

1. Public Notice

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[8-30-16 BUDGET REVIEW COMMITTEE PUBLIC NOTICE.PDF](#)

2. Committee Hearing

Documents:

[BUDGET REVIEW COMMITTEE HEARING, 08-30-16.PDF](#)



## **PUBLIC NOTICE**

**PLEASE TAKE NOTICE THAT**

### **THE NASSAU COUNTY LEGISLATURE**

**WILL HOLD A HEARING OF THE**

### **BUDGET REVIEW COMMITTEE**

**AT WHICH TIME TESTIMONY WILL BE TAKEN ON  
THE CLOSE OF FISCAL YEAR 2015 AND  
THE 2016 FISCAL YEAR MID-YEAR REPORT**

**TUESDAY, AUGUST 30, 2016 FROM 1:00 P.M. - 3:00 P.M.  
IN**

**THE PETER J. SCHMITT MEMORIAL LEGISLATIVE CHAMBER  
THEODORE ROOSEVELT EXECUTIVE AND LEGISLATIVE BUILDING  
1550 FRANKLIN AVENUE, MINEOLA, NEW YORK**

**MICHAEL C. PULITZER**

Clerk of the Legislature  
Nassau County, New York

**DATED: August 24, 2016**  
Mineola, NY

As per the Nassau County Fire Marshall's Office, the Legislative Chamber has a maximum occupancy of 251 people and the outer chamber which will stream the meeting live, has a maximum occupancy of 72. Passes will be distributed on a first come first served basis beginning at 12:30 PM and attendees will be given an opportunity to sign in to address the Legislature for a maximum of three minutes. The Nassau County Legislature is committed to making its public meetings accessible to individuals with disabilities and every reasonable accommodation will be made so that they can participate. Please contact the Office of the Clerk of the Legislature at 571-4252, or the Nassau County Office for the Physically Challenged at 227-7101 or TDD Telephone No. 227-8989 if any assistance is needed. Every Legislative meeting is streamed live on <http://www.nassaucountyny.gov/agencies/Legis/index.html>.

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NASSAU COUNTY LEGISLATURE

NORMA GONSALVES,  
Presiding Officer

BUDGET REVIEW COMMITTEE HEARING

HOWARD KOPEL, Alternate  
Deputy Presiding Officer  
Chairman

1550 Franklin Avenue  
Mineola, New York

Tuesday, August 30, 2016  
1:18 P.M

1

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

3

4 NORMA GONSALVES,  
5 Presiding Officer (Substituted by  
6 Donald MacKenzie)

7 RICHARD NICOLELLO,  
8 Deputy Presiding Officer

9

10 HOWARD KOPEL,  
11 Alternate Deputy Presiding Officer

12 KEVAN ABRAHAMS (Substituted by  
13 Carrie Solages)

14

15 DELIA DERIGGI-WHITTON (Substituted by  
16 Siela A. Bynoe)

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LIST OF SPEAKERS

OFFICE OF THE COUNTY COMPTROLLER:

- JAMES GARNER, Chief Deputy Comptroller....5
- LISA TSIKOURAS, Director of Accounting....5
- RAYMOND AVERNA, Deputy Comptroller.....6

OFFICE OF MANAGEMENT AND BUDGET:

- ERIC C. NAUGHTON,  
Deputy County Executive for Finance.....30
- ROSANN D'ALLEVA,  
Director of the Office of Management  
And Budget.....31

OFFICE OF LEGISLATIVE BUDGET REVIEW:

- MAURICE CHALMERS, Director.....104

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2 CHAIRMAN KOPEL: We are going to  
3 begin. Everyone please take their seats.  
4 To start out, I would ask everyone to rise  
5 and we're going to have Legislator Nicoletto  
6 lead us in the Pledge.

7 (The Pledge of Allegiance was  
8 recited.)

9 CHAIRMAN KOPEL: Thank you,  
10 Legislator Nicoletto. Now, this is a  
11 hearing, about once a year usually, and what  
12 we are going to do is discuss the 2016  
13 budget; how it's shaping up, how it compares  
14 to the original budget, and how we're  
15 looking in terms of having it come in  
16 balance or otherwise.

17 We're going to have, I believe,  
18 several witnesses. First off will be the  
19 Comptroller. We will have the  
20 administration, and the Office of  
21 Legislative Budget Review as well.

22 First of all, of course, we are  
23 going to take attendance. We have first  
24 Legislator MacKenzie subbing for the  
25 Presiding Officer and he is here.

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2 Legislator Nicoletto?

3 LEGISLATOR NICOLELLO: Here.

4 CHAIRMAN KOPEL: I'm here  
5 obviously.

6 LEGISLATOR SOLAGES: I'm here  
7 substituting for Legislator Kevan Abrahams.

8 CHAIRMAN KOPEL: Yes. So we have  
9 Legislator Solages substituting for Kevan  
10 Abrahams. We have Legislator Bynoe  
11 substituting for Delia. So we have a quorum  
12 and we can begin.

13 First, we need a motion to open  
14 the hearing. No, we are not going to have a  
15 motion. Comptroller's Office, we have Mayor  
16 Garner here, I believe, and are you joined  
17 by anyone?

18 MAYOR GARNER: Yes.

19 CHAIRMAN KOPEL: Why don't you  
20 come up. Mayor, why don't you all identify  
21 yourselves for the record, please.

22 MS. TSIKOURAS: My name is Lisa  
23 Tsikouras. I'm the county director of  
24 accounting.

25 CHAIRMAN KOPEL: Thank you.

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2 MR. AVERNA: Raymond Averna,  
3 Deputy Comptroller.

4 MAYOR GARNER: And Jim Garner  
5 representing Comptroller George Maragos.

6 CHAIRMAN KOPEL: Mayor, are you  
7 going to be the one leading?

8 MAYOR GARNER: Yes.

9 CHAIRMAN KOPEL: Why don't you  
10 just go ahead and tell us what you see  
11 happening for the year.

12 MAYOR GARNER: Yes. Thank you  
13 for your time.

14 CHAIRMAN KOPEL: And, by the way,  
15 what we're talking about, just for the  
16 record, 2016. We are not going to go,  
17 except in a peripheral way, into any other  
18 years at this point.

19 MAYOR GARNER: May I start?

20 CHAIRMAN KOPEL: Sure. Please.

21 MAYOR GARNER: Thank you very  
22 much for your time. Comptroller George  
23 Maragos regrets that he was unable to attend  
24 today's budget meeting due to his being on a  
25 vacation and the short notice given.

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2 The Comptroller's Office today is  
3 represented by myself, Chief Deputy  
4 Comptroller Jim Garner, Deputy Comptroller  
5 Ray Averna, and County Director of  
6 Accounting, Lisa Tsikouras.

7 I trust that you all received  
8 copies of the county 2015 audited financial  
9 statements and the Comptroller 2016 year end  
10 budget projections.

11 The Comptroller's Office projects  
12 that the county is trending to end 2016 with  
13 a budgetary deficit with \$14.2 million. The  
14 current projected deficit includes used \$3  
15 million of prior year appropriated fund  
16 balance and \$103 million in borrowing  
17 proceeds to pay operating expenditures.

18 The administration should be able  
19 to overcome the projected \$14.2 million  
20 budgetary deficit in balance.

21 The greater challenge for the  
22 administration, however, will be to comply  
23 with NIFA's mandate to end this year with no  
24 more than a negative \$80 million NIFA  
25 presentation deficit. This will require

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2 \$46.5 million in budget adjustments.

3 Our county director of accounting  
4 Lisa Tsikouras as well as the team here will  
5 be happy to take your questions.

6 Comptroller Maragos will be  
7 available next week to address any further  
8 questions you may have. Thank you for your  
9 time.

10 CHAIRMAN KOPEL: Would you please  
11 elaborate on the components of the deficit?

12 MAYOR GARNER: I refer to Ms.  
13 Tsikouras, the deputy director of  
14 accounting.

15 MS. TSIKOURAS: Do you have a  
16 copy of the projections by any chance handy?  
17 We have copies if you don't. It might be  
18 easier to follow along with the chart. It's  
19 page three in the table, Exhibit-1.

20 CHAIRMAN KOPEL: Go ahead,  
21 please.

22 MS. TSIKOURAS: As you can see  
23 from the exhibit, the primary components  
24 that make up that \$14.2 million projected  
25 deficit are the items that we have

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2 determined are at risk.

3 The OTB profits, we are risking  
4 the entire \$15 million that had been  
5 budgeted in the 2016 budget. We are risking  
6 the entire \$15.8 million that relates to the  
7 Income and Expense Law for the County  
8 Attorney's Office. And we are also risking  
9 the FIT revenues that they are anticipating.

10 On the expenditure side, we have  
11 a risk for overtime for the police  
12 department, and we have some positive  
13 variances on the expenditure side as well.  
14 We believe fringe benefits will be positive  
15 as well as payroll based on our current  
16 projections of head count at the moment. So  
17 the net of all those items come to the \$14.2  
18 million.

19 CHAIRMAN KOPEL: Now \$14.2  
20 million would be on a budgetary basis?

21 MS. TSIKOURAS: Correct.

22 CHAIRMAN KOPEL: Would you just  
23 explain for our audience in case anyone is  
24 not sure of the differences between the  
25 budgetary basis and the NIFA basis?

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2 MS. TSIKOURAS: Of course. The  
3 county manages on a budgetary accounting  
4 basis. The Legislature approves an adopted  
5 budget and, in governmental accounting for  
6 budgetary basis, you are restricted to your  
7 appropriations.

8 As you all know, the county is  
9 not permitted to go over its appropriations.  
10 So, if you earn more revenue than your  
11 budget or you theoretically don't earn as  
12 much revenue, that net effect between what  
13 you actually recorded on an annual basis,  
14 and what you adopted in the budget, becomes  
15 your budgetary surplus or deficit.

16 Then, at that point on a  
17 reporting basis, like for the CAFR, and you  
18 should have all received a copy of the CAFR  
19 via email. And if you need one, we have  
20 some extra copies. The CAFR is the official  
21 county's financial statements that we are  
22 required to issue.

23 So for governmental accounting  
24 purposes, we have to go from a budgetary  
25 accounting or a budgetary surplus or deficit

1                   Budget Hearing/8-30-16  
2     reporting to a gap reporting which is  
3     generally accepted accounting principles for  
4     government. So we make adjustments.

5                   When you look at Exhibit-1 you  
6     see the \$14.2 million. When you go to  
7     Exhibit-2 on the next page, you see there is  
8     a net change in fund balance modified  
9     accrual basis. What we do is take that 14.2  
10    and convert it to a modified accrual basis,  
11    which is governmental gap.

12                  From that point we have the  
13    prescribed NIFA adjustments which, as you  
14    can see from the table, basically are items  
15    that are other financing sources and uses.

16                  For example, on a budgetary  
17    basis, if the county receives a premium,  
18    that would show up as a revenue item.

19                  CHAIRMAN KOPEL: You're talking  
20    about bond premium?

21                  MS. TSIKOURAS: Correct. It gets  
22    excluded on a NIFA presentation basis. If  
23    we pay tax cert refunds by use of borrowing,  
24    NIFA requires that we adjust that  
25    expenditure, that operational expenditure

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2 back to the budgetary.

3 So you get what we call a NIFA  
4 prescribed gap. Does that answer your  
5 question?

6 CHAIRMAN KOPEL: It does. Thank  
7 you. Now, this \$14.2 million deficit, let's  
8 just put it into the correct context. That  
9 is in a budget of \$3 billion or so, give or  
10 take?

11 MS. TSIKOURAS: Correct.

12 CHAIRMAN KOPEL: Which comes out  
13 to, percentage wise, relatively minuscule.  
14 So this would be a fairly good projection at  
15 this point, would you agree to that?

16 MS. TSIKOURAS: The Comptroller  
17 is of the opinion that the administration  
18 will find gap closing measures to bring that  
19 down to a zero on a budgetary basis.

20 CHAIRMAN KOPEL: I expect that as  
21 well and we will hear from the  
22 administration I'm sure on that aspect of  
23 things.

24 Now, I just want to go into  
25 something else that you haven't discussed

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2 but I'm going to mention it as something  
3 that I've asked people to look into.

4 That is, can you tell me how long  
5 it takes on average for vendors to be paid  
6 once the initial bills are submitted?

7 What I mean by that is, from the  
8 time that they're submitted, including  
9 rejections, time to payment on average?

10 MS. TSIKOURAS: I think that's a  
11 question that the chief deputy can answer.

12 MAYOR GARNER: I would say the  
13 Comptroller mandates us to work within a 14  
14 day frame and, from the time it hits the  
15 office until the time it leaves the office,  
16 but you have to understand that at this  
17 point in time especially this time of year,  
18 there are vacation people who go on vacation  
19 and therefore we don't have the expertise in  
20 the office, not to the expertise, the amount  
21 of people to go through the claims.

