NASSAU COUNTY LEGISLATURE
MINEOLA, NEW YORK
SPECIAL MEETING
OCTOBER 30, 2017 1:00 P.M.
ELEVENTH MEETING OF 2017

1.
MEETING MINUTES
Documents:

2018 BUDGET HEARING, 10-20-17.pdf

PUBLIC NOTICE

PLEASE TAKE NOTICE THAT

THE NASSAU COUNTY LEGISLATURE

WILL HOLD A SPECIAL MEETING ON

MONDAY, OCTOBER 30, 2017 AT 1:00 P.M.

IN

THE PETER J. SCHMITT MEMORIAL LEGISLATIVE CHAMBER

THEODORE ROOSEVELT EXECUTIVE AND LEGISLATIVE BUILDING

1550 FRANKLIN AVENUE, MINEOLA, NEW YORK 11501

AT WHICH TIME THE LEGISLATURE WILL ADDRESS ITEMS AND POSSIBLE AMENDMENTS THERETO ASSOCIATED WITH THE 2018 NASSAU COUNTY BUDGET AND MULTI-YEAR FINANCIAL PLAN FOR FISCAL YEARS 2018-2021

MICHAEL C. PULITZER
Clerk of the Legislature
Nassau County, New York

Dated: October 23, 2017
Mineola, NY

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

NASSAU COUNTY LEGISLATURE

2018 BUDGET HEARING

Full Legislative Committee

NORMA GONSALVES,
Presiding Officer

1550 Franklin Avenue
Mineola, New York

Friday, October 20th, 2017
10:28 A.M.

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

NORMA GONSALVES, Presiding Officer

RICHARD NICOLELLO,
Deputy Presiding Officer

HOWARD KOPEL,
Alternate Deputy Presiding Officer

STEVEN RHOADS

DENISE FORD

LAURA CURRAN

C. WILLIAM GAYLOR III

VINCENT MUSCARELLA

ELLEN BIRNBAUM

LAURA SCHAEFER

DONALD MACKENZIE

KEVAN ABRAHAMS,
Minority Leader

ROSE MARIE WALKER

ARNOLD DRUCKER

JAMES KENNEDY

DELIA DERIGGI-WHITTON

CARRIE SOLAGES

SIELA BYNOE

MICHAEL PULITZER,
Clerk of the Legislature

LIST OF SPEAKERS

ERIC NAUGHTON.....6
ROSEANNE D'ALLEVA.....12
GEORGE MARAGOS.....142
DR. JOHN IMHOF.....151
PAUL BRODERICK.....156
KAREN GARBER.....176
BRENDAN ROCHE.....184
BRIAN HALL.....195
HOWARD SILVESTRI.....198
POORNIMA MINNAL.....198
ALEC SLATKY.....235
RANDY KAPLAN.....238
KATHLEEN ENGEL.....240
TIM LACHAPELLE.....242
SCOTT BANKS.....246
JENNA SUPPON.....252
JAMES JACOBS.....255
DOUGLAS MAYERS.....259
MAUREEN O'CONNELL.....263

CHAIRWOMAN GONSALVES: First of all, welcome to the Nassau County Legislature as we move through the review of the proposed budget for the fiscal year 2018.

At this hearing we will hear from the Office of Management and Budget, the County Comptroller, along with the Departments of Social Services and Human Services.

This hearing and the information gleaned from the presenters will greatly benefit our legislator's ability to put together the Legislature's version of the budget.

We look at Social Services to ensure that our neediest residents are assured of service delivery in a manner that is cost effective.

In addition, the Human Services Department delivers services to our youth, seniors, and other vulnerable population. As such, we want to ensure that we provide the best services our fiscal ability will

allow.

We will start today's hearing with the Office of Management and Budget and followed by the Comptroller.

Now, I ask Deputy County Executive Eric Naughton and Budget Director Roseanne D'Alleva to come forward to begin our hearing. No roll call necessary. It's a hearing.

MR. NAUGHTON: Good morning. Eric Naughton, Deputy County Executive for Finance.

MS. D'ALLEVA: Roseanne D'Alleva, Budget Director.

MR. NAUGHTON: Everyone should have a copy of our presentation before them. It's on the screen. Great. Hello Minority Leader Abrahams, Presiding Officer Gonsalves and the other members of the County Legislature.

Today the Budget Director Roseanne D'Alleva and I would like to present the 2018 proposed budget to you.

Before we get into the numbers I

would like to first talk about from where this administration started, and the path that we have paved for the next County Executive.

This administration was able to accomplish a new renovated Nassau County Veterans Memorial Coliseum. We received $260 and a half million dollars of private investment. We will oversee the minimum of $334 million of income over the next 49 years.

The county is no longer responsible for expenses such as utilities, repairs, and capital improvements.

We will soon have the Memorial Sloan Kettering Cancer Center. This is a $140 million private investment. The county received six and a half million dollars for the property, and Memorial Sloan Kettering will employ approximately 250 clinical and administrative positions.

This county's economy has improved over the last eight years. If you take a look at the unemployment rate in

Nassau County, in 2009 it was 6.9 percent, now roughly at four percent.

We have created 25,000 new jobs. We have the lowest unemployment rate in the region.

Our park system. Working with the County Legislature we have invested in our parks. There has been tremendous improvements in the last few years.

In Cedar Creek Park, we installed two new multi sport turf fields. Nickerson Beach Park installed a new Pitch and Putt Golf Course, also rehabilitated the cabanas, the roofing, the plumbing, and concrete there.

Cantiague Park has installed two new synthetic turf fields, installed nine new automatic batting cages, installed new playground, refurbished miniature golf course and improved the driving range and parking lots, expanded ice rink to an NHL regulation size with new dasher boards, player benches, penalty boxes, new flooring and seating areas.

Police precincts. The First Precinct opened in January 2017; the Fourth Precinct opened just this past week.

Crime is down 27 percent. Take a look at major crime down 26 and a half percent. Stolen vehicles decreased by 46 and a half percent; burglaries decreased by 42.6 percent; murder decreased by 33.3 percent; felony assaults decreased by 28 and a half percent.

All of these things mean that the quality of life for our residents has improved over the last eight years.

What have we done financially? We have been able to implement tax certiorari reforms. We established the disputed assessment fund to pay class four property tax refunds. We will start making payments on that fund hopefully by the end of November and pay up the money that we have received this year for that.

We have developed a process to negotiate residential small claims before the roll goes final.

What does this mean? We are going to save roughly $950 million in debt service over the next 20 years. We are creating funding to eliminate borrowing for future commercial property tax refunds. We will save the county taxpayers $25 million annually.

We are funding judgements and settlements from the operating budget. We have eliminated the need for borrowing for those items. We do not borrow for tax certiorari refunds this year, a year ahead of our plan.

We have contained labor costs. Workforce has been reduced by over 1,700 employees since 2009 resulting in an annual savings of $160 million.

We have improved the county's flexibility and ability to respond to crisis. Our GAAP fund balance has improved from $27 million in 2012 to $170 and a half million at the end of 2016.

The budgetary fund balance has grown from $64.2 million in 2009 to $200.9

million at the end of 2016, more than tripling the size of it.

Now I just wanted to let you know that that amount, it obviously exceeds our fund balance policy of four to five percent but, at the end of 2017, that number will go down because we are paying for tax certs out of our fund balance.

Just taking a look at judgments and settlements. If you take a look at going back just five years 2012 we actually spent $19.7 million from borrowing or other forms, we were only spending $4.4 million on the operating budget.

And in 2013 that went up to $26 million in borrowing; and this year from the use of, indirectly from bond premium, we are paying about $37.6 million.

Next year's budget will be $23 million strictly out of operating funds.

That is obviously a burden on the budget but it's something that we have promised to do that we will be structurally balanced, that we will be GAAP balanced for

2018.

Termination payments. We used to borrow for those. This year we will spending nearly $50 million to pay termination costs that's mostly for the police department. Next year's budget we think $39 million will be sufficient, but, again, that will strictly all be out of the operating budget.

Roseanne will now talk a little bit more about management and then get into the budget.

MS. D'ALLEVA: Hello. This is a traditional slide that we usually show. The administration continues its efforts to create synergies and efficiencies through workforce management efforts.

Obviously, as you know, the administration initiated a new Visa program this year. 301 employees in the major funds came off payroll by September 15th, leaving the head count for September at 7153. Compensating for 150 backfills, the 2018 budget funds 7,450 positions.

From 2009, this is an 18.8 percent decrease or 1,727 heads.

The workforce reductions have occurred while continuing to provide the same or better level of service.

Now, talking about the 2018 proposed budget development process.

There are quite a number of hurdles that we had to address and this slide shows you the significant differences compared to 2017.

As $23 million in health insurance premium increases alone, we funded our health insurance at a rate of 8.7 percent increase. Way above CPI.

$23 million in judgments and settlements funded directly out of the operating budget as Eric mentioned previously.

An additional $15 million in tax certiori payments from the operating budget.

Also, prior to action, the departments had requested $14 million in additional salaries and wages and, after

negotiations and eliminating vacancies, we eliminated most of that $14 million.

$10 million in inmate medical costs. As you know, nine to $10 million because we had to change from a contract with Armor to NHCC.

An additional $9 million in NICE Bus funding.

$6 million is the contract increase and we had a decrease in fair box revenue.

$8 million because we had to fund the environmental bond in terms of taxes. $8 million because the retirement contribution reserve fund was depleted in 2017. So we no longer had access to that funding.

$7 million of pension contribution. Please note, that if we wouldn't have deferred pension payment, that would have been $25 million.

$5 million of income and expense loss from previous years in 2017 was funded at $10 million and now it's funded at five.

Again, if we go to the next slide as discussed before, pension continues to be an enormous strain on the county budget. It has its own life. It's an organic growth of incredible proportions.

Since 2010 we've seen $85 million increase in just what we have paid, the bill paid, not including the deferral payments.

There is an additional $235 million dollars that this could have went up and would have been the differential. So pension alone went up by $85 million. From 2017, $7 million because, yes, we deferred $25 million.

If we hadn't deferred the $25 million, we would have had to seek and compensate for revenue.

Health care costs, again, another part of the budget that has an incredible organic growth. Since 2010 health care costs have risen $100 million.

I want to point out to you that the slide that I started with in terms of workforce management showed that we came

down over 1,700 head count employees.

That, in addition to the fact that health care and pensions have risen over time by $185 million tells you how incredible pension and health costs go up even though we have decreased workforce by 1,700 heads.

Management of police overtime continues to be a strain on the budget. We feel that the county, the administration has made great strides in terms of this.

There's an obvious direct relationship by the number of sworn officers employed by the county and the dollars spent on overtime. Obviously the positions to fill the posts are needed.

We have seen improvement but the 2018 still funds overtime at the same level as 2017.

Now, Eric is going to speak to our NIFA consultants and how they would like to address all these GAAP openers and the differences between 2017 and 2018.

MR. NAUGHTON: Thank you,

Roseanne. Roseanne has laid out for you the challenges we face in crafting the proposed budget.

NIFA's consultant presented to us $88 million of potential cuts options that they felt the county probably should do. We have felt that those options were pretty draconian in nature.

Unfortunately many of the savings they came up with were greatly exaggerated or, even worse, nonexistent.

The savings that may be accurate will severely impact public safety, shift costs to other jurisdictions, and therefore create no savings for the taxpayers.

We understand the importance of these various services and therefore we rejected the consultant's suggestions.

When you look at the first one, privatize ambulance services, saving $15 and a half million dollars, somehow they forgot that we actually generate revenue of roughly 22 to $25 million on that operation. So clearly this is not something that would

make sense.

The hiring freeze saving $15 million. We chose to offer the VSIP, have people leave voluntary, take a look at the vacancies and know there will be attrition. That will yield us roughly about $20 million in savings. So we actually exceeded what their plan was.

Eliminate crossing guards saves $14 and a half million. That is totally not acceptable, something that does not make any sense why we would put our kids in jeopardy.

Transfer to other municipalities or elimination of park maintenance, savings $5.6 million. As I have already demonstrated to you, many of our parks have been improved. The ones that haven't, I don't think the other towns would want them and wouldn't take them for free, so there's no way we would save $5.6 million.

That doesn't mean that we don't look for opportunities for shared services but, to put something like this in a budget, just would not be prudent.

Elimination of youth services of $5 and a half million, clearly we have had this debate for many years. We recognize that this is not something that you would want, not something that we would want to do. We felt it was best to fund the youth services.

Across the board highway cuts, saving $5 million. Their analysis was just flawed. They assumed we could save money that we actually don't spend out of the operating budget. It doesn't mean we can't look for efficiencies and look at benchmarking the cost, but that number does not exist.

Elimination of the VEEB contract, saving $4.4 million. I think we all know that was a non starter here.

Closure of the marine bureau, saving $3.9 million. We're surrounded by water. We're not doing that.

The last major one that they had was Legislature staff reduction, saving $2.7 million. I will let this body comment on

that.

MS. D'ALLEVA: So how did we come to a balanced budget? There were many decisions that we had to make. One of the things that we had to assess is where did we think sales tax is going. We think sales tax is still strong. We believe that a two percent growth is achievable.

Right out of the park, $31 million of net sales tax growth was able to compensate for the gaps of over $130 million.

Then we had a VSIP program that we were able to do. 325 people actually took the VSIP county wide. 301 attributed to the major fund. Total savings was $21.8 million in terms of salary savings. $12.8 million in VLTs.

We basically in 2017 we funded VLTs. We had an agreement with OTB or actually NIFA had an agreement with the OTB they would distribute $3 million of funding to us; and in 2018 that climbs to $15.7 million. Therefore, a differential of $12.8

million.

MR. NAUGHTON: Just so I may add, they would actually cut us a check for $21 million but, because of the timing, the accounting treatment shows part of that money recognizing in '18 and part of it in '19.

MS. D'ALLEVA: We also were able to trim $7.5 million in terms of, other than personal services that departments have requested, and other budgetary actions in terms of better projections in revenues and other sources.

Obviously the headline news that we're all here to discuss probably are the new fees that we've implemented, $35 million in public safety fee.

Last year we asked for $105 per ticket. This body sought to lower that to $55 per ticket. We are asking for a $120 public safety fee per traffic infraction.

$12 million in tax map verification fees. That's an increase of $100 from $300 to $400. $11.8 million in

block fees.

So all these fee increases and GAAP closers are all used to basically fund the programs that county constituents hold and use and create a quality of life that we all want for the people in this county.

We preserve the youth programs. We are preserving the bus. We are preserving alcohol and drug funding, even increasing it in some respects.

Day care funding. We're not restricting day care to different levels of poverty, to different levels of constituencies.

Preschool and Early Intervention is funded at the same amount. Legal aid is actually funded with an increase.

Crossing guards are still funded. Community policing still funded. Our POP cops are still funded. VEEB is still funded. Senior citizen programs are still funded or even increased.

This all allows us to present to you a 2018 proposed balanced budget.

I do want to highlight the fact that departmental fees and other fees only represent a small portion of what is needed to fund a $3 billion budget. I think this slide highlights that.

MR. NAUGHTON: Tuesday, NIFA issued a report indicating that the proposed budget has approximately $128 million of risk as has the Office of Legislative Budget Review and I believe the Comptroller's Office has a similar risk number.

As a former monitor, I understand and respect the work they do. They are letting you know there is a possibility that some of our assumptions may not materialize.

Nearly half of the risk though is associated with the proposed fee increases so if this Legislature approves those fees, there is no risk and NIFA has indicated that the remaining risks are manageable.

The director of OLBR actually stated that the proposed budget funds, expenses that have historically been important to a legislature while also

satisfying the demands of NIFA. He recognizes the necessity to address as our expenses continue to grow.

Just looking at the list of risk items, obviously the first one is the fee increases. As I stated, if this body approves the fees or comes up with other options that are acceptable to NIFA then that risk goes away.

All the monitors have stated that there is a possible $40 million risk in terms of tax certiorari funds.

They looked at the amount we've paid out in previous years. They said, well, you only have $30 million in the proposed budget, shouldn't you pay $70 million next year? If we have had $70 million we could afford, yes, we would pay it. We don't.

We felt that $30 million was a reason amount to put in the operating budget plus with the DAF funding nearly probably close to $100 million next year, we are going to be paying out roughly $130 million

in refunds next year.

Our county treasurer that's probably about the max he can even have his staff process. So we are comfortable with the amount we put in the budget.

The next administration will obviously have to work with the tax cert bar, do some heavy negotiations and try to whittle down the backlog.

However, with the DAF, we have at least addressed the tax cert problem going forward that. That number should not be growing. The question now becomes how do we address the backlog.

OTB, all the monitors are skeptical that we will receive the money from OTB. I just want to let you know that if you take a look at their operations they have approximately somewhere between 460 to 480 machines out of the 1,000 that they were supposed to have running. They are up and running, up for the last four to five months.

They are making tons of money and

the indications are that we will still receive the money that they have promised to this county.

Income expense funds. I think everyone is aware of the legal challenges that we went through. This year's budget included $10 million. We felt that the prudent thing was to lower that amount to the 5.2; is that still at risk? I'm not going to sit here and say that is not. But we think the money is coming in and that there will be some fee structure that will hopefully become acceptable by the courts and this amount should be reasonable.

NIFA thinks there is a $5 million overtime risk. They are saying, police, you have done a great job this year, show us that you continue that in the future. So they are risking overtime there, and also at the jail.

Sale of county property, $3.6 million. This county has lots of assets and we are assuming that the next administration will take a look at those assets and we will

be able to find $3.6 million worth of property that we should be able to sell. The other risks are really just disagreements on estimates.

So essentially the message is, come up with $60 million of reasonable fees or other items and I think NIFA will be able to say that this budget is manageable.

So, in conclusion, I just want to say County Executive Mangano has made expense reduction a priority.

He has resolved the tax certiorari debt problem for both residential and commercial properties and has negotiated labor agreements for the first time in county history require union employees to contribute towards the cost of health insurance, to help address the ever increasing cost of benefits that Roseanne outlined.

It is hoped that the next administration, together with the County Legislature, NIFA, will continue to provide an affordable government for taxpayers while

maintaining safety and work tirelessly to make Nassau County the best place to live, work, and raise a family.

The Mangano Administration has created a more efficient government and has done so while maintaining all essential services and complying with all state and federal mandates.

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

CHAIRWOMAN GONSALVES: Legislator Nicolello.

LEGISLATOR NICOLELLO: Thank you, Madam Chair. Thank you for the presentation.

I have a question to start off with the 2017 budget. Do you have an estimate or projection how we are going to finish 2017?

MS. D'ALLEVA: Barring the additional tax certs that we have to fund from fund balance, I think we will be neutral. It would be neutral.

LEGISLATOR NICOLELLO: I want to

talk about use of bond premium. How much are we using in bond premiums? How much bond premium is in this year's budget for use in the operating?

MR. NAUGHTON: Indirectly the judgments $37 million.

LEGISLATOR NICOLELLO: Indirectly, what do you mean by that?

MR. NAUGHTON: You do not use bond premium to directly pay for the judgments. It helps to provide other funding and bottom line and then that money then becomes available.

LEGISLATOR NICOLELLO: I'm sorry, I should have said 2018 budget.

MR. NAUGHTON: Zero.

LEGISLATOR NICOLELLO: It goes from 37 million to zero?

MR. NAUGHTON: Right. And the reason for that is that bond premium is not GAAP compliant.

LEGISLATOR MACKENZIE: I'm sorry, can you just clarify, is that not GAAP compliant or NIFA GAAP compliant?

MR. NAUGHTON: GAAP.

MS. D'ALLEVA: GAAP.

LEGISLATOR NICOLELLO: So the $37 million this year 2017 is applied to the litigation fund?

MR. NAUGHTON: Yes.

LEGISLATOR NICOLELLO: How long have we been we doing that using bond premium in the litigation fund?

MR. NAUGHTON: I believe approximately two years two to three years.

MS. D'ALLEVA: Since 2015.

LEGISLATOR NICOLELLO: And in terms of the use of bond premium, are other municipalities permitted to use the bond premium essentially what are operating expenses?

MR. NAUGHTON: Yes.

LEGISLATOR NICOLELLO: So not only, ours was targeted to the litigation fund, not only, now we are not being allowed to use it, so not only can they use it, but they don't have to target it to a specific fund as we have?

MR. NAUGHTON: That is correct.

LEGISLATOR NICOLELLO: Do you know how much New York City used?

MR. NAUGHTON: I don't know but we can try to find out for you.

LEGISLATOR NICOLELLO: My understanding is that they used close to a billion dollars in bond premium this past year, $970 million.

If you do not use the NIFA GAAP approach to the bond premium, are we finishing the year in 2017, what would our structural deficit be?

MR. NAUGHTON: I believe NIFA and the Comptroller will probably state we will probably end the year with a NIFA deficit of roughly $58 million.

LEGISLATOR NICOLELLO: Let's go back to GAAP. What other method is used by every other municipality? What would our structural deficit be at the end of this year?

MR. NAUGHTON: Structurally we would still be in about that same area.

LEGISLATOR NICOLELLO: So then what's the difference?

MR. NAUGHTON: The difference is, I mean obviously structural means do you have recurring revenue to equally recurring expenses if you're using a one time item such as a bond premium that's not recurring.

LEGISLATOR NICOLELLO: So, for example, the City of New York if they use close to a billion dollars in bond premium, that mean that they have a structural deficit of close to a billion dollars on that alone?

MR. NAUGHTON: I mean, you will find that most governments have a structural problem which is why people use one shots. That helps to offset that delta because when we take a look at costs increasing for labor, health insurance, pension, that usually far out paces your growth on the revenue side.

LEGISLATOR NICOLELLO: That's all I have for now. Thank you.

CHAIRWOMAN GONSALVES: Legislator

Kopel.

LEGISLATOR KOPEL: Thank you, Presiding Officer. Good morning, Eric and Roseanne. I have a few questions.

I might as well start off with the bond premium just to follow-up on Legislator Nicolello, on his discussion with you.

First of all, the way I understand it, and help me out with this, is that bond premium actually ends up saving money. Would you go into that? The reason that there is such a thing as a bond premium, what it is, and I think it's a useful little tutorial for people?

MR. NAUGHTON: Sure thing. When we go to market for our capital projects, let's say we are going to borrow $100 million, depending on where the interest rates are, the market will actually pay you more money than you borrow so that they can get a better return in the future. Because we will issue our bonds say at five percent, the current interest rate environment may be

three percent.

So if we were borrowing $100 million we can receive, let's say just for demonstration purposes, $120 million.

LEGISLATOR KOPEL: And it's actually saving money with that analysis because you're achieving a lower interest rate?

MR. NAUGHTON: You're not achieving a lower interest rate. It what the market wants you to bear.

LEGISLATOR KOPEL: Let's approach it from the other side. If one were to say that we're just not going to borrow the extra money, not take the bond premium --

MR. NAUGHTON: What happens in that case is, instead of borrowing $100 million, you only borrow $80 million and you will receive $20 million in premium. So therefore the 80 plus the 20 is the $100 million that you wanted.

LEGISLATOR KOPEL: So there's no choice but to get the premium.

MR. NAUGHTON: The question

becomes in this instance, if you want $100 million, you can down size your bond issuance or you can take in the extra money for other needs.

LEGISLATOR KOPEL: Right. But the bottom line is you have to have the premium, it just doesn't work otherwise?

MR. NAUGHTON: Yes. You can receive a premium. The question is, are you going to lower your par value.

LEGISLATOR KOPEL: I think you've said just a little earlier that according to state law, virtually every other municipality and the state itself does use bond premium as part of its -- to address current expenses since you pretty much can't avoid it; is that right?

MR. NAUGHTON: It's not that you can't avoid it, it's how you use it.

LEGISLATOR KOPEL: No, no. I'm sorry. I didn't express myself properly. You can't avoid getting it essentially?

MR. NAUGHTON: You are going to get it. As I stated, we are getting premium

now, it's just that we have to through NIFA have to apply it towards the actual capital projects.

LEGISLATOR KOPEL: But it is fair to say that if Nassau County was allowed to utilize its bond premium in the same manner as every other jurisdiction including the state itself, that issue would go away in terms of the $37 million altogether, that simply eliminate that part of the GAAP?

MR. NAUGHTON: The only problem though, just to be fair, is that we would be paying more in interest because we would have technically borrowed more money than we had to.

