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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.

1

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

3 NORMA GONSALVES, Presiding Officer

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

8 STEVEN RHOADS

9 DENISE FORD

10 LAURA CURRAN

11 C. WILLIAM GAYLOR III

12 VINCENT MUSCARELLA

13 ELLEN BIRNBAUM

14 LAURA SCHAEFER

15 DONALD MACKENZIE

16 KEVAN ABRAHAMS,
17 Minority Leader

18 ROSE MARIE WALKER

19 ARNOLD DRUCKER

20 JAMES KENNEDY

21 DELIA DERIGGI-WHITTON

22 CARRIE SOLAGES

23 SIELA BYNOE

24 MICHAEL PULITZER,
25 Clerk of the Legislature

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2 CHAIRWOMAN GONSALVES: First of
3 all, welcome to the Nassau County
4 Legislature as we move through the review of
5 the proposed budget for the fiscal year
6 2018.

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

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

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

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

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2 allow.

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

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

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

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

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

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

25 Before we get into the numbers I

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

6 This administration was able to
7 accomplish a new renovated Nassau County
8 Veterans Memorial Coliseum. We received
9 \$260 and a half million dollars of private
10 investment. We will oversee the minimum of
11 \$334 million of income over the next 49
12 years.

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

16 We will soon have the Memorial
17 Sloan Kettering Cancer Center. This is a
18 \$140 million private investment. The county
19 received six and a half million dollars for
20 the property, and Memorial Sloan Kettering
21 will employ approximately 250 clinical and
22 administrative positions.

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

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

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

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

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

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

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

5 Crime is down 27 percent. Take a
6 look at major crime down 26 and a half
7 percent. Stolen vehicles decreased by 46
8 and a half percent; burglaries decreased by
9 42.6 percent; murder decreased by 33.3
10 percent; felony assaults decreased by 28 and
11 a half percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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2 2018.

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

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

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

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

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

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

7 Now, talking about the 2018
8 proposed budget development process.

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

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

17 \$23 million in judgments and
18 settlements funded directly out of the
19 operating budget as Eric mentioned
20 previously.

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

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

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

4 \$10 million in inmate medical
5 costs. As you know, nine to \$10 million
6 because we had to change from a contract
7 with Armor to NHCC.

8 An additional \$9 million in NICE
9 Bus funding.

10 \$6 million is the contract
11 increase and we had a decrease in fair box
12 revenue.

13 \$8 million because we had to fund
14 the environmental bond in terms of taxes.
15 \$8 million because the retirement
16 contribution reserve fund was depleted in
17 2017. So we no longer had access to that
18 funding.

19 \$7 million of pension
20 contribution. Please note, that if we
21 wouldn't have deferred pension payment, that
22 would have been \$25 million.

23 \$5 million of income and expense
24 loss from previous years in 2017 was funded
25 at \$10 million and now it's funded at five.

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

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

10 There is an additional \$235
11 million dollars that this could have went up
12 and would have been the differential. So
13 pension alone went up by \$85 million. From
14 2017, \$7 million because, yes, we deferred
15 \$25 million.

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

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

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

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2 down over 1,700 head count employees.

3 That, in addition to the fact
4 that health care and pensions have risen
5 over time by \$185 million tells you how
6 incredible pension and health costs go up
7 even though we have decreased workforce by
8 1,700 heads.

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

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

18 We have seen improvement but the
19 2018 still funds overtime at the same level
20 as 2017.

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

25 MR. NAUGHTON: Thank you,

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

5 NIFA's consultant presented to us
6 \$88 million of potential cuts options that
7 they felt the county probably should do. We
8 have felt that those options were pretty
9 draconian in nature.

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

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

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

20 When you look at the first one,
21 privatize ambulance services, saving \$15 and
22 a half million dollars, somehow they forgot
23 that we actually generate revenue of roughly
24 22 to \$25 million on that operation. So
25 clearly this is not something that would

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2 make sense.

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

10 Eliminate crossing guards saves
11 \$14 and a half million. That is totally not
12 acceptable, something that does not make any
13 sense why we would put our kids in jeopardy.

14 Transfer to other municipalities
15 or elimination of park maintenance, savings
16 \$5.6 million. As I have already
17 demonstrated to you, many of our parks have
18 been improved. The ones that haven't, I
19 don't think the other towns would want them
20 and wouldn't take them for free, so there's
21 no way we would save \$5.6 million.

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

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2 Elimination of youth services of
3 \$5 and a half million, clearly we have had
4 this debate for many years. We recognize
5 that this is not something that you would
6 want, not something that we would want to
7 do. We felt it was best to fund the youth
8 services.

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

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

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

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

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2 that.

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

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

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

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

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2 million.

3 MR. NAUGHTON: Just so I may add,
4 they would actually cut us a check for \$21
5 million but, because of the timing, the
6 accounting treatment shows part of that
7 money recognizing in '18 and part of it in
8 '19.

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

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

19 Last year we asked for \$105 per
20 ticket. This body sought to lower that to
21 \$55 per ticket. We are asking for a \$120
22 public safety fee per traffic infraction.

23 \$12 million in tax map
24 verification fees. That's an increase of
25 \$100 from \$300 to \$400. \$11.8 million in

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2 block fees.

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

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

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

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

19 Crossing guards are still funded.
20 Community policing still funded. Our POP
21 cops are still funded. VEEB is still
22 funded. Senior citizen programs are still
23 funded or even increased.

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

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

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

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

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

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

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

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

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

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

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

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2 in refunds next year.

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

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

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

16 OTB, all the monitors are
17 skeptical that we will receive the money
18 from OTB. I just want to let you know that
19 if you take a look at their operations they
20 have approximately somewhere between 460 to
21 480 machines out of the 1,000 that they were
22 supposed to have running. They are up and
23 running, up for the last four to five
24 months.

25 They are making tons of money and

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

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

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

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

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

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

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

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

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

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

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

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

12 CHAIRWOMAN GONSALVES: Legislator
13 Nicolello.

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

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

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

25 LEGISLATOR NICOLELLO: I want to

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

6 MR. NAUGHTON: Indirectly the
7 judgments \$37 million.

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

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

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

17 MR. NAUGHTON: Zero.

18 LEGISLATOR NICOLELLO: It goes
19 from 37 million to zero?

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

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

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2 MR. NAUGHTON: GAAP.

3 MS. D'ALLEVA: GAAP.

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

7 MR. NAUGHTON: Yes.

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

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

13 MS. D'ALLEVA: Since 2015.

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

19 MR. NAUGHTON: Yes.

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

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2 MR. NAUGHTON: That is correct.

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

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

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

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

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

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

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

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2 LEGISLATOR NICOLELLO: So then
3 what's the difference?

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

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

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

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

25 CHAIRWOMAN GONSALVES: Legislator

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2 Kopel.

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

6 I might as well start off with
7 the bond premium just to follow-up on
8 Legislator Nicoletto, on his discussion with
9 you.

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

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

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2 three percent.

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

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

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

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

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

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

25 MR. NAUGHTON: The question

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

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

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

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

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

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

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

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

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

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

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

21 MR. NAUGHTON: Correct.

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

24 MR. NAUGHTON: Yes.

25 LEGISLATOR KOPEL: So if that

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

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

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

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

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

20 MR. NAUGHTON: Correct.

21 LEGISLATOR KOPEL: That's the
22 county policy?

23 MR. NAUGHTON: Yes, it is.

24 LEGISLATOR KOPEL: Is that
25 considered prudent policy in municipalities

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2 generally?

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

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

9 MR. NAUGHTON: The policy is
10 appropriate for Nassau County. I think when
11 you look at the fact that we collect nearly
12 100 percent of our taxes, we're not at risk
13 there. The weather here, in case we have a
14 super storm Sandy, but we don't base the
15 risks that other locations take where you
16 have to have more money set aside for our
17 emergencies.

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

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

25 MR. NAUGHTON: NIFA has never

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2 really commented on our fund balance.

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

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

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

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

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

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

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

4 LEGISLATOR KOPEL: You can use it
5 for other things.

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

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

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

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

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

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

7 LEGISLATOR KOPEL: That is what
8 you're doing?

9 MR. NAUGHTON: Yes.

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

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

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

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

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2 fees. We need to look at that.

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

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

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

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

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

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2 costs the county to do this.

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

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

11 I, therefore, would surmise that
12 they are enforceable.

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

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

25 CHAIRWOMAN GONSALVES: I'm just

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

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

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

12 If we were able to utilize the
13 bond premiums, would we have to impose the
14 \$60 million in fees?

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

19 CHAIRWOMAN GONSALVES: The entire
20 \$60 million?

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

25 CHAIRWOMAN GONSALVES: And NIFA's

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2 GAAP compliant or ours? NIFA's GAAP?

3 MR. NAUGHTON: GAAP.

4 MS. D'ALLEVA: Generally accepted
5 accounting principles.

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

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

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

24 CHAIRWOMAN GONSALVES: Thank
25 you, Eric. Legislator Ford.

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

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

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

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

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

24 MR. NAUGHTON: Exactly.

25 LEGISLATOR FORD: What is the

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2 county's long term debt?