22 We receive a number of claims in  
23 our office. In fact we get a daily -- I get  
24 a daily report each and every morning as to  
25 where we are with respect to the claims in

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2 our office.

3 CHAIRMAN KOPEL: Mayor, I  
4 appreciate what you're saying and I  
5 understand it. It's not really responsive.  
6 I don't really expect that you're going to  
7 have a full response right here.

8 Everybody knows that late August  
9 nothing happens anywhere. Businesses are  
10 dead and for the most part you can't get  
11 anything done. That's the entire country is  
12 like that. I would like you to look at the  
13 general result.

14 The reason why I'm bringing this  
15 up is a number of us sit on the Rules  
16 Committee as well. We look at the contracts  
17 and it has seemed over the last couple of  
18 years especially that perhaps in inordinate  
19 number of contracts are awarded as a single  
20 source type of bid and, let me further  
21 define that as not only a single source  
22 where we determine that there's only one  
23 supplier that's able to answer our needs,  
24 but I'm also referring to single bids and at  
25 times when it's a publicly bid package or

1                   Budget Hearing/8-30-16  
2       put out 40 or 50 or 70 bid packages to many  
3       many vendors and we get nothing back.

4                   What we're trying to determine is  
5       what is that costing the county and why is  
6       that happening?

7                   So we're looking into that and I  
8       would ask you to look into that as well and  
9       perhaps get back to us. All right? Thank  
10      you. Legislator MacKenzie.

11                  LEGISLATOR MACKENZIE: Mr.  
12      Garner, you mentioned a daily report. Is  
13      that something internal to the Comptroller's  
14      Office?

15                  MAYOR GARNER: That's the report  
16      that we give the comptroller each and every  
17      day. The fiscal officer prepares that each  
18      morning I come in and I have to look at and  
19      it and of course we discuss it and  
20      particularly we discuss it in depth at our  
21      senior staff meeting that we meet every  
22      Tuesday. It's to keep the Comptroller up to  
23      speed as to where we are because he's  
24      constantly monitoring how many days it takes  
25      to get the bills paid.

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2 LEGISLATOR MACKENZIE: That's an  
3 aging schedule between items that come into  
4 your office and when they leave?

5 MAYOR GARNER: Yes.

6 LEGISLATOR MACKENZIE: What is  
7 that referred to within your office?

8 MAYOR GARNER: That's referred to  
9 a daily report. It's not for the public but  
10 I believe that we have it on the website, I  
11 believe. But we publish it every day so the  
12 Comptroller can have a good understanding as  
13 to how bills are moving, the claims are  
14 moving through the office.

15 LEGISLATOR MACKENZIE: Did you  
16 say that it has a particular title within  
17 your office? I didn't hear that.

18 MAYOR GARNER: It's just a  
19 compilation of all the claims in the office.  
20 We use it as I said as a measuring tool as  
21 to how it flows in and out of the office.

22 LEGISLATOR MACKENZIE: Thank you.

23 CHAIRMAN KOPEL: Deputy Presiding  
24 Officer Nicoletto.

25 LEGISLATOR NICOLELLO: Thank you.

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2 I have just one question I believe. The  
3 \$14.2 million projected deficit, can you  
4 tell how that compares to previous years?  
5 And we have had projected deficits before  
6 and the county has been able to finish years  
7 in a surplus on a reporting basis.

8 Do you have any historical  
9 information as to where this fits in terms  
10 of previous years in terms of this time  
11 period, August September?

12 MS. TSIKOURAS: I can tell you  
13 that I believe with last year's report the  
14 projection was for a deficit of about maybe  
15 \$60 million.

16 But remember that part of the  
17 purpose of this report is to highlight the  
18 trends as well so that further action can be  
19 taken before the end of the year. So we may  
20 be more on the conservative side. However,  
21 we feel that that's part of our duty.

22 LEGISLATOR NICOLELLO: That's all  
23 I have. Thank you.

24 CHAIRMAN KOPEL: Legislator  
25 Solages.

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2 LEGISLATOR SOLAGES: Thank you,  
3 Chair Kopel. Good afternoon to every one.  
4 First, I would like to thank you for this  
5 opportunity for this hearing. Nassau  
6 taxpayers have a right to know what's going  
7 on with the county's financial condition.  
8 Especially year after year we have  
9 reoccurring expenditures and no real  
10 recurring revenues. We have deficits in the  
11 millions, hundreds of millions of dollars.

12 We really thank you again for  
13 this opportunity and I would like to first  
14 begin my questions of the mayor, Mayor  
15 Garner, thank you for being here. I  
16 understand it's August but there's no time  
17 better than now to do what's right.

18 My first questions are to your  
19 staff as well. The projected budgetary  
20 deficit is \$14.2 million which is lower than  
21 the number reported by NIFA and OLBR; is  
22 that correct?

23 MS. TSIKOURAS: Yes.

24 LEGISLATOR SOLAGES: You  
25 explained before the difference between the

1                   Budget Hearing/8-30-16  
2   deficit and the gap and I appreciate that.  
3   You also discussed with Legislator MacKenzie  
4   the internal reports that you circulate and  
5   that you review.

6                   But as it relates to the  
7   administration, have you received any  
8   written action plan from the administration  
9   outlining how it intends to close this  
10   deficit?

11                  MS. TSIKOURAS: No. Other than  
12   the projections, the monthly projections  
13   which we receive, which talk about some of  
14   the opportunities, I do not have anything.

15                  CHAIRMAN KOPEL: Legislator  
16   Solages, I do believe -- not I believe, but  
17   I know that we will be calling the  
18   administration and I fully anticipate that  
19   they are going to fill in all that  
20   information for you and for us. So you'll  
21   have that before we are out of here.

22                  LEGISLATOR SOLAGES: I  
23   understand. I appreciate that but my  
24   question was specifically to the  
25   Comptroller's Office as to how you reached

1                   Budget Hearing/8-30-16  
2           that \$14.2 million deficit conclusion.

3                   MS. TSIKOURAS:   As I said, if you  
4           look at Exhibit-1, what we do is, based on  
5           each the object classes within the budget,  
6           my staff will go through and either talk to  
7           the departments, we will look at what the  
8           administration is projecting, we'll look at  
9           trends, information that we have, and come  
10          up with our projections based on that  
11          analysis.

12                   LEGISLATOR SOLAGES:   Are you  
13          finished with your presentation?   Can I ask  
14          you questions about the projected long term?

15                   MS. TSIKOURAS:   Absolutely.

16                   LEGISLATOR SOLAGES:   I would like  
17          to ask you questions about the projected  
18          long term debt, including tax cert refunds,  
19          capital projects, termination pay,  
20          accumulated pension expenses, deferred since  
21          2012, and \$345 million liability in utility  
22          tax cases.   Can you give us an overview of  
23          your long term debt, your projected long  
24          term debt?

25                   MS. TSIKOURAS:   Long term debt on

1                   Budget Hearing/8-30-16  
2   a gap basis is reported in our CAFR.  What  
3   we do is, for example, the property tax  
4   refund liability is the long term tax cert  
5   liability.  We basically, the chart that's  
6   on page 12, shows the historic balances we  
7   have had and what we are estimating for  
8   2016.

9                   What we estimate for 2016 as far  
10  as the additions and reductions are based  
11  on, for example, the additions, we just look  
12  at a five year average.  Unfortunately we  
13  don't have the information available to us  
14  so we use a five year average for additions  
15  and the reductions we basically look at  
16  what's the borrowing capacity; what is the  
17  capacity that is available for this year to  
18  pay back.

19                  That's how we derive our 2016  
20  number for the long term property tax refund  
21  liability.  Again, that's an estimate based  
22  on the information that we have today.  This  
23  is not set in stone and it's all going to be  
24  dependent on the end of the year when we  
25  receive the information from ARC.

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2 As far as the deferred pension  
3 expense amortization liability on page 13,  
4 again, this is a full accrual liability that  
5 appears in our CAFR. As you know, the  
6 county pays the state into the pension  
7 system and several years ago the state  
8 offered to municipalities the ability to  
9 amortize some of that cost to help flatten  
10 out some of the cost so they wouldn't be hit  
11 with some of the large expenditures and the  
12 county has taken advantage of that  
13 amortization since.

14 What we do is we are required to  
15 report this amount. We pay back this  
16 liability with each of our invoices on an  
17 annual basis. We pay in installments. For  
18 example, I believe in 2012 it's over ten  
19 years and I believe in over 13, 14 and 15  
20 it's a 12 year amortization. So we pay back  
21 in installments.

22 As you can see from the chart,  
23 these are the amounts that we've been --  
24 this is the balance projected to be \$232  
25 million at the end of this year.

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2 LEGISLATOR SOLAGES: So that  
3 number starts in 2011 at 43.6 and it jumps  
4 up to 232 by 2016, does that include  
5 interest?

6 MS. TSIKOURAS: It does not  
7 include interest.

8 LEGISLATOR SOLAGES: It does not.  
9 If it included interest, how much would it  
10 be?

11 MS. TSIKOURAS: It depends. The  
12 interest is being amortized, similar to a  
13 mortgage that's being amortized on an annual  
14 basis. I believe the 2015 interest was  
15 three and a half percent. I'm not 100  
16 percent sure about that. So that's  
17 approximately what we are paying back  
18 interest wise. I don't have the numbers.

19 LEGISLATOR SOLAGES: For budget  
20 season, can you please provide an analysis  
21 and some numbers that includes the interest?

22 MS. TSIKOURAS: Sure. We can do  
23 that. Again, these numbers don't affect us  
24 on a budgetary basis. They are full accrual  
25 similar to the tax certs.

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2 LEGISLATOR SOLAGES: Would you  
3 say most likely with interest it would be  
4 about \$270 million?

5 MS. TSIKOURAS: I don't want to  
6 guess. I'd rather get you the exact  
7 numbers.

8 LEGISLATOR SOLAGES: Thank you.  
9 The county continues to amortize the portion  
10 of the pension's full amount permitted by  
11 New York State. What is the comptroller's  
12 position on this practice of heavily  
13 deferring this debt?

14 MS. TSIKOURAS: I can't really  
15 opine on what the Comptroller would say. I  
16 would prefer that that question be directed  
17 to him. You can ask him and have him get  
18 back to you.

19 LEGISLATOR SOLAGES: I understand  
20 that the Comptroller is on vacation, but  
21 what is the position of your office? I  
22 mean, I'm sure you discuss this at your  
23 meetings on Tuesdays.

24 MS. TSIKOURAS: I don't want to  
25 speak for the Comptroller, I'm sorry, I

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2 can't do that.

3 LEGISLATOR SOLAGES: Should the  
4 county be scaling back as other  
5 municipalities do on this? Is there a  
6 reserve fund set up for this?

7 MS. TSIKOURAS: There is no  
8 reserve fund set up.

9 CHAIRMAN KOPEL: Are these  
10 liquidated amounts?

11 MAYOR GARNER: Legislator, if I  
12 may, if you want to discuss that question a  
13 little further in depth, I suggest that when  
14 the Comptroller gets back he would be more  
15 than happy to address that issue.

16 LEGISLATOR SOLAGES: Thank you,  
17 Mayor.

18 CHAIRMAN KOPEL: Just so we  
19 understand, I'm just following up on that.  
20 Are these liquidated? I'm trying to --

21 MS. TSIKOURAS: In other words --

22 CHAIRMAN KOPEL: When we have, in  
23 other words, these years we've deferred it,  
24 but these were actual operating expense?

25 MS. TSIKOURAS: Correct.

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2 CHAIRMAN KOPEL: And we have  
3 deferred paying them?

4 MS. TSIKOURAS: Correct.

5 CHAIRMAN KOPEL: Essentially the  
6 borrowing?

7 MS. TSIKOURAS: Correct. It's a  
8 loan by the state.

9 CHAIRMAN KOPEL: By the state.  
10 And they do charge interest?

11 MS. TSIKOURAS: Correct. We paid  
12 this back in installments. As I said, I  
13 believe the earlier years were over ten  
14 years and the later years were over 12.

15 CHAIRMAN KOPEL: Have we always  
16 done this?

17 MS. TSIKOURAS: I believe it was  
18 offered with the 2012 bill which would have  
19 affected the 2011 fiscal year, that was the  
20 first year. It may have been offered in the  
21 past. I'm not aware for sure.

22 LEGISLATOR SOLAGES: To your  
23 knowledge, does the county have a plan to  
24 address this long term debt without  
25 borrowing?

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2 MS. TSIKOURAS: I believe that  
3 that's a question for the administration  
4 since they are the ones that --

5 LEGISLATOR SOLAGES: And have you  
6 received any written communication by the  
7 administration on this?

8 MS. TSIKOURAS: No.

9 LEGISLATOR SOLAGES: We talked  
10 about the pension. How about the \$345  
11 million in liability for utility tax cases?