LEGISLATOR KOPEL: I'm simply saying, we are utilizing the premium that we have now, the question is why you are applying it.

MR. NAUGHTON: Correct.

LEGISLATOR KOPEL: I'm talking about in terms of our current budget.

MR. NAUGHTON: Yes.

LEGISLATOR KOPEL: So if that

budget -- if that bond premium was applied by NIFA in the same manner as it is applied to the budget accounting in every other jurisdiction, wouldn't that eliminate that portion of the claim deficit?

MR. NAUGHTON: It would go down somewhat but remember long term you would be paying more in interest.

LEGISLATOR KOPEL: I knew I should have taken more accounting classes.

As I told you before, if I could count I wouldn't have gone to law school altogether, maybe I would have done something else.

You said previously about the fund balance. The policy is that no lower than four percent, no higher than five percent?

MR. NAUGHTON: Correct.

LEGISLATOR KOPEL: That's the county policy?

MR. NAUGHTON: Yes, it is.

LEGISLATOR KOPEL: Is that considered prudent policy in municipalities

generally?

MR. NAUGHTON: As a lawyer sometimes you should ask a question that you know the answer to so let me be delicate.

LEGISLATOR KOPEL: I'm actually a recovering lawyer. I don't actually practice.

MR. NAUGHTON: The policy is appropriate for Nassau County. I think when you look at the fact that we collect nearly 100 percent of our taxes, we're not at risk there. The weather here, in case we have a super storm Sandy, but we don't base the risks that other locations take where you have to have more money set aside for our emergencies.

So I would say for us the policy is appropriate. It is below what most other places would suggest.

LEGISLATOR KOPEL: And if we followed NIFA's recommendations, would that go up? In other words, if we applied various --

MR. NAUGHTON: NIFA has never

really commented on our fund balance.

LEGISLATOR KOPEL: I'm just trying to say, if we applied our current revenue of all types in the way they want us to, would that cause the fund balance to go up?

MR. NAUGHTON: In that case I think the answer is maybe we would make other decisions and I think it makes sense for us to stay within that four to five percent range.

LEGISLATOR KOPEL: Because if we collect more we are essentially taxing people more than they are to be taxed.

MR. NAUGHTON: I won't say that we're taxing them more.

LEGISLATOR KOPEL: I said if we increased it, we are taking in more, holding more money than is necessarily prudent, and, therefore, we are taking more money from the people, that's the only way to get the money.

MR. NAUGHTON: Right. But the other option of course is if you do have

more than it does reduce our cash flow needs so there is a give and take with that.

LEGISLATOR KOPEL: You can use it for other things.

It's no secret -- let me, before I get to that, the income expense law, so the current posture that is the court, the lower courts at least have stated that the law is enforceable but we just can't do it yet; is that right?

MR. NAUGHTON: I think that's the best way of looking at it. I mean, the County Attorney has told me that, the county and the main litigants are currently in the process of discovery.

At the conclusion of discovery, the court will take any applications at that time from the parties and then a determination on the validity of enforcement of the penalties, we will continue to defend ourselves, so essentially we are hesitant to say --

LEGISLATOR KOPEL: So what you are doing then is taking a middle ground, in

other words, you're just choosing a middle ground between zero and the real number we would take in?

MR. NAUGHTON: I think that's a good way of looking at it.

LEGISLATOR KOPEL: That is what you're doing?

MR. NAUGHTON: Yes.

LEGISLATOR KOPEL: There's a good chance, given the current posture of the case it would be enforceable and we can get a great deal of extra money.

The risk might be balanced. In other words, there may be a risk towards the entire revenue side as well there, a considerable risk?

MR. NAUGHTON: Correct. And for us we felt that it was if we are successful and we do have more money coming in, I would personally recommend that that money be applied to help pay down the tax cert backlog.

LEGISLATOR KOPEL: Understood, but now we have come to the last point, the

fees. We need to look at that.

My understanding and I will only speak to myself although a lot of people might share it, and I will let them speak for themselves. Fees ought to pay for recovery of costs. I think that we are way beyond that.

Wouldn't you agree that that's the case that we are way beyond the recovery of costs, reasonable costs?

MR. NAUGHTON: My statement would simply be, if we want to preserve the quality of life we have here, we have to find ways to raise revenue.

LEGISLATOR KOPEL: Yes, find ways to raise revenue but raising revenue has to be done in a sensible way and it should be paid for not by imposing unreasonable costs on discreet groups of people just because you can. That's a statement. You don't have to answer that. I understand.

Because the fees that we proposed over here are way way way out of proportion to any reasonable relationship to what it

costs the county to do this.

I'm not sure, I'm not qualified to answer whether they're legal or not, but it would be a risk that they're not even enforceable for that reason. I would think about that.

MR. NAUGHTON: The only comment I will say is that the last five years those fees have gone up, they have been paid.

I, therefore, would surmise that they are enforceable.

LEGISLATOR KOPEL: No, no. I don't mean enforceable. That means if people wanted to do a real estate transaction they have no other choice.

I meant if they were challenged in the court, that's what I mean. I'm not even addressing the question of whether or not they're restraining or depressing the commerce involved. That may very well be, I don't know the answer to that. Although I suspect it might be, but my point was different.

CHAIRWOMAN GONSALVES: I'm just

going to ask because we're staying on the issue of bond premiums.

I believe at one point when we were trying to balance the budget, if it were 2017 or 2016, we advocated to NIFA that we should be able to utilize the bond premiums.

Initially they were reluctant and eventually they agreed that we could utilize the bond premiums.

If we were able to utilize the bond premiums, would we have to impose the $60 million in fees?

MR. NAUGHTON: If we were going to live to our commitment to be GAAP compliant in 2018, the answer would be yes, we still need the fees.

CHAIRWOMAN GONSALVES: The entire $60 million?

MR. NAUGHTON: Yes. Because as I stated previously, the bond premium does not count as revenue under GAAP, so therefore we would not be GAAP compliant in '18.

CHAIRWOMAN GONSALVES: And NIFA's

GAAP compliant or ours? NIFA's GAAP?

MR. NAUGHTON: GAAP.

MS. D'ALLEVA: Generally accepted accounting principles.

CHAIRWOMAN GONSALVES: I just wanted to clarify that. I just don't see why they would be reluctant for us, if they approved our bond premiums in the past, why they would not do it now, but, then again, who knows?

MR. NAUGHTON: Right. And in the past they said you could use it but just recognize that we were still under the constraints of their other target that they set for us. So they let us use the bond premium but they said you still have to fall within the $60 million GAAP.

So we had to make other cuts although we received the bond premium money, so it still came with normal restrictions. It just helped in terms of cash from a budget perspective.

CHAIRWOMAN GONSALVES: Thank you, Eric. Legislator Ford.

LEGISLATOR FORD: Thank you. I just have a few quick questions. I just want to go back to page 17 when you talked about the $12.8 million with the OTB and VLTs. I think I misunderstood.

You made a comment actually it was $20 million, but something was --

MR. NAUGHTON: Yes. We, according to our agreement with them, and using agreement in the quotes, it's not a contractual agreement, it's a commitment, promise from them. They will cut us a check for about $20 million by the end of March.

Because of the timing of that payment, the Comptroller's Office will say that 75 percent of that money counts towards '18 and the balance will count towards '19. So we you don't get the full credit for the 20 in the fiscal year, you get the cash.

LEGISLATOR FORD: But we still have the money basically in the bank so to speak?

MR. NAUGHTON: Exactly.

LEGISLATOR FORD: What is the

county's long term debt?

MR. NAUGHTON: We are approximately at about $3.1 billion.

LEGISLATOR FORD: $3.1 billion?

MR. NAUGHTON: Yes.

LEGISLATOR FORD: How does it compare with the year end 2010?

MR. NAUGHTON: We may be a few million below. I will double check on that.

LEGISLATOR FORD: I notice with the environmental bond fund, why are we applying additional money to that? I thought we had when we voted on it --

MR. NAUGHTON: I'm sorry. It's the money to pay the debt service on the bonds.

LEGISLATOR FORD: Then even with the Suez agreement, we are going to save $10 million annually, now we are only realizing 6.5?

MR. NAUGHTON: Well, if you remember, when we first came to this body to talk about Suez we said we were exhausting our fund balance slowly but surely.

Early estimates had that money being exhausted by 2013. But through all the management that we have gone through by having Suez there, by restructuring debt, we were able to extend the financial life there. So what we thought was going to happen in 2013 is happening in 2018.

LEGISLATOR FORD: Now how much does NIFA cost us every year?

MR. NAUGHTON: I think we budgeted roughly $2 million a year.

LEGISLATOR FORD: I didn't hear that.

CHAIRWOMAN GONSALVES: $2 million.

MR. NAUGHTON: Yes.

LEGISLATOR FORD: When was their latest increase? Have they been $2 million for the 17 years or did they go up?

MS. D'ALLEVA: No. They have gone up. I think this year they went up $250,000.

LEGISLATOR FORD: This year, this 2017?

MS. D'ALLEVA: Yes.

LEGISLATOR FORD: That's good to know. I'm not going to ask the question but I just honestly believe their recommendations for budget cuts, it's rather callous, and for me it indicates how out of touch they are with Nassau County. Thank you.

CHAIRWOMAN GONSALVES: Legislator MacKenzie.

LEGISLATOR MACKENZIE: Can you circle back a minute to the issue of bond premiums? It's my understanding of bond premiums that they come about as a consequence of the underwriting that bonds, that underwriters do, and that they're standard within the industries, is that fair to say?

MR. NAUGHTON: That is correct.

LEGISLATOR MACKENZIE: So most any time a municipality like Nassau County would be performing borrowing is going to be a bond premium there, correct?

MR. NAUGHTON: That is correct.

LEGISLATOR MACKENZIE: It's not something we do, it's a consequence of the market and the industry?

MR. NAUGHTON: That's correct.

LEGISLATOR MACKENZIE: So bond premiums are going to be there any time we borrow, fair to say?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: What we're talking about here is how the proceeds of the bond premium itself is allocated within the budget, correct?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: What we have in this county is a situation where NIFA is dictating how those bond premiums can be allocated which is different than any other municipality that that we have discussed in the state, is that fair to say?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: So it's not a consequence or generally accepted practices within municipalities, it's what NIFA is mandating for you to do, is that

fair to say?

MR. NAUGHTON: I'm not going to agree with that. The issue is that the NIFA statute says that our budget is supposed to be GAAP compliant unlike other municipalities they don't have to be GAAP compliant but the NIFA statute itself is supposed to be GAAP compliant, that's where the issue lies.

LEGISLATOR MACKENZIE: So let's circle around to that. So other municipalities use what is called budgetary accounting; is that correct?

MR. NAUGHTON: In terms of their budget, yes. I mean, every municipality is going to report their annual financial statements on a GAAP basis, but their budget doesn't have to be on a GAAP compliant basis.

LEGISLATOR MACKENZIE: Well, maybe then you can explain generally, I don't know if what you're saying is accurate. I know that NIFA takes the position that that statute says that we have

to be GAAP compliant and that's how they created the idea of NIFA GAAP. I'm not necessarily agreeing with you and then explain to me the difference between why Nassau County has to be GAAP compliant and what the difference is between every other municipality in the state.

MR. NAUGHTON: Unfortunately when NIFA was established, the law included this language about being GAAP compliant and, if we weren't within one percent of being GAAP compliant, that they could morph into a control board which they chose to do in 2011 or '10.

LEGISLATOR MACKENZIE: But that's not a standard that's been used uniformly, that's a standard that was initiated when this current administration came into effect.

MR. NAUGHTON: That is a fair statement.

LEGISLATOR MACKENZIE: So prior administrations used a different accounting practice and we're able to allocute items

like bond premiums differently, is that fair to say?

MR. NAUGHTON: Yes, I'm pretty confident that if you took a look at some of the prior administrations, how they finished the year, they were probably not GAAP compliant either.

LEGISLATOR MACKENZIE: Okay, so it's only this administration that has had to work under those -- the idea that NIFA's statutes say GAAP compliant, right?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: So that doesn't exactly seem consistent, does it, that if the statute mandated that that prior administrations wouldn't have to deal with that and this one would, that would really go against the idea that that's what this statute says, wouldn't you agree?

MR. NAUGHTON: I will say that they have chosen how they want to enforce the law.

LEGISLATOR MACKENZIE: And the idea that the fund balances has to be used

towards specific items rather than align professionals like you to determine where they're best needed is an idea that NIFA has instituted?

MR. NAUGHTON: Yes, because I think even the ratings agency felt that it was very good. We weren't borrowing for tax certs any more and the use of fund balance which it's not something that they would recommend, they didn't have a problem with it.

LEGISLATOR MACKENZIE: Okay, but in any budget, there's decisions made as to where items are best allocated. The rating agencies don't have to pay these fees, right?

MR. NAUGHTON: Correct.

LEGISLATOR MACKENZIE: And they're not going to get a traffic ticket and have to pay $120 fee on that, right?

MR. NAUGHTON: That is correct.

LEGISLATOR MACKENZIE: They may not look at the picture in the same manner as an elected official who is looking out

for the people who actually live in this county, are they?

MR. NAUGHTON: That's fair.

LEGISLATOR MACKENZIE: And just another question, please. I'm not sure I understood, with respect to OTB and the number of machines that they have and are anticipating, can you just please explain that again?

MR. NAUGHTON: Sure, the agreement with Genting says that they will be able to get a thousand machines and based off of having a thousand machines there will be a certain level of payment to OTB, and then some of that money will then be remitted back to the county.

So they have already achieved like I said it's either 460 or 480 machines are currently operating. So we are comfortable that they're going to hit that one thousand machine target and will be able to live up to their commitment to us.

LEGISLATOR MACKENZIE: Okay, and do you have further clarity on when the one

thousand, or what the scheduling is, in terms of getting those other machines implemented?

MR. NAUGHTON: No, we do not have that information at this time.

LEGISLATOR MACKENZIE: Okay. I think that's it. Thank you very much.

CHAIRWOMAN GONSALVES: Legislator Gaylor.

LEGISLATOR GAYLOR: Thank you, Presiding Officer. Just want to circle back to sales tax. You are projecting a two percent increase in sales tax. Where we are currently at is about 2.5 year to date this year?

MR. NAUGHTON: That is accurate.

LEGISLATOR GAYLOR: I noticed the fed reserve is projecting 2.5 next year, and other municipalities that surround us are projecting anywhere from 2.5, 2.8, almost three percent in sales tax.

Isn't the projection of two percent overly conservative, and we can possibly look for a higher percentage?

MR. NAUGHTON: No, I think I would say our two percent is prudent, it's logical. The issue, for instance, you take Suffolk County, Suffolk also has an energy tax so they benefit when the price of gas goes up.

When the price of gas goes down, they get hurt like they did last year.

So when you take a look at where fuel prices are right now, are they going to grow more? I'm really not sure. And most of our growth this year has been because of fuel prices.

LEGISLATOR GAYLOR: So what are you projecting for the rest the year 2017 our sales tax will come in at?

MR. NAUGHTON: We are assuming that we are going to have a two and a half percent growth for this year.

LEGISLATOR GAYLOR: Okay. I heard that we will end the year budget neutral. Would that be a correct statement?

MR. NAUGHTON: Just to be accurate, her statement was, if you exclude

the use of fund balance, we will be neutral.

LEGISLATOR GAYLOR: Right. But wouldn't we always be neutral no matter what the budget is because any surplus you take to pay down tax grievances or certiorari proceedings, and you will always state you're going to be neutral when there may be a surplus because you could quite possibly delay the payment of a tax certiorari proceeding to an outlying year, as we have done in the past?

MR. NAUGHTON: No, that's not accurate because if we have already have the judgement in-house even if we haven't made the payment, the county comptroller will accrue that expense to the current year as last year we accrued roughly how much, Roseanne?

MS. D'ALLEVA: We accrued about 13 plus 39 million.

MR. NAUGHTON: Yes. So last year even though we didn't pay it out, we took a $39 million expense hit. 26 in operating budget, 13 in the capital budget.

Also, depending on, let's say, if it's the last quarter in sales tax doesn't perform well, below our estimate, that would impact us and we wouldn't have time to make the necessary corrective actions.

If we are hit with a judgement that we can't bond for, which pretty much I would assume that we can't bond for, that could possibly impact you. So we don't automatically end up budget neutral.

LEGISLATOR GAYLOR: All right. Back to the fund balance chart on page eight. It's projecting in 2016 actual 200. What is the projection for '17 and '18?

MR. NAUGHTON: Well '17, depending on how much we pay out in tax certs, I would say that our fund balance can end anywhere from, I'm going to give you a big range, from $120 million to $160 million. That variable is due to a potential settlement.

LEGISLATOR GAYLOR: So the 200 will be reduced to 120, is what you're saying?

MR. NAUGHTON: 120 to 160 depending on the settlements.

LEGISLATOR GAYLOR: That's about at four percent?

MR. NAUGHTON: That is correct.

LEGISLATOR GAYLOR: The four to five percent is a self imposed kind of guide that the County Executive of the county administration is seeking?

MR. NAUGHTON: Yes.

LEGISLATOR GAYLOR: Is the three percent mandated?

MR. NAUGHTON: No. There is no mandate. We have determined that four to five percent is what works best for this county.

LEGISLATOR GAYLOR: So theoretically you could take, you know, $50 or $60 million and pay off other debts?

MR. NAUGHTON: Yes, you could.

LEGISLATOR GAYLOR: Or you could take 100 million and pay off the debts and be within the control period; be within the control guidelines and NIFA would go away?

MR. NAUGHTON: No, just the opposite.

LEGISLATOR GAYLOR: I have no more questions. Thank you very much.

CHAIRWOMAN GONSALVES: Legislator Schaefer.

LEGISLATOR SCHAEFER: Thank you. Good morning.

MR. NAUGHTON: Good morning, Legislator Schaefer.

LEGISLATOR SCHAEFER: Okay, I just have a couple of questions because a lot were answered already.

With regard to the borrowing, and I know we're no longer borrowing for the tax certs that were a year ahead, correct?

MR. NAUGHTON: Correct.

LEGISLATOR SCHAEFER: Which is a great accomplishment. I wonder, however, was it considered if we had borrowed what we would have originally anticipated or even half of that, could that have eliminated, was it considered that that could have eliminated some of the fees that were put

into the budget? Is there a way that would have worked out in our favor so that we're not looking at some of the numbers we are looking at?

MR. NAUGHTON: No, because that's just dealing with how we are funding the 2017 expenses, that decision does not carry over to the next year.

LEGISLATOR SCHAEFER: Okay. How does it benefit us then that we are not borrowing?

MR. NAUGHTON: We're not paying interest on that expense.

LEGISLATOR SCHAEFER: Right. So it doesn't leave any gap or anything there that would help us?

MR. NAUGHTON: I think that what it does going forward is, you're not paying interest on $60 million.

LEGISLATOR SCHAEFER: Right. Okay, and then switch over to the buses. NICE Bus, you said this year it's $9 million; is that correct?

MS. D'ALLEVA: Yes, additional

funding of $9 million. $6 million in contractual increases and $3 million revenue loss on fair box.

LEGISLATOR SCHAEFER: And you said fair box was down, the amount?

MS. D'ALLEVA: So we adjusted the 2018 proposed budget to trend as the 2017 projection is trending.

LEGISLATOR SCHAEFER: Okay. Does that indicate that ridership is down?

MS. D'ALLEVA: Most bus systems across the country ridership is down. I think people are leveraging, you know, share riding a lot more than previous, but I'm no bus expert.

LEGISLATOR SCHAEFER: Okay. That's all I have. Thank you.

CHAIRWOMAN GONSALVES: Legislator Walker.

LEGISLATOR WALKER: Just a quick question regarding our federal aid and our state aid. Has that been level for the most part across the board or has that continuously gone down for us? Especially

with all the mandated programs we have.

MR. NAUGHTON: No, the reimbursement rates have been stable.

LEGISLATOR WALKER: Also, just in regards to our sales tax, is that also looking at the fact that we do have Memorial Sloan Kettering coming in and looking at hopefully the buildings at Belmont if that goes through, has that been factored in at all at this point?

MR. NAUGHTON: Well, none of those things that you just mentioned will impact the 2018 economy. I mean, having people working and building is a good thing, but when you consider that you know in sales tax we get close to $1.2 billion, those are incremental benefits.

LEGISLATOR WALKER: Thank you.

CHAIRWOMAN GONSALVES: Legislator Muscarella.

LEGISLATOR MUSCARELLA: Mr. Naughton, very quickly, the sales tax projections for the 2018 budget are two percent?

MR. NAUGHTON: Two percent growth.

LEGISLATOR MUSCARELLA: Two percent growth. And do you know what Suffolk County is using this year for their budget?

MR. NAUGHTON: 2.83, correct.

LEGISLATOR MUSCARELLA: 2.83 percent. Do you happen to know what New York City is using?

MR. NAUGHTON: I don't know that.

LEGISLATOR MUSCARELLA: Nor do I. Is there a standard by which the rating agencies project a sales tax growth for a year or how do you come about that projection?

MR. NAUGHTON: Sure.

Just to give you, there's two things, you take a look at Suffolk County, I mean this year they are experiencing about four percent growth where our growth is about two and a half percent.

So you will naturally therefore expect that especially with there's more

land there, as I stated, they have the energy tax, they have more room for growth there than we do.

We get detailed sector data, we see -- we get the reports, we know exactly by vendor how much money we are getting so we know which sectors we are seeing growth in and which ones we're not.

And retail is relatively flat this year. There is nothing to indicate that retail itself is going to grow much next year.

As I stated previously, most of our growth has been due to fuel prices, without that we would not be seeing the growth levels we are getting right now.

LEGISLATOR MUSCARELLA: And last year you projected 2.5 percent?

MR. NAUGHTON: No. This year we actually projected 1.06 percent so we actually are exceeding that.

LEGISLATOR MUSCARELLA: What exactly is it coming in at?

MR. NAUGHTON: That's what I

said, we're going to come in about two and a half this year.

LEGISLATOR MUSCARELLA: Two and a half percent. And we're flat, and next year your projection, two percent?

MR. NAUGHTON: Yes.

LEGISLATOR MUSCARELLA: Very conservative?

MR. NAUGHTON: In this new world, it's not conservative, we think it's prudent.

LEGISLATOR MUSCARELLA: Okay. Thank you.

CHAIRWOMAN GONSALVES: Legislator Nicolello.

LEGISLATOR NICOLELLO: I have a couple of real quick follow ups. When Legislator MacKenzie was asking you some questions with respect to now NIFA had applied standards, previous administration, this administration, I think you said this, "They (NIFA) have chosen how they want to enforce the law, the NIFA statute."

MR. NAUGHTON: That is accurate.

LEGISLATOR NICOLELLO: So, my question is this, if they applied the same standards as they applied previous to 2010, if they applied that standard now, NIFA I'm talking about, would the control period be over?

MR. NAUGHTON: Again, the control period it's for them to decide.

LEGISLATOR NICOLELLO: That's not my question. And, again, if you applied the same standards as they applied then, they applied it now, would the control period be over because the structural deficit would be under one percent?

MR. NAUGHTON: Based off of the 2018 budget, the 2018 budget was approved as we've presented it, yes, there would be no control period. But for our 2017 results, I think that you would still have a control period.

LEGISLATOR NICOLELLO: What is that based on? What is it that creates the deficit? What creates the deficit over $30 million?

MR. NAUGHTON: For us this year it's the tax certs, it's the payment of tax certs using the fund balance to make that payment.

MS. D'ALLEVA: The $36 million.

LEGISLATOR NICOLELLO: In 2017?

MR. NAUGHTON: Yes.

LEGISLATOR NICOLELLO: Okay. Thank you.

CHAIRWOMAN GONSALVES: Legislator MacKenzie.

LEGISLATOR MACKENZIE: A few follow-up questions as well; one of which is, if you can go back to payment of judgements, there would be no borrowing at all in this budget; is that correct?

MR. NAUGHTON: That's correct.

LEGISLATOR MACKENZIE: That is outside of the normal for municipalities as well; is that fair to say?

MR. NAUGHTON: No, that's not fair to say.