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

5 LEGISLATOR FORD: \$3.1 billion?

6 MR. NAUGHTON: Yes.

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

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

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

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

18 LEGISLATOR FORD: Then even with
19 the Suez agreement, we are going to save \$10
20 million annually, now we are only realizing
21 6.5?

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

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

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

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

13 LEGISLATOR FORD: I didn't hear
14 that.

15 CHAIRWOMAN GONSALVES: \$2
16 million.

17 MR. NAUGHTON: Yes.

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

21 MS. D'ALLEVA: No. They have
22 gone up. I think this year they went up
23 \$250,000.

24 LEGISLATOR FORD: This year, this
25 2017?

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2 MS. D'ALLEVA: Yes.

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

10 CHAIRWOMAN GONSALVES: Legislator
11 MacKenzie.

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

20 MR. NAUGHTON: That is correct.

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

25 MR. NAUGHTON: That is correct.

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

5 MR. NAUGHTON: That's correct.

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

9 MR. NAUGHTON: Yes.

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

14 MR. NAUGHTON: Yes.

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

21 MR. NAUGHTON: Yes.

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

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2 fair to say?

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

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

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

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

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

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

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

21 MR. NAUGHTON: That is a fair
22 statement.

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

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2 like bond premiums differently, is that fair
3 to say?

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

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

13 MR. NAUGHTON: Yes.

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

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

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

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

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

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

18 MR. NAUGHTON: Correct.

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

22 MR. NAUGHTON: That is correct.

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

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

4 MR. NAUGHTON: That's fair.

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

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

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

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

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

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

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

9 CHAIRWOMAN GONSALVES: Legislator
10 Gaylor.

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

17 MR. NAUGHTON: That is accurate.

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

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

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

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

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

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

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

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

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

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2 the use of fund balance, we will be neutral.

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

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

20 MS. D'ALLEVA: We accrued about
21 13 plus 39 million.

22 MR. NAUGHTON: Yes. So last year
23 even though we didn't pay it out, we took a
24 \$39 million expense hit. 26 in operating
25 budget, 13 in the capital budget.

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

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

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

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

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

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

4 LEGISLATOR GAYLOR: That's about
5 at four percent?

6 MR. NAUGHTON: That is correct.

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

11 MR. NAUGHTON: Yes.

12 LEGISLATOR GAYLOR: Is the three
13 percent mandated?

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

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

21 MR. NAUGHTON: Yes, you could.

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

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2 MR. NAUGHTON: No, just the
3 opposite.

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

6 CHAIRWOMAN GONSALVES: Legislator
7 Schaefer.

8 LEGISLATOR SCHAEFER: Thank you.
9 Good morning.

10 MR. NAUGHTON: Good morning,
11 Legislator Schaefer.

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

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

18 MR. NAUGHTON: Correct.

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

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

6 MR. NAUGHTON: No, because that's
7 just dealing with how we are funding the
8 2017 expenses, that decision does not carry
9 over to the next year.

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

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

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

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

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

25 MS. D'ALLEVA: Yes, additional

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

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

7 MS. D'ALLEVA: So we adjusted the
8 2018 proposed budget to trend as the 2017
9 projection is trending.

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

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

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

19 CHAIRWOMAN GONSALVES: Legislator
20 Walker.

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

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2 with all the mandated programs we have.

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

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

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

19 LEGISLATOR WALKER: Thank you.

20 CHAIRWOMAN GONSALVES: Legislator
21 Muscarella.

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

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2 MR. NAUGHTON: Two percent
3 growth.

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

8 MR. NAUGHTON: 2.83, correct.

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

12 MR. NAUGHTON: I don't know that.

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

18 MR. NAUGHTON: Sure.

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

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

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

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

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

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

18 LEGISLATOR MUSCARELLA: And last
19 year you projected 2.5 percent?

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

23 LEGISLATOR MUSCARELLA: What
24 exactly is it coming in at?

25 MR. NAUGHTON: That's what I

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

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

7 MR. NAUGHTON: Yes.

8 LEGISLATOR MUSCARELLA: Very
9 conservative?

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

13 LEGISLATOR MUSCARELLA: Okay.
14 Thank you.

15 CHAIRWOMAN GONSALVES: Legislator
16 Nicolello.

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

25 MR. NAUGHTON: That is accurate.

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

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

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

16 MR. NAUGHTON: Based off of the
17 2018 budget, the 2018 budget was approved as
18 we've presented it, yes, there would be no
19 control period. But for our 2017 results, I
20 think that you would still have a control
21 period.

22 LEGISLATOR NICOLELLO: What is
23 that based on? What is it that creates the
24 deficit? What creates the deficit over \$30
25 million?

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

6 MS. D'ALLEVA: The \$36 million.

7 LEGISLATOR NICOLELLO: In 2017?

8 MR. NAUGHTON: Yes.

9 LEGISLATOR NICOLELLO: Okay.

10 Thank you.

11 CHAIRWOMAN GONSALVES: Legislator
12 MacKenzie.

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

18 MR. NAUGHTON: That's correct.

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

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

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

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

8 MR. NAUGHTON: Yes.

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

15 MR. NAUGHTON: Correct.

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

22 MR. NAUGHTON: Yes.

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

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

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

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

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

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

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

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2 this county.

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

9 MR. NAUGHTON: Correct.

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

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

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

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

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2 definition, yes.

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

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

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

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

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

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

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

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

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

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

14 MR. NAUGHTON: Yes, they were
15 permitted to.

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

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

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

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

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

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

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

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

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

24 MR. NAUGHTON: Correct.

25 LEGISLATOR MACKENZIE: But in the

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

5 MR. NAUGHTON: Yes.

6 MS. D'ALLEVA: Correct.

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

11 MR. NAUGHTON: Yes.

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

15 MR. NAUGHTON: Yes.

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

19 MR. NAUGHTON: Yes.

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

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

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2 different answer.

3 CHAIRWOMAN GONSALVES: I know
4 that Legislator Nicoletto has a followup
5 question.

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

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

11 LEGISLATOR NICOLELLO: When you
12 answered the question with respect to
13 whether there would have been a control
14 period in 2017, you referred to the \$36
15 million in borrowing for tax certs. That
16 would have triggered the control period in
17 2017 under the old rules?

18 MR. NAUGHTON: Yes.

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

21 MR. NAUGHTON: Yes, they did.

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

24 MR. NAUGHTON: Yes, they
25 definitely did.

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

7 MR. NAUGHTON: Yes.

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

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

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

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

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

4 LEGISLATOR KOPEL: Yes.

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

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

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

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

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

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

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

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

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

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

20 MR. NAUGHTON: Yes.

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

25 MR. NAUGHTON: Is there a

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2 question?

3 LEGISLATOR ABRAHAMS: Am I

4 accurate?

5 MR. NAUGHTON: Yes, it's

6 accurate, but I think the point that the

7 majority was making is that they also had

8 the option to move into a control period

9 earlier had they so chosen.

10 MS. D'ALLEVA: Under the same

11 guidelines.

12 LEGISLATOR ABRAHAMS: Under the

13 same guidelines they could have.

14 But the creation of them morphing

15 into a control board came about how?

16 MR. NAUGHTON: Fortunately I

17 wasn't here for that part. But I think my

18 understand is that they took a look at the

19 projected revenues and the actions from the

20 Legislative body to say that the county was

21 going to have a projected deficit and

22 therefore they said they were going to have

23 a control period.

24 LEGISLATOR ABRAHAMS: So I have a

25 recollection that the administration

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2 encouraged the control board to be able to
3 freeze wages.

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

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

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

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

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

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2 MR. NAUGHTON: Yes.

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

10 MR. NAUGHTON: In 2018.

11 LEGISLATOR ABRAHAMS: Have you
12 presented any models to show this body or
13 the outside authorities NIFA, OLBR, how that
14 revenue or how that fund will be funded to
15 \$100 million?

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

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

25 LEGISLATOR ABRAHAMS: So when the

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

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

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

15 MR. NAUGHTON: Yes.

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

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

25 There are other type of

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

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

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

11 MR. NAUGHTON: I would say --

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

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

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

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

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2 LEGISLATOR ABRAHAMS: I agree.

3 It grows every year. It should slow down
4 now.

5 MR. NAUGHTON: Yes, it's an
6 estimated number. Right now the estimate is
7 \$340 million. Is that right or wrong, I
8 have absolutely no idea. Right now, if they
9 said, you gave me \$340 million would
10 everything would go away, I would not be the
11 gambling person for that.

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

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

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

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

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

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

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

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

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

9 LEGISLATOR ABRAHAMS: But this is
10 a fee they collect?

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

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

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

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

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2 not \$100.