12 MS. TSIKOURAS: That's the  
13 estimate that was provided to us by the  
14 County Attorney's Office. I think they  
15 would be better suited to explain that.

16 LEGISLATOR SOLAGES: We will ask  
17 OMB. Thank you.

18 CHAIRMAN KOPEL: Legislator  
19 Bynoe.

20 LEGISLATOR BYNOE: Good  
21 afternoon. Thank you, Chair. My question  
22 is really a follow-up to a question that was  
23 asked by Legislator Kopel and it's regarding  
24 the 14 day, or the answer was that the debts  
25 are -- or the payables are actually --

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2 MAYOR GARNER: Claims.

3 LEGISLATOR BYNOE: The claims are  
4 paid in 14 days. So that struck me a little  
5 odd in that I know just several months ago  
6 there was a Newsday report that a lot of the  
7 not-for-profit organizations and the  
8 community service organizations were stating  
9 that they were having a hard time keeping  
10 their doors open because they weren't in  
11 fact paid, and I know personally I have been  
12 approached by several CEOs or managers  
13 within the community service organizations  
14 that are concerned about that.

15 So, you mentioned at this point  
16 there might be a slowing down of mailing  
17 those types of checks out, but is it really  
18 that it's 14 days? I'm confused by it being  
19 slowed down in the Comptroller's office  
20 versus someplace else. If you could just  
21 clarify that for me.

22 MAYOR GARNER: Well, let me just  
23 say, as I mentioned, we try to operate  
24 within the 14 day period that the  
25 Comptroller has given us.

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2 Let me go a step further to say  
3 that the Comptroller has hired a young lady  
4 in our office, Barbara Powell, who is the  
5 liaison for the not-for-profits to give some  
6 priority to not for profits.

7 Let me say each and every Friday  
8 I usually come to work I usually get a call  
9 saying, we can't meet our payroll, and the  
10 Comptroller makes that a priority for  
11 not-for-profits being paid.

12 So we try to operate within that  
13 framework. We may not necessarily operate  
14 each and every day on the 14 days but we try  
15 to operate within that framework.

16 LEGISLATOR BYNOE: So you're  
17 saying there's been like kind of a  
18 corrective action?

19 MAYOR GARNER: Yes. It's been  
20 much better. I can remember when I first  
21 came on here five years ago it was a little  
22 topsy turvy. But that's when the  
23 Comptroller reached out, he put together --  
24 he hired Barbara Powell as the liaison for  
25 not-for-profits and I believe it's been

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2 going quite well. I believe it has.

3 LEGISLATOR BYNOE: Thank you,  
4 Mayor.

5 CHAIRMAN KOPEL: You are done.  
6 Thank you.

7 MAYOR GARNER: Thank you and  
8 thank you for your time.

9 CHAIRMAN KOPEL: We appreciate  
10 your presentation and please do remember to  
11 try to get that information as I see  
12 Legislator Bynoe is interested as well. We  
13 would like to see overall what your  
14 statistics might indicate.

15 Next we have the administration.  
16 And we have Mr. Naughton. Who will be  
17 leading off, you, Eric?

18 MR. NAUGHTON: Yes.

19 CHAIRMAN KOPEL: Whenever you are  
20 set, please feel free.

21 MR. NAUGHTON: The clerk is  
22 handing out a copy of our brief  
23 presentation, so I will wait until you  
24 receive that.

25 As I stated, we will make this is

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2 very brief so we can answer any questions  
3 that the legislators may have.

4 The budget director, Roseann  
5 D'Alleva will talk about what is happening  
6 in 2016.

7 I think as the Comptroller  
8 outlined, we will definitely end the year  
9 with a small surplus.

10 The question was asked how did  
11 the Comptroller project last year. Last  
12 year the estimate was a \$67 million deficit.  
13 Just for the record, we ended up with a  
14 budgetary surplus of over 50. So take their  
15 projection this year for what its worth, but  
16 I will let Roseann speak now.

17 CHAIRMAN KOPEL: Let's hear your  
18 projection.

19 MS. D'ALLEVA: Currently, in our  
20 latest current report --

21 CHAIRMAN KOPEL: Can you both  
22 please just put the mikes closer? Those  
23 mikes are not great.

24 MS. D'ALLEVA: So our July report  
25 that was published on the 21st is basically

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2     saying that we're going to end the year in a  
3     budgetary surplus of approximately \$21  
4     million 20.9. There are many components to  
5     it, favorable and unfavorable. We can walk  
6     through those.

7                   In terms of the favorable  
8     components that we believe that the budget  
9     is showing is increased sales tax collection  
10    of about 7.9; increased salary and fringe,  
11    not increase, but a surplus in salary and  
12    fringe variances and vacancies of 9.1;  
13    higher than anticipated state and federal  
14    aid of about 5.6; early intervention because  
15    of lower case loads. We're looking at about  
16    a \$5 million surplus there.

17                  We have higher than expected  
18    fines and forfeits primarily due to red  
19    light camera. So they are operating well.  
20    Approximately \$4.5 million in surplus there.

21                  Our mortgage recording fees as  
22    you recall last year for the 2016 budget, we  
23    did increase those fees and they are on  
24    target and actually over performing. Most  
25    of that is due to the uptick in the housing

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2 market.

3 We also have a \$3 million surplus  
4 that we allocated from 2015 fund balance.  
5 So not only did we end the year over close  
6 to \$57 million, we also allocated \$3 million  
7 for NICE bus and that's also part of this  
8 surplus.

9 As well as there were some  
10 changes in the tax rolls, that was a small  
11 surplus of \$2 million. And other  
12 miscellaneous surplus including we've taken  
13 corrective actions on our OTPS revocations  
14 of about \$2.8 million.

15 CHAIRMAN KOPEL: How do you  
16 account for the differences between your  
17 projections and those of the Comptroller?

18 MS. D'ALLEVA: I would say the  
19 primary reason, there are probably two, but  
20 primary is income and expense.

21 As this body knows, we included  
22 the income and expense as a Republican  
23 amendment of \$15 million. They are  
24 projecting that that will not come in this  
25 year. That there will be a shortfall of \$15

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2 million.

3 We are still projecting that we  
4 will receive the \$15 million in terms of  
5 those fees.

6 CHAIRMAN KOPEL: The reason is  
7 because you are expecting that the court  
8 case will be resolved?

9 MS. D'ALLEVA: Yes. There is a  
10 court decision pending. Once that court  
11 decision comes forward, then we should --

12 CHAIRMAN KOPEL: That's any day  
13 now hopefully, right?

14 MR. NAUGHTON: I wouldn't say any  
15 day.

16 CHAIRMAN KOPEL: It's been any  
17 day for months, right?

18 MR. NAUGHTON: Right.

19 MS. D'ALLEVA: In terms of -- as  
20 well as some sales tax differential, we are  
21 projecting a \$7.9 million sales tax  
22 differential. I think they are figuring the  
23 surplus will be around four, four and a  
24 half. I'm not really sure. I would have to  
25 look at their projection. But in terms of

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2     that I think that we have plenty of  
3     corrective actions that would cover or  
4     mitigate any of those deficits that they are  
5     projecting.

6                   So, they are projecting a \$14  
7     million deficit, I think we would more than  
8     mitigate that.

9                   CHAIRMAN KOPEL:    What happens  
10    with the surplus?   If you achieve the  
11    surplus, what happens with that money?

12                  MR. NAUGHTON:    What we plan to do  
13    is, as we are more comfortable with the  
14    surplus, our plan is probably try to prepay  
15    some of our existing debt.

16                  CHAIRMAN KOPEL:    You're not going  
17    to roll that into next year's budget?

18                  MR. NAUGHTON:    That is, right  
19    now, assuming that we have a comfortable  
20    handle on the surplus we will try to make  
21    some payments before December 31st.

22                  CHAIRMAN KOPEL:    Towards the  
23    debt?

24                  MR. NAUGHTON:    Correct.

25                  CHAIRMAN KOPEL:    You're not going

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2 to roll it in, as I said, to next year's  
3 budget?

4 MR. NAUGHTON: That's unlikely.  
5 Maybe a small piece because NIFA is going to  
6 require us to have a --

7 CHAIRMAN KOPEL: Do you have the  
8 flexibility to roll it into the next year's  
9 budget?

10 MR. NAUGHTON: We do have the  
11 flexibility but also NIFA is requiring us  
12 not have a NIFA defined gap of more than \$80  
13 million. So, to the extent, to achieve  
14 that, we need to have some surplus, then it  
15 would get rolled to the next year.

16 But we are going to look to see  
17 how we can save money in the future also.

18 CHAIRMAN KOPEL: Now, the  
19 Comptroller's report did mention these and  
20 Legislator Solages brought it up these  
21 deferred pensions.

22 MR. NAUGHTON: Yes.

23 CHAIRMAN KOPEL: Would you care  
24 to comment on that situation?

25 MR. NAUGHTON: I think clearly if

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1  
2 you look at the challenges that this county  
3 faced over the last five years we had  
4 choices to make. You could pay the full  
5 bill, cut some programs, raise taxes. None  
6 of those options were something that anyone  
7 really wanted. So we chose this option to  
8 defer a portion of the pension bill as much  
9 as we could. That was a policy decision.  
10 But that also was based off of the  
11 challenges that we were faced with. We had  
12 tried to raise revenue from having things  
13 such as VLTs, that was blocked by people.

14 We tried to have a school speed  
15 safety camera program that got repealed.  
16 So, as you lose revenue, the ability to  
17 make, pay for other things, diminishes.

18 MS. D'ALLEVA: Just to add to  
19 that, one of the reasons, first of all, we  
20 are not alone in amortizing and deferring  
21 our pension increases but secondly I think  
22 part of this was due to the fact that when  
23 the market crashed in 2008 the pension bill  
24 had skyrocketed, I believe for the 2011  
25 bill, and the state allowed us and created

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2    this program so municipalities could have  
3    relief.

4                   CHAIRMAN KOPEL:    Could you,  
5    again, assuming the county achieves the  
6    surplus, give or take, that you are  
7    anticipating or hoping for, would you use  
8    that perhaps to cut the addition for this  
9    year?

10                  MR. NAUGHTON:    That is a  
11    possibility.

12                  MS. D'ALLEVA:    We can repay at  
13    any time without penalty.

14                  CHAIRMAN KOPEL:    So that might  
15    seem to be useful.    That would essentially  
16    be paying down debt?

17                  MR. NAUGHTON:    Correct.

18                  CHAIRMAN KOPEL:    So the only  
19    question then is where your best shot at  
20    paying down the bet would be.

21                  MR. NAUGHTON:    Right.    So the  
22    pension is a three and a half or 3.75  
23    percent interest, so compare that to some  
24    outstanding bonds, we will see what makes  
25    the most financial sense.

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2 CHAIRMAN KOPEL: Deputy Presiding  
3 Officer Nicoletto.

4 LEGISLATOR NICOLELLO: Thank you.  
5 With respect to what Legislator Kopel was  
6 just speaking about, the pension  
7 amortization fund, or whatever the correct  
8 term is, is there a cap either annually or  
9 in total?

10 MR. NAUGHTON: Yes. What happens  
11 when we get the bill, each year the state  
12 will tell what portion of the bill can be  
13 amortized. They calculate how much they're  
14 willing to allow you to defer, or amortize,  
15 and we will decide whether or not, looking  
16 at our budget, what actually makes sense for  
17 us. Last year the amount was probably about  
18 \$30 million roughly.

19 MS. D'ALLEVA: Correct, and they  
20 also determine, and it's on the bill, how  
21 much your payment is.

22 MR. NAUGHTON: I'm sorry, just to  
23 correct myself, last year we deferred \$my  
24 million. The year before was 60; the year  
25 before that was 71, so the amount that we

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2 are deferring is actually decreasing.

3 LEGISLATOR NICOLELLO: Is there a  
4 total cap in the amount of money that's been  
5 deferred?

6 MR. NAUGHTON: No.

7 LEGISLATOR NICOLELLO: With  
8 respect to the contracts that were  
9 negotiated several years ago, there were  
10 some savings for the county in those  
11 contracts such as contributions to health  
12 care costs, contributions with the employee  
13 pension costs and other work related  
14 savings.

15 Are you able to quantify it now  
16 that we are having more and more new  
17 employees come on, at least in the police  
18 department, are you able to quantify how  
19 much of those provisions have saved the  
20 county?

21 MR. NAUGHTON: We don't have that  
22 with us but that's something that we can  
23 calculate for you.

24 LEGISLATOR NICOLELLO: I would be  
25 very interested in seeing that. That's all

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2 I have for now.