LEGISLATOR MACKENZIE: Let me put it this way. In my experience with

self-insureds and others, they have a certain amount of judgments averaged or however they want to do it that are expected in normal over their course of time, fair to say, you have a pretty good idea of what the year to year is?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: But then outside of that there sometimes come extraordinary judgements, judgements that are unusual in nature and larger than what the average is that would affect how that's budgeted, fair to say as well?

MR. NAUGHTON: Correct.

LEGISLATOR MACKENZIE: And in my experience in the past other municipalities and entities will borrow for judgements that they would consider extraordinary in nature or that were built up over a longer period of time; is that your experience as well?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: So for us to us have no borrowing for judgments and I would include tax certioraris in there as

well, is unusual for a municipality as well, correct? I'm not saying whether it's a right or wrong, but there are judgments of an extraordinary nature that are borrowed for and that's standard practice?

MR. NAUGHTON: Well, the issue is when you went further in your explanation to say extraordinary, this budget will fund what is the normal routine judgements that this county receives.

If we are hit with an extraordinary judgement, we can not pay it from this operating budget. It would create a hardship for us.

LEGISLATOR MACKENZIE: But you consider the build up of the tax certiorari judgments all those years as something that's considered ordinary in nature?

MR. NAUGHTON: No, which is why I stated previously, as others have stated, we have a $40 million risk.

We included what we think we can afford which is $30 million. If we a forced to pay more that does create a problem for

this county.

LEGISLATOR MACKENZIE: But the tax cert judgements that we're talking about are not items that have just come up in the last year or so, these are items that have been built up over years and years and over time.

MR. NAUGHTON: Correct.

LEGISLATOR MACKENZIE: And which would normally be borrowed for because of the nature, the amount and the period of time that they've been created; is that fair to say?

MR. NAUGHTON: Yes. And I think everyone knows that the burden placed on this county because of the county guaranty is unique to us.

LEGISLATOR MACKENZIE: But my point being is that by requiring us to pay them out of cash flow for lack of a better term rather than borrow for them is unusual and not ordinary either.

MR. NAUGHTON: Well, because we are the only ones in that situation by

definition, yes.

LEGISLATOR MACKENZIE: Well, not just the county guaranty because NIFA is requiring it.

MR. NAUGHTON: I think as a fiscal person, I think all of us would agree there comes a point where we need to whittle down how much we borrow for that.

LEGISLATOR MACKENZIE: Nobody is disagreeing that in a perfect world we would pay everything out of cash flow and wouldn't borrow for anything, but that's not possible.

So as a part of running a government, we do borrow for certain items; if we could pay for every item out of cash that would be great too, but it's not possible.

My question to you is, not what would be perfect in a perfect world, my question to you, isn't it normal practice to borrow for judgments?

MR. NAUGHTON: I'm not going to use the world normal.

LEGISLATOR MACKENZIE: Okay. Is it standard practice for other municipalities to borrow for judgements.

MR. NAUGHTON: I would say other places use it. I won't say it's a standard practice.

LEGISLATOR MACKENZIE: Then let's go back to prior administrations. We can use them as a judgement against ours.

Were prior administrations permitted to borrow for judgments and tax certioraris?

MR. NAUGHTON: Yes, they were permitted to.

LEGISLATOR MACKENZIE: So then again, this is another change in the rules that only this admin -- and I think you guys have worked very hard to work towards achieving the goals that have been given to you; it is not a criticism of you and the work that you've put in to achieve those goals.

The point is that those goals were artificially created by NIFA and,

again, weren't standards that past administrations had have had to use, is that fair to say?

MR. NAUGHTON: I would say that NIFA has always wanted the county to get away from borrowing for tax certs.

LEGISLATOR MACKENZIE: You're being very polite, but I will make it more simple. Past administrations were allowed to borrow and this administration hasn't been, right?

MR. NAUGHTON: Well, remember, we've been borrowing up to this year.

LEGISLATOR MACKENZIE: You don't want to answer the question, really? Is that complicated? You just said that past administrations were allowed to do this.

MR. NAUGHTON: But we've been borrowing too, that's why I can't agree with you.

LEGISLATOR MACKENZIE: Now we're not allowed to borrow any more, correct?

MR. NAUGHTON: Correct.

LEGISLATOR MACKENZIE: But in the

past, the other ones were and they whittled you down to where you're not allowed to borrow any more, yes?

MR. NAUGHTON: Yes.

MS. D'ALLEVA: Correct.

LEGISLATOR MACKENZIE: But if you're allowed to use the same rules as the past administration, it would be a different story, right?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: Then you would be allowed to borrow for these things, right?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: And then that money would be free to use in other areas of the budget, right?

MR. NAUGHTON: Yes.

LEGISLATOR MACKENZIE: I didn't think it had to be hard but NIFA will thank you afterwards.

MR. NAUGHTON: I think that's an unfair statement. I think if your question had been different, you would have a

different answer.

CHAIRWOMAN GONSALVES: I know that Legislator Nicolello has a followup question.

LEGISLATOR NICOLELLO: Sorry. I know the minority is waiting patiently but I have one followup.

CHAIRWOMAN GONSALVES: After him I'm getting to you.

LEGISLATOR NICOLELLO: When you answered the question with respect to whether there would have been a control period in 2017, you referred to the $36 million in borrowing for tax certs. That would have triggered the control period in 2017 under the old rules?

MR. NAUGHTON: Yes.

LEGISLATOR NICOLELLO: Did the prior administration borrow for tax certs?

MR. NAUGHTON: Yes, they did.

LEGISLATOR NICOLELLO: They borrowed and more than $30 million?

MR. NAUGHTON: Yes, they definitely did.

LEGISLATOR NICOLELLO: So then NIFA is not applying the same standard and if they applied the same standard as they applied previously before they took control in 2010, the control period would be over?

MR. NAUGHTON: Yes.

LEGISLATOR NICOLELLO: That's the point that I wanted to make, that this bureaucracy, by changing the rules, by applying different standards is perpetuating its control which is what bureaucracies do.

You don't have to respond to that. Once you give a bureaucracy control of something, men and women, they don't want to give it up.

CHAIRWOMAN GONSALVES: Legislator Kopel is going to wind it up for the majority. Go ahead.

LEGISLATOR KOPEL: I want to understand one thing. The amount that's being paid not with respect to the current certiorari but previous, who establishes that amount, is that a NIFA requirement or your decision?

MR. NAUGHTON: The $30 million in the '18 budget?

LEGISLATOR KOPEL: Yes.

MR. NAUGHTON: If you go back to the multiyear plan of 2015, we had agreed that when NIFA allowed us to borrow the $305 million, we would slowly start putting money in the operating budget and we said at that time we would have $30 million in the 2018 operating budget.

LEGISLATOR KOPEL: My question is, who determines the amount -- in other words, at this point can NIFA require the county to pay back X number of dollars out of the overhead -- I'll call it the overhang backlog?

MR. NAUGHTON: I don't think that's in their powers.

LEGISLATOR KOPEL: Thank you. That's what I wanted to know.

CHAIRWOMAN GONSALVES: Minority Leader. Then right after Minority Leader, Legislator DeRiggi-Whitton and down the line.

LEGISLATOR ABRAHAMS: I believe all the legislators have questions. First, do you need any water?

MR. NAUGHTON: I think Roseanne may. I enjoy this.

LEGISLATOR ABRAHAMS: My questions are really tied to the tax cert refunds but, just for clarity of the record, NIFA came into existence in 2000, I remember I was here, and NIFA's role for at least ten years was oversight in nature. I remember that correctly.

MR. NAUGHTON: I'm sorry, I got distracted.

LEGISLATOR ABRAHAMS: I'm sorry, NIFA came into existence in the year 2000 and for a period of ten to 11 years they were oversight in nature?

MR. NAUGHTON: Yes.

LEGISLATOR ABRAHAMS: They changed to a control board as we know them today where they have a more broader control over the county's finances.

MR. NAUGHTON: Is there a

question?

LEGISLATOR ABRAHAMS: Am I accurate?

MR. NAUGHTON: Yes, it's accurate, but I think the point that the majority was making is that they also had the option to move into a control period earlier had they so chosen.

MS. D'ALLEVA: Under the same guidelines.

LEGISLATOR ABRAHAMS: Under the same guidelines they could have.

But the creation of them morphing into a control board came about how?

MR. NAUGHTON: Fortunately I wasn't here for that part. But I think my understand is that they took a look at the projected revenues and the actions from the Legislative body to say that the county was going to have a projected deficit and therefore they said they were going to have a control period.

LEGISLATOR ABRAHAMS: So I have a recollection that the administration

encouraged the control board to be able to freeze wages.

MR. NAUGHTON: I definitely would not make that statement.

LEGISLATOR ABRAHAMS: Did the administration benefit from the control period to freeze wages financially, not personally, of course?

MR. NAUGHTON: You can argue that having the wages frozen helped the bottom line.

LEGISLATOR ABRAHAMS: Yes, that's what I mean. So, I mean, look, I'm not here to knock NIFA, to pump up NIFA, but obviously if we are going to criticize NIFA we have to look at everything in the totality.

To me, looking at everything in the total perspective, obviously there could have been things implemented in previous administrations, but at the same time, the period I know of that froze salaries provided some benefit bottom line to the county, if I'm summarizing that correctly.

MR. NAUGHTON: Yes.

LEGISLATOR ABRAHAMS: So let's move on. You had talked a little bit about the DAF fund and you had mentioned in the DAF fund, just for the public's purpose, that's the disputed assessment fund, you had mentioned there is a projected $100 million that would be generated from DAF in 2018.

MR. NAUGHTON: In 2018.

LEGISLATOR ABRAHAMS: Have you presented any models to show this body or the outside authorities NIFA, OLBR, how that revenue or how that fund will be funded to $100 million?

MR. NAUGHTON: As you may be aware, in this current year, we've actually received roughly about $94 million to date and the DAF is expected to actually be slightly more than that for 2018.

But the simple answer to your question is no, no one outside of the administration knows -- has seen what we expect to bill.

LEGISLATOR ABRAHAMS: So when the

outside authorities such as NIFA as well as OLBR and the Comptroller's Office have all identified the risk, wouldn't the risk simply be removed if you shared those models with them or is there a risk?

MR. NAUGHTON: No, their risk is associated with the backlog, not the money going forward.

LEGISLATOR ABRAHAMS: And that begs the question of my second point. From what I understand, there's $30 million in the operating to pay towards tax cert refunds?

MR. NAUGHTON: Yes.

LEGISLATOR ABRAHAMS: So how do you plan to address the $340 million by end of 2017 of the back log?

MR. NAUGHTON: As I previously stated, the incoming administration will have to do a very good job of negotiating with the tax cert bar to try to whittle that down, work with NIFA to come up with a mechanism to fund the backlog.

There are other type of

initiatives that may produce revenue for the county that you can have an influx of money to help to address that backlog.

But we felt that $30 million was all that could be afforded next year if we wanted to maintain all the essential services.

LEGISLATOR ABRAHAMS: But in the past, we've always paid down the backlog?

MR. NAUGHTON: I would say --

LEGISLATOR ABRAHAMS: I mean as things mature, then you guys --

MR. NAUGHTON: I mean, that's what we will still be doing, you just -- if you only have $30 million, there is only so much you can pay.

LEGISLATOR ABRAHAMS: So let me ask this a different way. In years past, how much have we paid down of the backlog that went -- of the tax cert backlog?

MR. NAUGHTON: When you look at the fact we borrowed $245 million, going to pay out another 75 this year, but the backlog has essentially -- it does grow.

LEGISLATOR ABRAHAMS: I agree. It grows every year. It should slow down now.

MR. NAUGHTON: Yes, it's an estimated number. Right now the estimate is $340 million. Is that right or wrong, I have absolutely no idea. Right now, if they said, you gave me $340 million would everything would go away, I would not be the gambling person for that.

LEGISLATOR ABRAHAMS: I'm trying to understand if the backlog has always been paid down, and we always paid down X amount of dollars by your testament, by identifying the risk $70 plus million, why would we leave that out?

MR. NAUGHTON: Because if you put money in, there is an expectation that you are going to pay that. It hurts you when you are trying to negotiate. And the fact that we also, as I stated, you're going to be paying out money from DAF so that's going to address the current year obligation, so if we pay out roughly $130 million, I think

that's pretty commendable because that's not something that we have been able to do in the past, so I think that will help in terms of the negotiations and working with the tax cert bar to help get a number that's manageable.

LEGISLATOR ABRAHAMS: Okay. Moving to the fees. I think Legislator Kopel started to ask about them.

Obviously we heard from various individuals from outside the county, in the county, I believe there was someone from the clerk's office that talked a little bit about the tax map verification.

I'm trying to understand how the administration came to the conclusion to raise the fee $12 million.

I understand you said before in response to, I think it was either deputy Presiding Officer Nicolello's question or it might have been Legislator Kopel's question, that to maintain the quality of life in Nassau County, we had to look to balance the budget.

But was there any conversations, let's stick with the clerk for a second, was there any conversations with that office on whether or not this fee was necessary?

MR. NAUGHTON: The Clerk's Office, their role is not to help determine how to balance the county's budget.

LEGISLATOR ABRAHAMS: But this is a fee they collect?

MR. NAUGHTON: Well, just by the same token, we don't speak to TPVA regarding how much a traffic ticket should be.

Their job is to collect based off the policy decisions that are made.

LEGISLATOR ABRAHAMS: But the essence of a fee basically, and I believe Legislator Kopel might have mentioned this, is to recuperate costs.

So, say for example, if I go or my family goes to one of the swimming pools in the county, in essence, when I pay my fee to utilize that pool it's going towards the maintenance of the pool, the lifeguards, and that's why the fee when I show up there is

not $100.

It's minimal to cover the lifeguards and chlorine, the cleaning of the pool. Why are these fees being treated any differently than what it would actually cost us to maintain or to provide the services of the staff to make sure that we can properly administer this part of the clerk's budget?

MR. NAUGHTON: I think when we look at the services and what I would consider the affordability of a fee, if I actually did charge you what it cost to run the pool, we would probably be charging you more which would be an unfair burden, the people who take advantage of that service.

In this instance, while we don't want to hurt people, when you look at someone going to a real estate transaction, it's not every citizen going to it, doing a re-fi or buying a new home, or whatever the case may be. It's something you do occasionally. It's not something that will be a recurring burden on them.

We don't think at the level we

are charging, it actually has an impact in the real estate market.

LEGISLATOR ABRAHAMS: So, Eric, can you just for the record bring us where the fee was several years ago before the administration started to increase it to where we are now just for the record?

MS. D'ALLEVA: I think previous to 2010, the block fee might have been --

LEGISLATOR ABRAHAMS: Just stay on this. I'm going to get to the block fee. Stay with the tax verification.

MR. NAUGHTON: Zero.

MS. D'ALLEVA: Zero.

LEGISLATOR ABRAHAMS: Zero in the past and it's being proposed, just for the record?

MS. D'ALLEVA: 455.

LEGISLATOR ABRAHAMS: So has the administration done any cost projections to determine 455 is even doable?

MR. NAUGHTON: What do you mean by doable?

LEGISLATOR ABRAHAMS: What I mean

by doable is meaning, obviously many people are going to be hit with this cost. So we're basically saying pay it.

MR. NAUGHTON: Yes.

LEGISLATOR ABRAHAMS: Or you want be to able to get the tax map verification.

MR. NAUGHTON: I think if you look at the revenue that we generated from the $300 fee, while people may complain initially, we have been receiving that revenue, and it's allowed us to maintain the services that are important to everyone here.

LEGISLATOR ABRAHAMS: You said $300 fee?

MR. NAUGHTON: When it was $300.

LEGISLATOR ABRAHAMS: It was zero in years past --

MR. NAUGHTON: Right.

LEGISLATOR ABRAHAMS: That's what I asked before. Take us each step of each year how of it went up by.

MS. D'ALLEVA: I believe the initial tax map verification fee was $50 and

then it went to 75 and I believe it was raised to 225 then 355 and now 455.

LEGISLATOR ABRAHAMS: And people have been steadily paying it throughout each the time?

MS. D'ALLEVA: Yes.

LEGISLATOR ABRAHAMS: And we have not seen a decline in the amount of requests for tax map verification?

MS. D'ALLEVA: No. Depends on the economy and the number of closings and real estate transactions, but consistently we are in the range of 120,000 real estate transactions per year.

LEGISLATOR ABRAHAMS: I mean as I noted before, the fact that we are looking at a fee -- this is going from -- it's being collected even though -- administered by the Clerk's Office it's going into the general fund?

MS. D'ALLEVA: Yes.

LEGISLATOR ABRAHAMS: It's being used to cover many of the things that the administration chose not to cut which we are

in support of, obviously, as we talked about youth programs and things of that nature.

But at the same time it's a fee that basically is going towards balancing the budget for the county, but not to enhance services in the Clerk's Office? The Clerk's Office is not get any additional employees, not get any additional staff to administer anything that they do in their office if I'm understanding this correctly?

MR. NAUGHTON: The Clerk's Office is getting the money they need to operate efficiently.

LEGISLATOR ABRAHAMS: It's the same allotment that they were getting in previous years?

MS. D'ALLEVA: Yes.

LEGISLATOR ABRAHAMS: So moving to the block fee, explain for the record exactly what the block fee is and how you came to the determination to raise $11.8 million for the block fee.

MS. D'ALLEVA: The block fee is basically another -- it's a per parcel fee

for mortgage deeds and recordings. It started previous to this administration probably around $10 and it grew from ten to I believe 75 and then from 75 now it's $300 and is going to $400.

MR. NAUGHTON: Sorry, Minority Leader, just one clarification, the block fee is what the clerk collects, the tax map is collected --

LEGISLATOR ABRAHAMS: Sorry. I meant assessment. Sorry. You said it started at $10?

MS. D'ALLEVA: I believe so.

LEGISLATOR ABRAHAMS: Then it went up to what?

MS. D'ALLEVA: I think it was $10, $75, $150 to $300 and now $400.

LEGISLATOR ABRAHAMS: Just talk as a layman, you said this is for deeds, mortgage recording documents?

MS. D'ALLEVA: Yes.

LEGISLATOR ABRAHAMS: So if somebody basically has a transfer of a deed, could be because of death, could be because

of incidence in the family, they would have to pay in excess of $400 to be able to transfer that deed?

MS. D'ALLEVA: Yes, seems so.

LEGISLATOR ABRAHAMS: Doesn't it seem egregious they would have paid that $10 a few years ago?

MR. NAUGHTON: No.

LEGISLATOR ABRAHAMS: Why would you say that?

MS. D'ALLEVA: You have to fund the organic growth.

LEGISLATOR ABRAHAMS: Are you implying the $10 was too low?

MR. NAUGHTON: I'm saying that we're not going to put a value judgement on what the fee is or should be, but what we are putting a value judgement on is the quality of life in Nassau County.

LEGISLATOR ABRAHAMS: How much do you think and, granted, I understand this moment and this time, how much do you believe that this fee could be raised by before it starts to hurt Nassau County

residents?

MR. NAUGHTON: We have not done a study to say what the max could be, but I don't think we are at that point now.

LEGISLATOR ABRAHAMS: I would love to have seen a study to determine that. At this time, Madam Presiding Officer, I don't have anything further.

CHAIRWOMAN GONSALVES: Legislator DeRiggi-Whitton.

LEGISLATOR DERIGGI-WHITTON: The GAAP fund balance is there any money in that line that is borrowed money?

MR. NAUGHTON: I'm trying to think of the best way of answering your question. Borrowed money does not go into a fund balance.

It does -- you do use borrowed money in terms for us as revenue and you take a look at how much you spend.

It's all fungible in a sense so you can't say that X percent of your fund balance is because of borrowed money.

Does borrowed money help us, the

answer would be yes but you can't quantify what that amount is.

LEGISLATOR DERIGGI-WHITTON: Is there of the money that helps you, is that due to bonding that hasn't been spent yet like for tax certs or capital?

MR. NAUGHTON: No.

LEGISLATOR DERIGGI-WHITTON: It's separate. So nothing like that is going to help you with the budget?

MR. NAUGHTON: Correct.

LEGISLATOR DERIGGI-WHITTON: We still have $38 million in tax certs, is that the number that we borrowed for? What was the number 36 or 38?

MS. D'ALLEVA: We are using $36 million of funds balance to pay tax certs in 2017.

LEGISLATOR DERIGGI-WHITTON: Is there any money left over from the last time we borrowed for tax certs?

MR. NAUGHTON: We used $13 million from the capital fund to help pay tax certs this year and with that 13 being

spent, there is no more money left from the capital funds.

LEGISLATOR DERIGGI-WHITTON: We used $13 million of money that was bonded for capital, we switched it?

MR. NAUGHTON: No, tax certs is borrowing so that is part of the capital fund.

LEGISLATOR DERIGGI-WHITTON: So we just switched the lines?

MR. NAUGHTON: No. We did not switch the lines. We borrowed for tax certs and spent it for tax certs. You approved the bond for tax certs and that's what we spent it on.

LEGISLATOR DERIGGI-WHITTON: So there is a line in the capital budget for tax certs?

MR. NAUGHTON: Yes.

LEGISLATOR DERIGGI-WHITTON: That's right. Okay. When they were discussing the fund balance, I'm sorry, the bond premium -- so, basically, we borrow money and then we take that bond and re-work

it to borrow at a lower percentage; is that what I'm hearing?

MR. NAUGHTON: Yes.

LEGISLATOR DERIGGI-WHITTON: The bond premium is only the difference in percentages?

MR. NAUGHTON: Again, using my $100 million example again, if we have $100 million need for capital projects, through the use of bond premium we would only end up borrowing roughly $85 million; receive $15 million in proceeds to go towards the capital projects.

So you would only pay interest on that $85 million as opposed to paying interest on $100 million.

LEGISLATOR DERIGGI-WHITTON: So why is there such a difference? Why don't we get a better bond rate right from the beginning?

MR. NAUGHTON: The issue is, remember, a bond is a long term instrument. Something you're going to pay back over 20 years.

So we will issue this bond, let's say, to agree to pay someone 15 years from now five percent and, because of that, they are willing to give us more money up front which is how you generate the bond premium.

If we were to try to, now let's say, only pay three and a half percent 15 years from now, there probably would be no market for our bonds, it becomes the problem.

LEGISLATOR DERIGGI-WHITTON: But, by doing it this way. I guess I'm trying to figure out if this is like a built-in mechanism to get the bond balance.

MR. NAUGHTON: No. I mean this is as Legislator MacKenzie stated, this is the natural flow of the bond market itself, you know, in a high interest environment, there is no bond premium.

LEGISLATOR DERIGGI-WHITTON: Right, no, I understand that. So can I ask you something about something I read this morning? Are you concerned with what the market seems to be concerned with about the

new fed chair?

MR. NAUGHTON: I'm not exactly sure of your question.

LEGISLATOR DERIGGI-WHITTON: With interest rates and everything.

MR. NAUGHTON: The long term market has still been relatively flat because the interest rates have been mostly impacting the short term market, which obviously does impact us when we do our cash flow notes.

But we've, in our budgeting process, we do make assumptions on what the rates will be and working with our financial advisor and we make assumptions in terms of that there could be a rate increase in December.

LEGISLATOR DERIGGI-WHITTON: Right. Well, if it's a new chair, I don't know when the new chair is coming in, but I guess it seems like people are concerned because the rates have been so low possibly.

Now, do we get a certain percentage from the parking at the coliseum,

the income?

MR. NAUGHTON: The agreement is --

MS. D'ALLEVA: 12 and a half percent. We haven't seen an accounting as of yet, they're required by the agreement, the terms of the agreement, to provide an accounting for it 120 days after the year has ended. We have asked them if they could give us quarterly updates.

LEGISLATOR DERIGGI-WHITTON: Right, that might be better. When you get that, can you send that? I would love to look at it.

I want to just tell you something, I don't know if you guys are the right ones to tell this too but I had someone, a constituent go and pay, I forget, $40 and then he said, "Oh can I have a receipt?" And they said no, that they're not giving receipts.

MRS. D'ALLEVA: I can't speak to that.

MR. NAUGHTON: I mean we can

relay the message.

LEGISLATOR DERIGGI-WHITTON: Okay, I know it's not exactly for you but I wanted to kind of, I just heard about it and I figured I'm going to follow-up with it in other departments as well but we've got to find out if they're getting receipts or giving receipts and hopefully there is a clicker that they're keeping track of.