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

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

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

25 We don't think at the level we

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

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

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

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

14 MR. NAUGHTON: Zero.

15 MS. D'ALLEVA: Zero.

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

19 MS. D'ALLEVA: 455.

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

23 MR. NAUGHTON: What do you mean
24 by doable?

25 LEGISLATOR ABRAHAMS: What I mean

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

5 MR. NAUGHTON: Yes.

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

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

15 LEGISLATOR ABRAHAMS: You said
16 \$300 fee?

17 MR. NAUGHTON: When it was \$300.

18 LEGISLATOR ABRAHAMS: It was zero
19 in years past --

20 MR. NAUGHTON: Right.

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

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

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

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

7 MS. D'ALLEVA: Yes.

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

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

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

22 MS. D'ALLEVA: Yes.

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

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

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

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

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

18 MS. D'ALLEVA: Yes.

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

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

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

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

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

14 MS. D'ALLEVA: I believe so.

15 LEGISLATOR ABRAHAMS: Then it
16 went up to what?

17 MS. D'ALLEVA: I think it was
18 \$10, \$75, \$150 to \$300 and now \$400.

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

22 MS. D'ALLEVA: Yes.

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

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

5 MS. D'ALLEVA: Yes, seems so.

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

9 MR. NAUGHTON: No.

10 LEGISLATOR ABRAHAMS: Why would
11 you say that?

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

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

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

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

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2 residents?

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

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

10 CHAIRWOMAN GONSALVES: Legislator
11 DeRiggi-Whitton.

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

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

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

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

25 Does borrowed money help us, the

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

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

8 MR. NAUGHTON: No.

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

12 MR. NAUGHTON: Correct.

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

17 MS. D'ALLEVA: We are using \$36
18 million of funds balance to pay tax certs in
19 2017.

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

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

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

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

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

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

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

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

20 MR. NAUGHTON: Yes.

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

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

4 MR. NAUGHTON: Yes.

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

8 MR. NAUGHTON: Again, using my
9 \$100 million example again, if we have \$100
10 million need for capital projects, through
11 the use of bond premium we would only end up
12 borrowing roughly \$85 million; receive \$15
13 million in proceeds to go towards the
14 capital projects.

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

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

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

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

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

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

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

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

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2 new fed chair?

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

5 LEGISLATOR DERIGGI-WHITTON: With
6 interest rates and everything.

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

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

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

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

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2 the income?

3 MR. NAUGHTON: The agreement
4 is --

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

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

16 I want to just tell you
17 something, I don't know if you guys are the
18 right ones to tell this too but I had
19 someone, a constituent go and pay, I forget,
20 \$40 and then he said, "Oh can I have a
21 receipt?" And they said no, that they're not
22 giving receipts.

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

25 MR. NAUGHTON: I mean we can

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2 relay the message.

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

11 MS. D'ALLEVA: I understand your
12 concern.

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

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

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

25 LEGISLATOR DERIGGI-WHITTON: So

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2 it went up again from the \$3 million?

3 MS. D'ALLEVA: Well, I think in
4 2016 they were at \$5 million.

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

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

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

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

21 MR. NAUGHTON: No, it's two
22 percent based off of us assuming we're going
23 to get two and a half percent growth in
24 2017.

25 LEGISLATOR DERIGGI-WHITTON:

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

4 MR. NAUGHTON: Correct.

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

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

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

13 MR. NAUGHTON: Yes.

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

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

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

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

25 MS. D'ALLEVA: Right.

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2 Consumption is relatively flat.

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

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

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

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

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

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

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2 tax and CPI.

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

8 LEGISLATOR DERIGGI-WHITTON: All
9 right. Thank you.

10 CHAIRWOMAN GONSALVES: Legislator
11 Solages.

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

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

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

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

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

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

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

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

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2 are getting what is probably owed to us.

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

5 MR. NAUGHTON: Yes.

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

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

13 LEGISLATOR SOLAGES: Okay. How
14 much is it?

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

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

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

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

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

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

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

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2 determined?

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

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

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

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

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2 Assessment Department have decreased, is
3 that correct?

4 MR. NAUGHTON: Over time, yes.

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

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

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

14 MR. NAUGHTON: Yes.

15 LEGISLATOR SOLAGES: But quantity
16 can make a difference.

17 MR. NAUGHTON: Only if they're
18 productive.

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

25 MS. D'ALLEVA: Routes were

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

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

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

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

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

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

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

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

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

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

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

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

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

21 LEGISLATOR SOLAGES: She's duly
22 elected --

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

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

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

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

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

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

20 LEGISLATOR SOLAGES: Nothing
21 further. Thank you.

22 CHAIRWOMAN GONSALVES: Legislator
23 Curran.

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

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

5 I wanted to revisit the DAF
6 situation. The outside monitoring entities
7 are, basically this is a risk, whether it's
8 40 million or 44 million. Has this plan
9 been discussed to make up for that risk?

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

15 LEGISLATOR CURRAN: I mean
16 possible legal challenges to it.

17 MR. NAUGHTON: We have collected
18 \$94 million this year. If there was going
19 to be a legal challenge, we already would
20 have seen it.

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

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

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

10 LEGISLATOR CURRAN: OTB. So you
11 went before, the basis of the claim that we
12 should be receiving about \$16 million,
13 \$15.75 million of the Genting payments, is
14 that next year 2018?

15 MR. NAUGHTON: Yes.

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

21 MR. NAUGHTON: Correct.

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

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

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

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

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

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

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

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2 you.

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

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

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

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

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

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

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

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

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

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

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

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

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2 normal year.

3 LEGISLATOR CURRAN: I guess time
4 will tell. Thanks.

5 CHAIRWOMAN GONSALVES: Legislator
6 Bynoe.

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

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

14 MR. NAUGHTON: We do not have
15 that schedule.

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

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

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

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2 moot.

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

5 MR. NAUGHTON: Okay.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 As a matter of fact, Miami Dade
22 County brought in if I'm not mistaken
23 \$275,000 in recoveries. So most certainly
24 if this office is going to function because
25 it's been stated so many times that this

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

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

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

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

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

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

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

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

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2 conformed of 483. That's about roughly 70K.
3 60K less.

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

9 MR. NAUGHTON: Which position are
10 you referring to?

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

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

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

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

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

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

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

17 MS. D'ALLEVA: I also think
18 there was a termination payout in 2015 -- in
19 2017 I believe in terms of the budget.

20 MR. NAUGHTON: \$19,400.

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

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

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

8 LEGISLATOR BYNOE: 234 you said?

9 MR. NAUGHTON: Yes.

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

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

17 LEGISLATOR BYNOE: Is there a
18 spending plan?

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

22 LEGISLATOR BYNOE: Is there a
23 proposed spending plan?

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

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

5 LEGISLATOR BYNOE: So we back
6 into it?

7 MS. D'ALLEVA: What happens is --

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

13 LEGISLATOR BYNOE: The latter.

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

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

19 LEGISLATOR BYNOE: I would love
20 to receive that.

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

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

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2 CHAIRWOMAN GONSALVES: Legislator
3 Birnbaum.

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

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

12 MS. D'ALLEVA: Yes, we do.

13 LEGISLATOR BIRNBAUM: What would
14 you estimate the savings was?

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

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

25 LEGISLATOR BIRNBAUM: Did many of

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2 those employees take at VSIP this year?

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

6 LEGISLATOR BIRNBAUM: Does the
7 county get a credit back?

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

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

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

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

25 LEGISLATOR BIRNBAUM: So that's

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2 down from \$10 million, it's less?

3 MR. NAUGHTON: Because we are
4 paying fewer employers.

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

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

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

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

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

22 MS. D'ALLEVA: So what happened
23 was, when they came into the county January
24 1, 2015, there were 290 to 295 employees,
25 sorry, my memory is not that good.

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2 Now the sewer district fund is
3 down to 124 employees. So we have exited
4 170 people over the course of two and a half
5 years.

6 So those people have attrited off
7 county payroll. Therefore, Suez is working
8 with less staff, they're leasing less staff.
9 I believe in 2018 we proposing they are
10 leasing 80 employees. I'm not 100 percent
11 sure. But they are leasing about 80
12 employees in 2018 down from the original in
13 2015, they were leasing 124 employees from
14 the county service, i.e., that's why the
15 credit was over \$10 million.

16 The first year the credit was \$11
17 million.

18 LEGISLATOR BIRNBAUM: Okay.
19 Thank you.

20 CHAIRWOMAN GONSALVES: Legislator
21 Drucker.

22 LEGISLATOR DRUCKER: Thank you,
23 Madam Presiding Officer.

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

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2 that everything has been asked and answered.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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2 market as well. So it does have --

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

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

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

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

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

25 You referenced that if would

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

4 MR. NAUGHTON: Yes.

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

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

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

18 CHAIRWOMAN GONSALVES: Thank
19 you, Eric, thank you, Roseanne, thank you
20 legislators.

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

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

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2 Welcome, Mr. Maragos.

3 COMPTROLLER MARAGOS: Good
4 afternoon.

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

8 CHAIRWOMAN GONSALVES: Please do.

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

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

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

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2 funds, and bond proceeds.