3 CHAIRMAN KOPEL: Legislator  
4 Bynoe.

5 LEGISLATOR BYNOE: Thank you  
6 Chair. Good afternoon, Eric. I just have  
7 some questions regarding the action plan.

8 MR. NAUGHTON: Are you referring  
9 to the action plan that was submitted to  
10 NIFA?

11 LEGISLATOR BYNOE: Yes, the  
12 action plan for closing the gap on the  
13 deficit. So I just want to speak first to  
14 the TPVA line item where we are actually  
15 expected to go gain I guess a million  
16 dollars in revenue there.

17 So, in reading I notice that  
18 there was \$1.3 million that was actually I  
19 guess an expense that we incurred as per the  
20 contract. Could you speak to exactly what  
21 that \$1.3 million was?

22 MS. D'ALLEVA: So, in total what  
23 happens with the contract for its American  
24 Traffic Solutions, they basically operate  
25 the cameras for us, and what happens there

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2    is their contract is 38 percent of fines.  
3    So if the number of fines and violations,  
4    the notice of violations are out performing,  
5    then that contract has to be adjusted  
6    because by contract they're entitled to 38  
7    percent of the \$50 fine revenue.

8                   LEGISLATOR BYNOE:   38 percent?

9                   MS. D'ALLEVA:    38.

10                  LEGISLATOR BYNOE:   I'm learning  
11    that it's actually possibly 35, could you  
12    confirm whether it's 35 or 38?

13                  MS. D'ALLEVA:    Not 35.   I'm  
14    confirming that.   I could go back.

15                  LEGISLATOR BYNOE:   Thank you.  
16    So, on to the next point.   Social services.  
17    I see that we are looking to have \$1.7  
18    million contribute towards the deficit from  
19    that particular line item.

20                  So I did some reading in the  
21    report and it indicated that we were  
22    spending less for TANF and for Safety Net  
23    but spending more for childcare and day  
24    care.

25                  So, I just want to have

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2       confirmation, because I discerned from that  
3       that we had more residents that were  
4       gainfully employed, that the people were  
5       going to work and that's why there was less  
6       of an expense or less of a case load for  
7       TANF and the Safety Net; is that accurate?

8                   MR. NAUGHTON:   That would be an  
9       accurate statement.

10                  MS. D'ALLEVA:   That actually  
11       bodes true for all three of those social  
12       service programs.   Therefore, if you are  
13       working, you are going to employ more day  
14       care services but you actually fit a certain  
15       income level, therefore, you can actually  
16       garner the service so it's more of an  
17       expense to the county.

18                  LEGISLATOR BYNOE:   In that  
19       particular line item, but a savings for them  
20       in another aspect?

21                  MS. D'ALLEVA:   Right.

22                  LEGISLATOR BYNOE:   That makes  
23       sense to me.   I just wanted to confirm that.  
24       Then I wanted to talk a little bit about the  
25       Early Intervention Program.

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2 You might remember some years  
3 back that that was an actual concern of this  
4 caucus and for me having come from a school  
5 board to the Legislature knowing how many  
6 young people are actually required to have  
7 special education services and are currently  
8 being taught through an IEP and the like.

9 I just can't wrap my mind around  
10 the fact that we have a lower case load. So  
11 my question first and foremost is, how much  
12 lower are the case loads compared to your  
13 projections of this year?

14 MS. D'ALLEVA: Currently January  
15 through July we're at -- first of all, I  
16 would like to say the case loads are pretty  
17 much set usually some time in late August  
18 for the preceding or, actually September,  
19 for the preceding school year calendar.  
20 Normally that's how it works.

21 2015 has come in lower than any  
22 other year preceding it. So there are two  
23 situations that are impacting the case load.  
24 One, it's the case load mix. So SET, which  
25 is special education caseloads, which are

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2     the more expensive case loads, are actually  
3     more down than the cheaper case loads and  
4     things that cost us less money. So,  
5     therefore, in total the mix is less  
6     expensive.

7                   But in terms of pure case load,  
8     in early intervention and preschool, all the  
9     case loads are down.

10                  LEGISLATOR BYNOE: What are we  
11     actually attributing the reduction in the  
12     case loads to, has there been any  
13     investigation as to why we have a reduction  
14     in case loads?

15                  MS. D'ALLEVA: We actually don't,  
16     and to be quite honest, I don't know  
17     personally. I would have to defer to the  
18     Department of Health.

19                  They do send someone to sit in  
20     terms of a county employee to sit with every  
21     interview process for a child requiring  
22     service or asking for service.

23                  We actually have no decision  
24     making whatsoever if the child is granted  
25     service at all. All those decisions are

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2 made at the school district level.

3 LEGISLATOR BYNOE: Did you say we  
4 have a county employ or we don't?

5 MS. D'ALLEVA: We normally have a  
6 county employee to sit at the evaluations.  
7 But we have absolutely nothing to do with  
8 the determination of the evaluation in terms  
9 of whether service is granted or not.  
10 That's all at the school district level.

11 LEGISLATOR BYNOE: So it's my  
12 understanding that it's more of a  
13 contractual worker or representative as  
14 opposed to an employee and that person is  
15 referred to as a municipal representative,  
16 if I'm not mistaken.

17 Earlier research back in I  
18 believe either 2014 or '15, it was revealed  
19 that the municipal representatives' work  
20 performance was determined upon or was based  
21 upon the number of denials or the reduction  
22 of services that they were actually able to  
23 achieve.

24 It was my understanding further  
25 that those individuals were employed by an

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2   efficiency expert type of consulting agency.  
3                   So that leads me to ask if that  
4   performance requirement is still built into  
5   the contract and, further, has the number of  
6   denials, I actually would like to know the  
7   number of denials versus the number of  
8   requests that have been made for actual  
9   services.

10                   MS. D'ALLEVA: We will get that  
11   for you.

12                   LEGISLATOR BYNOE: Again, it's  
13   important for me know whether the  
14   performance criteria has in fact changed  
15   from when we initially discovered this back  
16   in I believe 2014.

17                   So I have a lot of other  
18   questions but I want to now go to your  
19   income and expense statement or comment that  
20   you had made earlier regarding the  
21   litigation of that case.

22                   So you're actually saying that  
23   you believe that we will bring in the 15.8?

24                   MR. NAUGHTON: It's still in our  
25   projections.

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2 LEGISLATOR BYNOE: Still in your  
3 projections. And that was because an  
4 earlier, I guess the TRO said initially we  
5 could not collect any fines or fees that  
6 attributed to any reporting of our  
7 commercial entities, correct?

8 MR. NAUGHTON: Correct.

9 LEGISLATOR BYNOE: Okay. So it  
10 was my understanding that it was rumored  
11 that at some point the judge may in fact  
12 give some sort of relief to the county or a  
13 TRO, to the TRO, saying in fact we could  
14 collect those fees. But I have something  
15 here that says as of August 17, 2016, the  
16 restraining order was actually, looked like  
17 it was still enforced.

18 MR. NAUGHTON: That is correct.

19 LEGISLATOR BYNOE: Is there  
20 something that I'm not aware of?

21 MR. NAUGHTON: No. You're aware  
22 of the same information that we are,  
23 however, we are hopeful that it will be  
24 reversed at some point and we will be able  
25 to collect.

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2 As Roseann stated earlier, if we  
3 don't collect this -- if we're unable to  
4 collect this, we feel we have enough room  
5 here with our projected \$20 million surplus  
6 to offset that loss.

7 The budget office is daily  
8 monitoring expenses and revenues and  
9 constantly working with departments to come  
10 up with actions to offset potential losses  
11 so, if we do lose this, we will offset it.

12 LEGISLATOR BYNOE: Okay.

13 MS. D'ALLEVA: And you also heard  
14 from the Comptroller's office and their  
15 \$14.2 million deficit includes that risk of  
16 \$15 million and they actually did say we  
17 would be able to absorb it and balance.

18 LEGISLATOR BYNOE: But I still,  
19 because the county said it's part of their  
20 plan or that it's -- this projection is  
21 alive and well, I have to, because when I  
22 read it, I just didn't know how we could in  
23 good faith believe that we could have a  
24 judge reverse their decision and then in  
25 fact enforce our legal standing to collect

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2           and that we would believe that between now  
3           or let's say at best the judge reverses  
4           their decision in September and we think  
5           that we could then collect \$15.8 million in  
6           that time frame.

7                   My question then would be, how  
8           much did we collect in that line last year?  
9           Because it's my understanding that this is  
10          an increased line item, that we increased  
11          the fee amount this year; am I correct?

12                   MR. NAUGHTON: No. I believe the  
13          law was passed a couple of years ago, so we  
14          did not have any revenue last year. Letters  
15          were initially sent out in December of '15  
16          to try to collect and then obviously we were  
17          sued and we've been unable to collect. So  
18          '15 revenue would have been zero.

19                   CHAIRMAN KOPEL: Legislator  
20          Bynoe, do you mind if I get a clarification  
21          on one of your points?

22                   LEGISLATOR BYNOE: No.

23                   CHAIRMAN KOPEL: Let's say there  
24          was a reversal in September, give or take,  
25          not a reversal but a decision which would

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2     initiate the TRO, the fact that that money  
3     is not fully collected at that point, that  
4     doesn't matter in terms of your budget, it's  
5     accrued?

6                   MS. D'ALLEVA:   That's correct.

7                   MR. NAUGHTON:   Right.

8                   CHAIRMAN KOPEL:   So it would  
9     count under accounting rules as having been  
10    there, it's ours at that point once it's  
11    accrued, it doesn't actually have to be in  
12    our pockets; would that fair?

13                  MR. NAUGHTON:   That would be  
14    fair.  If there is a reasonable assumption  
15    that it can be collected.

16                  LEGISLATOR BYNOE:   So that's if  
17    the TRO, if the judge grants a relief to the  
18    TRO, correct?

19                  MR. NAUGHTON:   Correct.

20                  LEGISLATOR BYNOE:   So is there a  
21    potential for there to be an appeal or some  
22    other legal action to still, I guess, appeal  
23    the actual law?

24                  MR. NAUGHTON:   Neither one of us  
25    being lawyers, I would say that the county

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2 will fight as long as it thinks it's  
3 reasonable to try to collect this revenue.

4 LEGISLATOR BYNOE: Okay. I have  
5 other questions but I think my colleague,  
6 Carrie, had some questions regarding the  
7 plan and I don't want to deviate that far.  
8 I would like an opportunity to go back on  
9 the record with other questions. Thank you.

10 CHAIRMAN KOPEL: Legislator  
11 Solages.

12 LEGISLATOR SOLAGES: Thank you.  
13 Good afternoon. Thank you, Chair Kopel and  
14 good afternoon, Eric.

15 Regarding the OMB action plan,  
16 the NIFA gap exceeding \$80 million, can you  
17 just please describe in more detail as to  
18 how it relates to, for example, the salary  
19 and wages, the lower than expected police  
20 termination. What is that based on? Is it  
21 based on how many people are retiring? By  
22 what date? I just need more information  
23 about these projected savings.

24 MS. D'ALLEVA: Sure. The 2016  
25 included \$34.2 million for police

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2 retirements.

3 We had anticipated that 135  
4 officers would attrit, meaning leave county  
5 service. Currently, to date, there hasn't  
6 been that exodus that we had budgeted for.

7 I think currently we have 50  
8 officers, 49 out the door off county payroll  
9 and one pending to the tune their average  
10 termination cost is about \$250,000.

11 So right there is an opportunity  
12 so far if just the 50 left for the rest of  
13 the year, a \$21 million opportunity for the  
14 county.

15 Obviously I don't think it's  
16 going to stay at 50. I would say maybe by  
17 the end of the year another 20 would leave.  
18 So there is a huge opportunity for  
19 termination costs.

20 LEGISLATOR SOLAGES: The 50 plus  
21 20 is about 70 which is still off from the  
22 135 you expect?

23 MS. D'ALLEVA: Right. It's half.

24 MR. NAUGHTON: So that will be 65  
25 people that we will be saving termination

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2 pay on.

3 LEGISLATOR SOLAGES: Please  
4 continue. Payment transfer to litigation  
5 fund.

6 MS. D'ALLEVA: So basically there  
7 are some litigations or arbitration  
8 decisions that, when an arbitration decision  
9 comes down, most likely than not, in terms  
10 of our labor agreements, those decisions  
11 must be paid out of our payroll AA salary  
12 line. So once they're paid out on the  
13 salary line, they're included in our salary  
14 and fringe expense cost.

15 That has to be transferred to the  
16 litigation because an arbitration decision  
17 is, or a settlement, should be charged to  
18 the litigation fund. So we still have  
19 approximately \$750,000 that has to be moved  
20 for that.

21 LEGISLATOR SOLAGES: You  
22 mentioned before about surpluses, but is it  
23 fair to say that any of the surplus will go  
24 to paying that \$45 million bond?