MS. D'ALLEVA: I understand your concern.

LEGISLATOR DERIGGI-WHITTON: It seems very, in this day and age, it seems so antiquated and so dangerous. Especially with cash, you know, and no receipts. I don't even know if that, is that even, that's another question, if it's legal especially. But if the county is getting part of it.

With NICE Bus, do we know what their profit was for this year?

MS. D'ALLEVA: I believe they were at $5 million.

LEGISLATOR DERIGGI-WHITTON: So

it went up again from the $3 million?

MS. D'ALLEVA: Well, I think in 2016 they were at $5 million.

LEGISLATOR DERIGGI-WHITTON: And right now it's held steady? Or do you know if its gone up?

MS. D'ALLEVA: We haven't ended the year, So I wouldn't --

LEGISLATOR DERIGGI-WHITTON: That was '16. Okay, well, maybe we can get that because just in comparison with our increase with what we're contributing it drives me crazy when their profit goes up and we are contributing more.

And, one more question, with the sales tax you said it's a two percent? Now is that two percent increase, is that on top of what we projected last year? Or is that a flat two percent?

MR. NAUGHTON: No, it's two percent based off of us assuming we're going to get two and a half percent growth in 2017.

LEGISLATOR DERIGGI-WHITTON:

Right. So from like let's say from '16, you're talking four and a half percent?

MR. NAUGHTON: Correct.

LEGISLATOR DERIGGI-WHITTON: What if we don't get the two and a half percent from '16? Do you have any idea where we are?

MR. NAUGHTON: We're at two and a half percent right now.

LEGISLATOR DERIGGI-WHITTON: Are we? So you feel pretty secure?

MR. NAUGHTON: Yes.

LEGISLATOR DERIGGI-WHITTON: So we're going up five percent from two years ago in sales tax?

MS. D'ALLEVA: Right. And the main driver is gasoline.

LEGISLATOR DERIGGI-WHITTON: I don't think it's gas prices going up, it's just more gas being consumed.

MR. NAUGHTON: No, it's gas prices going up. It's a percentage of the cost.

MS. D'ALLEVA: Right.

Consumption is relatively flat.

LEGISLATOR DERIGGI-WHITTON: So you are predicting gas prices going up?

MR. NAUGHTON: No, I think the best thing to say is, the reason why we are only doing two percent is because we don't feel that prices will be as high.

You won't see the same level of growth next year. You may even come down a little bit so therefore you are not going to be able to grow the same way that you did this year.

LEGISLATOR DERIGGI-WHITTON: So it's conservative for this year but it's on top of the two and a half next year, but it's on top of two and a half percent this year?

MS. D'ALLEVA: That's right. That's why we think the two percent growth is prudent, but yet we don't believe there is an opportunity on top of it.

MR. NAUGHTON: And I think I clearly made a mistake. I removed a slide that shows the relationship between sales

tax and CPI.

We, in the last ten years, and you can even go further back, we will generally grow sales tax more than CPI. So you have a natural growth plus CPI and that's how you will get your growth.

LEGISLATOR DERIGGI-WHITTON: All right. Thank you.

CHAIRWOMAN GONSALVES: Legislator Solages.

LEGISLATOR SOLAGES: Thank you so much, Madam Presiding Officer. Your last statement just caught my attention.

I was going to begin with a sales tax question but can you really anticipate an increase in the sales tax revenue with respect to the increase in online sales?

MR. NAUGHTON: Yes, again we receive from the vendor data, we get to see how much we are collecting from the various dot.coms and the people who have a presence within Nassau County, and that area is actually growing. We are collecting more sales tax from the online sales.

LEGISLATOR SOLAGES: Okay. There isn't an inverse relationship between sales and people preferring to shop on Amazon, Amazon Prime rather than going to the local mall which we have seen are becoming gradually outdated?

MR. NAUGHTON: Actually, what you're seeing in that instance is that the local places, just aren't growing as much.

Which is why I stated that earlier. You take a look at our growth in sales tax. Retailers are relatively flat, but we are seeing growth on the dot.com side and the online sales as opposed to the traditional mall sales.

LEGISLATOR SOLAGES: What measures is the administration taking to at least try to take advantage of that more?

MR. NAUGHTON: There's nothing we can do just other than working with the state taxation of finance to make sure that they take a look to see if they are auditing, taking a look at the trends and the data to make sure it looks like what we

are getting what is probably owed to us.

LEGISLATOR SOLAGES: Have you made those recommendations to the state?

MR. NAUGHTON: Yes.

LEGISLATOR SOLAGES: Thank you. Over the past couple of years I have observed that there is a consistent structural deficit here. You stated before it's about $100 million?

MR. NAUGHTON: No, I didn't say that.

LEGISLATOR SOLAGES: Okay. How much is it?

MR. NAUGHTON: Well, I think -- I don't have the comptroller's report in front of me but I think they've even stated that the structural deficit has gone down every year and that we are at a low point and the improvement has been remarkable is the statement the Comptroller made back in August.

And we feel that with the budget, as proposed if adopted, the structure balance will be zero.

LEGISLATOR SOLAGES: But the county guaranty, isn't that a constant drain up on that?

MR. NAUGHTON: Yes, but that is built into our, unfortunately, our structural problems.

When you talk about structural problems you are talking about what are your recurring expenses, does it match with your recurring revenues. With the creation of the DAF fund, we now have a funding mechanism to pay for the new tax certs every year. So in that sense you have addressed structurally tax certs going forward.

In terms of the backlog, no, we still have a problem on how we're going to eventually pay that backlog.

LEGISLATOR SOLAGES: For budgeting purposes, how can you accurately assess what our grievances are due if right now my taxes is currently giving someone their grievance amount? Like, how do you properly give a dollar figure on that when, as we speak, grievances are being

determined?

MR. NAUGHTON: Well, again, it gets back to the ability of our attorneys to negotiate. It gets back to the ability of the assessment department to properly set the right assessment levels and with -- especially in the residential side now and let that process happen before the tax roll goes out, we are able to reduce that liability to nearly zero, the issue becomes obviously more on the commercial side and we still have a problem I have seen on the condo side too that we're still paying out more money than what we would hope.

So, I think I've said this a few times today, the $30 million is a level that we think I will say "afford" in our budget.

And with DAF plus that $30 million, we are comfortable with the funding level.

LEGISLATOR SOLAGES: You mentioned county attorneys and assessment department, over the years the number of attorneys and other individuals in the

Assessment Department have decreased, is that correct?

MR. NAUGHTON: Over time, yes.

LEGISLATOR SOLAGES: So how can we address those issues that we discussed when we have less people to work with?

MR. NAUGHTON: As long as you have quality, you don't necessarily need quantity.

LEGISLATOR SOLAGES: Do you believe you have that quality over quantity now?

MR. NAUGHTON: Yes.

LEGISLATOR SOLAGES: But quantity can make a difference.

MR. NAUGHTON: Only if they're productive.

LEGISLATOR SOLAGES: Please, also, NICE Bus. You mentioned that there's been a decrease in ridership and you attribute that to ride sharing and other new forms of transportation options. But also that's due to a decrease in services?

MS. D'ALLEVA: Routes were

trimmed last year but, even on the sustained routes, ridership is a little lower.

LEGISLATOR SOLAGES: But there has been a decrease in services, decrease in the number of buses?

MS. D'ALLEVA: There's a decrease in some of the routes or routes were trimmed actually.

LEGISLATOR SOLAGES: That is correct in reduced, but to say there's a decrease in ridership due to other factors would be unfair.

MS. D'ALLEVA: Well, no, what I'm saying is, even the routes that were sustained, ridership is lower and the industry in itself is sustaining lower ridership.

LEGISLATOR SOLAGES: Understood. My colleagues thought of the same questions I wanted to ask, especially Kevan Abrahams, I thank him for the questions he asked with respect to the clerk's office.

But with respect to the increase in fees as it relates to recording fees, can

you anticipate any adverse effect upon the real estate market that would in turn reduce the revenue we are collecting?

MR. NAUGHTON: Well,as the Minority Leader had us go through, we have been raising the fees over the last years and we have not seen that impact.

LEGISLATOR SOLAGES: I'm glad that we are joined by our County Clerk here. I hope to hear from her.

But, just to be very clear, there hasn't been any increase in services in the County Clerk's Office with respect to the increase in these fees.

MR. NAUGHTON: I will let the clerk speak to what services she provides and what she's done better or not.

CHAIRWOMAN GONSALVES: No, no, I'm sorry.

LEGISLATOR SOLAGES: She's duly elected --

CHAIRWOMAN GONSALVES: Yes, she is but she is not part of the hearing at the present time. She will be given the

opportunity to speak to us regarding the fees after we have Mr. Maragos here, we have Mr. Imhof here, and I believe we have someone from Social Services, Human Services here. I'm sorry.

LEGISLATOR SOLAGES: In the interest of time, I have questions that I think she's best to answer.

CHAIRWOMAN GONSALVES: She can answer it later, okay? Thank you very much, Ms. O'Connell. No, I'm sorry. There may be incorrect information and you can correct it at the end of the hearing, thank you.

LEGISLATOR SOLAGES: I look forward to hearing from you, Madam Clerk.

CHAIRWOMAN GONSALVES: Mr. Ferretti is also here. You can give him the information.

LEGISLATOR SOLAGES: Nothing further. Thank you.

CHAIRWOMAN GONSALVES: Legislator Curran.

LEGISLATOR CURRAN: Thank you very much. The good thing about going a

little closer to last is a lot of questions I have been thinking have already been asked and answered.

I wanted to revisit the DAF situation. The outside monitoring entities are, basically this is a risk, whether it's 40 million or 44 million. Has this plan been discussed to make up for that risk?

MR. NAUGHTON: Not to correct you, but I don't think their risk is associated with DAF. I think their risk is in the amount of payments that we have shown for the operating budget.

LEGISLATOR CURRAN: I mean possible legal challenges to it.

MR. NAUGHTON: We have collected $94 million this year. If there was going to be a legal challenge, we already would have seen it.

LEGISLATOR CURRAN: All right. Also, for the tax certs estimated $340 million backlog, that is not touched, there's no dent made or small bite made in this budget, right?

MR. NAUGHTON: I think what you will see after we pay out roughly $75 million this year, hopefully that number will be lower at year end.

Plus with the payments coming out of the DAF later this year, my guesstimate is that that number should go down. When people re-look at that next year.

LEGISLATOR CURRAN: OTB. So you went before, the basis of the claim that we should be receiving about $16 million, $15.75 million of the Genting payments, is that next year 2018?

MR. NAUGHTON: Yes.

LEGISLATOR CURRAN: And you explained how the deal is for a thousand machines, we are close to half of that now and you are pretty confident that the rest will come online within the next year?

MR. NAUGHTON: Correct.

LEGISLATOR CURRAN: Now, is OTB required by the state approved Genting deal to remit this particular amount to the county, is this a state requirement?

MR. NAUGHTON: The OTB worked with NIFA last year. They came up with their spending plan which was submitted to the state and approved, the spending plan included a payment to the county of approximately $20 million starting next year.

Assuming that everything happens correctly, they are assuming that they will be able to live up to that spending plan.

The reason why it's not contractually -- this body did not approve a contract that says they must pay us this money, it is based off of their agreement with the state, but they're not legally bound to do so.

LEGISLATOR CURRAN: Do you have a copy of the agreement?

MR. NAUGHTON: Not with me, but it was a confidential agreement. I would have to check with the attorneys to see what could be shared and not shared.

LEGISLATOR CURRAN: Whatever can be shared, I would love to see it. Thank

you.

You also have a small piece of savings revenue from sale of property which I'm particularly intrigued by, more than $3 million in revenue from sale of county property.

Is this an estimate or there are deals actually going to contract?

MS. D'ALLEVA: There are several RFPs out, several properties being considered, at least over seven, and we think that the number of 3.6 is viable.

LEGISLATOR CURRAN: Can you identify, you don't have to do it now, but I would love to know what those properties are.

MS. D'ALLEVA: We can get you the list of RFPs.

LEGISLATOR CURRAN: Did we meet this year's revenue target for sale of county property?

MS. D'ALLEVA: We have not, I think the revenue target was $5 million. I'm assuming that we will receive $3 million

so we will be $2 million short in discussing it with the real estate office. They feel they will close on three properties this year for approximately $3 million.

LEGISLATOR CURRAN: That's something else I would love to see if you can send it to me. Unless it's in negotiation, perhaps you can't.

MS. D'ALLEVA: Correct. I will be advised by the County Attorney's Office and let you know.

LEGISLATOR CURRAN: Also, I notice that termination pay, there is a substantial reduction, 50 million to 40 million, but with about a quarter of the police department ready for retirement, able to retire now, do you think that's a realistic reduction?

MR. NAUGHTON: Yes, I think what we assumed was, this year's number is exceeding what we budgeted and so because so many people left this year, our assumption is that they'll be fewer people who will leave next year and will become more of a

normal year.

LEGISLATOR CURRAN: I guess time will tell. Thanks.

CHAIRWOMAN GONSALVES: Legislator Bynoe.

LEGISLATOR BYNOE: Thank you, Presiding Officer. Good afternoon. I want to start out with VLTs. Legislator Curran touched on it.

I just want to know if there is a questioned for rolling out the remaining machines.

MR. NAUGHTON: We do not have that schedule.

LEGISLATOR BYNOE: So there was never a schedule provided as to when they intended to roll out?

MR. NAUGHTON: We don't have any such schedule.

LEGISLATOR BYNOE: I think it would behoove us to get a schedule so we can figure out in terms of projections how we can move forward in the out years. Just a statement because at this point I guess it's

moot.

So I want to go on to the Office of the Commissioner the Investigations.

MR. NAUGHTON: Okay.

LEGISLATOR BYNOE: So in that office in looking at that budget, I see that there were two positions that weren't filled that were slated.

Can somebody elaborate on why that occurred and what the positions were again?

MS. D'ALLEVA: I believe there was an investigative position and a type of auditor. I'm not sure if it was an accounting auditor, a forensic accountant that she had wanted, Donna Merrill.

She could have proceeded to hire. I'm not so sure she found her candidates that she wanted to hire, but there was no impediment in terms of her having access to being able to hire.

MR. NAUGHTON: I can also add that she also chose to use internal resources where ever possible because she

felt based off of the cases she was looking at she didn't necessarily need a full time body or hand currently, so she was able to take advantages of some resources that we do have.

LEGISLATOR BYNOE: When did the Commission of Investigations, when did she resign or take leave?

MR. NAUGHTON: She does not report to me, so I don't know.

LEGISLATOR BYNOE: Can we get somebody here who can answer some of these questions that I'm going to ask?

MR. NAUGHTON: I believe in the paper it clearly stated that she submitted her resignation effective --

LEGISLATOR BYNOE: But my question is when did she go on leave. That's two different things. Can someone answer that question for me, please? Can we get somebody here that can answer some questions?

CHAIRWOMAN GONSALVES: We will get somebody to answer that question.

LEGISLATOR BYNOE: I have several others. Are we going to try to get them down now, Presiding Officer? Are we trying to get somebody down now?

CHAIRWOMAN GONSALVES: I said we will try to get that answer for you as soon as we can.

LEGISLATOR BYNOE: So, I have another question I have to put on the record, which is, did we ever create a position for an investigator for that office specifically with civil service or was that office still using the County Attorney's investigators.

MR. NAUGHTON: My understanding is in conversation I had before with people, it was determined that she should be using the investigators from the County Attorney's Office and they were reporting to her she was conducting, I don't think it was an impediment to her operation at all.

LEGISLATOR BYNOE: You know that I disagree with that because I made that clear last year during the budget season.

I really have some other questions that I'm going to need answered regarding investigations that might be open or underway and any referrals that were made.

I also want to know why there wasn't any projection for recoveries for this department if she's conducting investigations, it's assumed there should be some recoveries and she should have projected some.

MR. NAUGHTON: I think, based on her role, I would not expect recoveries at all.

LEGISLATOR BYNOE: Sure, sure. Just in my little investigation looking at different offices of inspector general's they all project recoveries. And they're actually bringing in recoveries.

As a matter of fact, Miami Dade County brought in if I'm not mistaken $275,000 in recoveries. So most certainly if this office is going to function because it's been stated so many times that this

office is the equivalent of an Inspector General, then they're doing the same level of work there most certainly should be some level of recoveries.

MR. NAUGHTON: I would just say for us as a budget office considering the short history of this office, I don't think it would be a responsible thing for us to put a number out there. If she could get the recoveries it would be great, but for us with no history to say that she's going to get something and put it in the budget.

MS. D'ALLEVA: Well, we did meet with her to help her construct her budget and she did not request recoveries.

I think she felt if terms of what items she was investigating or what she felt her case load was in the upcoming year, that she may or may not have had recoveries but she didn't request for us that she was going to derive recoveries in 2018.

LEGISLATOR BYNOE: Okay. So, number one, this office is not brand spanking new, so there should have been some

opportunity for us to look back at the history of the office and then I want to state further that it may have been, probably could accept Eric's response that it would have been irresponsible given that she was last year because she was just appointed. But if she has been referring cases out to the District Attorney and other oversight enforcement agencies, I would state that there should have been some opportunity to gauge what the recoveries would have been just for those particular cases instead of, I did that and nothing else for the next year, there was some level of recovery that could have been estimated.

But let's move on. I'm going to definitely want to hear from somebody who can speak to some of the questions I've posed and they've made it clear they're not the entity.

I want to move on to the Office of Minority Affairs. So, there was a significant reduction for this upcoming year proposed, 420K as opposed to the 2017 NIFA

conformed of 483. That's about roughly 70K. 60K less.

There was supposed to be a position that was created last year to support that office. We didn't fill it and I guess now we're just going to remove it from the budget?

MR. NAUGHTON: Which position are you referring to?

MS. D'ALLEVA: Right. Because they were given the same number of positions they had last year in terms of full time.

I believe they did have some terminations that they may have brought in other staff at a lower salary amount.

LEGISLATOR BYNOE: I'd like to have some definitive answers on that. Because from what I'm seeing, there is a reduction in the budget proposed for this year as opposed to what was actually budgeted in 2017.

MS. D'ALLEVA: Correct. There is a proposed reduction but I believe that that's because the staffing is at a lower

salary level. Although they have the same number of budgeted staff for full-time positions, they did lose one part time head though.

LEGISLATOR BYNOE: It's my understanding that this office was struggling to be able to meet its requirements under the staffing levels of last year, and I don't even now how we would consider not backfilling that position even though it might be part time.

Wow, $70,000 in efficiencies based on hiring new people at reduced salaries. I actually would love to get more of an in-depth breakdown.

MS. D'ALLEVA: I also think there was a termination payout in 2015 -- in 2017 I believe in terms of the budget.

MR. NAUGHTON: $19,400.

MS. D'ALLEVA: So that basically really takes a large portion of that. So once you don't have to fund that termination in '18, I would not include it in the budget.

LEGISLATOR BYNOE: If that's the case if you can document that with me. If that's the case that would make sense.

MR. NAUGHTON: On the proposed schedule on page 234 you can see the changes.

LEGISLATOR BYNOE: 234 you said?

MR. NAUGHTON: Yes.

LEGISLATOR BYNOE: Someone just gave it to me in another book. I'm going to leave that alone and move on to OTPS spending. Roseanne, she's make her face already.

MS. D'ALLEVA: I'm not making a face.

LEGISLATOR BYNOE: Is there a spending plan?

MS. D'ALLEVA: Not as of yet until I have a final budget I will not put together a spending plan.

LEGISLATOR BYNOE: Is there a proposed spending plan?

MS. D'ALLEVA: No there's a lot of work that's involved in the spending plan

and once we get a final budget, depending on how late that's going to be this year, then we put together a spending plan.

LEGISLATOR BYNOE: So we back into it?

MS. D'ALLEVA: What happens is --

MR. NAUGHTON: I think, Legislator Bynoe, are you referring to a monthly spending plan or how we plan to spend the money, what we are spending it on; is that the question?

LEGISLATOR BYNOE: The latter.

MS. D'ALLEVA: Sorry. I misinterpreted your question.

MR. NAUGHTON: Yes, the budget office has the details on contracts that the departments will be spending their money on.

LEGISLATOR BYNOE: I would love to receive that.

MS. D'ALLEVA: The contract detail list, I will absolutely provide that.

LEGISLATOR BYNOE: That will be great. I think that's it, Presiding Officer. I yield.

CHAIRWOMAN GONSALVES: Legislator Birnbaum.

LEGISLATOR BIRNBAUM: Thank you. I'm always interested in finding out about how successful privatization is for the county in terms of saving money.

Could you address the sewer district and our contract with Suez and how we did last year? Do we pay about $60 million a year to them for their contract?

MS. D'ALLEVA: Yes, we do.

LEGISLATOR BIRNBAUM: What would you estimate the savings was?

MS. D'ALLEVA: Well, it's hard to quantify. When they came to the county and took over sewer services, we had 295 employees in the sewer district. That is now down to 124 employees. So more than half.

So that's really saved the county a lot of money in terms of the sewer district actually, the sewer district fund a lot of money.

LEGISLATOR BIRNBAUM: Did many of

those employees take at VSIP this year?

MS. D'ALLEVA: I believe 17 employees took the VSIP and won't be rehired.

LEGISLATOR BIRNBAUM: Does the county get a credit back?

MS. D'ALLEVA: The county still receives a credit in terms of the current leased employees that Suez is still using.

Obviously as people leave county service and terminate, that amounts becomes lower.

LEGISLATOR BIRNBAUM: Could you possibly quantify between those employees what the savings would have been this year? I saw a number something about $10 million in savings.

MS. D'ALLEVA: I think you are discussing the recovery in terms of the leased employees. So, for 2018, we are proposing that we will get a credit of six and a half million dollars of credit from Suez.

LEGISLATOR BIRNBAUM: So that's

down from $10 million, it's less?

MR. NAUGHTON: Because we are paying fewer employers.

LEGISLATOR BIRNBAUM: Does our contract go up if their expenditures have to go up?

MS. D'ALLEVA: Yes, there are contractual CPI within the contract, yes. But they will be employing their own employees.

So if they're no longer county employees being hired in the district fund, they will hire their own employees to run, to operate the sewer treatment plant.

So if they're not leasing our employees, why would they pay us for people there are not leasing?

LEGISLATOR BIRNBAUM: So how does that contract with them change on a year to year basis?

MS. D'ALLEVA: So what happened was, when they came into the county January 1, 2015, there were 290 to 295 employees, sorry, my memory is not that good.

Now the sewer district fund is down to 124 employees. So we have exited 170 people over the course of two and a half years.

So those people have attrited off county payroll. Therefore, Suez is working with less staff, they're leasing less staff. I believe in 2018 we proposing they are leasing 80 employees. I'm not 100 percent sure. But they are leasing about 80 employees in 2018 down from the original in 2015, they were leasing 124 employees from the county service, i.e., that's why the credit was over $10 million.

The first year the credit was $11 million.

LEGISLATOR BIRNBAUM: Okay. Thank you.

CHAIRWOMAN GONSALVES: Legislator Drucker.

LEGISLATOR DRUCKER: Thank you, Madam Presiding Officer.

I guess, again, one of the advantages or disadvantages of going last is

that everything has been asked and answered.

But I do have one further question. I feel like we are beating a dead horse with regard to the tax map verification and block fee but only because I have personally taken deeds to be recorded and I see how unreasonable those fees are.

You talk about how it doesn't really hurt people but there has to be some reasonableness to it.

Compared to New York City and surrounding areas, it's not a reasonable fee and it's not reason for it to keep going up hundreds of percent.

My question is, have you determined what it costs to actually verify a tax map? Because I see what is involved. It takes about two minutes to hand a deed and have someone behind the window on the computer verify that the tax map number you put on your paper is the same and accurate.

MR. NAUGHTON: I think I have answered this before. When we took a look at how to craft this budget, we said to

ourselves what's important to the residents, what's important to this Legislature. Do we want to do the things on this NIFA list, the answer is no. What is the option?

If you're going to keep the same level of service, have to pay for everything, you have to come up with revenue options.

We felt that these three revenue options while many people will argue they're not ideal, unlike New York City, we don't have an income tax so we don't have that option. Our revenue base doesn't grow as Wall Street bonuses grows.

So what can we do to bring in revenue? We decided for us this was the best way. The Legislature has a different approach, different options, it's now your budget.