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

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

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

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

22 Under the risk scenario, the
23 structural GAAP is projected to increase to
24 \$142 million.

25 The key budgetary risks are those

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

8 Additionally, at risk are \$12.8
9 million from expected OTB, VLT profits and
10 \$40 million in under budgeted tax cert
11 expense.

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

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

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

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2 VSIP compared to the midyear projection.

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

10 Other liabilities are projected
11 to remain high at \$785 million. The
12 deferred pension liability is expected to
13 reach \$226 million. The long term property
14 tax liability however is expected to
15 decrease lightly to \$281 million down from
16 \$302 million as a result of the apparent
17 success of the DAF. The unresolved utility
18 liability remains at about \$280 million.

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

25 The continued reliance on fee

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2 increases will probably run its course.

3 Further fee hikes may actually become

4 regressive.

5 There are also rising concerns

6 that employee productivity gains through

7 better deployment of technology is not

8 keeping pace with head count reductions and

9 public services may suffer.

10 The new administration,

11 Legislature, NIFA will need to address these

12 challenges going forward.

13 I'm happy to take your questions.

14 CHAIRWOMAN GONSALVES: Any of you

15 have questions for the Comptroller? No?

16 Okay. Legislator DeRiggi-Whitton.

17 LEGISLATOR DERIGGI-WHITTON: How

18 do you feel about that projection for sales

19 tax?

20 COMPTROLLER MARAGOS: Actually

21 our risks are less than NIFA and the budget

22 office because we are projecting actually

23 optimistically 2.5 percent growth in sales

24 tax next year.

25 The economy seems to be growing

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2 faster than anticipated. The GTP is growing
3 so we revised our sales tax projections for
4 2018 to 2.5 percent versus the
5 administration's two percent.

6 LEGISLATOR DERIGGI-WHITTON:

7 That's interesting. So you're higher?

8 COMPTROLLER MARAGOS: Yes.

9 LEGISLATOR DERIGGI-WHITTON: Thank
10 you.

11 CHAIRWOMAN GONSALVES: Legislator
12 Muscarella.

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

19 COMPTROLLER MARAGOS: Six or \$7
20 million.

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

24 COMPTROLLER MARAGOS: No, I
25 don't.

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

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

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

11 CHAIRWOMAN GONSALVES: Legislator
12 are Curran.

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

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

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

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2 is about 3.1 so if you include the
3 nonrecourse debt, it becomes 3.6 which is
4 slightly down from what it was a couple of
5 years ago as we've projected in 2017 and
6 2016.

7 We understand they will be
8 rolling over these bonds they have
9 previously borrowed of approximately \$100
10 million so that will increase it to \$3.7
11 billion after the rollover of those bonds to
12 long term debt.

13 LEGISLATOR CURRAN: And the
14 sewer?

15 COMPTROLLER MARAGOS: And the
16 sewer, yes.

17 CHAIRWOMAN GONSALVES: Legislator
18 Birnbaum.

19 LEGISLATOR BIRNBAUM: Good
20 afternoon.

21 COMPTROLLER MARAGOS: Good
22 afternoon.

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

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

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

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

12 COMPTROLLER MARAGOS: For the
13 backlog?

14 LEGISLATOR BIRNBAUM: Yes.

15 COMPTROLLER MARAGOS: No. The
16 \$30 million is what the administration is
17 budgeting to pay. We think that's less than
18 the amounts that they will have to pay.

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

23 LEGISLATOR BIRNBAUM: Thank you.

24 CHAIRWOMAN GONSALVES: That's it.

25 Legislator Drucker, any questions? No other

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2 questions. Wow.

3 COMPTROLLER MARAGOS: That's
4 easy, thank you.

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

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

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

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

24 One of our major efforts is
25 leveraging relationships with community

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2 partners. And that includes educational
3 partners.

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

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

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

20 (PSA played)

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

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

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

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

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

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

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

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

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

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

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

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

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2 2011 to 2014.

3 However, it's projected to
4 decrease 19 percent in 2017 going back to
5 2014.

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

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

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

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

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

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

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

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

17 MR. BRODERICK: The ADMs and LCMs
18 are basically directives from the state,
19 they're mandates. They are not guidance
20 saying you must.

21 With every single ADM or LCM that
22 comes out, what does it do, it tells us the
23 direction we have to go in or what benefits
24 we have to do. They give us direction, but
25 it also involves a lot of staff training,

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2 staff development, retraining staff to
3 ensure we are adhering to the administrative
4 directives set forth by these oversight
5 agencies.

6 DR. IMHOF: Each new ADM involves
7 a training program that our training
8 director develops for our staff so that they
9 can become proficient in the new regulations
10 that are issued.

11 The regulations that constantly
12 go through changes as well. What may be
13 applicable one year the following year is
14 changed or modified in some way.

15 Out staff must be trained in
16 order to accommodate the state's
17 requirements.

18 These are, page seven, the direct
19 program areas of the Department of Social
20 Services, and, again, I'm not going to read
21 the entire list but you can see there are
22 several program areas going into page eight
23 as well.

24 To support those programs, we
25 have support units on page nine as well

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2 starting with the Office of the Commissioner
3 and the subsequent departments and units
4 that support all of the direct program
5 services of the Department of Social
6 Services. And also the sub program areas as
7 well starting with our customer service call
8 center.

9 We've been very proud of our
10 relationships with external agencies. It's
11 our philosophy that as a county department
12 we cannot stay isolated; we cannot work in a
13 vacuum. I don't believe no county
14 department should work in a vacuum. We have
15 a responsibility not just to our individual
16 constituents, but there are literally
17 hundreds of agencies and programs throughout
18 the county that we feel it's our
19 responsibility to reach out to and work with
20 on a regular basis.

21 We have developed individually
22 liaisons to a number of external agencies.
23 This is one list where each agency you see
24 we have a staff liaison that is assigned to
25 work with this group.

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2 Beginning on page 11, in
3 fulfilment of our philosophy that we don't
4 stay isolated, we are part of a community,
5 part of a larger network of programs that
6 serve the constituents of Nassau County, we
7 have partnerships with all of these agencies
8 on page 11 and 12.

9 Again, I'm not going to go and
10 read each one to you but we have to work
11 with every one out in the community. Again,
12 we cannot stay isolated.

13 So many of these programs also
14 work with our constituents. We have to
15 develop relationship with them and, again,
16 the primarily benefit is that the residents
17 of Nassau County receive the services in a
18 comprehensive and wholistic way, not
19 isolated, because that really doesn't help
20 anyone.

21 So our partnerships on page 11
22 and 12 as you can see are extensive and it's
23 still growing. Any new agency that
24 develops, we reach out to them, we bring
25 them into the DSS. We give them a tour and

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2 visit the agency in the community.

3 Our annualized activities out of
4 250 business days, we have approximately
5 between 700 and 1200 people that visit the
6 department every single day, to register at
7 welcome desk.

8 Every day between 1400 and 2500
9 are in the lobby on a daily basis.

10 In 2016, those are the latest
11 full year figures that we have had, we have
12 had 20,000 applications for public
13 assistance, 19,000 applications for
14 Medicaid, 22,000 applications for SNAP,
15 4,400 for day care, and 27,000 for HEAP
16 benefits in the county.

17 As part of our work with
18 community agencies and with the state
19 agencies as well, we try to engage in as
20 many new initiatives as possible.

21 Again, the initiatives that you
22 see listed are all intended to inform our
23 constituents that we are able to help them
24 not just through the department but through
25 many other programs in Nassau County as

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2 well.

3 Again, I'm not going to read the
4 list but we wanted to give you some idea
5 that we are not, again, not in a vacuum. We
6 are part of a network of agencies and
7 partnerships and affiliations and, together,
8 only together can we really help our mutual
9 constituents. We cannot be isolated in
10 providing services.

11 Our day care program, the number
12 of children as actually grown from 2011 to
13 2012. There has been a slight drop in 2017
14 but we've been able to provide day care
15 services without a waiting list. We are the
16 only county in the region that does not have
17 a waiting list for day care services and, in
18 order to really help the people who need to
19 work and cannot take care of their children,
20 otherwise they wouldn't be able to have
21 employment. So our day care services are
22 essential to really increasing the
23 employment opportunities for parents. We
24 will be able to answer more questions on
25 that if you like.

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2 I'm going to ask Paul Broderick
3 to discuss our day care policies compared to
4 the other counties.

5 MR. BRODERICK: This slide over
6 here is just to illustrate the county's
7 policies.

8 DSS has to abide by state
9 mandates and, for the most part, state
10 mandates are pretty consistent from county
11 to county. We have very little discretion
12 as to income eligibility standards for
13 Medicaid, temporary assistance for SNAP
14 benefits.

15 But in day care, that's one
16 discretionary program where the county has
17 the say in setting up eligibility standards
18 based on individual's incomes.

19 The slide here indicates to you,
20 if you look at the large five counties in
21 New York State, our income eligibility
22 standard is 200. It's -- I mean it's higher
23 than the average in New York State or these
24 five big counties, 177 percent of the
25 federal poverty level. And what they call

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2 the family share, their contribution, we're
3 at 20 percent.