25 MR. NAUGHTON: No.

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2 LEGISLATOR SOLAGES: Before you  
3 were mentioning surpluses and you were  
4 predicting several surpluses, but I ask you,  
5 aren't those surpluses going to pay for the  
6 litigation, \$45 million bond recently -- if  
7 it comes down in 2016 or 2017?

8 MR. NAUGHTON: No.

9 LEGISLATOR SOLAGES: Can you  
10 please explain, Mr. Naughton?

11 MR. NAUGHTON: No. We will not  
12 be spending \$45 million of operating money  
13 to pay for that case.

14 LEGISLATOR SOLAGES: Can you  
15 please describe how you intend to pay for  
16 that \$45 million bond if it comes down.

17 MR. NAUGHTON: The county has a  
18 plan that it's working on that I cannot  
19 disclose at this time.

20 LEGISLATOR SOLAGES: When will  
21 you be able to disclose your plan?

22 MR. NAUGHTON: Once the plan is  
23 finalized.

24 LEGISLATOR SOLAGES: Do you have  
25 an approximate understanding as to when that

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2 will be, sir?

3 MR. NAUGHTON: No, I do not,  
4 because I also do not know when or if the  
5 judge will ask us to pay \$45 million.

6 LEGISLATOR SOLAGES: Well, one of  
7 the main complaints by NIFA is just having a  
8 contingency plan and it's important to have  
9 a plan in place if that decision comes down  
10 today, tomorrow, the day after tomorrow,  
11 next week.

12 Can you provide any clarification  
13 or any further information?

14 MR. NAUGHTON: I cannot provide  
15 any clarification at this time.

16 LEGISLATOR SOLAGES: Since you  
17 just mentioned it, even if this actual plan  
18 is fully realized that the county should  
19 seize the opportunity to address projected  
20 risks for 2017, how is OMB prepared that a  
21 contingency plan doesn't include the details  
22 and milestone dates requested by NIFA?

23 MR. NAUGHTON: I'm not exactly  
24 sure what you're referring to.

25 LEGISLATOR SOLAGES: The NIFA

1                   Budget Hearing/8-30-16  
2       report as you may recall asked for a  
3       contingency plan with respect to many of  
4       these judgments, to the action plan, excuse  
5       me.

6                   LEGISLATOR MACKENZIE:   Do you  
7       have any objection to my asking a few  
8       questions for clarification?

9                   LEGISLATOR SOLAGES:   Go ahead,  
10      please.

11                  LEGISLATOR MACKENZIE:   With  
12      respect to the head count and police  
13      retirements, you said you had 135 budgeted,  
14      50 actual and anticipate 20.

15                  When you make the anticipation of  
16      20, what is that based on, how do you come  
17      up with that number?

18                  MS. D'ALLEVA:   On average, about  
19      six people are leaving a month, so if you  
20      carry that forward it's another additional  
21      20, and they have to resign 30 days before  
22      the year end, so they have to put in their  
23      papers through November.

24                  LEGISLATOR MACKENZIE:   Is the six  
25      based on historic numbers or where does that

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2 come from?

3 MS. D'ALLEVA: This current  
4 year's trend.

5 LEGISLATOR MACKENZIE: Does the  
6 county or does the administration keep track  
7 of the number of officers that are currently  
8 eligible to retire?

9 MR. NAUGHTON: Yes, we do.

10 LEGISLATOR MACKENZIE: Is that  
11 six based on that, on the historic trends or  
12 something else?

13 MS. D'ALLEVA: No. The six is  
14 based on the current trend. And also, what  
15 happens is, the officers, once they are  
16 deciding to leave, they actually speak to  
17 the union reps and they also determine what  
18 their pension pay-out would be. So we have  
19 all that information. We know who is  
20 actually going to speak to their union rep.

21 LEGISLATOR MACKENZIE: So when  
22 they anticipate retiring they begin to start  
23 the process informally and you're advised of  
24 that so you have some anticipation?

25 MS. D'ALLEVA: Right.

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2 LEGISLATOR MACKENZIE: Now, what  
3 is the current number of eligible that is to  
4 retire?

5 MS. D'ALLEVA: We have,  
6 approximately, it would be almost 900 people  
7 who are eligible. I'm sorry. That was the  
8 wrong number. It's around 600. I can check  
9 that number.

10 LEGISLATOR MACKENZIE: Thank you.

11 LEGISLATOR SOLAGES: Thank you.  
12 Mr. Naughton, before I asked you some  
13 questions and I glanced back to the NIFA  
14 report. If you go to the NIFA report on  
15 page eight, one of the many recommendations  
16 that they make include a recommendation  
17 regarding what we are discussing.

18 On page eight, it reads that the  
19 county should craft a contingency plan to  
20 address potential slippage in its plan to  
21 ensure that the gap basis deficit does not  
22 exceed \$80 million permitted by NIFA in  
23 fiscal year 2016.

24 Even in county's plan is fully  
25 realized, the county should seize the

1                   Budget Hearing/8-30-16  
2     opportunity to get a head start on closing  
3     projected risk in 2017.

4                   So, that's what I'm asking you  
5     about. I mean, the --

6                   MR. NAUGHTON: We work on the  
7     budget year round. It's not a season. It's  
8     a daily, weekly, hourly process for us.  
9     When last year's budget was approved, we  
10    were already thinking about the next year.  
11    The county does a multiyear plan. So,  
12    looking at the out year risk is foremost in  
13    our thought process daily.

14                  LEGISLATOR SOLAGES: I  
15    understand, but the contingency plan should  
16    have specificity including identification of  
17    the critical tasks that must be accomplished  
18    in the coming weeks and the important  
19    milestone dates.

20                  So, just to be clear, as of now,  
21    you have no contingency plan?

22                  MR. NAUGHTON: I do not believe I  
23    stated that. Did I?

24                  LEGISLATOR SOLAGES: I'm asking  
25    you a question, do you have a contingency

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2 plan?

3 MR. NAUGHTON: We have a plan for  
4 most things. So, yes, we have a contingency  
5 plan. We work with NIFA, we have  
6 discussions with them. On September 15th,  
7 we will submit a budget for 2017 and a  
8 multiyear plan. If NIFA needs more details,  
9 we will provide that to them. If the  
10 Legislature needs more information, we will  
11 provide --

12 LEGISLATOR SOLAGES: Can you  
13 disclose some of those milestone dates?

14 MR. NAUGHTON: No. I cannot.

15 LEGISLATOR SOLAGES: You  
16 explained in your action plan that the  
17 higher than expected rents in recovery at  
18 7.3, and, again, going back to the NIFA  
19 report on page four, it says, a large  
20 component of the risk stems from the budget  
21 proceeds that the county expected to realize  
22 in fiscal year 2016 from the sale of county  
23 property that budget included \$5.1 million  
24 of revenue from this initiative, but the  
25 county now acknowledges that it will likely

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2 realize only \$1.6 million this year.

3 Are these plans realistic, and,  
4 again, what benchmarks or what deadlines can  
5 we at least guard ourselves with in order to  
6 reach some more understanding?

7 MR. NAUGHTON: Well, I think when  
8 you look at rents and recoveries, one major  
9 component this year is that now we  
10 anticipate that the Sloan Kettering land  
11 sale will go through this year.

12 The Town of Hempstead gave the  
13 zoning approval. We look at those dates.  
14 We talk to the attorneys to make sure that  
15 things are progressing.

16 LEGISLATOR SOLAGES: But the  
17 county does acknowledge that this may not be  
18 complete until the end of this year?

19 MR. NAUGHTON: That is correct.

20 LEGISLATOR BYNOE: Can I just  
21 jump in?

22 LEGISLATOR SOLAGES: Sure.

23 LEGISLATOR BYNOE: In rent and  
24 receivables, in that same line item, there  
25 were three different properties, I think it

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2 was Roslyn, Westbury, and Freeport.

3 Where are we in the process for  
4 selling those properties because there's  
5 about \$5 million that was attributed to the  
6 potential sales.

7 MS. D'ALLEVA: Well, the \$5  
8 million at this point, we've received back  
9 RFPs on I believe two of those three  
10 properties and we anticipate to close this  
11 year and that's why the projection is 1.6  
12 million no longer five.

13 But, as Eric has stated, DCE  
14 Naughton, that we will be closing Sloan  
15 Kettering this year which is another 6.5,  
16 that is part of the contingency plan, and we  
17 also have the renegotiated lease for 60  
18 Charles Lindbergh that could garner as much  
19 as \$2 million.

20 LEGISLATOR BYNOE: And I know you  
21 said the contingency, you have one, but some  
22 of these things are still being negotiated,  
23 so I guess there is no comfort level in  
24 providing us the contingency plan.

25 MR. NAUGHTON: That's accurate.

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2 LEGISLATOR BYNOE: I hear that.  
3 But, in order for to us have some level of  
4 comfort, I think at some point, we're going  
5 to have to figure out how we meet in the  
6 middle and share some information. I'm  
7 saying that it has to be public information,  
8 but --

9 CHAIRMAN KOPEL: Legislator  
10 Bynoe, I just want to point out, with all  
11 due respect, that in a budget of \$3 billion,  
12 you're never going to get that close.  
13 You're going to have to work it through  
14 towards the end and hope that -- you're  
15 going to have some nasty surprises and some  
16 good surprises inevitably as things go  
17 along. But, go ahead, please.

18 MR. NAUGHTON: Legislator Bynoe,  
19 I would just like to add, at least for OMB,  
20 the finance team, you take a look at the  
21 county's website, the fact that we publish a  
22 monthly report that has projections,  
23 corrective actions, we are disclosing so  
24 much information to try to keep everyone  
25 informed of what's happening so that there

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2 aren't surprises.

3 We are constantly making  
4 modifications to our projections. We are  
5 keeping every one updated and we are  
6 accessible if anyone has any questions.

7 LEGISLATOR BYNOE: Please don't  
8 let the point be lost on you that I do  
9 understand that some of these things -- and  
10 that's why I said, some of these things are  
11 being negotiated and that there will be a  
12 requirement for some of it to be cloaked  
13 under secrecy.

14 But I'm just stating, that in  
15 order for us to have a comfort level, that  
16 the administration is actually adhering to  
17 NIFA's requirement that there be a  
18 contingency plan.

19 I think at some point -- I'm not  
20 saying we have to have dollar amounts and  
21 all the details but I think that we're going  
22 to have to at some point find a way to share  
23 some information. Okay? Thank you.

24 LEGISLATOR BYNOE:

25 MR. NAUGHTON: Sure thing.

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2 LEGISLATOR SOLAGES:

3 Mr. Naughton, the main concern, at least for  
4 myself and my colleagues is that the purpose  
5 of these hearings is to establish a level of  
6 transparency, do you agree with that, that  
7 would be the purpose of these hearings?

8 MR. NAUGHTON: I think for each  
9 individual it may be a different purpose.

10 LEGISLATOR SOLAGES: But you  
11 would say at least roughly -- fairly  
12 speaking, the purpose of this hearing is to  
13 have some level of transparency as it  
14 relates to the county's finances, would you  
15 say that?

16 MR. NAUGHTON: I would say that  
17 we already provide the transparency, the  
18 hearing may be necessary to provide more  
19 answers to the information you have.

20 LEGISLATOR SOLAGES: So clearly  
21 then, the requested contingency plan by NIFA  
22 is a reasonable request, and why don't we  
23 have a contingency plan in place as of now?

24 MR. NAUGHTON: Again, that is  
25 your statement that we don't have a

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2 contingency plan.

3 LEGISLATOR SOLAGES: But I asked  
4 you if you have a contingency plan and --

5 MR. NAUGHTON: And I stated I  
6 don't have one that I can share with you.

7 LEGISLATOR SOLAGES: Can you at  
8 least provide a description of this plan by  
9 at least September 12th?

10 MR. NAUGHTON: We will earn more  
11 revenue and we will reduce expenses.

12 LEGISLATOR SOLAGES: So by the  
13 next legislative session, can you at least  
14 provide any clearer clarification on a  
15 contingency plan?

16 MR. NAUGHTON: No, I cannot.

17 LEGISLATOR SOLAGES: By at least  
18 September 12th can you at least provide  
19 anything in writing, a description of --

20 CHAIRMAN KOPEL: Legislator  
21 Solages, with all due respect, you are just  
22 beating a dead horse over here. I think  
23 they've answered the question. They are not  
24 prepared to provide anything in the way of a  
25 contingency plan whether it's verbal or

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2 written.

3 LEGISLATOR SOLAGES: I'm just  
4 trying to help you get NIFA off your back  
5 because they're asking for a contingency  
6 plan and the administration is not  
7 complying.

8 CHAIRMAN KOPEL: Well, if you can  
9 come up with a good way to get NIFA off our  
10 backs all together you would be a hero.

