to review special district budgets before including the amounts in their own budgets.* State law gives the towns the right to reduce proposed special district expenses, except for debt service. Moreover, in the public interest, the Towns should publicize the meeting date and time when the Town Board will review these budgets, so that members of the public can raise concerns about special district spending, just as they might about other types of spending.

Some of the items that your staff should scrutinize:

Salaries and fringes

- Are commissioner pay and fringe benefits excessive? Can they be reduced or eliminated?
- Have the commissioners documented they actually meet when they claim per diems? Is the number of meetings reasonable?
- Are employees required to punch in and out, and are the time records retained?
- Can vehicles be eliminated?
- Are insurance policies not authorized by law being paid for by taxpayers?
- Are service providers who are normally outside contractors, such as lawyers, on payroll with additional fringe benefits expense?
- Goods and services
- When did the district last issue an open procurement for services including engineering, legal and accounting?
- Does the district follow its own procurement guidelines?
- Budgeting practices
- How do current year expenditures compare to the budget adopted last year?
- How do the last five official budgets compare to the district's audited financial statements?
- How much taxpayer funds has the district retained in reserves and as undesignated fund balance?

Working together, I believe we have been effective in shedding more light on special district spending and how it contributes to our property tax burden in Nassau. I stand ready to assist you in developing appropriate questions based on our audits.

Sincerely,



**Howard S. Weitzman**  
**Nassau County Comptroller**