4 Then if we look at the downstate
5 counties, we're still, if you want to say
6 more generous, yes, we are. Why do we have
7 this program? Why did we I guess were
8 proponents of that and the administrative
9 supportive of that is because of on the next
10 slide, it will indicate exactly where we
11 were going in Nassau County and rewarded for
12 that.

13 If you look at total day care
14 revenue, that's the money that we get
15 reimbursed by New York State from the
16 program.

17 So, while in 2012, if you look,
18 you can see the total day care expense was
19 \$61.6 million. The county reimbursed us \$35
20 million.

21 Because we didn't change our
22 eligibility standards, while the expense was
23 \$61.4 million in 2016, our reimbursement
24 from the state grew from \$35 million to \$49
25 million, therefore by reducing the county

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2 investing in the program.

3 So we were actually rewarded by
4 the state with more money as opposed to
5 other counties.

6 In Suffolk County one year we
7 received \$9 million jump in reimbursement
8 back to us.

9 Out in Suffolk County they
10 received \$500,000 and they were complaining.

11 It shows that we are investing in
12 our program because this really targets
13 people who are working poor or unemployed.
14 So this program actually paid off dividends
15 in spades on this. It was a wise move and
16 it paid off for Nassau County.

17 DR. IMHOF: On page 18, you will
18 see the record of CPS reports coming into
19 DSS from the state central registry.

20 Since 2013 there has been a
21 decrease in the number of CPS reports and
22 we're seeing a slight uptick in 2017.

23 These are reports that a CPS call
24 is made to New York State, not directly to
25 the Department of Social Services, and the

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2 New York State central registry will listen
3 to the nature of the call and they will
4 determine whether or not the call warrants a
5 referral to Nassau County for further
6 investigation.

7 Foster care. As you can see, the
8 number of children in foster care has
9 continued to decrease over the years.
10 Currently about 172 children in foster care.
11 And that's doing due in great degree to the
12 manner in which we are now handling our
13 meetings to determine whether or not a child
14 or children should be removed from a family
15 and placed in foster care.

16 The nature of the meetings that
17 we have established and the establishment of
18 a preventive unit has ensured that we
19 continue to reduce children not being taken
20 away from their nuclear families but rather
21 a preventive program that wraps around the
22 family and the kids and helps them really
23 negotiate the problems that made the
24 original CPS report necessary. So it's a
25 nice figure. We hope to continue dropping

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2 the foster care numbers.

3 One thing that has changed is
4 that while the numbers of kids in foster
5 care has been reduced, there has been an
6 increase in the cultural diversity of the
7 kids who are being referred for foster care
8 which is one of the reasons we developed a
9 PCA and we hold monthly meetings to recruit
10 foster family, multi-cultural foster
11 families for our children that will require
12 foster care.

13 Our language access plan, again,
14 self-explanatory, but we've developed a
15 language access plan that's extremely
16 comprehensive and the languages targeted
17 includes Spanish, Chinese, Italian, Persian,
18 Farsi, Korean, and Haitian Creole, and all
19 of our application forms are in these
20 languages from the state.

21 Staff training and development.
22 We are indeed very proud of being able to
23 not just keep up with the mandates but to
24 offer training to our staff in special areas
25 where we feel they would need additional

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2 education to help them do a better job with
3 their constituents.

4 Staff training, our director,
5 Denise Austin, again, which you will see
6 again shortly, was just acknowledged by the
7 state with a special award for her work in
8 staff training and development.

9 Recruiting foster parents and
10 adoption day. We spend a great deal of time
11 recruiting multi cultural foster families
12 and we, again, have monthly meetings at the
13 Department of Social Services.

14 We conduct quarterly recruitment
15 forums and provide ongoing presentations.
16 We reach out to schools, churches and other
17 community forums with special events to,
18 again, bring more families into
19 consideration for being foster parents for
20 our kids.

21 The next slide. We have very
22 soon coming up Adoption Day, November 20th.
23 This is a very special day for the
24 department and families where children who
25 are in foster care become part of what we

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2 call forever families. They're given
3 special certificates with their photo on it.
4 They are presented to the judges at a
5 celebration which is held at the Children's
6 Museum. The families come up. The final
7 adoption is signed on stage by the judge and
8 it's a very moving ceremony for all the kids
9 who finally are no longer "foster children."
10 But they're forever children in a forever
11 family.

12 Our fraud investigations unit has
13 been very aggressive over the years. So far
14 a total of \$111 million in cost avoidance
15 has been determined by this unit.

16 There was just another article
17 yesterday in the newspaper about another
18 individual who tried to defraud the
19 department.

20 I wanted to mention as I did in
21 the other news release from the District
22 Attorney's office that the overwhelming
23 majority of people who applied for social
24 services are honest people and they're not
25 there to defraud the system. But there are

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2 a small group of people who do try to
3 defraud the system.

4 We have an outstanding
5 investigations unit using the latest
6 technology to ensure that if they try to
7 cheat the system we are able to catch them
8 to try to avoid further expenses to our
9 taxpayers.

10 Our social service volunteers, I
11 can't say enough about the work they do
12 throughout the year. They have an office at
13 the building in Eisenhower Park. They have
14 events throughout the year. They have a
15 special dress for success program for our
16 veterans.

17 Gentleman, if you have any nice
18 suits you don't want anymore, we would be
19 very happy to accept them at the Lennon
20 House building. Always looking especially
21 for men's suits and men's clothing, shoes as
22 well, size 12 and over, please. If Lynn
23 were here, she would be checking your shoes
24 as you walked off. She got one of my pair a
25 couple of months ago. It was a little

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2 difficult to get to my car.

3 She, by the way, also received an
4 award from the National Association of
5 Social Workers and I will mention that in a
6 moment.

7 We decided to really look at what
8 is the customer satisfaction in social
9 services.

10 When I first became commissioner,
11 I would ask people in the community what do
12 you think of social services, and they would
13 roll their eyes. Just the eyes were
14 rolling.

15 Over the years we felt we really
16 have to make a commitment to improving our
17 services and really make them as responsive
18 as possible to the constituents of our
19 county.

20 While we do that to the best of
21 our ability, we still want to know how, like
22 Mayor Koch used to say, how am I doing? We
23 want to know how are we doing.

24 With the assistance of Central
25 Nassau Guidance Center and Long Island

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2 University, we put together a research
3 project on customer satisfaction and the
4 overall findings was that 67 percent of the
5 people who come to social services express
6 that they were generally satisfied with the
7 services.

8 I thought that was a nice number
9 but I'm still concerned that 17 percent felt
10 they were dissatisfied. That's a number
11 we're going to focus on and try to
12 understand as best we can why people come
13 and remain dissatisfied in some way. We
14 have some ideas but that's one of the
15 projects we intend to work on. We want to
16 increase the customer satisfaction to the
17 highest number possible.

18 On page 27 we have every year,
19 since I think it was the last seven years,
20 ninth year, I'm sorry, had a summer food
21 service program and during this past summer
22 we provided over 62 lunches to 2500 kids
23 across 30 sites across Nassau County.

24 We also received funds from the
25 state and developed a summer youth

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2 employment program. We received funds from
3 OTADAB and the kids basically who
4 participated in this program are kids in
5 foster care. There are in CPS referred
6 families. Their kids receive Medicaid
7 family assistance or they're in TANF
8 families.

9 So they really had 80 kids who
10 participated this summer and they learned
11 many of them in the IT department. And gave
12 them an opportunity not just to learn a
13 little bit about county government but to
14 develop some skills in the area of
15 information technology.

16 Just to summarize, we're very
17 proud of the fact that this year DSS was
18 named agency of the year by the national
19 association of social workers. Lynn
20 Campbell who is our volunteer director
21 received the award as public citizen of the
22 year.

23 Denise Thorson who does all our
24 training received the Margaret Ibes award as
25 at New York State trainer of the year.

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2 Diane Lorenzo received the award
3 for the American Heart Association, the
4 Spectrum Award, for her fund-raising
5 efforts.

6 We were named also in an
7 outstanding achievement award, so many of
8 our employees gave to the American Heart
9 Association.

10 And, today, the gentleman to my
11 left, Paul Broderick received the key of
12 excellence award from the Long Island
13 Coalition For the Homeless which is given
14 every year. That's okay, you can feel very
15 proud of that.

16 Paul has done an outstanding job
17 in developing community relationships to
18 enhance the effectiveness and programs in
19 sheltering and finding permanent housing for
20 our homeless residents of the county.

21 So thank you for the opportunity
22 to present an overview. We would be very
23 pleased to take any questions that you may
24 have.

25 CHAIRWOMAN GONSALVES: Any

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2 questions from my colleagues? Excellent
3 report, Dr. Imhof. I know a lot is being
4 done by the Department of Social Services.
5 I've seen some of them in person and I
6 certainly know that you and your staff have
7 certainly been a credit to the department.
8 And your report was extremely comprehensive.
9 Thank you very much. Legislator Bynoe.