11 MR. NAUGHTON: But, Legislator  
12 Solages, do I assume that if we propose  
13 things that provide recurring revenue and  
14 cut expenses where necessary you will be  
15 support that so we can get NIFA off our  
16 back?

17 LEGISLATOR SOLAGES: I mean, I  
18 think my question is very simple, they're  
19 making some reasonable requests and we have  
20 we have an obligation to provide some  
21 information and they simply want a  
22 contingency plan.

23 We have assumptions of revenue.  
24 We have reoccurring expenditures that are  
25 way higher than the revenues we are bringing

1                   Budget Hearing/8-30-16  
2     in.   We have nonrecurring savings and  
3     optimistic assumptions, we have recycled and  
4     unsuccessful gap closing initiatives.  I  
5     mean, we really need to get on the ball  
6     here.  Let's work with NIFA here.

7                   MR. NAUGHTON:  We work constantly  
8     with NIFA, and NIFA is less concerned with  
9     the contingency plan than we're concerned  
10    with it, revenue that we are asking for, and  
11    that every one is working with us to achieve  
12    our goals.

13                  LEGISLATOR SOLAGES:  Okay.  So  
14    you are trying to at least reach the  
15    recommendation in the report?

16                  MR. NAUGHTON:  We work with them  
17    constantly.

18                  LEGISLATOR SOLAGES:  Let's move  
19    on to judgments and settlements.  How much  
20    is currently in the litigation fund?

21                  MS. D'ALLEVA:  Currently in the  
22    litigation fund; in terms of what  
23    expenditures or appropriations?

24                  LEGISLATOR SOLAGES:  Yes.  
25    Appropriations and expenditures, please.

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2 MS. D'ALLEVA: Currently in the  
3 appropriations we have \$40 million.

4 LEGISLATOR SOLAGES: How much is  
5 obligated for us to pay out in this fiscal  
6 year?

7 MS. D'ALLEVA: Obligated to pay  
8 out? We are not obligated to pay out  
9 anything. I mean, you mean the current  
10 obligation of what we have spent?

11 CHAIRMAN KOPEL: The \$40 million  
12 is remaining right now?

13 MS. D'ALLEVA: Right. So we have  
14 \$40 million of budget and we have \$38  
15 million of expense.

16 LEGISLATOR SOLAGES: It's my  
17 understanding, and counsel is advising me  
18 that we had \$20 million budgeted; is that  
19 correct?

20 MS. D'ALLEVA: We had \$20 million  
21 budgeted but this body approved the  
22 supplemental appropriation for another 20 so  
23 that now you have \$40 million.

24 LEGISLATOR SOLAGES: How much of  
25 that was spent in borrowing?

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2 MS. D'ALLEVA: Spent in  
3 borrowing?

4 LEGISLATOR SOLAGES: How much of  
5 that \$40 million?

6 MS. D'ALLEVA: \$38 million.

7 LEGISLATOR SOLAGES: What  
8 judgments does that cover?

9 MS. D'ALLEVA: We can get you a  
10 list.

11 LEGISLATOR SOLAGES: Can you  
12 please provide to my office and to our  
13 counsel a list of what judgements that  
14 covers? I would really appreciate that.

15 MR. NAUGHTON: I would just like  
16 to clarify one statement. That \$38 million  
17 that Roseann stated includes some projected  
18 payments. So, to the extent that the county  
19 attorney feels that we can share the  
20 information of pending cases, we will share  
21 that. But, in terms of what has already  
22 been paid, we can do that.

23 LEGISLATOR SOLAGES: Just to be  
24 clear those settlements have yet to be  
25 approved by this body?

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2 MR. NAUGHTON: I don't know which  
3 ones have been approved and which ones are  
4 still pending.

5 LEGISLATOR SOLAGES: If you could  
6 please clarify that, I would appreciate  
7 that.

8 MR. NAUGHTON: We will do that.

9 LEGISLATOR SOLAGES: And if you  
10 can please provide that writing before the  
11 next Legislative session I would appreciate  
12 that.

13 MR. NAUGHTON: We can accomplish  
14 that.

15 LEGISLATOR SOLAGES: Thank you  
16 very much. In addition, what is the  
17 county's action plan for pending judgements  
18 for the remainder of 2016, such as the \$45  
19 million bond recently requested for adoption  
20 by the legislature?

21 MR. NAUGHTON: Well, we are  
22 hoping that one more reasonable person will  
23 realize that we need to bond that item.

24 LEGISLATOR SOLAGES: But then  
25 wouldn't that make us \$45 million over the

1                   Budget Hearing/8-30-16  
2    allowed amount, the additional \$45 million  
3    allowed over what we have?

4                   MR. NAUGHTON: I think and I hope  
5    that a body that you're referring to, such  
6    as NIFA, will recognize that this is an  
7    ordinary case, and that they should modify  
8    their \$80 million target by that amount.

9                   LEGISLATOR SOLAGES: If NIFA does  
10   not allow that, what is your plan?

11                  MR. NAUGHTON: Our plan, we have  
12   a contingency plan that we are working on.

13                  LEGISLATOR SOLAGES: Which you  
14   can provide details on?

15                  MR. NAUGHTON: That I cannot  
16   provide details on. I think we already  
17   answered that question.

18                  LEGISLATOR SOLAGES: And the  
19   Comptroller has also projected about \$345  
20   million in utility judgements. What is the  
21   county's action plan on that?

22                  MR. NAUGHTON: That one is  
23   obviously a lot more challenging. The  
24   county is still appealing those cases.  
25   That's right now foremost in our plan.

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2 LEGISLATOR SOLAGES: Has the  
3 trial commenced on that, on the Verizon and  
4 KeySpan litigations?

5 MR. NAUGHTON: I think the best  
6 thing is, I don't know if any of our  
7 attorneys are listening, but I think if they  
8 can meet with you or provide you with more  
9 information on that because we can not do  
10 that.

11 LEGISLATOR SOLAGES: What happens  
12 if this liability must be satisfied in this  
13 year, or 2016, how does the county plan to  
14 handle that?

15 MR. NAUGHTON: The likelihood of  
16 that is remote so that is not a concern of  
17 ours.

18 LEGISLATOR SOLAGES: As it  
19 relates to the garbage district case, are  
20 familiar with the so-called garbage district  
21 litigations in which the towns are seeking  
22 indemnification from the county for certain  
23 tax refunds?

24 MR. NAUGHTON: Yes, I am.

25 LEGISLATOR SOLAGES: Can you

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2 please go into detail as to what is your  
3 plan on how to address that?

4 MR. NAUGHTON: No, I cannot.

5 LEGISLATOR SOLAGES: The recent  
6 official statement estimated county  
7 liability could be as high as \$145 million  
8 in the garbage district cases. What is the  
9 county's contingency plan for satisfying  
10 that liability?

11 CHAIRMAN KOPEL: I think he just  
12 answered that question, Legislator Solages.

13 LEGISLATOR SOLAGES: We're going  
14 through the different -- I must ask detailed  
15 questions upon the witness and I have a  
16 right to do so.

17 CHAIRMAN KOPEL: I'm not sure  
18 that's correct. First of all --

19 LEGISLATOR SOLAGES: It's \$200  
20 million for the Verizon case, and --

21 CHAIRMAN KOPEL: We heard you.  
22 We heard you. I'm pretty good at that. I  
23 don't need to hear anything 16 times.

24 LEGISLATOR SOLAGES: I didn't  
25 repeat it 16 times.

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2 CHAIRMAN KOPEL: Well, you are  
3 repeating varieties or versions of the same  
4 kind of question over and over again. What  
5 is your contingency plan for this specific  
6 thing, and what is --

7 LEGISLATOR SOLAGES: And I'm not  
8 getting any answers.

9 CHAIRMAN KOPEL: The witness has  
10 already declined to provide you with any  
11 kind of answer to that specific question.  
12 So you're not going to get it. So asking  
13 the same exact question over and --

14 LEGISLATOR SOLAGES: But if the  
15 response by the witness is unacceptable I  
16 have a right to redirect my question, to ask  
17 my questions in a way in which he would  
18 clarify any answer.

19 CHAIRMAN KOPEL: Are you prepared  
20 to provide contingency plans as to items  
21 that are still uncertain out there?

22 MR. NAUGHTON: No, we are not. I  
23 think -- and I'm not the lawyer here, but I  
24 think to make a statement as to how we would  
25 pay for something when we're still in

1                   Budget Hearing/8-30-16  
2   litigation is probably not in our best  
3   interest.

4                   CHAIRMAN KOPEL:   That might even  
5   be irresponsible.   By the way, I think, just  
6   off the topic a little bit, but I want to  
7   say that this is magnificent illustration of  
8   the effect of this ridiculous county  
9   guaranty law that remains in effect that we  
10  have tried to repeal.

11                  I would hope that my Democratic  
12  colleagues will join in urging once more for  
13  a repeal by the state.   This is the garbage  
14  case, which he just mentioned, is a case  
15  where the county had absolutely zero to do  
16  with this liability, and, yet, the county  
17  taxpayers are -- this liability is hoisted  
18  on the county taxpayers.   It's an absurd  
19  situation.

20                  But, in any event, I would ask  
21  you to confine yourself to new questions,  
22  not to, as I said, one hundred different  
23  questions on the same type of thing which is  
24  to ask for a contingency plan for specific  
25  items.   I think that's done.

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2 LEGISLATOR SOLAGES: Legislator  
3 Kopel, if I may, I'm not asking these  
4 questions out of the air, these are clear  
5 recommendations that are made --

6 CHAIRMAN KOPEL: And they are  
7 important questions, but you already got an  
8 answer, you're not getting an answer on  
9 contingency plans.

10 LEGISLATOR SOLAGES: I have more  
11 questions. Thank you.

12 CHAIRMAN KOPEL: If they're not  
13 on contingency plans, otherwise you're done.

14 LEGISLATOR SOLAGES: Yes. Per  
15 NIFA, the new procedures to address the  
16 commercial tax certiori liability, which we  
17 all agreed upon, could be challenged  
18 legally, what is the county's contingency  
19 plan if that occurs?

20 CHAIRMAN KOPEL: Okay. Any other  
21 questions from any other legislators?  
22 Otherwise we're done.

23 LEGISLATOR SOLAGES: Is there a  
24 credible backup plan?

25 CHAIRMAN KOPEL: Are there any

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2 other questions that do not relate to --

3 LEGISLATOR SOLAGES: Is there a  
4 credible backup plan that --

5 CHAIRMAN KOPEL: A back up plan,  
6 a contingency plan, you can come up with any  
7 number of questions that --

8 LEGISLATOR SOLAGES: Legislator  
9 Kopel, don't you want an answer?

10 CHAIRMAN KOPEL: If there are any  
11 other questions, we can entertain those,  
12 otherwise we are done with this witness.  
13 Legislator Bynoe.

14 LEGISLATOR BYNOE: Thank you.  
15 So, my question is going to be more towards  
16 evaluating and I guess oversight over the  
17 Trans-Dev and the bus system.

18 We have at this point projected  
19 that there's going to be \$4 million in  
20 revenue lost at the box, at the bus fare  
21 box, and I'm kind of interested to know what  
22 the administration is doing in terms of  
23 looking at the operation and the performance  
24 of Trans Dev and a follow-up question to  
25 that is, is their contract performance

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2 based?

3 MS. D'ALLEVA: In reference to  
4 the \$4 million fare box decrease, what are  
5 you basing it on? Are you basing it on the  
6 adopted budget?

7 LEGISLATOR BYNOE: Yes, the  
8 adopted budget and it was actually indicated  
9 in one of these four reports that I read  
10 over the weekend.

11 MS. D'ALLEVA: So there is really  
12 not much difference from the modified, our  
13 projection. Our projection is about \$47  
14 million. So, we don't think fare boxes is  
15 really going to fall short.

16 Originally, you're right, our  
17 budget was approximately \$52 million. I  
18 could pull it out, but, if you recall, we  
19 did receive increased STOA which was  
20 basically a one for one offset. So,  
21 therefore, there's no impact.

22 LEGISLATOR BYNOE: It is  
23 basically a dollar for dollar in that the  
24 deficit was \$4 million and STOA came in at I  
25 think it was 3.8, basically dollar for

1                   Budget Hearing/8-30-16  
2   dollar.   But STOA is not guaranteed; am I  
3   correct.

4                   MS. D'ALLEVA:   STOA in the last  
5   15 years has never gone down.  It's always  
6   gone up.  So we have never received a  
7   decrease in STOA.  So that's how I can  
8   answer that question.  Other than that I  
9   wouldn't be able to.

10                  LEGISLATOR BYNOE:   And there is  
11   no really formula, it's just to your  
12   experience it has never gone down?