LEGISLATOR DRUCKER: All I can say is, being a practicing real estate attorney and hearing what people have to say, if you think that raising the fees that tremendous percentage wise, people don't

react and think it's unreasonable, you're really not in touch.

MR. NAUGHTON: Can I ask you a question though? Have you lost any clients because of it? Have you gone on there to say, sorry, I can't pay this.

LEGISLATOR DRUCKER: Yes, they go to Jersey and Westchester.

My other question is, do you know what the difference is in the Assessment Office from 2009 to 2010 when the tax map verification went from zero to $10 and went to $75 to $150 to $300 and now $400; do you know what the difference is in staffing, any type of equipment, anything that was used there that would justify or even come close to correlating for any of those types of increases?

MR. NAUGHTON: I'm not sassy or try to mislead anyone to say that there is a relationship between the expenses and those office and the fees we were charging. I have not made that statement and I won't make that statement.

The statement I will make is we have a government to run. If people have a different way to pay for that government come up with those options.

MS. D'ALLEVA: I don't think people are moving to Westchester or any other county just because of these fee increases.

What we do want to avoid is actually trying to decrease the carrying cost or at least keep the same, the carrying cost of on individual homeowner on the island.

There are other ways to raise fees. We could raise taxes. We are not. But if you did raise taxes, every individual's personal monthly bill would be raised and the carry cost of a house would increase.

LEGISLATOR DRUCKER: It also does affect people who are doing estate planning and want to do interfamily transfer of properties. Those are not just people buying housing. It affects the refinance

market as well. So it does have --

MS. D'ALLEVA: If you're doing estate planning, that's a good thing, a good problem to have.

LEGISLATOR DRUCKER: But it affects people doing a deed transfer just to put a deed in another person in the family's name if you have to pay $1,000 more to record it. Nothing further.

CHAIRWOMAN GONSALVES: Thank you, Legislator Drucker. There are no other legislators? Legislator Ford wants to ask one final question.

LEGISLATOR FORD: Simply I want to thank you both for your presentation. It was very informative and I appreciate it.

I want to go back, you made a comment, and I'm not going to ask about sales tax. You did reference sometimes with the sales tax, when we asked about people who shop online, you might see a decrease in the malls, the sales tax that we get from people buying within the county.

You referenced that if would

depend on if I guess the online business had a presence in Nassau County?

MR. NAUGHTON: Yes.

LEGISLATOR FORD: With the possibility of Amazon opening a site here in Nassau County, would that impact our sales tax, would that be that anybody who buys from Amazon, would we get sales tax revenue from having Amazon have a site here in Nassau County?

MR. NAUGHTON: I need to double check on that, I will try not answer that but I will get back to you on that.

LEGISLATOR FORD: It was something that you said, I thank you very much.

CHAIRWOMAN GONSALVES: Thank you, Eric, thank you, Roseanne, thank you legislators.

We are going to move on to our Comptroller George Maragos for his presentation.

Give him a few minutes, Mr. Maragos, to clear up the table.

2018 Budget Hearing/10-20-17

Welcome, Mr. Maragos.

COMPTROLLER MARAGOS: Good afternoon.

CHAIRWOMAN GONSALVES: Good afternoon. I would like to make some remarks before I take your questions.

CHAIRWOMAN GONSALVES: Please do.

COMPTROLLER MARAGOS: The county's 2018 proposed $2.97 billion budget, net of interfunds, calls for $28.3 million or 1.1 percent increase in the spending in the county primary operating funds.

The increased spending is primarily $32 million higher fringe benefits, $23 million in higher contractual services which includes inmate medical care and funding for the county's public bus system, offset by about $20 million reductions in other expenditures.

The administration has proposed raising $115 million in new revenues in order to meet the higher budgeted costs and to replace budget reductions in prior year's revenue from federal aid, user reserve

funds, and bond proceeds.

These new revenues are generated from $61 million in fee increases, $21 million from higher sales tax revenues and about $12 million expected from OTB, VLTs.

Additionally, a property tax increase is proposed equivalent to 1.6 percent in the general tax levy to raise approximately $15.2 million for the sewer Finance Authority and the Environmental Protection Fund.

The Comptroller's Office estimates that the proposed 2018 budget contains approximately $120 million in risk items on both a GAAP basis and on a modified GAAP basis prescribed by NIFA.

The results between the two methodologies have converged since the administration has included no borrowing for operating expenditures.

Under the risk scenario, the structural GAAP is projected to increase to $142 million.

The key budgetary risks are those

items which require legislative approval such arrest as $3 to 5 million in revenue from the increase in administrative fees, $14 million for increased real estate filing fees, and $12 million from increased assessment fees.

Additionally, at risk are $12.8 million from expected OTB, VLT profits and $40 million in under budgeted tax cert expense.

Should the $120 million in risk not be eliminated, the ending 2018 fund balances can fall to a negative $79.9 million on a GAAP basis.

However, if all opportunities materialize including approval of the proposed fee increases, the ending fund balances would be projected to end on a positive $40 million.

These 2018 fund balance projections include a $24.7 million in revised downward adjustments to the 2017 mid-year forecast on account of the higher than projected police precinct term pay and

VSIP compared to the midyear projection.

By the end of 2018, long term debt is expected to grow to $3.7 billion, an increase of approximately $113.5 million primarily because the administration plans to rollover approximately $99 million of sewer bond anticipated notes (BANS) into long term bonds.

Other liabilities are projected to remain high at $785 million. The deferred pension liability is expected to reach $226 million. The long term property tax liability however is expected to decrease lightly to $281 million down from $302 million as a result of the apparent success of the DAF. The unresolved utility liability remains at about $280 million.

In summary, the county faces increasing fiscal challenges as the structural issues remain largely unaddressed causing accelerating divergence between recurring expense and recurring revenue growth.

The continued reliance on fee

increases will probably run its course. Further fee hikes may actually become regressive.

There are also rising concerns that employee productivity gains through better deployment of technology is not keeping pace with head count reductions and public services may suffer.

The new administration, Legislature, NIFA will need to address these challenges going forward.

I'm happy to take your questions.

CHAIRWOMAN GONSALVES: Any of you have questions for the Comptroller? No? Okay. Legislator DeRiggi-Whitton.

LEGISLATOR DERIGGI-WHITTON: How do you feel about that projection for sales tax?

COMPTROLLER MARAGOS: Actually our risks are less than NIFA and the budget office because we are projecting actually optimistically 2.5 percent growth in sales tax next year.

The economy seems to be growing

faster than anticipated. The GTP is growing so we revised our sales tax projections for 2018 to 2.5 percent versus the administration's two percent.

LEGISLATOR DERIGGI-WHITTON: That's interesting. So you're higher?

COMPTROLLER MARAGOS: Yes.

LEGISLATOR DERIGGI-WHITTON: Thank you.

CHAIRWOMAN GONSALVES: Legislator Muscarella.

LEGISLATOR MUSCARELLA: Could you tell me, the budget projection of the administration was two percent. You are projected 2.5 percent, what does that .5 percent yield in terms of additional revenue; do you know?

COMPTROLLER MARAGOS: Six or $7 million.

LEGISLATOR MUSCARELLA: Do you by chance know what New York State has used as their projection in their budget?

COMPTROLLER MARAGOS: No, I don't.

LEGISLATOR MUSCARELLA: Would it surprise you if I told you 5.2 percent projection?

COMPTROLLER MARAGOS: That would be extremely optimistic there is no basis for it.

LEGISLATOR MUSCARELLA: I think so to but that's what they're using in New York State. Thank you.

CHAIRWOMAN GONSALVES: Legislator are Curran.

LEGISLATOR CURRAN: Hi George. So you mentioned, I know the debt, all debt together is $3 billion. You mentioned that you are estimating it's going to be $3.7 billion by the end of the year. Where does that .7 come from?

COMPTROLLER MARAGOS: $3.7 billion. Well, first of all in the Comptroller's Office includes both recourse debt and nonrecourse debt.

The Sewer Fund has about a half billion dollars in recourse debt. You heard Eric previously say that the long term debt

is about 3.1 so if you include the nonrecourse debt, it becomes 3.6 which is slightly down from what it was a couple of years ago as we've projected in 2017 and 2016.

We understand they will be rolling over these bands they have previously borrowed of approximately $100 million so that will increase it to $3.7 billion after the rollover of those bands to long term debt.

LEGISLATOR CURRAN: And the sewer?

COMPTROLLER MARAGOS: And the sewer, yes.

CHAIRWOMAN GONSALVES: Legislator Birnbaum.

LEGISLATOR BIRNBAUM: Good afternoon.

COMPTROLLER MARAGOS: Good afternoon.

LEGISLATOR BIRNBAUM: Can you describe the process conducted by your office for auditing the tax cert backlog.

Did you rely on estimates from the County Attorney's Office or did you do an independent analysis?

COMPTROLLER MARAGOS: On an annual basis, we take the estimates given to us by ARC and the auditors go in and audit their methodology for making those estimations.

LEGISLATOR BIRNBAUM: Did you budget $30 million this year?

COMPTROLLER MARAGOS: For the backlog?

LEGISLATOR BIRNBAUM: Yes.

COMPTROLLER MARAGOS: No. The $30 million is what the administration is budgeting to pay. We think that's less than the amounts that they will have to pay.

Our estimation is they will probably end up paying an additional $40 million so a total of $70 million because of settlements and judgements.

LEGISLATOR BIRNBAUM: Thank you.

CHAIRWOMAN GONSALVES: That's it. Legislator Drucker, any questions? No other

questions. Wow.

COMPTROLLER MARAGOS: That's easy, thank you.

CHAIRWOMAN GONSALVES: Thank you, Mr. Maragos. Next Dr. Imhof, and I believe Mr. Broderick is with you. When you're ready you can start.

DR. IMHOF: Thank you very much. Good afternoon members of the Legislature. We are pleased to be here with you this afternoon.

I would like to introduce some of the staff here, on my left as you know is Paul Broderick, our Deputy Commissioner. On Paul's left is Karen Garber who is the administration for Family and Children's Services for the department, and on my right is Brendan Roche who is the accounting executive for the department.

Before we get into the specifics of the presentation of the DSS programs, we wanted to show you a brief PSA we developed.

One of our major efforts is leveraging relationships with community

partners. And that includes educational partners.

We wanted to develop a PSA to really highlight our work with foster care families. That's a major initiative of the department.

With the cooperation of Long Island University and their IT department and their arts department, and this took a few months, but they were able to create a PSA which we intend to be showing soon on channel 12 and Newsday and other opportunities that we have for media outlets throughout Nassau County.

So I'm going to ask if you would kindly show the members of the Legislature; it's a very brief PSA but we wanted to give you an idea.

(PSA played)

DR. IMHOF: Thank you. Again this PSA is intended to attract more foster care families within the county.

We're going to proceed /SED with our presentation. Basically the mission

statement of the Department of Social Services -- we are committed to strengthening and preserving families by providing financial assistance and services to residents of Nassau County in accordance with state and federal regulation and laws.

DSS is dedicated to providing quality service and maintaining dignity and respect to those we serve.

Specifically, the department is responsible for providing aid to eligible recipients through the Family Assistance Safety Net, day care, employment, Supplemental Nutrition Assistance Program, formally called food stamps, Medicaid and the home energy assistance program, HEAP.

Establishing an initial child support obligation of a legally responsible individual through the family court collecting support payments, enforcing and modifying existing support orders.

Protecting children, adults, and families by enforcing the mandates of New York Social Services Law and providing

the department services without regard to age, race, gender, ethnicity, culture, national origin, religion, sexual orientation or gender identity.

The next slide really gives an overview of the demographic profile of Nassau County. I think many of you are familiar with these statistics.

Our population is 1.36 million with a total of 436,567 households, and the additional numbers will give you an overview of the median household income. The federal poverty level for a family of three and in Nassau County, 5.8 percent persons live below the poverty level and eight percent of children live below the poverty level.

The unemployment rate currently in Nassau County is 4.3 percent. The crime rate 3.3 times lower than the national average and the consumer spending index 1.5 times the national average.

Overall, the number of residents receiving services monthly from the department increased from 18 percent from

2011 to 2014.

However, it's projected to decrease 19 percent in 2017 going back to 2014.

So the numbers of people who are coming for assistance in the Department of Social Services continues to decrease over the last three years. We would be glad to answer any questions in that regard.

We have a lot of oversight agencies to which we are responsible.

This is a listing of the agencies that in some way monitor or license the department to which we are responsible on a regular basis. And at any time most of these agencies do come in.

We have anywhere from 35 to 50 audits per year at the department. So a good amount of our time is involved in working with our oversight agencies to ensure that we fulfil the mandates that they have prescribed for us.

Just to give you an idea, the New York State Office of Temporary and

Disability Assistance and the Office of Children and Family Services every year issue a number of policy changes ADMs information newsletters and LCMs.

This slide is intended to show you that while in one year there's any number of LCMs or ADMs issued, they are in fact cumulative. Over the course of time and up to the present time, the number of ADMs for which we are responsible just continues to increase exponentially.

Currently for OCFS you can see, the total is, we have 284 different cumulative ADMs information newsletters. Did you want to make a point?

MR. BRODERICK: The ADMs and LCMs are basically directives from the state, they're mandates. They are not guidance saying you must.

With every single ADM or LCM that comes out, what does it do, it tells us the direction we have to go in or what benefits we have to do. They give us direction, but it also involves a lot of staff training,

staff development, retraining staff to ensure we are adhering to the administrative directives set forth by these oversight agencies.

DR. IMHOF: Each new ADM involves a training program that our training director develops for our staff so that they can become proficient in the new regulations that are issued.

The regulations that constantly go through changes as well. What may be applicable one year the following year is changed or modified in some way.

Out staff must be trained in order to accommodate the state's requirements.

These are, page seven, the direct program areas of the Department of Social Services, and, again, I'm not going to read the entire list but you can see there are several program areas going into page eight as well.

To support those programs, we have support units on page nine as well

starting with the Office of the Commissioner and the subsequent departments and units that support all of the direct program services of the Department of Social Services. And also the sub program areas as well starting with our customer service call center.

We've been very proud of our relationships with external agencies. It's our philosophy that as a county department we cannot stay isolated; we cannot work in a vacuum. I don't believe no county department should work in a vacuum. We have a responsibility not just to our individual constituents, but there are literally hundreds of agencies and programs throughout the county that we feel it's our responsibility to reach out to and work with on a regular basis.

We have developed individually liaisons to a number of external agencies. This is one list where each agency you see we have a staff liaison that is assigned to work with this group.

Beginning on page 11, in fulfilment of our philosophy that we don't stay isolated, we are part of a community, part of a larger network of programs that serve the constituents of Nassau County, we have partnerships with all of these agencies on page 11 and 12.

Again, I'm not going to go and read each one to you but we have to work with every one out in the community. Again, we cannot stay isolated.

So many of these programs also work with our constituents. We have to develop relationship with them and, again, the primarily benefit is that the residents of Nassau County receive the services in a comprehensive and wholistic way, not isolated, because that really doesn't help anyone.

So our partnerships on page 11 and 12 as you can see are extensive and it's still growing. Any new agency that develops, we reach out to them, we bring them into the DSS. We give them a tour and

visit the agency in the community.

Our annualized activities out of 250 business days, we have approximately between 700 and 1200 people that visit the department every single day, to register at welcome desk.

Every day between 1400 and 2500 are in the lobby on a daily basis.

In 2016, those are the latest full year figures that we have had, we have had 20,000 applications for public assistance, 19,000 applications for Medicaid, 22,000 applications for SNAP, 4,400 for day care, and 27,000 for HEAP benefits in the county.

As part of our work with community agencies and with the state agencies as well, we try to engage in as many new initiatives as possible.

Again, the initiatives that you see listed are all intended to inform our constituents that we are able to help them not just through the department but through many other programs in Nassau County as

well.

Again, I'm not going to read the list but we wanted to give you some idea that we are not, again, not in a vacuum. We are part of a network of agencies and partnerships and affiliations and, together, only together can we really help our mutual constituents. We cannot be isolated in providing services.

Our day care program, the number of children as actually grown from 2011 to 2012. There has been a slight drop in 2017 but we've been able to provide day care services without a waiting list. We are the only county in the region that does not have a waiting list for day care services and, in order to really help the people who need to work and cannot take care of their children, otherwise they wouldn't be able to have employment. So our day care services are essential to really increasing the employment opportunities for parents. We will be able to answer more questions on that if you like.

I'm going to ask Paul Broderick to discuss our day care policies compared to the other counties.

MR. BRODERICK: This slide over here is just to illustrate the county's policies.

DSS has to abide by state mandates and, for the most part, state mandates are pretty consistent from county to county. We have very little discretion as to income eligibility standards for Medicaid, temporary assistance for SNAP benefits.

But in day care, that's one discretionary program where the county has the say in setting up eligibility standards based on individual's incomes.

The slide here indicates to you, if you look at the large five counties in New York State, our income eligibility standard is 200. It's -- I mean it's higher than the average in New York State or these five big counties, 177 percent of the federal poverty level. And what they call

the family share, their contribution, we're at 20 percent.

Then if we look at the downstate counties, we're still, if you want to say more generous, yes, we are. Why do we have this program? Why did we I guess were proponents of that and the administrative supportive of that is because of on the next slide, it will indicate exactly where we were going in Nassau County and rewarded for that.

If you look at total day care revenue, that's the money that we get reimbursed by New York State from the program.

So, while in 2012, if you look, you can see the total day care expense was $61.6 million. The county reimbursed us $35 million.

Because we didn't change our eligibility standards, while the expense was $61.4 million in 2016, our reimbursement from the state grew from $35 million to $49 million, therefore by reducing the county

investing in the program.

So we were actually rewarded by the state with more money as opposed to other counties.

In Suffolk County one year we received $9 million jump in reimbursement back to us.

Out in Suffolk County they received $500,000 and they were complaining.

It shows that we are investing in our program because this really targets people who are working poor or unemployed. So this program actually paid off dividends in spades on this. It was a wise move and it paid off for Nassau County.

DR. IMHOF: On page 18, you will see the record of CPS reports coming into DSS from the state central registry.

Since 2013 there has been a decrease in the number of CPS reports and we're seeing a slight uptick in 2017.

These are reports that a CPS call is made to New York State, not directly to the Department of Social Services, and the

New York State central registry will listen to the nature of the call and they will determine whether or not the call warrants a referral to Nassau County for further investigation.

Foster care. As you can see, the number of children in foster care has continued to decrease over the years. Currently about 172 children in foster care. And that's doing due in great degree to the manner in which we are now handling our meetings to determine whether or not a child or children should be removed from a family and placed in foster care.

The nature of the meetings that we have established and the establishment of a preventive unit has ensured that we continue to reduce children not being taken away from their nuclear families but rather a preventive program that wraps around the family and the kids and helps them really negotiate the problems that made the original CPS report necessary. So it's a nice figure. We hope to continue dropping

the foster care numbers.

One thing that has changed is that while the numbers of kids in foster care has been reduced, there has been an increase in the cultural diversity of the kids who are being referred for foster care which is one of the reasons we developed a PCA and we hold monthly meetings to recruit foster family, multi-cultural foster families for our children that will require foster care.

Our language access plan, again, self-explanatory, but we've developed a language access plan that's extremely comprehensive and the languages targeted includes Spanish, Chinese, Italian, Persian, Farsi, Korean, and Haitian Creole, and all of our application forms are in these languages from the state.

Staff training and development. We are indeed very proud of being able to not just keep up with the mandates but to offer training to our staff in special areas where we feel they would need additional

education to help them do a better job with their constituents.

Staff training, our director, Denise Austin, again, which you will see again shortly, was just acknowledged by the state with a special award for her work in staff training and development.

Recruiting foster parents and adoption day. We spend a great deal of time recruiting multi cultural foster families and we, again, have monthly meetings at the Department of Social Services.

We conduct quarterly recruitment forums and provide ongoing presentations. We reach out to schools, churches and other community forums with special events to, again, bring more families into consideration for being foster parents for our kids.

The next slide. We have very soon coming up Adoption Day, November 20th. This is a very special day for the department and families where children who are in foster care become part of what we

call forever families. They're given special certificates with their photo on it. They are presented to the judges at a celebration which is held at the Children's Museum. The families come up. The final adoption is signed on stage by the judge and it's a very moving ceremony for all the kids who finally are no longer "foster children." But they're forever children in a forever family.

Our fraud investigations unit has been very aggressive over the years. So far a total of $111 million in cost avoidance has been determined by this unit.

There was just another article yesterday in the newspaper about another individual who tried to defraud the department.

I wanted to mention as I did in the other news release from the District Attorney's office that the overwhelming majority of people who applied for social services are honest people and they're not there to defraud the system. But there are

a small group of people who do try to defraud the system.

We have an outstanding investigations unit using the latest technology to ensure that if they try to cheat the system we are able to catch them to try to avoid further expenses to our taxpayers.

Our social service volunteers, I can't say enough about the work they do throughout the year. They have an office at the building in Eisenhower Park. They have events throughout the year. They have a special dress for success program for our veterans.

Gentleman, if you have any nice suits you don't want anymore, we would be very happy to accept them at the Lennon House building. Always looking especially for men's suits and men's clothing, shoes as well, size 12 and over, please. If Lynn were here, she would be checking your shoes as you walked off. She got one of my pair a couple of months ago. It was a little

difficult to get to my car.

She, by the way, also received an award from the National Association of Social Workers and I will mention that in a moment.

We decided to really look at what is the customer satisfaction in social services.

When I first became commissioner, I would ask people in the community what do you think of social services, and they would roll their eyes. Just the eyes were rolling.

Over the years we felt we really have to make a commitment to improving our services and really make them as responsive as possible to the constituents of our county.

While we do that to the best of our ability, we still want to know how, like Mayor Koch used to say, how am I doing? We want to know how are we doing.

With the assistance of Central Nassau Guidance Center and Long Island

University, we put together a research project on customer satisfaction and the overall findings was that 67 percent of the people who come to social services express that they were generally satisfied with the services.

I thought that was a nice number but I'm still concerned that 17 percent felt they were dissatisfied. That's a number we're going to focus on and try to understand as best we can why people come and remain dissatisfied in some way. We have some ideas but that's one of the projects we intend to work on. We want to increase the customer satisfaction to the highest number possible.

On page 27 we have every year, since I think it was the last seven years, ninth year, I'm sorry, had a summer food service program and during this past summer we provided over 62 lunches to 2500 kids across 30 sites across Nassau County.

We also received funds from the state and developed a summer youth

employment program. We received funds from OTADAB and the kids basically who participated in this program are kids in foster care. There are in CPS referred families. Their kids receive Medicaid family assistance or they're in TANF families.

So they really had 80 kids who participated this summer and they learned many of them in the IT department. And gave them an opportunity not just to learn a little bit about county government but to develop some skills in the area of information technology.

Just to summarize, we're very proud of the fact that this year DSS was named agency of the year by the national association of social workers. Lynn Campbell who is our volunteer director received the award as public citizen of the year.

Denise Thorson who does all our training received the Margaret Ibes award as at New York State trainer of the year.

Diane Lorenzo received the award for the American Heart Association, the Spectrum Award, for her fund-raising efforts.

We were named also in an outstanding achievement award, so many of our employees gave to the American Heart Association.

And, today, the gentleman to my left, Paul Broderick received the key of excellence award from the Long Island Coalition For the Homeless which is given every year. That's okay, you can feel very proud of that.

Paul has done an outstanding job in developing community relationships to enhance the effectiveness and programs in sheltering and finding permanent housing for our homeless residents of the county.

So thank you for the opportunity to present an overview. We would be very pleased to take any questions that you may have.

CHAIRWOMAN GONSALVES: Any

questions from my colleagues? Excellent report, Dr. Imhof. I know a lot is being done by the Department of Social Services. I've seen some of them in person and I certainly know that you and your staff have certainly been a credit to the department. And your report was extremely comprehensive. Thank you very much. Legislator Bynoe.

LEGISLATOR BYNOE: Good afternoon. I'd also like to thank you for a wonderful comprehensive report.

I have a question regarding -- and I know that you have been involved because you assisted my office with the displaced family due to the hurricane. Have you received many cases regarding these displacements?