10 LEGISLATOR BYNOE: Good
11 afternoon. I'd also like to thank you for a
12 wonderful comprehensive report.

13 I have a question regarding --
14 and I know that you have been involved
15 because you assisted my office with the
16 displaced family due to the hurricane. Have
17 you received many cases regarding these
18 displacements?

19 DR. IMHOF: No, besides the case
20 we have been working with together, we've
21 only had -- the fifth case actually came in
22 this morning which I'm going to catch up on,
23 eight people were displaced from Puerto Rico
24 and arrived this morning at DSS. So my
25 staff is working with them right now.

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2 So a total of five individuals or
3 five cases that involve any number of
4 individuals have been displaced from Puerto
5 Rico.

6 The number is less than we
7 expected, but I think the number will
8 increase over time. But, again, we are
9 prepared if they arrive.

10 LEGISLATOR BYNOE: So you believe
11 you have sufficient resources?

12 DR. IMHOF: Absolutely.

13 LEGISLATOR BYNOE: Very good. I
14 thank you very much for your service and
15 assisting that family, especially they had
16 some real extenuating needs. And, Paul,
17 congratulations on your award. So thank
18 you.

19 DR. IMHOF: Thank you.

20 CHAIRWOMAN GONSALVES: Legislator
21 Curran.

22 LEGISLATOR CURRAN: And I just
23 want to thank you, your office has been
24 incredible responsive whenever my
25 constituents have issues and I want to thank

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2 and commend your staff for that.

3 DR. IMHOF: Thank you.

4 LEGISLATOR CURRAN: It appears
5 that the need for some direct assistant
6 areas are projected to decline next year and
7 I imagine that has to do with economy
8 improving and other factors. For example,
9 TANF, the need there is declining.

10 I'm not suggesting that head
11 count be reduced in those departments, but
12 is there some effort to cross train
13 employees so that they can pitch in where
14 needed?

15 MR. BRODERICK: That's a good
16 question. As you know, the state has
17 discussed a lot about Medicaid redesign and
18 what's happening with the federal
19 government. So we are looking at a high
20 level of uncertainty that we have no control
21 over and neither does the state.

22 We have tried to cross train
23 individuals and that's what we're working on
24 now to the best of our ability, it's being
25 able to cross train individuals to go from

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2 Medicaid to another program area or vice
3 versa based on agency needs.

4 There are civil service rules
5 that we have to consider, that's always the
6 case, but, for the most part, we've been
7 working with the union in talking about the
8 flexibility to ensure we have continuity of
9 service, and we're trying to be proactive in
10 that effort.

11 So we think we have a good handle
12 on it given the level of uncertainty.

13 LEGISLATOR CURRAN: Good. That's
14 interesting. I also see child protective
15 services is decreasing the need for that.
16 Are case loads per worker declining?

17 MS. GARBER: Case loads are not
18 declining. I would say they are staying
19 stable and part of that has to do with, we
20 constantly have trainees coming. Training
21 takes up to from six month to a year to get
22 staff on board and then we also have people
23 leaving in between. We had a lot of
24 retirements recently. We also had people
25 that are leaving for different positions.

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2 So I would say that it's actually
3 stabilized.

4 DR. IMHOF: The other issue, we
5 are trying to get the opportunity to
6 increase the salaries of our CPS workers.
7 The probation department is the place where
8 many of our CPS workers end up going and
9 it's difficult because we spend two to three
10 years training them and then they're going
11 to go to probation.

12 LEGISLATOR CURRAN: Because of
13 the higher salaries?

14 DR. IMHOF: Much higher salary
15 and I can't blame them for doing that. So
16 if we can increase our CPS salaries, I think
17 we can minimize that to some extent.

18 LEGISLATOR CURRAN: All right.
19 How about the time to resolve these cases,
20 is that remaining stable, is it decreasing,
21 is there fluctuation there?

22 MS. GARBER: Are you referring to
23 CPS cases?

24 LEGISLATOR CURRAN: Yes.

25 MS. GARBER: It's actually the

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2 same. We have up to 60 days to make a
3 determination on a case. So in some ways
4 you don't want to rush that because you want
5 to see if there is other underlying issues
6 with a family, so we don't want to say
7 within five days you're going to close it.

8 So I would say we're still within
9 our time frame, but we try to take a look at
10 what else the families need before we either
11 refer to the outside community services or
12 do services in-house.

13 LEGISLATOR CURRAN: Okay.
14 According to the OLBR report, the budget
15 includes a contract with the Town of Oyster
16 Bay for employment services \$165,000.

17 I'm just wondering what we get
18 for that payment.

19 MR. BRODERICK: The employment
20 program, they have, Town of Hempstead and
21 Town of Oyster Bay are WEBs.

22 LEGISLATOR CURRAN: What is that?

23 MR. BRODERICK: Well, they get
24 funds from the state. Someone comes in
25 seeking public assistance, they have an

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2 obligation to be employed or get employed.
3 Part of our job or if they are deemed not
4 eligible to work due to a disability or
5 such, it is what it is.

6 But if they are deemed to work,
7 they work with our employment unit to get
8 job readiness which includes resume
9 preparation or it could be training in a new
10 vocation. That's what they do.

11 LEGISLATOR CURRAN: So it is
12 money that comes through the towns from the
13 state?

14 MR. BRODERICK: They get funded
15 independently from the state. We get funds
16 to promote our program and are there to
17 assist us, we have two other vendors as well
18 that also perform similar types of work.

19 DR. IMHOF: We used to not get a
20 penny from the state and then we decided why
21 are we giving all this money away when we
22 ourselves can also develop some good
23 employment programs. So we get a share --
24 we take a share of the funds for Nassau
25 County as well.

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2 LEGISLATOR CURRAN: I got it.
3 That's good.

4 The other thing I noticed,
5 worker's compensation costs charged to the
6 department has more than doubled in the last
7 couple of years, actually the last year.
8 Why do you think that has happened?

9 MR. BRODERICK: That's an
10 interesting question. We have a number of
11 individuals who go out into the field as
12 field workers. They go out in to
13 individual's homes and things like that.
14 That could be the cause of it, some of it.

15 We do know we review like
16 workplace violence and incidents like that,
17 so that's not the cause, we do know that.

18 A lot of people get into car
19 accidents, get bit when they go into
20 people's homes.

21 We've worked with them and the
22 training and the state sets the tone on that
23 because we're not different than many other
24 counties when we send staff out into the
25 field.

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2 So they provide training to
3 protect our staff. That's what we want to
4 do.

5 LEGISLATOR CURRAN: So it's sort
6 of implicit, just dangers going out into the
7 field and doing the job, but it's
8 interesting that it's doubled. Because it's
9 pretty the same job in 2015 as it is now.

10 MR. BRODERICK: You're right
11 about that. We do work very closely with
12 risk management, OMB and Triad to
13 investigate those claims. We want people to
14 come back do work. That's the whole point.
15 We are trying to mitigate it up front via
16 training. I mean it might sound
17 counterintuitive like slip and fall
18 training. How to train to slip and fall to
19 avoid those things. Or even in a parking
20 lot people slip.

21 We've worked with the real
22 estate, because 60 Charles is a leased
23 facility to spread the risk to the landlord.
24 So if he doesn't plow the parking lot, say
25 in snow conditions, that he's on the hook

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2 for it. We are not responsible for plowing,
3 that his responsibility. However, he does a
4 lousy job, he's going to bear the risk of
5 somebody, say, spraining their ankle. So we
6 are trying to mitigate that.

7 LEGISLATOR CURRAN: Do they take
8 any of that liability now?

9 MR. BRODERICK: Up until
10 recently, I don't believe so, because the
11 lease was renegotiated earlier this year, so
12 I believe that's incorporated in there now.

13 DR. IMHOF: We can find out
14 specifically for you.

15 LEGISLATOR CURRAN: Good to know.
16 Thanks.

17 CHAIRWOMAN GONSALVES: Legislator
18 Bynoe.

19 LEGISLATOR BYNOE: Thank you,
20 Presiding Officer. I wanted to discuss a
21 little bit the special investigations unit.
22 Could you tell me how many investigators
23 staff that office?

24 DR. IMHOF: I believe we have
25 currently nine investigators, they're former

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2 police officers or detectives. And they're
3 the ones who lead the investigations for
4 fraud.

5 LEGISLATOR BYNOE: You have a
6 civil service title for that specific, for
7 your division?

8 MR. BRODERICK: No. Actually, we
9 have social welfare examiners down there as
10 well as a private firm that goes out.

11 There was -- part of -- if
12 somebody comes in and they need to determine
13 eligibility, our social welfare examiners,
14 part of their job is to establish
15 eligibility or to say, hey, this person is
16 cheating. They can look at it and determine
17 if this person is basically fraudulent in
18 their assertions.

19 Then it depends on what kind of
20 case or where it's going and it could get
21 referred to the investigators. As opposed
22 to, they're not investigators, per se, going
23 out and you know --

24 LEGISLATOR BYNOE: So the retired
25 police officers or the individuals who are

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2 actually the investigators that's part of a
3 contract?