13                  MS. D'ALLEVA:   That's right.

14                  LEGISLATOR BYNOE:   But, again, I  
15   think we should look at what exactly is  
16   happening at the fare box where we are  
17   realizing that \$4 million in a deficit, and  
18   look at whether it's rider dissatisfaction  
19   or, whatever, looking at whether we're  
20   cutting routes that possibly was attributed  
21   to some of that revenue.

22                  I think we need to take a more  
23   in-depth look at that so that the grant from  
24   STOA could be a plus, a benefit, as opposed  
25   to offsetting a deficit.

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2 I also wanted to talk a little  
3 bit about the FIT tuition recoveries.

4 MS. D'ALLEVA: Yes.

5 LEGISLATOR BYNOE: Where is the  
6 administration in terms of projecting the  
7 income for that?

8 MS. D'ALLEVA: We're not  
9 projecting the recovery from prior years, in  
10 this current projection, we have taken that  
11 out. But we hope to collect it. It's part  
12 of our corrective action plan.

13 LEGISLATOR BYNOE: We are hoping  
14 to collect it?

15 MS. D'ALLEVA: Yes, it's part of  
16 our corrective action plan.

17 LEGISLATOR BYNOE: Is it?

18 MS. D'ALLEVA: Yes.

19 MR. NAUGHTON: In other words, we  
20 are appealing the decision, so we're still  
21 hoping to get it. But our projections right  
22 now assume that we will not.

23 MS. D'ALLEVA: So we are pursuing  
24 legal action. We've taken it out of our  
25 projection currently because we know that

1                   Budget Hearing/8-30-16  
2     the legal action may take longer than this  
3     current fiscal year, but it is part of our  
4     corrective action where we are pursuing it  
5     legally and we hope to resolve it by the end  
6     of the fiscal year.

7                   LEGISLATOR BYNOE: All right.  
8     Some of the other points that came up on the  
9     radar and one of them is going to be Nassau  
10    Community College.

11                  So, there is an overall concern  
12    based on the fact that the college's  
13    performance and accreditation is in  
14    probation.

15                  While there is a new president  
16    that has recently been appointed and I have  
17    had an opportunity to meet with him, and  
18    he's given me some reassurance that they  
19    will be able to correct and --

20                  CHAIRMAN KOPEL: Legislator  
21    Bynoe, I just want to point out that that's  
22    not part of our budget. It just isn't. And  
23    this is a budget hearing.

24                  LEGISLATOR BYNOE: It is. But it  
25    was actually in the Comptroller midyear

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2 report as a potential risk.

3 CHAIRMAN KOPEL: It's covered  
4 agency but it's not part of our Nassau  
5 budget.

6 LEGISLATOR BYNOE: But there is  
7 exposure to the county if both the college  
8 and the hospital don't succeed.

9 CHAIRMAN KOPEL: Go on for a bit  
10 but let's see what happens.

11 LEGISLATOR BYNOE: I was actually  
12 almost done. You prolonged me,

13 My point is, since it was  
14 identified in the Comptroller's report as an  
15 area of concern, something that we must be  
16 mindful of especially in the case of the  
17 hospital in that there are some debt that we  
18 are guaranteeing or that we are actually on  
19 the hook for, I just implore the  
20 administration to really spend some time  
21 looking at the performance of, again,  
22 Trans-Dev, Nassau Community College, and the  
23 hospital because their ability to sustain is  
24 directly related to the county's finances.

25 So I just wanted to make that a

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2 point today.

3 MR. NAUGHTON: Sure thing. Thank  
4 you.

5 LEGISLATOR SOLAGES: May I?

6 CHAIRMAN KOPEL: Sure. As long  
7 as it's not going over old ground.

8 LEGISLATOR SOLAGES: Going back  
9 to the bus fare question, the reduction in  
10 the bus fare box. Mr. Naughton, why is this  
11 happening?

12 CHAIRMAN KOPEL: Which this?

13 LEGISLATOR SOLAGES: The  
14 reduction in the bus fare. It's on page  
15 five of the NIFA report.

16 MR. NAUGHTON: I think Legislator  
17 Bynoe stated some reasons that it could be  
18 happening and we will investigate for you.

19 LEGISLATOR SOLAGES: I would like  
20 to hear from yourself. Please, what are  
21 some reasons why you think this is  
22 happening?

23 MR. NAUGHTON: Rose?

24 MS. D'ALLEVA: The Transit  
25 Committee passes their budget and it's not

1 Budget Hearing/8-30-16

2 in tandem with the county budget. So the  
3 county, the best information we have at the  
4 time, we budget for the new fiscal year.

5 So, at that point in time, the  
6 fare box was, we thought that we could  
7 budget a little higher in terms of fare box.

8 Now, what the Transit Committee  
9 passed was a lot closer to what the actual  
10 is. So, therefore, there really isn't that  
11 tremendous drop-off we are referring to, or  
12 the questions are really referring to, just  
13 as a clarification.

14 LEGISLATOR SOLAGES: So, if there  
15 isn't that tremendous drop-off, how much of  
16 a drop-off is there?

17 MS. D'ALLEVA: I'm not aware that  
18 there is much of a drop-off in terms of fare  
19 box revenue at the fares. It's slight.

20 LEGISLATOR SOLAGES: But it would  
21 be consistent with the levels in 2015?

22 MS. D'ALLEVA: I would say so but  
23 the cash, now we have the cash fare -- I'm  
24 sorry?

25 LEGISLATOR SOLAGES: Which I

1                   Budget Hearing/8-30-16  
2    thought in 2015 it was \$3.8 million below  
3    budget.

4                   MS. D'ALLEVA:   But we've revised  
5    our projections.   We revised our projections  
6    to come in context with the Transit  
7    Committee's budget.

8                   LEGISLATOR SOLAGES:   I  
9    understand.

10                  MS. D'ALLEVA:   So that's why the  
11   budget is always like a moving document.   So  
12   when we knew what budget was approved by the  
13   Transit Committee, then we modified our  
14   projections to accommodate.

15                  LEGISLATOR SOLAGES:   I agree with  
16   you it's a moving budget influenced by a  
17   number of factors.   The purpose of my  
18   questions is to examine what factors, and I  
19   wanted to know if ridership was down due to  
20   performance.

21                  That question relates to the  
22   performance of all of our P3 contracts,  
23   public private partnerships.   Looking at the  
24   example of the Armor Health Care with our  
25   jail facility.   I don't want our

1                   Budget Hearing/8-30-16  
2       partnerships to fail like that partnership.  
3       I'm concerned.

4                   And I'm concerned that there  
5       isn't anyone in the county or any group in  
6       the county looking at the performance of  
7       these relationships.

8                   So that's why I'm asking these  
9       questions because I want to make sure --

10                  MS. D'ALLEVA:    Agreed.

11                  LEGISLATOR SOLAGES:  I want to  
12       make sure we are optimizing our  
13       relationships as much as possible.

14                  MS. D'ALLEVA:  I mean, I have had  
15       conversations with Trans Dev in terms of  
16       fare box revenues and riderships.  The  
17       information that they've given me is that  
18       ridership for public transportation is down  
19       overall not just the Trans-Dev system, but  
20       the New York City system.  They are  
21       attributing that to gas prices.  As it's  
22       more affordable to sustain a vehicle and  
23       drive, people are choosing to do so.

24                  But they would be, the company,  
25       the contract would be who could talk to it

1                   Budget Hearing/8-30-16  
2   more than we could, the experts in the  
3   field. So we could get that information for  
4   you.

5                   LEGISLATOR SOLAGES: Is the  
6   administration proactively looking into  
7   solutions?

8                   MS. D'ALLEVA: Yes, I would say  
9   so at this point.

10                  LEGISLATOR SOLAGES: Has the  
11   county or Trans-Dev undertaken any  
12   investigation or any formal analysis as to  
13   its cause?

14                  MS. D'ALLEVA: Their  
15   communication to myself was the fact that  
16   gas prices were lower, ridership is down  
17   throughout the system, every system.

18                  LEGISLATOR SOLAGES: Is it due to  
19   rider dissatisfaction?

20                  MS. D'ALLEVA: No. I would say  
21   it's all transit systems, public  
22   transportation ridership is down. But we  
23   can get more facts for you through the  
24   contractor.

25                  LEGISLATOR SOLAGES: I

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2 understand. In fact, can I ask some  
3 questions about the hospital, the Nassau  
4 Health Care Corporation, Mr. Naughton?

5 MR. NAUGHTON: I'm listening.

6 LEGISLATOR SOLAGES: Thank you.

7 Is it correct that they have incurred an  
8 operating loss of \$58.5 million in 2015?

9 MR. NAUGHTON: I believe that is  
10 what was in their financial statements.

11 LEGISLATOR SOLAGES: What is the  
12 operation loss for 2016?

13 MR. NAUGHTON: I do not know what  
14 they're projecting.

15 LEGISLATOR SOLAGES: Is it  
16 possible at a later point in time you can  
17 provide that information in writing to my  
18 office?

19 CHAIRMAN KOPEL: That's not part  
20 of our budget either.

21 LEGISLATOR SOLAGES: It's part of  
22 the Comptroller's report.

23 CHAIR KOPEL: You didn't ask the  
24 Comptroller. That's not part of what these  
25 witnesses are concerned with.

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2 LEGISLATOR SOLAGES: I have a  
3 right to know from the county.

4 CHAIRMAN KOPEL: You have a right  
5 to know what they can tell you.

6 LEGISLATOR SOLAGES: I don't need  
7 you to inform me as to my rights. Thank  
8 you.

9 CHAIRMAN KOPEL: If you don't  
10 have anything interesting to talk about, you  
11 I'm going to excuse the witness.

12 LEGISLATOR SOLAGES: I have more  
13 questions, thank you.

14 One moment, please. Excuse me  
15 for the interruption. I have a number of  
16 questions to ask you regarding OTB, Off  
17 Track Bettering. Can we begin on that?

18 MR. NAUGHTON: We are here for  
19 you.

20 LEGISLATOR SOLAGES: Thank you.

21 LEGISLATOR SOLAGES: According to  
22 page four of the NIFA report, the state  
23 budget contained a provision to transfer  
24 about a thousand VLT machines to Aqueduct in  
25 return for our predetermined schedule of

1                   Budget Hearing/8-30-16  
2       payments from an outside vendor named  
3       Genting.

4                   The plan for the VLT revenues to  
5       be sufficient for Genting to make annual  
6       payments to OTB of \$7 million which would  
7       increase over time.

8                   The county assumes in the update  
9       that OTB will use the cash flow through  
10      Genting to pay the county \$3 million in  
11      2016, 2017, \$19 million in 2018, and \$25  
12      million in 2019.

13                  This is a very important issue to  
14      myself and Legislator Bynoe, we both worked  
15      very hard to make sure that casinos were not  
16      present in our community.

17                  We are thankful for the deal  
18      that was brokered but we're concerned mostly  
19      with the implementation of this deal and how  
20      much revenue the county may receive.

21                  If any department, not just OTB,  
22      I have nothing against OTB, but if any  
23      department in the county were to receive  
24      increased revenue, we would just ask for  
25      more transparency to understand how this

1                   Budget Hearing/8-30-16  
2    revenue -- where this revenue is going to go  
3    to and how it would be spent.

4                   What assurances does the county  
5    have that it will be receiving the projected  
6    revenue from OTB?

7                   MR. NAUGHTON:  There has been  
8    communications between OTB, the  
9    administration, and NIFA and the three  
10   parties are comfortable with the projections  
11   that have been outlined for you.

12                  LEGISLATOR SOLAGES:  They're  
13   comfortable with those projections, but will  
14   the county actually receive that revenue?

15                  MR. NAUGHTON:  Again, we are  
16   projecting that, but I think you would say  
17   that you wouldn't be comfortable till you  
18   saw the check.

19                  LEGISLATOR SOLAGES:  I'm not  
20   asking you about your comfort level, I'm  
21   asking the county is going to receive that  
22   revenue?

23                  MR. NAUGHTON:  It is in our  
24   projections so we're comfortable that we  
25   will receive it and it is our expectation

1                   Budget Hearing/8-30-16  
2     that we will receive the \$3 million this  
3     year.

4                   LEGISLATOR SOLAGES:   Okay.   As of  
5     now, is OTB projecting that it will pay any  
6     VLT revenue to the county and is that  
7     guaranteed?

8                   MR. NAUGHTON:   We are projecting  
9     to get \$3 million this year, and I think  
10    NIFA is comfortable with that assumption  
11    also.

12                  MS. D'ALLEVA:   And to address in  
13    terms of receiving or not receiving the  
14    midyear report from the Comptroller's Office  
15    cited \$14 million of deficit which included  
16    that \$3 million.

17                  The statement from the  
18    Comptroller's Office said that we would  
19    basically end the year at zero balance with  
20    no deficit.