DR. IMHOF: No, besides the case we have been working with together, we've only had -- the fifth case actually came in this morning which I'm going to catch up on, eight people were displaced from Puerto Rico and arrived this morning at DSS. So my staff is working with them right now.

So a total of five individuals or five cases that involve any number of individuals have been displaced from Puerto Rico.

The number is less than we expected, but I think the number will increase over time. But, again, we are prepared if they arrive.

LEGISLATOR BYNOE: So you believe you have sufficient resources?

DR. IMHOF: Absolutely.

LEGISLATOR BYNOE: Very good. I thank you very much for your service and assisting that family, especially they had some real extenuating needs. And, Paul, congratulations on your award. So thank you.

DR. IMHOF: Thank you.

CHAIRWOMAN GONSALVES: Legislator Curran.

LEGISLATOR CURRAN: And I just want to thank you, your office has been incredible responsive whenever my constituents have issues and I want to thank

and commend your staff for that.

DR. IMHOF: Thank you.

LEGISLATOR CURRAN: It appears that the need for some direct assistant areas are projected to decline next year and I imagine that has to do with economy improving and other factors. For example, TANF, the need there is declining.

I'm not suggesting that head count be reduced in those departments, but is there some effort to cross train employees so that they can pitch in where needed?

MR. BRODERICK: That's a good question. As you know, the state has discussed a lot about Medicaid redesign and what's happening with the federal government. So we are looking at a high level of uncertainty that we have no control over and neither does the state.

We have tried to cross train individuals and that's what we're working on now to the best of our ability, it's being able to cross train individuals to go from

Medicaid to another program area or vice versa based on agency needs.

There are civil service rules that we have to consider, that's always the case, but, for the most part, we've been working with the union in talking about the flexibility to ensure we have continuity of service, and we're trying to be proactive in that effort.

So we think we have a good handle on it given the level of uncertainty.

LEGISLATOR CURRAN: Good. That's interesting. I also see child protective services is decreasing the need for that. Are case loads per worker declining?

MS. GARBER: Case loads are not declining. I would say they are staying stable and part of that has to do with, we constantly have trainees coming. Training takes up to from six month to a year to get staff on board and then we also have people leaving in between. We had a lot of retirements recently. We also had people that are leaving for different positions.

So I would say that it's actually stabilized.

DR. IMHOF: The other issue, we are trying to get the opportunity to increase the salaries of our CPS workers. The probation department is the place where many of our CPS workers end up going and it's difficult because we spend two to three years training them and then they're going to go to probation.

LEGISLATOR CURRAN: Because of the higher salaries?

DR. IMHOF: Much higher salary and I can't blame them for doing that. So if we can increase our CPS salaries, I think we can minimize that to some extent.

LEGISLATOR CURRAN: All right. How about the time to resolve these cases, is that remaining stable, is it decreasing, is there fluctuation there?

MS. GARBER: Are you referring to CPS cases?

LEGISLATOR CURRAN: Yes.

MS. GARBER: It's actually the

same. We have up to 60 days to make a determination on a case. So in some ways you don't want to rush that because you want to see if there is other underlying issues with a family, so we don't want to say within five days you're going to close it.

So I would say we're still within our time frame, but we try to take a look at what else the families need before we either refer to the outside community services or do services in-house.

LEGISLATOR CURRAN: Okay. According to the OLBR report, the budget includes a contract with the Town of Oyster Bay for employment services $165,000.

I'm just wondering what we get for that payment.

MR. BRODERICK: The employment program, they have, Town of Hempstead and Town of Oyster Bay are WEBs.

LEGISLATOR CURRAN: What is that?

MR. BRODERICK: Well, they get funds from the state. Someone comes in seeking public assistance, they have an

obligation to be employed or get employed. Part of our job or if they are deemed not eligible to work due to a disability or such, it is what it is.

But if they are deemed to work, they work with our employment unit to get job readiness which includes resume preparation or it could be training in a new vocation. That's what they do.

LEGISLATOR CURRAN: So it is money that comes through the towns from the state?

MR. BRODERICK: They get funded independently from the state. We get funds to promote our program and are there to assist us, we have two other vendors as well that also perform similar types of work.

DR. IMHOF: We used to not get a penny from the state and then we decided why are we giving all this money away when we ourselves can also develop some good employment programs. So we get a share -- we take a share of the funds for Nassau County as well.

LEGISLATOR CURRAN: I got it. That's good.

The other thing I noticed, worker's compensation costs charged to the department has more than doubled in the last couple of years, actually the last year. Why do you think that has happened?

MR. BRODERICK: That's an interesting question. We have a number of individuals who go out into the field as field workers. They go out in to individual's homes and things like that. That could be the cause of it, some of it.

We do know we review like workplace violence and incidents like that, so that's not the cause, we do know that.

A lot of people get into car accidents, get bit when they go into people's homes.

We've worked with them and the training and the state sets the tone on that because we're not different than many other counties when we send staff out into the field.

So they provide training to protect our staff. That's what we want to do.

LEGISLATOR CURRAN: So it's sort of implicit, just dangers going out into the field and doing the job, but it's interesting that it's doubled. Because it's pretty the same job in 2015 as it is now.

MR. BRODERICK: You're right about that. We do work very closely with risk management, OMB and Triad to investigate those claims. We want people to come back do work. That's the whole point. We are trying to mitigate it up front via training. I mean it might sound counterintuitive like slip and fall training. How to train to slip and fall to avoid those things. Or even in a parking lot people slip.

We've worked with the real estate, because 60 Charles is a leased facility to spread the risk to the landlord. So if he doesn't plow the parking lot, say in snow conditions, that he's on the hook

for it. We are not responsible for plowing, that his responsibility. However, he does a lousy job, he's going to bear the risk of somebody, say, spraining their ankle. So we are trying to mitigate that.

LEGISLATOR CURRAN: Do they take any of that liability now?

MR. BRODERICK: Up until recently, I don't believe so, because the lease was renegotiated earlier this year, so I believe that's incorporated in there now.

DR. IMHOF: We can find out specifically for you.

LEGISLATOR CURRAN: Good to know. Thanks.

CHAIRWOMAN GONSALVES: Legislator Bynoe.

LEGISLATOR BYNOE: Thank you, Presiding Officer. I wanted to discuss a little bit the special investigations unit. Could you tell me how many investigators staff that office?

DR. IMHOF: I believe we have currently nine investigators, they're former

police officers or detectives. And they're the ones who lead the investigations for fraud.

LEGISLATOR BYNOE: You have a civil service title for that specific, for your division?

MR. BRODERICK: No. Actually, we have social welfare examiners down there as well as a private firm that goes out.

There was -- part of -- if somebody comes in and they need to determine eligibility, our social welfare examiners, part of their job is to establish eligibility or to say, hey, this person is cheating. They can look at it and determine if this person is basically fraudulent in their assertions.

Then it depends on what kind of case or where it's going and it could get referred to the investigators. As opposed to, they're not investigators, per se, going out and you know --

LEGISLATOR BYNOE: So the retired police officers or the individuals who are

actually the investigators that's part of a contract?

DR. IMHOF: Right. Part of a contract and our staff are working to screen applicants suspicious at the time of application.

MR. BRODERICK: There is something that we have, it's called, FEDs. Front End Detection. So if somebody submits paperwork for Medicaid, they look at a number of factors. When an individual is responsible for submitting documentation to support their assertion that, what is their income level, what is their asset base, things like that. The eligibility worker is going through it and feels if something is wrong, then before the case is opened and they're eligible for benefits, it will get referred to front end detection to the investigative unit.

LEGISLATOR BYNOE: Okay. Can you give me a ballpark figure how much that contractual actually costs the county annually?

MR. BRODERICK: This was the contract, the contract is 100 percent reimbursed from the state.

So the idea was the state was looking at reducing or cutting back on fraudulent Medicaid applications where people, as the commissioner mentioned earlier, there was an article in today's paper about the District Attorney, right, so the contract is not costing the county nothing.

LEGISLATOR BYNOE: Really anything. Because it looks like in 2016 in rent and recoveries, the revenue was about 2.1. I suspect a large part of that was recoveries, right?

MR. BRODERICK: I wouldn't say in the traditional sense of recoveries. Brendan, you might want to elaborate. There's a number of different funding sources or sources that go into this.

MR. ROCHE: The rent recovery line is really disencumbering prior year contracts, so that has nothing to do with it

That revenue gets reported to the state so it will be part of state aid and departmental revenue. Because we can only keep our share. We have to give back the federal portion, the state portion.

LEGISLATOR BYNOE: Got it. But we are saving a lot I guess in cost avoidance.

MR. ROCHE: Yes.

LEGISLATOR BYNOE: That's where the bulk of the savings is. Okay. Thank you very much.

CHAIRWOMAN GONSALVES: Legislator Walker.

LEGISLATOR WALKER: I believe that Section 8 has them, that would fall under housing, so they have their own investigators. Many of those people have services through DSS, but they also have housing but that's separate. You wouldn't investigate those?

DR. IMHOF: That's the Office of the Housing and Community Development, John Sarcone.

LEGISLATOR WALKER: Okay. The summer youth employment training program or summer youth employment program, at one time I was actually Hicksville's coordinator for what was called the Summer Youth Employment and Training Program. I think at that time it also -- students who were in special ed programs, they were also eligible besides the family income.

But all of these students then you are in -- they are like under your jurisdiction so you check on them and make sure everything is fine with them?

DR. IMHOF: They are very carefully supervised, yes.

LEGISLATOR WALKER: It's a wonderful wonderful program. It was great for the kids and really provided them with a little stepping stone to help them, some of them actually went further along in where ever they were, they ended up getting jobs there as they moved up the ladder.

DR. IMHOF: And we also want to acknowledge the Department of Information

Technology. They have been a tremendous asset in helping these kids as well have a good intern experience. Some are interns.

LEGISLATOR WALKER: That's great. Again, I just have to say I'm very proud of the department. I know you've really grown tremendously and the awards you have received and the high percentages that we have been recognized by the state for really doing a great job in that department and helping as many people as we can.

Just back to the program with the kids. Is every one who is really interested, have we been able to place them? I know we said we had about 80 students this summer.

MR. BRODERICK: The purpose, the program, which is 100 percent funded by the state, it's a readiness program for age groups like young adults I would say.

The purpose of the program is for job readiness. Some parents think, hey, it's a good thing for the kids to gain money but it goes way beyond that. It's really

about job readiness, responsibility and accountability.

They would work, for example, five days a week, four days a week, they're out in a department being supervised by CSEA members, but then the one day a week they'll come to DSS and sit in a classroom setting to have different speakers, how to manage money, how to dress for work, how to behave. It's all about job readiness, really, and setting them up for furtherance in their young lives.

The program going afterwards, because we have had kids, young adults I would say, up to like 19 or 20 years old, we have relationships, and as the commissioner mentioned, technically, Office of Information Technology, they have relationships out there in the community so we might have kids that have developed a skill here in Nassau and they are stepping out on their own to hook them up with companies, private companies through information technology.

So, while our program is in duration a number of weeks, like eight weeks nine weeks, but after that most of the kids go back to school.

Some of them are going out and start working their careers or going to school at night and then working during the day.

So the program has been beneficial in that sense, absolutely, that's the whole purpose.

It's kind of -- some of the kids, it's amazing some of the stories that you hear. Pizza on ceilings, kids are kids, but you see how you start working with them and understanding them, and it's been quite a learning experience. I would say not only from the county side how we can enhance the program, but also for the kids.

And you're seeing some of them. One of the participants in the program developed an application for the police department, and received an award from them for the software development that that

person created. It was amazing. A great program.

LEGISLATOR WALKER: Excellent. Thank you very much.

CHAIRWOMAN GONSALVES: Legislator Schaefer.

LEGISLATOR SCHAEFER: Just quickly. My question was actually answered earlier, but I just did want to say congratulations, Paul, and to Dr. Imhof and the whole team over there because you are always very, very responsive to any of the needs that our constituents have and we send your way. Thank you for all that you do.

DR. IMHOF: Thank you. We have a great staff at DSS.

CHAIRWOMAN GONSALVES: Legislator Birnbaum.

LEGISLATOR BIRNBAUM: Hi. Great program that you run, very impressive, and your report was so thorough.

I do have a question about the amount of people who come into the building daily. You really have probably, you see

more of the public than any other department.

So I'm just wondering how you feel about the process in the lobby to getting up to your office and in terms of your office space; do you have enough space?

DR. IMHOF: Yes, we do. First of all, we have a very important safety policy. So that is protective of not just the constituents, but the staff as well.

We have two Nassau County police officers every day and six to eight public safety staff as well. Individuals come through a magnet detector and go to the front window and get a number.

We have sufficient space in our western intake area. We would like to invite you to come over if you like to see one day.

The space is sufficient to handle the people that do come in. Some of them are just there to drop off a document and don't necessarily need an office, or need some information or have a document

registered. The interviews really in the back have sufficient space. Thank you.

CHAIRWOMAN GONSALVES: There being no other questions, thank you to Dr. Imhof. Thank you staff members.

We will move on and I will give you a chance to gather your belongings before I call the next department.

(A recess was taken.)

CHAIRWOMAN GONSALVES: Next is the Department of Human Services.

MR. NAUGHTON: Hello. Eric Naughton, Deputy County Executive for Finance, here with Brian Hall and Roseanne D'Alleva.

As you know, Acting Commissioner Dolan took the VSIP, no longer with the county in that capacity.

So we're here to answer any questions you may have regarding this department and Roseanne and I are here to add any other support that's needed.

CHAIRWOMAN GONSALVES: Do we have any questions? Do you have any kind of

statement you would like to make before this body regarding Human Services?

MR. HALL: I would rather just answer questions.

CHAIRWOMAN GONSALVES: Do we have questions? Legislator Bynoe.

LEGISLATOR BYNOE: Good afternoon. I have a question regarding the interfund charges under the revenue. I don't understand that entry.

It looks like in 2016 the actual was $100,000, but mid year projections are 1.1 this year, $1.1 million.

MS. D'ALLEVA: Basically that was for the DA had asset forfeiture money that was used in order to achieve a $36 million savings for -- to actually adopt the budget last year, so we had to use asset forfeiture money from the DA's Office was allocated to the department to support youth services.

LEGISLATOR BYNOE: Thank you. Then I had one other question. Interdepartmental charges. Could you explain that line item? I see there's a

reduction.

MR. HALL: Those three items; building occupancy, IT services, postal services and whatnot, those actually went up due to the building occupancy charges going up for 60 Charles Lindbergh.

LEGISLATOR BYNOE: Brian, I know that earlier on we worked together with the former commissioner to bring the mental health first aid along with former Legislator Becker to Nassau County.

I know that you are currently providing training to the police academy.

MR. HALL: Well, we're doing the mental health training for all professionals, basically police correction centers.

We're actually in the process now of having training also maybe for the senior centers and the youth centers so they can recognize the youth and the seniors and that program has been ongoing.

Also, the Narcan training has been increasing with getting that out.

We've had over a thousand trainings this year on it.

The last thing that is fairly new is the mobile crisis unit has gone from 12 hours to 24 hours now at 60 Charles for suicide line or anybody with mental health problems for adult or children.

LEGISLATOR BYNOE: Excellent. Are you receiving any kind of charge back or ability to charge the police department for that training activity?

MR. HALL: No. I think we are in the process of getting some money back from the Office of Mental Health State Aid revenue and we have been in the process of leveraging these charges to try to get a little more state aid money back at this point.

But I'm not aware of any money coming from the police department for these trainings.

LEGISLATOR BYNOE: Okay, thank you.

CHAIRWOMAN GONSALVES: I have a

question. The question relates to, does your agency provide help to veterans in need? And is there anything in the budget that would provide that?

MR. HALL: It's nothing specific for veterans but the veterans would qualify if they qualify for any of our programs where there's chemical dependency or mental health, they certainly would get the help they need.

We don't have a separate line just for veterans, just to speak.

CHAIRWOMAN GONSALVES: I did have an opportunity to speak to the former Commissioner Dolan regarding about providing information for veterans who are in need.

MR. HALL: We certainly can head them in the right direction.

CHAIRWOMAN GONSALVES: Okay. Thank you very much, Brian. Are there any other comments or questions from the legislators?

(No verbal response.)

Thank you very much.

MR. HALL: Thank you.

CHAIRWOMAN GONSALVES: Now we have one more department who has been sitting there patiently, Civil Service. Introduce yourselves for the record. There's two mikes.

MS. MINNAL: Poornima Minnal.

MR. SILVESTRI: And Howard Silvestri.

CHAIRWOMAN GONSALVES: Now, you are here to address the budgetary needs of civil services, that's it? Do you know anything about the budget that you can present to us?

MR. SILVESTRI: We are just requested to be here.

CHAIRWOMAN GONSALVES: Mr. Naughton, can you help them out at all? If it does not pertain to the budget, I think it would not be fair otherwise. Are they budgetary questions? Legislator Bynoe.

LEGISLATOR BYNOE: Hi. Good afternoon. So you have an overall budget proposed for $5.5 million. Of that budget I

see you have roughly 50 some odd employees.

My question is regarding, if you can give me spread on who those folks are; how many investigators do you have?

MR. SILVESTRI: We have one investigator. The majority of the titles are personnel specialists who do the various jobs of the department ranging from reviewing applications for testing, classifying positions. As people get hired they're being processed. So there are transaction units which make sure everything is done according to Civil Service rules and regulations. That's what the majority of the staff is.

LEGISLATOR BYNOE: You only have one investigator?

MR. SILVESTRI: We have one on board and we budgeted for possibly a second one.

CHAIRWOMAN GONSALVES: Please speak closer to the mike because we are having a hard time hearing you.

MR. SILVESTRI: We have one full

time investigator and we put a second one in to the budget.

LEGISLATOR BYNOE: You put a second one into the budget.

So it's one investigator who would then do the employment investigations, the criminal and residency investigations, and I suspect --

MR. SILVESTRI: The employment investigations, there are various titles that have to be fingerprinted.

So when something comes back that requires an investigation from there, that's what he does. Somebody has certified that they don't have a problem and it comes back that there is a problem, he does that. But for the majority of people, he's not investigating those people who are applying for examinations.

LEGISLATOR BYNOE: Based on employment investigations.

So the criminal and residency investigations, you have one investigator that has in 2015 conducted 634

investigations?

MR. SILVESTRI: A lot of those people come to the office. It's not that he is physically going out. He does go out and he does do on-site investigations for residencies but a lot of those people come to the office.

LEGISLATOR BYNOE: That seems like a heavy case load for one person.

MR. SILVESTRI: That's why we put in for a second one.

LEGISLATOR BYNOE: Okay, but how long have we been operating with one person?

MR. SILVESTRI: I'd say 2004.

LEGISLATOR BYNOE: Who supervises that person?

MR. SILVESTRI: He reports directly to Mr. Camp and/or the commissioners.

LEGISLATOR BYNOE: I see in this budget there's contractual services. Can you tell me what those services are?

I'm also seeing that in 2016 there was an actual $79,000 in expenses

based on contractual agreements that I'm seeing that only $14,499 is budgeted or proposed for 2018, and the midyear 2017 projection also says that you are going to arrive at about 14, 15.

MR. SILVESTRI: That money was budgeted for the county Nealgo [sic].

LEGISLATOR BYNOE: I'm not sure what that is, can you explain that?

MS. MINNAL: It's an online application process. When the county went from paper applications to online applications.

LEGISLATOR BYNOE: I guess the implementation --

MS. MINNAL: It's the licensing and maintenance.

LEGISLATOR BYNOE: So that's the higher amount in 2015.

MS. MINNAL: Yes.

LEGISLATOR BYNOE: So to carry each month, each year, going forward it's going to be about 14,5?

MS. MINNAL: No. It was taken

over by the department of IT.

LEGISLATOR BYNOE: We are having problems hearing.

CHAIRWOMAN GONSALVES: Bring the Mike as close to you as possible and speak into it.

LEGISLATOR BYNOE: You're saying this 14,5 that's budgeted is now going to pay the IT department?

MS. MINNAL: No. The $79,000 that was budgeted last year was taken over by the department of IT.

LEGISLATOR BYNOE: What is this 14,5 that's actually now budgeted projected for 2018, what services will we receive?

MR. SILVESTRI: That's for the pending litigation which we have -- we would have to reimburse outside counsel through the County Attorney, that's what that money is for.

LEGISLATOR BYNOE: What kind of cases do we normally see on these?

MR. SILVESTRI: Currently we are in the process of suing the medical center.

LEGISLATOR BYNOE: So, the investigation process, it impacts the budget I guess by way of communications that have to continue to go out, am I correct? And can you tell me what forms of communications?

MR. SILVESTRI: I'm not really following the question.

LEGISLATOR BYNOE: So the question is, the investigator is charged with communicating with those that he's investigating, right?

MR. SILVESTRI: Yes.

LEGISLATOR BYNOE: Those applicants, right?

MR. SILVESTRI: Right.

LEGISLATOR BYNOE: How is that communication undertaken; is it all written, is it --

MR. SILVESTRI: As I said, they come into the office and he does investigations, those are private investigations that we are not privy to.

LEGISLATOR BYNOE: So there is an

opportunity for someone to, I guess once they've been rendered -- can you explain to me what the process is, are they disqualified based on a residency review, and then what happens thereafter?

MR. SILVESTRI: We are here with the budget. I have no idea how the investigations go forth.

LEGISLATOR BYNOE: I was told there was going to be three people here today

MS. MINNAL: Michelle, she is at another meeting.

LEGISLATOR BYNOE: What is the title of that person?

MR. SILVESTRI: She's a personnel specialist.

LEGISLATOR BYNOE: I was hoping she would be here.

MR. SILVESTRI: She wouldn't be involved with that aspect of it either.

LEGISLATOR BYNOE: I'm just trying to understand the investigation process because it obviously has a huge

impact on the budget and on how we move forward in being able to place individuals in these jobs.

So I'm trying to understand the process just to see if there is any opportunity for efficiencies. When a letter goes out, you have no idea on the process at all, on how it's undertaken?

MR. SILVESTRI: No, I really have no idea how the investigator works.

LEGISLATOR BYNOE: So when we requested that someone from civil service come and be before this body today, we were told there would be three people and I think the third person, based on her title, was going to have a little bit more information on how the process runs and what the impact of what the process would be on the budget.

So, absent of that person today, I feel like I'm not getting my questions answered.

MR. SILVESTRI: That person has nothing to do with the investigations. As I indicated, the investigator reports directly

to Mr. Camp and/or the commissioners.

If we had known what we were coming for, I mean we would have had -- we're here to present numbers.

LEGISLATOR BYNOE: Every department that has come before us to this point not only had a financial representative from their division, they also had people who were programmatic, part of the process to speak to the efficiencies and effectiveness of their departments and what they deliver for this county.

So I'm a little disappointed that we don't have that level of representation here today.

I thank you Legislator Ford for shaking your head in agreement with me. I have other questions too pertaining to the process especially as it relates to the Department of Corrections.

And knowing that they are significantly understaffed and I wanted to understand how, as a department, how you were moving forward with those activities to

ensure that we had the proper level of staffing at the jail.

MR. SILVESTRI: The police department does the investigations of the correction officers. We don't do those investigations.

LEGISLATOR BYNOE: I'm not only specifically -- I wasn't going to only specifically ask about the investigations relative to that process, I wanted to know how you actually were moving forward in selecting candidates and the like. Presiding Officer, I have to tell you --

CHAIRWOMAN GONSALVES: I'm going to ask you to put your questions in writing and we will refer them to the Civil Service Commission.

LEGISLATOR BYNOE: But, Presiding Officer, I have to say that this is the second time today that I have been asking questions and I don't feel that we have the proper representation here to answer the questions. They are pertaining to the budget and this is the hearing for the

budget.

I think the departments need to come here properly resourced to answer these questions. I think it an affront that they would come here ill prepared.

I'm still waiting for someone to come down about the Commissioner of Investigations. I'm left here with more questions than I have answers to.

CHAIRWOMAN GONSALVES: Mr. Camp, who is the commissioner of civil service has a broken back at this particular time and has been unable to attend. And the other person that was going to be here resigned.

LEGISLATOR BYNOE: Oh, they resigned. Morelli, you're talking about. Okay. We knew that. I will take that point up in just a minute. I want to go back to the Civil Service Commission.