4 DR. IMHOF: Right. Part of a
5 contract and our staff are working to screen
6 applicants suspicious at the time of
7 application.

8 MR. BRODERICK: There is
9 something that we have, it's called, FEDs.
10 Front End Detection. So if somebody submits
11 paperwork for Medicaid, they look at a
12 number of factors. When an individual is
13 responsible for submitting documentation to
14 support their assertion that, what is their
15 income level, what is their asset base,
16 things like that. The eligibility worker is
17 going through it and feels if something is
18 wrong, then before the case is opened and
19 they're eligible for benefits, it will get
20 referred to front end detection to the
21 investigative unit.

22 LEGISLATOR BYNOE: Okay. Can you
23 give me a ballpark figure how much that
24 contractual actually costs the county
25 annually?

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2 MR. BRODERICK: This was the
3 contract, the contract is 100 percent
4 reimbursed from the state.

5 So the idea was the state was
6 looking at reducing or cutting back on
7 fraudulent Medicaid applications where
8 people, as the commissioner mentioned
9 earlier, there was an article in today's
10 paper about the District Attorney, right, so
11 the contract is not costing the county
12 nothing.

13 LEGISLATOR BYNOE: Really
14 anything. Because it looks like in 2016 in
15 rent and recoveries, the revenue was about
16 2.1. I suspect a large part of that was
17 recoveries, right?

18 MR. BRODERICK: I wouldn't say in
19 the traditional sense of recoveries.
20 Brendan, you might want to elaborate.
21 There's a number of different funding
22 sources or sources that go into this.

23 MR. ROCHE: The rent recovery
24 line is really disencumbering prior year
25 contracts, so that has nothing to do with it

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2 That revenue gets reported to the
3 state so it will be part of state aid and
4 departmental revenue. Because we can only
5 keep our share. We have to give back the
6 federal portion, the state portion.

7 LEGISLATOR BYNOE: Got it. But
8 we are saving a lot I guess in cost
9 avoidance.

10 MR. ROCHE: Yes.

11 LEGISLATOR BYNOE: That's where
12 the bulk of the savings is. Okay. Thank
13 you very much.

14 CHAIRWOMAN GONSALVES: Legislator
15 Walker.

16 LEGISLATOR WALKER: I believe
17 that Section 8 has them, that would fall
18 under housing, so they have their own
19 investigators. Many of those people have
20 services through DSS, but they also have
21 housing but that's separate. You wouldn't
22 investigate those?

23 DR. IMHOF: That's the Office of
24 the Housing and Community Development, John
25 Sarcone.

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2 LEGISLATOR WALKER: Okay. The
3 summer youth employment training program or
4 summer youth employment program, at one time
5 I was actually Hicksville's coordinator for
6 what was called the Summer Youth Employment
7 and Training Program. I think at that time
8 it also -- students who were in special ed
9 programs, they were also eligible besides
10 the family income.

11 But all of these students then
12 you are in -- they are like under your
13 jurisdiction so you check on them and make
14 sure everything is fine with them?

15 DR. IMHOF: They are very
16 carefully supervised, yes.

17 LEGISLATOR WALKER: It's a
18 wonderful wonderful program. It was great
19 for the kids and really provided them with a
20 little stepping stone to help them, some of
21 them actually went further along in where
22 ever they were, they ended up getting jobs
23 there as they moved up the ladder.

24 DR. IMHOF: And we also want to
25 acknowledge the Department of Information

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2 Technology. They have been a tremendous
3 asset in helping these kids as well have a
4 good intern experience. Some are interns.

5 LEGISLATOR WALKER: That's great.
6 Again, I just have to say I'm very proud of
7 the department. I know you've really grown
8 tremendously and the awards you have
9 received and the high percentages that we
10 have been recognized by the state for really
11 doing a great job in that department and
12 helping as many people as we can.

13 Just back to the program with the
14 kids. Is every one who is really
15 interested, have we been able to place them?
16 I know we said we had about 80 students this
17 summer.

18 MR. BRODERICK: The purpose, the
19 program, which is 100 percent funded by the
20 state, it's a readiness program for age
21 groups like young adults I would say.

22 The purpose of the program is for
23 job readiness. Some parents think, hey,
24 it's a good thing for the kids to gain money
25 but it goes way beyond that. It's really

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2 about job readiness, responsibility and
3 accountability.

4 They would work, for example,
5 five days a week, four days a week, they're
6 out in a department being supervised by CSEA
7 members, but then the one day a week they'll
8 come to DSS and sit in a classroom setting
9 to have different speakers, how to manage
10 money, how to dress for work, how to behave.
11 It's all about job readiness, really, and
12 setting them up for furtherance in their
13 young lives.

14 The program going afterwards,
15 because we have had kids, young adults I
16 would say, up to like 19 or 20 years old, we
17 have relationships, and as the commissioner
18 mentioned, technically, Office of
19 Information Technology, they have
20 relationships out there in the community so
21 we might have kids that have developed a
22 skill here in Nassau and they are stepping
23 out on their own to hook them up with
24 companies, private companies through
25 information technology.

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2 So, while our program is in
3 duration a number of weeks, like eight weeks
4 nine weeks, but after that most of the kids
5 go back to school.

6 Some of them are going out and
7 start working their careers or going to
8 school at night and then working during the
9 day.

10 So the program has been
11 beneficial in that sense, absolutely, that's
12 the whole purpose.

13 It's kind of -- some of the kids,
14 it's amazing some of the stories that you
15 hear. Pizza on ceilings, kids are kids, but
16 you see how you start working with them and
17 understanding them, and it's been quite a
18 learning experience. I would say not only
19 from the county side how we can enhance the
20 program, but also for the kids.

21 And you're seeing some of them.
22 One of the participants in the program
23 developed an application for the police
24 department, and received an award from them
25 for the software development that that

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2 person created. It was amazing. A great
3 program.

4 LEGISLATOR WALKER: Excellent.
5 Thank you very much.

6 CHAIRWOMAN GONSALVES: Legislator
7 Schaefer.

8 LEGISLATOR SCHAEFER: Just
9 quickly. My question was actually answered
10 earlier, but I just did want to say
11 congratulations, Paul, and to Dr. Imhof and
12 the whole team over there because you are
13 always very, very responsive to any of the
14 needs that our constituents have and we send
15 your way. Thank you for all that you do.

16 DR. IMHOF: Thank you. We have a
17 great staff at DSS.

18 CHAIRWOMAN GONSALVES: Legislator
19 Birnbaum.

20 LEGISLATOR BIRNBAUM: Hi. Great
21 program that you run, very impressive, and
22 your report was so thorough.

23 I do have a question about the
24 amount of people who come into the building
25 daily. You really have probably, you see

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2 more of the public than any other
3 department.

4 So I'm just wondering how you
5 feel about the process in the lobby to
6 getting up to your office and in terms of
7 your office space; do you have enough space?

8 DR. IMHOF: Yes, we do. First of
9 all, we have a very important safety policy.
10 So that is protective of not just the
11 constituents, but the staff as well.

12 We have two Nassau County police
13 officers every day and six to eight public
14 safety staff as well. Individuals come
15 through a magnet detector and go to the
16 front window and get a number.

17 We have sufficient space in our
18 western intake area. We would like to
19 invite you to come over if you like to see
20 one day.

21 The space is sufficient to handle
22 the people that do come in. Some of them
23 are just there to drop off a document and
24 don't necessarily need an office, or need
25 some information or have a document

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2 registered. The interviews really in the
3 back have sufficient space. Thank you.

4 CHAIRWOMAN GONSALVES: There
5 being no other questions, thank you to Dr.
6 Imhof. Thank you staff members.

7 We will move on and I will give
8 you a chance to gather your belongings
9 before I call the next department.

10 (A recess was taken.)

11 CHAIRWOMAN GONSALVES: Next is
12 the Department of Human Services.

13 MR. NAUGHTON: Hello. Eric
14 Naughton, Deputy County Executive for
15 Finance, here with Brian Hall and Roseanne
16 D'Alleva.

17 As you know, Acting Commissioner
18 Dolan took the VSIP, no longer with the
19 county in that capacity.

20 So we're here to answer any
21 questions you may have regarding this
22 department and Roseanne and I are here to
23 add any other support that's needed.

24 CHAIRWOMAN GONSALVES: Do we have
25 any questions? Do you have any kind of

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2 statement you would like to make before this
3 body regarding Human Services?

4 MR. HALL: I would rather just
5 answer questions.

6 CHAIRWOMAN GONSALVES: Do we have
7 questions? Legislator Bynoe.

8 LEGISLATOR BYNOE: Good
9 afternoon. I have a question regarding the
10 interfund charges under the revenue. I
11 don't understand that entry.

12 It looks like in 2016 the actual
13 was \$100,000, but mid year projections are
14 1.1 this year, \$1.1 million.

15 MS. D'ALLEVA: Basically that was
16 for the DA had asset forfeiture money that
17 was used in order to achieve a \$36 million
18 savings for -- to actually adopt the budget
19 last year, so we had to use asset forfeiture
20 money from the DA's Office was allocated to
21 the department to support youth services.