21                  LEGISLATOR SOLAGES:   Has Genting  
22    made any payments to OTB as of today?

23                  MR. NAUGHTON:   That I'm not aware  
24    of.

25                  LEGISLATOR SOLAGES:   What is the

1                   Budget Hearing/8-30-16  
2       status of the OTB agreement with Genting,  
3       has it been finalized?

4                   MR. NAUGHTON:    I do not know.

5                   LEGISLATOR SOLAGES:   Has the  
6       county received any written description of  
7       the proposed agreement?

8                   MR. NAUGHTON:    There has been  
9       discussions between the administration, OTB,  
10      and NIFA.

11                  LEGISLATOR SOLAGES:   Just  
12      discussions, nothing written?

13                  MR. NAUGHTON:    I have not  
14      received anything.

15                  LEGISLATOR SOLAGES:   Has anyone  
16      in the county received any writing?

17                  MR. NAUGHTON:    I can't say what  
18      one person has received and who has not.

19                  LEGISLATOR SOLAGES:   But are you  
20      aware of any such writings?

21                  MR. NAUGHTON:    Again, no one has  
22      given me a document, so that's all I can say  
23      on the matter.

24                  LEGISLATOR SOLAGES:   It has been  
25      reported that the revenue stream to OTB from

1                   Budget Hearing/8-30-16  
2       VLT will be \$9 million in 2016; same amount  
3       in '17, and \$25 million in 2018.

4                   CHAIRMAN KOPEL:    OTB is an  
5       independent state agency; is it not?

6                   MR. NAUGHTON:    Yes, it is.

7                   CHAIRMAN KOPEL:    And the county  
8       does not have control over its contracts or  
9       anything?

10                  MR. NAUGHTON:    No, we do not.

11                  CHAIRMAN KOPEL:    So your sole  
12       function, if I understand correctly, would  
13       be to decide if the revenue that's projected  
14       to come from them is accurate?

15                  MR. NAUGHTON:    That's correct.  
16       We have communications with them.

17                  CHAIRMAN KOPEL:    You have no  
18       other function with regard to OTB sole; is  
19       that right?

20                  MR. NAUGHTON:    Correct.

21                  LEGISLATOR SOLAGES:    But isn't it  
22       NIFA's position that we should not count on  
23       that revenue until it's been received?

24                  MR. NAUGHTON:    I believe NIFA has  
25       a new position on that.    I think NIFA has a

1                   Budget Hearing/8-30-16  
2   new position and I think they're comfortable  
3   with the revenue projections.

4                   LEGISLATOR SOLAGES:   To my  
5   understanding, that was not in their report.  
6   Have they expressed that statement to you?

7                   MR. NAUGHTON:   Just as I stated,  
8   the report is dated -- I don't know what  
9   date the report is dated, but as they get  
10  more information they refine their  
11  projections.

12                  LEGISLATOR SOLAGES:   I  
13  understand.   The report is dated August  
14  11th.   Have they communicated with you  
15  anything beyond that date?

16                  MR. NAUGHTON:   I would rather  
17  have NIFA communicate with you directly.

18                  LEGISLATOR SOLAGES:   So they  
19  haven't communicated with you?

20                  MR. NAUGHTON:   I would rather  
21  they communicate with you directly if you  
22  have a question of them.

23                  LEGISLATOR SOLAGES:   Why is the  
24  county only receiving \$3 million, what  
25  steps, if any, have been taken to increase

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2 this share?

3 MR. NAUGHTON: I guess the real  
4 question is, why didn't we have VLTs at all,  
5 but right now the best is \$3 million.

6 LEGISLATOR NICOLELLO: We would  
7 be getting zero if it was up to you.

8 LEGISLATOR SOLAGES: Again, my  
9 statement before, Mr. Nicolello, I know you  
10 want to put casinos in the communities that  
11 you represent, but my statement before was  
12 that I have no problem with the arrangement  
13 that was brokered, okay, I have no problem  
14 with that, my concern is implementation.  
15 Let's move forward and let's talk about how  
16 the county can receive more revenue so that  
17 we can address the issues that are very  
18 important to us.

19 LEGISLATOR NICOLELLO: Just  
20 making the point that we would be getting  
21 zero if you had your way. Now you are  
22 concerned about how much we're getting, but  
23 before you wanted nothing.

24 LEGISLATOR SOLAGES: When you go  
25 low, I will go high. So let me just

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2 continue with my investigation.

3 One second, please. My  
4 colleagues have more questions regarding  
5 OTB.

6 CHAIRMAN KOPEL: This is I guess  
7 something of a tag team?

8 LEGISLATOR BYNOE: Yes.  
9 Something like that.

10 LEGISLATOR SOLAGES: Just team  
11 work.

12 LEGISLATOR BYNOE: This is really  
13 not a question for you, but I would ask that  
14 you bring the question back to the  
15 appropriate person within the  
16 administration.

17 The contract between OTB and  
18 Genting, we get that they're a separate  
19 public corporation. They don't report into  
20 the county but there is an agreement that  
21 the revenue from OTB comes into the county;  
22 am I correct?

23 MR. NAUGHTON: There's a  
24 projection that they will be able to remit  
25 \$3 million to the county this year.

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2 LEGISLATOR BYNOE: I'm just  
3 saying overall. The revenue comes back to  
4 the county; am I correct?

5 MR. NAUGHTON: It's after OTB  
6 pays their bills, what's left, comes to the  
7 county as profit.

8 LEGISLATOR BYNOE: But given that  
9 this is a different scenario, this is not a  
10 scenario where the income is actually  
11 derived from the work product of OTB, and  
12 that there will be a separate contract that  
13 will create the schedule of payments and the  
14 like between Genting and OTB. Is this  
15 administration considering being a part of  
16 that agreement or signing off on a part of  
17 that agreement?

18 MR. NAUGHTON: I don't know if  
19 legally we have that ability but I will take  
20 the question back as you requested.

21 LEGISLATOR BYNOE: Yes. I would  
22 like to know whether there's an ability for  
23 this body to actually have a review of that  
24 agreement or if it's a requirement that if  
25 there would be an -- if the county

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2       administration would in fact, or the county  
3       itself would be a part of the revenue share  
4       that it would be appropriate for this body  
5       to have an opportunity to review whatever  
6       agreement would be put into place. So,  
7       that's my question, and I need that  
8       answered.

9                   MR. NAUGHTON: I think, again,  
10       not being a lawyer, this legislative body  
11       doesn't review any of OTB's contracts, so I  
12       don't know how this would be different.

13                   LEGISLATOR BYNOE: I'm saying  
14       only if, because this a different type of  
15       agreement, where this is not actually the  
16       work product of the OTB.

17                   This is an agreement where they  
18       are going to earn income for selling or  
19       providing their rights to the VLTs to  
20       Aqueduct.

21                   So, based on that, if there is an  
22       agreement that's going to be signed between  
23       Genting and OTB, and we, as a county, will  
24       share in the revenue, is it appropriate that  
25       -- or actually I think it is appropriate

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2     that this body, meaning the Legislature as  
3     well as the administration, have an  
4     opportunity to review this and it should be  
5     negotiated in some way.

6                   MR. NAUGHTON: I will take your  
7     concern back to the proper people.

8                   MS. D'ALLEVA: Yes. I would  
9     definitely take the concern back to the  
10    proper individuals but I think that even the  
11    way the law was constructed originally, and,  
12    even if it was within the county, we still  
13    wouldn't have -- OTB would still hire an  
14    operator to run the VLTs.

15                   So, in that respect we still  
16    wouldn't have a say in who would be running  
17    the VLTs and what the profit share would be.

18                   It was estimated from New York  
19    State that it would be \$20 million at the  
20    time, revenue, even though the revenue  
21    predicated or the bill actually predicated  
22    the intent was for the revenue to come to  
23    the county.

24                   LEGISLATOR BYNOE: Right. The  
25    revenue to come to the county.

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2 MS. D'ALLEVA: But it was always  
3 going to go facilitated by OTB.

4 LEGISLATOR BYNOE: But, at the  
5 end of the day, the county residents are  
6 actually --

7 MS. D'ALLEVA: I understand your  
8 concern.

9 LEGISLATOR BYNOE: Okay. So this  
10 is a question that I think has been long  
11 awaiting an answer so I'm put putting it on  
12 the record that we really need to hear from  
13 the administration, more importantly, the  
14 county attorney on this.

15 MR. NAUGHTON: Will do.

16 LEGISLATOR BYNOE: Thank you.

17 CHAIRMAN KOPEL: Thank you very  
18 much and next would be Legislative Budget  
19 Review.

20 Does anybody have any questions  
21 for them? We don't have to have them, only  
22 if you have any specific questions for them.  
23 We love you Maurice, but --

24 LEGISLATOR BYNOE: I guess I may  
25 have one request for Maurice.

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2 MR. CHALMERS: Maurice Chalmers,  
3 Budget Review.

4 LEGISLATOR BYNOE: Good  
5 afternoon, Mr. Chalmers. Back to my earlier  
6 question regarding childhood intervention.

7 I see a graph that was prepared  
8 by your department regarding the historical  
9 case loads. It was something that you do  
10 annually if I'm not mistaken?

11 MR. CHALMERS: Correct. We  
12 prepare that graph, as brought up, our  
13 review of the proposed budget. So with the  
14 2017 proposed budget that we will be getting  
15 in a couple of weeks, we will be updating  
16 that graph to the effective 2017 projection,  
17 also the 2016 year end actuals.

18 LEGISLATOR BYNOE: I would  
19 actually be interested in looking at the  
20 number of actual cases versus the number of  
21 requests.

22 MR. CHALMERS: Okay. I believe  
23 you requested that and we will make sure  
24 that we include that in that request and we  
25 will report it back to you and might just

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2     include it as part of the 2017 proposed  
3     budget also. We can do either/or.

4                   LEGISLATOR BYNOE: I did ask for  
5     it earlier.

6                   MR. CHALMERS: We will assure  
7     that that information is provided and  
8     reported back to you.

9                   LEGISLATOR BYNOE: Reported back.  
10    Thank you.

11                  MR. CHALMERS: My pleasure.

12                  LEGISLATOR SOLAGES: I have a  
13    question. Does the county amortize --  
14    excuse me, good afternoon, Mr. Chalmers, how  
15    are you doing?

16                  MR. CHALMERS: Good afternoon,  
17    Legislator Solages.

18                  LEGISLATOR SOLAGES: Thank you  
19    for being here. Does the county amortize  
20    the full amount yearly?

21                  MR. CHALMERS: For the past  
22    couple of years they have amortized the full  
23    amount that is allowable, yes, they have.

24                  LEGISLATOR SOLAGES: What have  
25    the other municipalities been doing in the

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2 last couple of years?

3 MR. CHALMERS: Well, we reported  
4 last year, a lot of municipalities have  
5 actually started trending back and not doing  
6 the full amount. We did it here but some  
7 counties, I believe Suffolk, was one of the  
8 counties that did less than the allowable  
9 amount.

10 LEGISLATOR SOLAGES: What is  
11 projected for 2016 with interest?

12 MR. CHALMERS: What is projected  
13 in terms of what has been amortized?

14 LEGISLATOR SOLAGES: Yes.

15 MR. CHALMERS: I believe what is  
16 still pending is what we have is close to  
17 the Comptroller's Office which is  
18 approximately \$230 million. We believe it's  
19 closer to \$238 million so we are within the  
20 range. That is prior to the interest.

21 With the interest, that amount we  
22 project could be up to \$270 million.

23 LEGISLATOR SOLAGES: Thank you  
24 very much.

25 CHAIRMAN KOPEL: Thank you very

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2 much, sir. We are done.

3 LEGISLATOR SOLAGES: I just have  
4 a closing statement.

5 CHAIRMAN KOPEL: Mr. Chalmers,  
6 thank you. Go for it.

7 LEGISLATOR SOLAGES: Thank you  
8 very much for allowing me.

9 Obviously the county is facing  
10 enormous financial challenges in 2016. The  
11 fiscal oversight body, NIFA, has demanded  
12 \$50 million in gap closing measures.

13 The administration, OMB, refused  
14 to provide any significant clarification or  
15 any specifics to the Legislature on how it  
16 intends to meet NIFA's demand.

17 We can only conclude that either  
18 there is no plan or the administration is  
19 trying to hide its plan from the Legislature  
20 and public scrutiny demands that such a plan  
21 be revealed.

22 As a result, neither case, it  
23 seems clear that when it comes to the  
24 semblance of responsible fiscal management,  
25 the administration is not providing its best

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efforts. Thank you.

CHAIRMAN KOPEL: Thank you every  
one.

(Whereupon, the Budget Review  
Committee Hearing adjourned at 3:04 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 12th day of September, 2016.

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FRANK GRAY