CHAIRWOMAN GONSALVES: Any questions you can put in writing would --

LEGISLATOR BYNOE: My question to the Civil Service Commission is how is it staffed?

I would suspect that if Mr. Camp is out, that there's someone who is now acting in his capacity.

So is there a deputy commissioner? How is this office staffed, can you answer that question?

MR. SILVESTRI: What is the question?

LEGISLATOR BYNOE: What is the hierarchy of the office, if the commissioner is not there, who is acting in his capacity?

MR. SILVESTRI: Mr. Camp is in communication every day and work is forwarded home to him for him to review and for him to act upon and then it comes back to the office. But he is in communication with the office every day.

LEGISLATOR BYNOE: What is the reporting? What is the hierarchy, it's Mr. Camp and then who?

MR. SILVESTRI: As far as? There are division heads that run each unit. There is a personnel specialist in each of the units who oversees their units.

Poornima and I work on the budget. That's how the department is broken up.

There isn't any other individual to report to. And if there are problems, we are contacting Mr. Camp.

LEGISLATOR BYNOE: Possibly then we can have -- Presiding Officer, I make a request that we have this department come back on October 30th and maybe Mr. Camp can participate telephonically.

CHAIRWOMAN GONSALVES: That's why I'm asking you if you can put your questions in writing. We can address them to Mr. Camp and they can be presented here.

LEGISLATOR BYNOE: I think if he's able to communicate with his office telephonically, I think he should be -- we should be able to create that same opportunity for this body.

Because when we ask questions, sometimes it bubbles up other questions. I don't want to be pigeon holed to the questions I can put in writing. I want to have an opportunity to have a dialogue

around these very important issues.

I respectfully request that we create an opportunity for October 30th and, between now and then, I'm sure that our capable IT person Mr. Kevin can create a conference call link for us to have that kind of communication.

And short of anybody coming down today from the Commissioner of Investigations, I'm requesting someone be available on October 30th as well.

CHAIRWOMAN GONSALVES: The 30th is designed really to make final decisions as to what we are going to put forth as the budget for 2018.

LEGISLATOR BYNOE: I can't make any final decisions without having answers to some of my questions.

CHAIRWOMAN GONSALVES: I'm sorry, but Legislator Ford has a question on the budget for you.

LEGISLATOR BYNOE: I'm sorry, Presiding Officer, did you answer my question?

CHAIRWOMAN GONSALVES: On the 30th we are committed to voting on the budget and presenting our amendments to that budget.

LEGISLATOR BYNOE: I'm committed to doing that too as long as somebody can tap Mr. Camp in telephonically, I don't think that's a big lift.

CHAIRWOMAN GONSALVES: Listen, this is the opportunity also on the 30th for the public to really truly engage in the process.

LEGISLATOR BYNOE: They may have some questions too.

CHAIRWOMAN GONSALVES: And anyone who can answer it can answer it.

LEGISLATOR BYNOE: I expected someone --

CHAIRWOMAN GONSALVES: We all did. It's not fair to the two people here who were assigned to come down here on budgetary matters and they are certainly not equipped to respond to questions.

LEGISLATOR BYNOE: These are

budgetary items.

CHAIRWOMAN GONSALVES: You are asking about staffing. Is there adequate staffing and who's in charge? I would imagine there are different units within civil service; am I correct?

MR. SILVESTRI: Yes.

CHAIRWOMAN GONSALVES: And that there are individuals in charge of those units; am I correct?

MR. SILVESTRI: Yes, you are.

CHAIRWOMAN GONSALVES: Explain that, can you do that?

MR. SILVESTRI: There is a classification unit that reviews every request for any type of title that comes in. They will review it to make sure the request is an accurate assessment of what the duties of that job are.

If it isn't accurate, they will certify that and, if it is not, they will give the agency a different title that reflects those particular titles.

LEGISLATOR BYNOE: So, that

doesn't answer any of my questions but I appreciate that.

Let me ask you another question then. Do we engage with any outside entity for these types of investigations or are we relying solely on that one person?

MR. SILVESTRI: It is the one person. As I indicated, the majority of people come into the office.

LEGISLATOR BYNOE: Is there a collaboration between the Civil Service Commission and any other governmental agency in undertaking these investigations?

MR. SILVESTRI: There is -- to the best of my knowledge, no. We do our own investigations on people who have applied for civil service examinations and/or if something is brought forward to us a residency requirement. Somebody has written to us, we will then go and do those types of investigations.

LEGISLATOR BYNOE: We are not utilizing other county departments for these investigations or state entities, agencies?

MR. SILVESTRI: No.

LEGISLATOR BYNOE: Department of Labor>

MR. SILVESTRI: No.

LEGISLATOR BYNOE: DMV?

MR. SILVESTRI: No, not for these investigations.

LEGISLATOR BYNOE: What is the qualifications of the person currently holding that position?

MR. SILVESTRI: He is a former Nassau County police officer.

LEGISLATOR BYNOE: And that's a requirement by way of the civil service?

MR. SILVESTRI: The title that he's held I don't know the particulars to what the qualifications were, but he fit those qualifications.

LEGISLATOR BYNOE: Again, I'm on the record requesting that Mr. Camp be available telephonically on October 30th to be able to answer some of the questions I have asked today. Thank you.

CHAIRWOMAN GONSALVES: Any other?

Legislator Ford.

LEGISLATOR FORD: Good afternoon. I too share the concerns of Legislator Bynoe not having some of the questions that we would have of civil service.

Although, I understand Mr. Carl Camp has back problems or broken vertebrae. I would almost say I would agree to have him on TV but if it's going to jeopardize his health, I think in the absence of being able to directly question Mr. Camp, I think you should go back and find someone suitable to answer some of these budget questions for a later date.

It really is unfair and if somebody has requested, it's not your fault. You two happen to be the messengers and that's how it happened.

I just want to go back. The one investigator that you currently have, they do not do any police investigations?

MR. SILVESTRI: No.

LEGISLATOR FORD: Do they do investigations for the fire marshals?

MR. SILVESTRI: No.

LEGISLATOR FORD: For their candidates, that's done by a separate --

MR. SILVESTRI: The police department does the majority of those investigations.

LEGISLATOR FORD: So then the investigator that you utilize for the civil service, what basically would those be the other job titles whether or not you come in as a clerk, director of Consumer Affairs?

MR. SILVESTRI: Anybody who -- if somebody had a DWI, and they have applied for a civil service, on the application they ask if you have an arrest record. So it's anybody who indicates they have had have had an arrest record, he will investigate to make sure that they have fulfilled whatever requirements there are to do that.

There are certain titles that require fingerprinting when dealing with children, you have to be fingerprinted.

If something comes back from the Department of Criminal Justice indicates

that there is something there, he will do an investigation on that.

We get requests for residencies. Somebody living out of the county and they shouldn't be living out the county. And they shouldn't be living out of the county. Those are the types of investigations that he does.

Those people, a lot of them, will come into the office and they will sit and talk with him.

LEGISLATOR FORD: For the classification person, how many people that come for I guess the job title, they have to reclassify them or request, how many do we have in the budget right now, do you know offhand?

MS. MINNAL: In the classification unit?

MR. SILVESTRI: There are seven people in that unit.

LEGISLATOR FORD: And you're keeping that at seven, you're not asking for an increase?

MR. SILVESTRI: No.

LEGISLATOR FORD: And they are the ones like if I want a job title change or bring in a new type of employee, it would be that person who would review it and come back and tell us?

MR. SILVESTRI: One of those people would be reviewing it and look to see if the modifications are appropriate.

LEGISLATOR FORD: Then I guess my last -- I have notes all over the place.

When you put down here for the revenue, that would be the Department of Revenue where it's lower, for 2018 proposed budget, it went from $1,592,000 for the midyear 2017 projection and now 2018 budget, you put in it's down to $420,000, correct?

MR. SILVESTRI: Right.

LEGISLATOR FORD: I know you're attributing that to last year you had the police exam so you had thousands of people that applied to take that test.

But how many are you trying to work into the budget an increase, because

with the incentive that has been given, we lost over 300 employees and all of them are civil service employees, okay? Have you looked into that?

Like, this would be an uptick on this revenue because all of the new hires that we should be expected to bring in in 2018 because we're going to need them, they would also have to take tests and we charge for every test they take, correct?

MR. SILVESTRI: But they may have been on a list that -- a list -- a test they had already been taken so they are currently on a list. So they might not be -- there may not be any revenues from those.

But we are always looking at what examinations are and we're always projecting as to what it should be.

LEGISLATOR FORD: Do you normally every year -- so how long normally are the tests like good for, the list, does it stay in for ten years?

MR. SILVESTRI: The list is good for a minimum of one year to a maximum of

four.

LEGISLATOR FORD: So you'll look at the test and there's a possibility that you may have to give more tests next year?

MR. SILVESTRI: Right, yes.

LEGISLATOR FORD: Thank you very much.

CHAIRWOMAN GONSALVES: Legislator Curran.

LEGISLATOR CURRAN: Hello. I'm curious to know about the proportion of positions processed by the department between different jurisdictions, for example, the county NUMC and school districts and other municipalities.

So the county does it for all of these entities, correct?

MR. SILVESTRI: Correct.

LEGISLATOR CURRAN: So what is the number, for instance, you don't have to know exactly, but just generally the proportion for county versus NUMC versus school districts versus the other municipalities? It's okay if you don't

know.

MR. SILVESTRI: It's not really something that -- I can tell you that if you do the municipalities in total including the medical center because it's not a county agency, it will exceed what it is in Nassau County.

LEGISLATOR CURRAN: So those two together are more than --

MR. SILVESTRI: All the counties, all the school districts, and the municipalities.

LEGISLATOR CURRAN: That makes sense. I see there is a revenue line in the budget for NUHCC reimbursement. Is that payment for these services?

MR. SILVESTRI: Yes.

LEGISLATOR CURRAN: It is. Do the school districts and other municipalities also pay for these services

MR. SILVESTRI: No, not at this point.

LEGISLATOR CURRAN: Why just NHCC?

MR. SILVESTRI: Well, we have been trying to reach out to them. We have an employee that is dedicated to work on the medical center. So he take it to -- from the CS4 and he will follow it to the list situation just so that he is the sole contact with the medical center as opposed to his supervisor.

Any problems that the medical center may have, they call this individual directly. So we get reimbursed for those services.

LEGISLATOR CURRAN: And there is not a parallel thing happening at the school districts or other municipalities?

MR. SILVESTRI: No.

LEGISLATOR CURRAN: Why just with the hospital?

MR. SILVESTRI: Because no one else has really seen an interest in doing it.

LEGISLATOR CURRAN: That's interesting. So does that mean. I was just wondering if there was an opportunity for

revenue for us from school districts and other municipalities since we are doing this for them.

MR. SILVESTRI: It's them paying us for our staff. They are reimbursing.

LEGISLATOR CURRAN: I see what you're saying. They're paying for their guy.

MR. SILVESTRI: Right. That is inclusive of salary and all of the benefits.

LEGISLATOR CURRAN: That makes sense. Thanks. I have a question about particular title in the department is a civil service info tech coordinator. The salary listed as $186,000 a year.

I'm wondering if this is a person perhaps this could be work that's done by the county IT staff, if we need a dedicated IT person in the department.

MR. SILVESTRI: He is the person that did Lotus notes. He is the one that really promulgated the whole thing for the online processing.

LEGISLATOR CURRAN: I see. So

you're saying this is a particular job that has to be done within the department?

MR. SILVESTRI: Right.

LEGISLATOR CURRAN: To process all the online applications?

MR. SILVESTRI: To process it and maintain it and keep it current. It's a system that at the outset nobody in the county knew. Don't know whether they can do it now or not but at that point in time he was the sole person.

LEGISLATOR CURRAN: And then another observation. Overtime is quite low. 2016 it was just $11,000 but it has increased six fold. So $61,000 in the scheme of things is still pretty low, but just in terms of the proportion of increases it's quite large and I'm wondering why that is.

MR. SILVESTRI: Because of the police exam for next year. We don't know what staffing is going to be. Whether people are -- our hours are normally 9:00 to 4:45. People come in to go to the police

exam somewhere at 7:00 in the morning sometimes they don't get out until after 6 o'clock for the exams.

LEGISLATOR CURRAN: So this is to prepare for possible overtime to accommodate the police exam.

MR. SILVESTRI: Yes.

LEGISLATOR CURRAN: Has there been a police exam in 2017?

MR. SILVESTRI: No, not yet.

LEGISLATOR CURRAN: So there is none held, none taken in 2017, but there is one scheduled for 2018?

MR. SILVESTRI: Right.

LEGISLATOR CURRAN: And I'm thinking that should be the first half of the year?

MR. SILVESTRI: Should be, yes.

LEGISLATOR CURRAN: According to the civil service website, hiring is still being done from exam number 2000 which was given in 2012, correct?

MR. SILVESTRI: Yes.

LEGISLATOR CURRAN: So are there

still people eligible from that list which is about five years old?

MR. SILVESTRI: Yes, but a list once again is only good for a four year period of time once it is established. Go ahead.

LEGISLATOR CURRAN: So these people if they're still on the list for 2012 they would have to retake the test because it has expired?

MR. SILVESTRI: It will be expiring. So if they want to be considered for the position they have to retake the exam, yes.

LEGISLATOR CURRAN: No matter how they did?

MR. SILVESTRI: Right.

LEGISLATOR CURRAN: I'm curious to know, how many months does it take to plan, administer, grade and get a list. How long is that whole process?

MR. SILVESTRI: In general?

LEGISLATOR CURRAN: In general.

MR. SILVESTRI: We get

notification from the state somewhere six months prior to them offering an exam and then we circulate it to all the county agencies and all the other agencies we deal with looking for feedback if anybody wants the exam to be given. With that, if nobody wants it, even then sometimes we may give it.

Then we review what lists we currently have established in the same title to see if it's warranted. Because if you have a clerk test that was given the previous year and you still have a thousand candidates, it's not really feasible to be giving it. We go and review it.

We give two months from the time that the notices are sent out for people to review it and forward their applications and then we review the applications.

Then the test is given and it takes anywhere from six to nine months to get the results back from the state. So it could be a very lengthy process.

LEGISLATOR CURRAN: And do we at

the county need to get permission from the state to administer a test?

MR. SILVESTRI: They are basically most of them are state tests and they have an offering of exams. We can request something but it follows whatever their schedule is going to be.

LEGISLATOR CURRAN: Thanks.

CHAIRWOMAN GONSALVES: Legislator Walker.

LEGISLATOR WALKER: As far as your staffing, your part time and seasonal, I imagine in the summer when you have a lot to go through civil service, especially if it's a new applicant compared to someone who has worked before.

So you requested in your budget you have the same number of employees? I guess you had budgeted for 49 but -- you budgeted for 41 but you had 49, right? Am I reading that right?

MR. SILVESTRI: We have 49 positions that we have requested, yes, full time.

LEGISLATOR WALKER: I thought that was part time and seasonal. Full time was 52?

MS. MINNAL: Between part time and seasonal it was 49.

LEGISLATOR WALKER: So you are budgeting for the same number next year?

MS. MINNAL: Right.

LEGISLATOR WALKER: Are all those positions filled?

MR. SILVESTRI: Most of them are. There are times that somebody has left and there is a transition period but most of those positions are filled, yes.

LEGISLATOR WALKER: It just seemed to me I heard more this summer than ever, we needed lifeguards desperately and I had so many people reaching out to me they had all their life guard certifications. They got to a certain point with civil service but they didn't get hired until either most of the summer was over and some of them never got hired, but they were available to work.

I just hope that we have the staff to make sure we can get every one that we need on board to be out there.

MR. SILVESTRI: There should be sufficient staff to do that. But each one of those lifeguards normally will have to take a medical. So maybe there is some kind of a medical problem.

LEGISLATOR WALKER: Then I would assume that civil service would tell them that?

MR. SILVESTRI: Right. Everybody who goes in and there is a medical problem is notified of what the problem is and what they have to do to remedy that.

LEGISLATOR WALKER: Was any delay in hiring any of those attributed to that? It just seemed to me that I had a lot of young people calling me saying I got this far with civil service and I haven't heard another word.

MR. SILVESTRI: There is a delay but once we clear the person then it is up to the agency to notify them. We don't tell

them when their start date is. So it's a matter of clearing whatever the problems may be, if there are any.

LEGISLATOR WALKER: Thank you. It really doesn't answer my question but I guess I will have to work on that for next summer, a lot, if I'm here.

CHAIRWOMAN GONSALVES: Legislator Bynoe

LEGISLATOR BYNOE: Thank you. So the process you just explained in terms of people being screened for medical issues. When you are disqualified, do they get a letter advising them that they have a right to appeal?

MR. SILVESTRI: Depending on the title, it will either be through us or through the agency, yes.

LEGISLATOR BYNOE: So they will get a letter saying you have been disqualified, but you have a right to appeal and it will explain the appeal process?

MR. SILVESTRI: Right.

LEGISLATOR BYNOE: Is that

standard for all disqualifications?

MR. SILVESTRI: It is standard for all medical disqualifications, yes.

LEGISLATOR BYNOE: What about residency or any other?

MR. SILVESTRI: They will get something telling them they have been disqualified. If you're disqualified because of a residency then you can write and ask us something, but it's not the same procedure as to what it is for a medical disqualification.

LEGISLATOR BYNOE: So when someone is disqualified for residency they don't get any communication regarding an opportunity to appeal?

MR. SILVESTRI: That's not what I said. They can appeal it.

LEGISLATOR BYNOE: Do they get notification that they have the opportunity to appeal?

MR. SILVESTRI: They are sent a letter telling them that they don't have the residency requirements and that they can

appeal it, yes.

LEGISLATOR BYNOE: It's included in the letter?

MR. SILVESTRI: As far as I know, yes.

LEGISLATOR BYNOE: Okay. Thank you.

CHAIRWOMAN GONSALVES: There being no other questions or comments from the legislators, I am now ready to open -- and thank you for being here on such short notice, and now I have a number of community people who have been sitting here patiently to address this body.

I will begin with Peter Caruso. He's not here. I can understand that.

Alec Slatky, I know he's here. Come on up, Alec.

MR. SLATKY: Good afternoon everyone. My name is Alec Slatky. I'm here representing Triple A Northeast. I'm here to talk about the public safety fee as you know.

I was pleased to hear the

comments earlier from Legislator Kopel basically questioning the premise of the public safety fee and saying that it's not reasonably related to the cost of whatever it's trying to be a fee for.

I think that's really the point because we can do a thought experiment. Last year it was asked for $105 fee. This year $120 fee. What number is reasonable based on any cost? Could it a $500 fee? A $300 fee? A $1,000 fee?

There doesn't seem to be any relation with the cost of whatever the public safety fee is supposed to fund.

So we would very strongly hope that the County Legislature unanimously rejects these fee increases.

Legislator Curran, I appreciate you and also Senator Martins coming out and saying these fees are wrong and we hope that the fee will not be an issue next year but we hope it ends as an issue this year. Because, really, the Deputy County Executive for finance testified before that they're

not increasing taxes in this budget. The public safety fee is a tax and they are proposing an increase.

It's a tax and not a fee because it's going to fund general government expenses.

I listened to his entire testimony. I heard pretty much nothing about track safety. And that's theoretically what the public safety fee is supposed to fund. Traffic safety expenses of the police department. Which is poor governance to begin with as I said before but I didn't hear anything about that. I heard that "if we have to preserve the quality of life, we have to find ways to raise revenue."

I heard, this was partially in relation to some other fees, "there is no relationship between expenses and the offices and the fees we are charging.

We have a government to run. That's a tax. That's not a fee.

We urge the Legislature

unanimously to reject it to come out with amendments that would obviate the need for this public safety fee increase because I think NIFA has said, and I will quote from their report, I know I have 15 seconds, "even if approved it is possible that this large surcharge may lead to improved driver behavior which could result in a decline in the number of violations and associated revenues."

If people are driving more safely and that's a risk to the county. That's ridiculous. Thank you.

CHAIRWOMAN GONSALVES: Randy Kaplan.

MR. KAPLAN: Hi. Good afternoon everybody. I'm Randy Kaplan and I'm the director of Government Affairs for the Long Island Board of Realtors.

I want to say thanks to Howard and to Kevan for voicing your concerns before about the fees and where the money is going on these real estate related fees.

I'm very hopeful that County

Clerk O'Connell will alleviate our concerns here in a couple of minutes and bring some clarity to this.

One of the things that really concerns me this morning and you all heard me speak up here many times and Tim and many of our realtors, when is enough enough?

We keep coming back to the same old thing. How many more fees can we keep putting on?

What concerns me greatly is what Mr. Naughton talked about before when asked he said, they haven't reached the ceiling yet for where these fees are going.

I almost fell down in my seat when I heard that. Just the past couple of years we have gone up hundreds of dollars, each year, and now they're saying there is a vision to possibly go even higher.

Well, we are here to implore you once again today, you know our position, please, we are imploring you, let's keep young people here. Let's keep everybody here. Let's attract and retain people here.

Nassau County is an amazing place to live. Unfortunately it's not going in that direction anymore.

So I beg of you all please come up with something that works and we are heartbroken that we keep hearing the fees are going to be attacked over and over and over again. I'm still in disbelief what I heard this gentleman say before about not reaching the ceiling. I hope that resonates with all of you. I know it does.

Please do your best to make sure we are able to get the budget passed without these crazy fees. Thank you.

CHAIRWOMAN GONSALVES: You're welcome. Kathleen Engel.

MS. ENGEL: Good afternoon. I appreciate the time that you are taking to listen to the public when it comes to the budget and certain fees that are coming forward.

I am the past president of the Long Island Board of Realtors at the time representing over 25,000 members.

All of our members, 8,000 of those are in Nassau County. We are finding a problem with real estate in general when it comes to our clients and past clients purchasing homes. They are finding it near impossible to get to the fees.

I will tell you speaking for myself in 2008 when we had that whole problem with the real estate industry and the bottom falling out, it was in fact the real estate industry that kept the economy afloat. That was stated by numerous people not just myself.

Sandy took my house five years ago. I just settled on the house and closed.

I am at a divide at this point. I can either relocate somewhere in Nassau County and I have been a Nassau County resident for 45 years or I can leave.

I have chosen to leave because the fees that are being put upon us, the taxes that are being put upon us are becoming absolutely impossible. My past

clients are not doing anything as far as real estate is concerned. They're actually moving out of the state.

Nassau County is a beautiful place to live, but it's not if you cannot afford it. Especially for the elders who do not have children in the schools right now reaping those benefits.

I thank you for your time and I certainly hope you will reconsider thinking about the fees and the taxes that are involved with our county.

CHAIRWOMAN GONSALVES: Tim Lachapelle.

MR. LACHAPELLE: My name is Tim Lachapelle and I'm the legislative liaison for the Long Island Board of Realtors.

I'm here today to urge the legislature to remove real estate related fees from the budget and replace $24 million in revenue with a more practical and equitable tax, a spending cut, or a combination of the two.

The $58 million generated in

revenue from the past two years of fee hikes is nothing more than a back door tax on homeowners and aspiring homeowners in Nassau County.

Now the county wants to generate another $24 million from a $200 fee hike.

On Monday I asked the Legislature to call on the clerk and the Assessment Department to justify the increase in revenue to their departments.

I stand by my position that if they cannot do that you cannot raise these fees.

I also see you all bending over backwards trying to hold NIFA responsible for the decision to put fees inside this budget. That's extremely misleading.

NIFA does not tell the county government how to balance the budget. They simply ensure that the revenues match expenses.

Last year NIFA sent back the original budget because the Legislature removed the fees and refused to replace the

revenue or cut spending.

After NIFA sent the budget back, the Legislature raised the revenue in the quickest and most politically expedient way, by raising a back door tax on mortgage instruments.

Nassau County has plenty of state approved methods for generating new revenue and I have a hard time believing that there isn't any fat to be cut out of $2.9 billion budget.

So, I repeat, you need to amend the budget to remove real estate related fees and replace $24 million with a more practical and equitable tax, a spending cut, or combination of the two.

If you remove the fees and do not come up with a way to replace the $24 million in revenue, LIBOR will really see that for what it is, a hollow gesture.

NIFA will almost certainly reject the budget again and, like last year, the fees will be added back in the budget sometime after Election Day.

In addition, while we appreciate the legislators who consistently voted against the fees, we need you to step up and start proposing new revenue sources and spending cuts.

NIFA's loan dissenter to last year's budget rejected it on the basis that it relied on uncertain revenue. Imagine that. Here we are again one year later looking for more revenue that the last round of fee hikes did not deliver.

I'm not going to stand up here and tell you that you have an easy job. But you need to stop doing your job the easy way.

I guarantee you that your constituents did not elect you so that you can covertly raise $82 million in real estate fees off the backs of mortgages in only three years.

CHAIRWOMAN GONSALVES: Jenna Suppon. I don't know if the last name is correct. Come together then. Scott, you are going to open it and then Jenna will.

So introduce yourself for the for the record, please.

MR. BANKS: I'm Scott Banks. I'm the attorney in chief for the Nassau County Legal Aid Society.

I first want do start off by thanking you, Presiding Officer Gonsalves, for meeting me this week for about an hour discussing the issues of Legal Aid Society and regarding issues of veterans rights in the courts. It was very enlightening.

I want to thank also Leader Abrahams who I also spoke with regarding our legal aid budget. I also want to give a kudos to Legislator Bynoe who, for the past year, has really assisted the Legal Aid Society, particularly in our working with NIFA and this Legislature in guaranteeing that our advance for the following two years under our legal aid contract will be timely which really assists our office greatly and I thank you.

I'm here today to ask this Legislature to approve the Legal Aid

Society's request for a 6.33 percent increase in our 2018 budget.

Under the county executive's budget proposal, they are proposing a 2.5 percent increase which is approximately $167,000.

Unfortunately, while we appreciate an increase in these difficult times, that increase simply does nothing to assist us in most particularly raising the salaries of our undercompensated attorneys.

The budget proposal by the County Executive will be eaten up mostly in cost related to administration and that's related to our medical plan and benefits.

So we will have very little money left to do salary increases. And our union Jenna Suppon, our president, and one of our star attorneys, we are negotiating for the past year. The budget, our union contract expired December 31st of 2016.

The proposal that we have is approximately $256,000 more than the County Executive has authorized. Our attorneys,

salaries, pale in comparison to attorneys who work in New York City, Brooklyn defenders, and, frankly, our counterparts in the criminal justice system, the District Attorney's Office.

Each and every day, the attorneys like Jenna, go to court every day, work side by side with an assistant District Attorneys who have similar years of experience, who have similar loan obligations for college and law school, yet are paid $20,000, sometimes $30,000 less than our legal attorneys.

As a result, our office has last in the past year seven experienced attorneys. Can I ask for more time, please? Thank you.

CHAIRWOMAN GONSALVES: Yes. When I met with you this week I said I will give you the additional time, and of course there's Jenna as well who I think wants to say something. I think go back a little bit you said the ADA make $30,000 less?

MR. BANKS: Make more.

CHAIRWOMAN GONSALVES: But you did say less. Make more.

MR. BANKS: Yes. The starting salary for an assistant district attorney is $60,000 or more. Our starting salary is $48,000 for an nonadmitted attorney. It goes up to 51 upon admission.

But I was saying we have lost approximately seven lawyers. By losing these attorneys, it affects our ability to provide services to our clients. And, frankly, it handicaps the court system in general.

If we don't have the staffing, then we can't man the parts. We can't try the cases, we can't resolve the cases.

We handle well over 9,000 cases in the district court and the county court. We also handle family court. We are short family court attorneys.

The Legal Aid Society actually does its work more effectively and at less cost to the county than assigned county. You can compare the two budgets.

Right now in Nassau County we have lost seven attorneys. I believe five of them have gone to the city and are making 15 to $20,000 more than they were making when they were here in the office in the Nassau County. It is unsustainable.

It is difficult to recruit attorneys. We recruit from Hofstra, from Touro. We try to stay in Nassau County to recruit these law graduates, we help them, we train them. We spend a lot of time investing in them.

I think it's incumbent upon this body, this county, to recognize that these attorneys are providing a vital service to our clients and ,frankly, to the county.

You know, we are dealing with an opioid epidemic in Nassau County. Legal Aid Society, although we are criminal defense lawyers, we are part of the solution. We train our attorneys to identify drug issues. To identify clients and, by doing so, we go in the court system, the drug courts and put them into necessary programs. That is a

vital vital need for our court and our client base.

I understand that the issues before this board, I was in government once, I understand the difficult decisions you need to be making, but I implore you, there is -- I mean, the District Attorney's Office, I don't want to pit one agency against us, but, frankly, they have received according to the 2018 budget, they are referring a 15 percent increase in their budget. Well over I think $2 million in salary alone.

What I am asking this Legislative body is to increase our budget from the county executive's proposal by another $256,000. So I can raise salaries for our young attorneys who work so hard in the court system.

So I thank you for your time and hopefully we can get some good results. I appreciate it.

CHAIRWOMAN GONSALVES: Thank you, Scott. Jenna, would you like to address,

please.

MS. SUPPON: Yes. Good afternoon. My name is Jenna Suppon and I am an attorney at the Nassau County Legal Aid Society. I'm also the Nassau County chapter president of the Association of Legal Aid Attorneys under the UAW 2325.

I second everything Scott just said. I will show you how effective a Nassau County legal aid can be in two minutes and 45 seconds.

To say that our lawyers are dedicated and hard working is a gross under statement. Our days start 8:00 a.m. at the jail. We work through out lunches. We work sometimes 10, 11, 12:00 at night. I can't tell you the number of times I have been in our office in Hempstead after 3 o'clock in the morning working on our cases.

We give up our weekends, we give up our holidays, we give up our times with our families for our clients.

We provide a constitutionally mandated service. We don't have the

appropriate resource to do that given our case loads, but we can't of course and we would never give our clients short shrift of what they are constitutionally guaranteed.

So, what we do, we, the lawyers make up that gap. We are giving our time to make sure that our clients receiving the services, that they are constitutionally guaranteed. It's coming from us and we are not compensated for that.

Our salaries as Scott indicated are very low. I'm 32 years old. I have seven years of criminal defense experience trying cases. I make $66,000 a year.

I came out of law school with $150,000 in law school debt. I'm currently at over $200,000 because I don't make enough money to pay the interest on my loan debt.

As Scott indicated, we are hemorrhaging attorneys at a very high rate. We have lost seven in the last year or so. Every single one of those attorneys has come to me as the union president and said, I'm sorry, I have to break my commitment to the

office. I know it's going to negatively affect my colleagues, and our clients, but I have to do it because I can't make ends meet.

We are living paycheck to paycheck in a profession because we believe in the work we are doing. We need the resources to be able to do that work.

A lot of the attorneys that have left our office or currently in our office want to be in Nassau County long term. They want to have homes here, raise their children here, and we don't have the resources to do it, people are being forced to leave.

The people that haven't left yet are seriously considering leaving because they can't afford to live here.

Additionally, by having more experienced and trained attorneys, you can more effectively and efficiently handle the cases that we do have. You have somebody who can right off the bat at the inception of a case appropriately evaluate it. Get

the person the services that they need and spot the legal issues that you need to address them quickly.

Every one talks about court congestion and about what you need to do to rectify that, we need more DAs, we need more court personnel. That's half the equation. The other half of the equation are the defense attorneys and we need to be treated appropriately. Thank you.

CHAIRWOMAN GONSALVES: Thank you, Jenna. James Jacobs. Yes, go ahead.

MR. JACOBS: Good afternoon legislators and people up there.

I just want to say there are people speaking to the county leg know that we would like -- My name is James P. Jacobs, and I'm a private citizen live in Uniondale for 25 plus years.

Good afternoon to you. Been patient waiting. Like with the legal aid just stated, just like the person stated with the fees for the housing and everything else. As a private citizen when I first

moved out here in Nassau County, I was told everybody is welcome and everybody can have a good quality of life.

But surely it seem if you live north of Hempstead Avenue, you see the Hub getting developed, but south of Hempstead Avenue is not getting developed. That's affecting my quality of life.

My representative, Mr. Abrahams, he's been a strong advocate for us. But sometimes it's nice I learned in life that when offer disagreement with people you learn the art of compromise; you give a little, I give a little.

The reason I'm here now, my Mrs., her pet project is beautification because she loves a nice area of the flowers and stuff like that. A number of years ago we were promised certain things in good faith, as a citizen because we pay our taxes like everybody else, all we want is the same amount of service. We are not asking for more, just the same amount of service.

Saying that, like the legal aid

lady said about competition. She can make lots of money but see she has a conscious and a good soul and she wants to do well for Nassau County.

Me, as a private citizen, all I want is the same service that I pay my taxes for for my county legislative body.

I understand you have different philosophy, political parties, I understand that. But when I was a young man growing up, when I had a disagreement with someone, I learn the art of compromise. You give some, you take some. Legal Aid Society not asking a lot. The people are talking about the real estate fee, all they're asking for is just treatment.

Here is the issue, I understand the philosophy of parties, they're thing is cut all taxes for everyone, not raise the fees and whatnot. The government served by the people for the people; in order to run the government you have to put taxes. It may be a dirty word for somebody. You still got to do what you got to do.

All I'm asking is that if you do taxes, be fair to every one not just the one percent, not the 99 percent. Be fair to everyone.

I get tired of other people getting a free ride and I have to work like a dog to pay for my home. So asking for beautification, money for Legal Aid Society which I don't mind paying extra taxes as long as everyone else is paying their fair share. If there's a guy making $5 million, $10 million, and he's paying 13 percent. I make way less than that, and I pay 34 percent, there is a problem with that. But saying that, that's all I'm coming from.

So thank you for letting me say what I had to say on my mind. I'm down to 22 seconds. I wish you a wonderful weekend. And thank you, Kevan, for coming back. I thought you had left. Thank you for giving me the spot. I appreciate it.

Two quick points. On this presentation, it's a nice presentation, but it's not thorough. It's generalization.

When I talk to the gentleman and asked where the parks are located, he couldn't answer that question. My thing, be thorough. When I work, I'm taught to be thorough. So when you do it in front of your colleagues and all that, you want all the details, the T crossing, the dot on the I's, you know what I'm saying?

You have to go forgive me. It's been a long day. Trying to get everything out in a timely fashion. Thank you for letting me speak. Hopefully that beautification as a personal favor for me, please consider it. We're not asking much. Thank you.

CHAIRWOMAN GONSALVES: Thank you. I believe we have Mr. Mayers. I haven't seen you for a while.

MR. MAYERS: Good afternoon. Before I get to what I want to say, I have to give this young lady here kudos because that is something that I complain about here in Nassau County about the lack of good lawyer-ship for those who less fortunate.

As a matter of fact, I was thinking I would bring this to the NAACP about suing Nassau County where this ill affordable representation for those who less fortunate is concerned.

I thank Scott Banks and his group need to get a good raise to represent those less fortunate in this county.

I know Scott can do a good job representing these people where they are concerned. Thank you, Scott, keep up the good work. You can reach out to the NAACP any time if you need our help. Thank you.

I wasn't meaning to come here today, but you know sometimes God put people in the right place. I came by here because I went by Kevan's office to pick up some things here for my church because we celebrating 125 years with the Anglican Episcopalian church in Freeport.

My family's letter is so good to give my church recognition and I came by here and I saw him outside and he said something is going on in here. I said what

is going on? Kevan said they're discussing the budget. It hits me right away why didn't I get involved here when the budget is concerned.

Then I come in here and I heard John Imhof speaking. And he give you a glittering picture about the DSS which is full of lies. Because I had my trouble with Mr. Imhof over the years with my constituency and people from my community.

He's telling nothing but lies in here today about this broad picture he give to you all. You all need to go there unannounced with him and see how he treats some these people when they come there looking for help.

I call a lot of times, I complain to different legislators in here about the DSS service.

Then he come in here and give you all this picture about what they're doing reaching out to the community.

The other thing that strikes me when they talk about these children in the

summer who they find jobs for. None comes from my side the community. I ask him how diverse those children is; the diverse community that come from that got these jobs through DSS in the summer. I don't think any of them look like me. All right? So he's a darn liar.

DSS not treat the people from my community as he treat the people working inside, he don't promote them, who did he come in here today with? He didn't have nobody around him looking like me. This county is diverse.

So now John Imhof comes in here and gives you all this glory about what DSS is doing. You have to check it out for yourself. Ask him for the numbers. The hiring. The salaries. Look at it yourself and don't be fooled by him.

I have my issues with him over the years with the complaints that come to the NAACP from the people coming here seeking help from DSS. So check it out for yourself when he sit here and tell you any

bloody foolishness about all this glittering and the people he is trying to help this damn foolishness. No.

As far as I'm concerned he should have been out of that position a long time and I hope the next County Executive will toss him out on his head. He's been here too bloody long, get him out of here and get somebody who is going to treat the people in this county as they should be treated when the taxpayers of this county is spending money to look after people who are less fortunate.

CHAIRWOMAN GONSALVES: Thank you, Mr. Mayers.

MR. MAYERS: Thank you.

CHAIRWOMAN GONSALVES: County Clerk Maureen O'Connell.

COUNTY CLERK O'CONNELL: Thank you, Norma. Somehow I get the feeling some of you don't want to hear what I have to say.

CHAIRWOMAN GONSALVES: No. Say what you have to say.

COUNTY CLERK O'CONNELL: Thank you for inviting me here to speak. I'm here of course to talk about the fees; the real estate recording fees.

The one word I can use is beyond outrageous is what I can describe, the sense of the community as they are recording these documents in my office.

Let's just put it in sort of a practical context. A veteran comes in to pay off his mortgage or he's paid off his mortgage loan and now he wants to satisfy with the mortgage with the paper called a satisfaction.

He comes into my office to file a one-page document and it costs him almost $1,000. Insanity is the only word I can use to describe that.

The other thing I want to put out to you is, someone buys a house, a deed, a mortgage, maybe a satisfaction from having sold a house.

This process, they're paying a recording fee on each of those documents as

well as other fees, it's costing them thousands upon thousands of dollars. It's literally outrageous.

I want to address the assessment fees that came up earlier that you seem to have some confusion about.

This is a fee charged by the department of assessment. It's called the tax map verification fee. What is that? It's a fee dreamt up out of whole cloth.

What you are paying the Department of Assessment to do is check in their database to make sure that the properties identification numbers are correct.

The County Clerk is the only office that has the actual record that is correct of property ownership in the county. So what happens for this $455 fee? They check on a database up in Assessment which is not the official database. Sometimes their information is incorrect.

So, if you are filing a deed, a mortgage, and a satisfaction, you're paying

for three tax map verification fees for information that is wrong. Do you understand what I'm saying? Wrong.

People are changing their documents that are used as the instruments at a closing based on information coming from the Department of Assessment which has a different database than mine.

So this has become literally insane and I'm asking you to reconsider these fees. Roll them back. Please roll them back.

I have even had some of you call me asking me on behalf of our shared constituency to waive these fees.

You can't sit up there and vote for those fees and come to me and say, grant this person a hardship. You are asking me to violate the law. I can't do that.

So you're going to have to make some hard decisions on this budget. I ask you to reconsider these fees.

Just last week we had a meeting of the New York State County Clerk's

Association and the Suffolk County Clerk and I are purporting to put forward state legislation which will standardize the recording fees in the State of New York to override this nonsense because it's not fair. Not fair to your constituents and the people who are trying to buy and sell real estate here in Nassau County.

So I'm asking you very, very, very seriously to look at this structure.

We have veterans in this county. I've asked some of you to consider maybe exempting these fees, first time home buyers. No one has even asked for my input.

Having been a state legislator myself for many years, there may have been ways you could have mitigated this. But now it's out of control.

I ask you to please look at this and take my words very seriously. I literally have people crying in my office paying these fees.

So thank you for your tolerance, thank you for listening to me and I know

you're going to work hard to get rid of these fees. If you have any questions I'm happy to answer.

CHAIRWOMAN GONSALVES: I just want to say something to anyone who has sat here for a number of hours, correct, Scott, even though I told you to come later, but you came earlier. I guess you wanted to hear what everybody else had to say. I really don't blame you.

On the 30th of this month, which is approximately a week from Monday, we are going to have a budget vote. It's another opportunity for the public to address their concerns.

By that time hopefully -- I want every one to know this, you're not coming here and talking on deaf ears. We are listening. We always listen.

When it is feasible, we take your concerns into consideration. That's what we have been doing over the past several weeks.

We've heard once the County Exec's budget was out there and the fees and

everything else that was aligned with the budget, there came a talking point for each and every one of us and for the public out there no matter who we met, where we met.

I want you to know that we have been working diligently. It's our job. I have to say to you we probably could have a very easy pass because I don't think we would have a problem with this budget with NIFA as it is.

However, as I said to someone yesterday, you may think it's a good budget but there's always room for improvement.

So that's what we're going to be doing in the next several years. And on October 30th if you want to come back here come back here and listen to what we are going to put forth for a budget for 2018.

I know both sides of the aisle are working diligently to make it a fair but certainly a budget that we can live with and of course the county certainly will not be in deep red. So, thank you, Maureen.

COUNTY CLERK O'CONNELL: Did

anyone have any questions? Yes, Minority Leader.

LEGISLATOR ABRAHAMS: How are you? I just have a couple of quick questions and a statement as well.

The fees that you're talking about whether it's the mortgage recording, the block fee, the tax verification map, we have been dead set against those from day one.

We are already are putting together amendments to remove those fees. That $24 million in revenue when you combine the two, we are already putting together amendments to remove them.

From our standpoint I can speak for our side, you at least have our side and it sounds like there's a willingness from the other side, I just don't know how much, to remove those fees.

We plan to put amendments forward by the deadline next Monday.

That being said, I want to make sure I heard you correctly, when you talked

about the charge of the fees, you plan to not charge for the increase if -- if we weren't successful in getting our amendments approved through the Legislature, I thought I heard you say you weren't going to charge.

COUNTY CLERK O'CONNELL: No. I said I follow the law. Some of have you called any office asking to you waive fees in hardship circumstances when some of our constituents approach us and you can't vote, sit up here and vote for a law and ask me to waive it. This is insanity.

LEGISLATOR ABRAHAMS: I think I misheard you.

COUNTY CLERK O'CONNELL: I want do just add that this tax map verification charge is for no service. It's a made up fee for something that provides no service. It was thought up by the Budget Office here in Nassau County based on a Suffolk County model.

In Suffolk County, the town assessor assigns the tax map and lot numbers.

So when those assignments of numbers go to the County Clerk, that is reviewed by the County Clerk for a fee to make sure that the tax assessor on the town level assigns the correct property identification number to that new lot, so to speak. So there is a service there. All they do is check a data base upstairs. There's no verification. Sometimes their information is wrong. There is no service. It's a fee without providing a service.

So if you go in there with three instruments, you are paying three times for them to check your tax lot or tax verification for nothing for no service. Just so you have a good -- and Howard knows this. He's in the title business, some of you who are lawyers. I literally have people that will not close on homes through a power of attorney because they are paying for a tax map certification fee on a power of attorney because it identifies a property.

So just to put this in context

for you, this is not the way to run a county and finance a county.

As I said, what we are going to do as County Clerks statewide, we are going to look to legislate out of Albany a standard fee and take this whole thing out of the localities hands because it's getting out of hand. So thank you. Anyone else have any questions?

CHAIRWOMAN GONSALVES: Legislator Solages.

LEGISLATOR SOLAGES: Thank you, Madam Chair. Nice to see you.

During my examination of Mr. Naughton several statements he stated you seem to disagree with or you stated it was incorrect. Do you recall what statements?

COUNTY CLERK O'CONNELL: I think he was talking about the tax map as a verification fee as a charge from my office. It's not generated by my office. It's generated from a department under the County Executive and the county government here

called the Department of Assessment. They have another database which is not the official database of property ownership. So it's not a county clerk fee per se which is what I wanted to clarify.

Again, it was dreamt up by someone as a way to generate a fee for basically what I describe as no service.

LEGISLATOR SOLAGES: Just to be clear, as it relates to recording fees, that would not lead to any increased services from your office?

COUNTY CLERK O'CONNELL: No. Under the law, courts have held that fees that government impose should represent or reflect the cost of providing the service. So this is not a cost that you're covering a charge that I'm creating or even providing a service. It's really way out of line with what services we are providing.

We generate $250 million in revenue in the County Clerk's Office. Approximately $45 million goes to the county. The rest goes to other entities,

the state, the clerk of the courts, those are state court fees, et cetera.

We have about a $6 million budget. So we more than pay for ourselves. So these fees don't represent the cost of the service is what my point is.

LEGISLATOR SOLAGES: Thank you. My last question. I ask Mr. Naughton would this have any aggregate affect on any particular segment in the population, I was thinking of senior citizens, in particular, how can you envision this affecting senior citizens who have to transfer a deed or something?

COUNTY CLERK O'CONNELL: It does affect them because when they are doing estate plans, and some of you who are lawyers can relate to this, when someone does an estate plan and perhaps transfers ownership of property into a trust, so to speak, they are paying a tax map verification fee numerous times and recording fees.

So it's literally impacting

across the board. The buying and selling of real estate and people doing estate plans particularly senior citizens.

Children come in and they're filing these documents paying thousands of dollars to protect their families and it has no relationship to what it cost for us to provide the service. Thank you all.

CHAIRWOMAN GONSALVES: I have one more legislator who wants to ask Mr. Banks a question.

LEGISLATOR BYNOE: Thank you, Presiding Officer. Good afternoon.

I have a question regarding litigation that Suffolk County and Westchester County were involved in relative to the legal aid services that they provide to the residents.

In any way is that tied to part of your concerns?

MR. BANKS: I think you are addressing the Hirro Harring lawsuit. In 2010, the ACLU and other interested parties were concerned about the administration of

indigent legal services throughout the state.

They were particularly concerned about upstate counties that were not providing really any services and they also sought to identify a downstate county to also use as a defendant in the lawsuit that they ultimately commenced.

The Legal Aid Society of Suffolk County -- I'm sorry -- Suffolk County was identified as a county not providing adequate legal services for indigent offense. So they were joined in the lawsuit with four upstate counties. It was not Westchester County.

The result of that lawsuit was a consent settlement with New York State which resulted in mandated state funding to increase services for various things like arraignment, first appearance, because Suffolk County wouldn't have arraignment attorneys and people arrested wouldn't have lawyers. Also, to deal with quality and enhancement of services.

As a result of that lawsuit, ILS, Indigent Legal Services, was created. Indigent Legal Services has now gone further in trying to mandate the settlement of the Hirro Harring lawsuit to all of the counties in the state.

They have done this through various grants that are given to various public defender and legal aid offices. So we do receive grants and public defender offices -- grants from ILS.

Unfortunately those grants are for grant attorneys for three years periods of time which have no effect on the attorneys that are employed under our county budget.

We have I believe currently contracted under the county budget 47.5 attorneys and that is paid exclusively, those salaries and benefits are paid through our budget with our annual budget through the county.

In fact, the Comptroller's Office is very careful in making sure there is no

overlap in the expenditures made for grant attorneys versus attorneys on our certified list. We give every month a certified list of the attorneys on our county.

But we were fortunate not to be because they were looking for a down state county. Nassau County was considered as a possible defendant but, although I have only been in charge of the office for the past year, although I have been a legal aid attorney 35 years ago, Nassau County is always -- and you have heard it through Jenna Suppon today, these lawyers don't worry about their hours. They don't worry about their weekends. They put the work in for their clients. That's what they care about.

I think Nassau County has always done it better, I mean, under a lot of budgetary constraints. So that's why we certainly would not want to become a Hirro Harring county. I think it would be a disgrace. I think under my leadership I'm going to make sure that does not happen.

LEGISLATOR BYNOE: Thank you. That just goes to the point that we need to properly resource you. Thank you very much.

MR. BANKS: I just want to say, I know I sent correspondence to each of the legislators which will also further out line some of the reasons why I'm making the requests today. And, hopefully, if you don't have it, you can contact my office and I will forward those letters to you.

But, once again, thank you very much. I know this is a long day and a difficult process for all of you. I appreciate it.

CHAIRWOMAN GONSALVES: Thank you all. Hopefully you will be back on the 30th to talk to us again or we will talk to you, how's that?

We will let you know exactly what we will be presenting on the 30th.

(Whereupon, the 10-20-17 2018 Budget Committee Hearing concluded at 3:15 P.M.)

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 6th day of November, 2017.

_____

FRANK GRAY