22 LEGISLATOR BYNOE: Thank you.
23 Then I had one other question.
24 Interdepartmental charges. Could you
25 explain that line item? I see there's a

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2 reduction.

3 MR. HALL: Those three items;
4 building occupancy, IT services, postal
5 services and whatnot, those actually went up
6 due to the building occupancy charges going
7 up for 60 Charles Lindbergh.

8 LEGISLATOR BYNOE: Brian, I know
9 that earlier on we worked together with the
10 former commissioner to bring the mental
11 health first aid along with former
12 Legislator Becker to Nassau County.

13 I know that you are currently
14 providing training to the police academy.

15 MR. HALL: Well, we're doing the
16 mental health training for all
17 professionals, basically police correction
18 centers.

19 We're actually in the process now
20 of having training also maybe for the senior
21 centers and the youth centers so they can
22 recognize the youth and the seniors and that
23 program has been ongoing.

24 Also, the Narcan training has
25 been increasing with getting that out.

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2 We've had over a thousand trainings this
3 year on it.

4 The last thing that is fairly new
5 is the mobile crisis unit has gone from 12
6 hours to 24 hours now at 60 Charles for
7 suicide line or anybody with mental health
8 problems for adult or children.

9 LEGISLATOR BYNOE: Excellent.
10 Are you receiving any kind of charge back or
11 ability to charge the police department for
12 that training activity?

13 MR. HALL: No. I think we are in
14 the process of getting some money back from
15 the Office of Mental Health State Aid
16 revenue and we have been in the process of
17 leveraging these charges to try to get a
18 little more state aid money back at this
19 point.

20 But I'm not aware of any money
21 coming from the police department for these
22 trainings.

23 LEGISLATOR BYNOE: Okay, thank
24 you.

25 CHAIRWOMAN GONSALVES: I have a

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2 question. The question relates to, does
3 your agency provide help to veterans in
4 need? And is there anything in the budget
5 that would provide that?

6 MR. HALL: It's nothing specific
7 for veterans but the veterans would qualify
8 if they qualify for any of our programs
9 where there's chemical dependency or mental
10 health, they certainly would get the help
11 they need.

12 We don't have a separate line
13 just for veterans, just to speak.

14 CHAIRWOMAN GONSALVES: I did have
15 an opportunity to speak to the former
16 Commissioner Dolan regarding about providing
17 information for veterans who are in need.

18 MR. HALL: We certainly can head
19 them in the right direction.

20 CHAIRWOMAN GONSALVES: Okay.
21 Thank you very much, Brian. Are there any
22 other comments or questions from the
23 legislators?

24 (No verbal response.)

25 Thank you very much.

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2 MR. HALL: Thank you.

3 CHAIRWOMAN GONSALVES: Now we
4 have one more department who has been
5 sitting there patiently, Civil Service.
6 Introduce yourselves for the record.
7 There's two mikes.

8 MS. MINNAL: Poornima Minnal.

9 MR. SILVESTRI: And Howard
10 Silvestri.

11 CHAIRWOMAN GONSALVES: Now, you
12 are here to address the budgetary needs of
13 civil services, that's it? Do you know
14 anything about the budget that you can
15 present to us?

16 MR. SILVESTRI: We are just
17 requested to be here.

18 CHAIRWOMAN GONSALVES: Mr.
19 Naughton, can you help them out at all? If
20 it does not pertain to the budget, I think
21 it would not be fair otherwise. Are they
22 budgetary questions? Legislator Bynoe.

23 LEGISLATOR BYNOE: Hi. Good
24 afternoon. So you have an overall budget
25 proposed for \$5.5 million. Of that budget I

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2 see you have roughly 50 some odd employees.

3 My question is regarding, if you
4 can give me spread on who those folks are;
5 how many investigators do you have?

6 MR. SILVESTRI: We have one
7 investigator. The majority of the titles
8 are personnel specialists who do the various
9 jobs of the department ranging from
10 reviewing applications for testing,
11 classifying positions. As people get hired
12 they're being processed. So there are
13 transaction units which make sure everything
14 is done according to Civil Service rules and
15 regulations. That's what the majority of
16 the staff is.

17 LEGISLATOR BYNOE: You only have
18 one investigator?

19 MR. SILVESTRI: We have one on
20 board and we budgeted for possibly a second
21 one.

22 CHAIRWOMAN GONSALVES: Please
23 speak closer to the mike because we are
24 having a hard time hearing you.

25 MR. SILVESTRI: We have one full

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2 time investigator and we put a second one in
3 to the budget.

4 LEGISLATOR BYNOE: You put a
5 second one into the budget.

6 So it's one investigator who
7 would then do the employment investigations,
8 the criminal and residency investigations,
9 and I suspect --

10 MR. SILVESTRI: The employment
11 investigations, there are various titles
12 that have to be fingerprinted.

13 So when something comes back that
14 requires an investigation from there, that's
15 what he does. Somebody has certified that
16 they don't have a problem and it comes back
17 that there is a problem, he does that. But
18 for the majority of people, he's not
19 investigating those people who are applying
20 for examinations.

21 LEGISLATOR BYNOE: Based on
22 employment investigations.

23 So the criminal and residency
24 investigations, you have one investigator
25 that has in 2015 conducted 634

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2 investigations?

3 MR. SILVESTRI: A lot of those
4 people come to the office. It's not that he
5 is physically going out. He does go out and
6 he does do on-site investigations for
7 residencies but a lot of those people come
8 to the office.

9 LEGISLATOR BYNOE: That seems
10 like a heavy case load for one person.

11 MR. SILVESTRI: That's why we put
12 in for a second one.

13 LEGISLATOR BYNOE: Okay, but how
14 long have we been operating with one person?

15 MR. SILVESTRI: I'd say 2004.

16 LEGISLATOR BYNOE: Who supervises
17 that person?

18 MR. SILVESTRI: He reports
19 directly to Mr. Camp and/or the
20 commissioners.

21 LEGISLATOR BYNOE: I see in this
22 budget there's contractual services. Can
23 you tell me what those services are?

24 I'm also seeing that in 2016
25 there was an actual \$79,000 in expenses

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2 based on contractual agreements that I'm
3 seeing that only \$14,499 is budgeted or
4 proposed for 2018, and the midyear 2017
5 projection also says that you are going to
6 arrive at about 14, 15.

7 MR. SILVESTRI: That money was
8 budgeted for the county Nealgo [sic].

9 LEGISLATOR BYNOE: I'm not sure
10 what that is, can you explain that?

11 MS. MINNAL: It's an online
12 application process. When the county went
13 from paper applications to online
14 applications.

15 LEGISLATOR BYNOE: I guess the
16 implementation --

17 MS. MINNAL: It's the licensing
18 and maintenance.

19 LEGISLATOR BYNOE: So that's the
20 higher amount in 2015.

21 MS. MINNAL: Yes.

22 LEGISLATOR BYNOE: So to carry
23 each month, each year, going forward it's
24 going to be about 14,5?

25 MS. MINNAL: No. It was taken

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2 over by the department of IT.

3 LEGISLATOR BYNOE: We are having
4 problems hearing.

5 CHAIRWOMAN GONSALVES: Bring the
6 Mike as close to you as possible and speak
7 into it.

8 LEGISLATOR BYNOE: You're saying
9 this 14,5 that's budgeted is now going to
10 pay the IT department?

11 MS. MINNAL: No. The \$79,000
12 that was budgeted last year was taken over
13 by the department of IT.

14 LEGISLATOR BYNOE: What is this
15 14,5 that's actually now budgeted projected
16 for 2018, what services will we receive?

17 MR. SILVESTRI: That's for the
18 pending litigation which we have -- we would
19 have to reimburse outside counsel through
20 the County Attorney, that's what that money
21 is for.

22 LEGISLATOR BYNOE: What kind of
23 cases do we normally see on these?

24 MR. SILVESTRI: Currently we are
25 in the process of suing the medical center.

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2 LEGISLATOR BYNOE: So, the
3 investigation process, it impacts the budget
4 I guess by way of communications that have
5 to continue to go out, am I correct? And
6 can you tell me what forms of
7 communications?

8 MR. SILVESTRI: I'm not really
9 following the question.

10 LEGISLATOR BYNOE: So the
11 question is, the investigator is charged
12 with communicating with those that he's
13 investigating, right?

14 MR. SILVESTRI: Yes.

15 LEGISLATOR BYNOE: Those
16 applicants, right?

17 MR. SILVESTRI: Right.

18 LEGISLATOR BYNOE: How is that
19 communication undertaken; is it all written,
20 is it --

21 MR. SILVESTRI: As I said, they
22 come into the office and he does
23 investigations, those are private
24 investigations that we are not privy to.

25 LEGISLATOR BYNOE: So there is an

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2 opportunity for someone to, I guess once
3 they've been rendered -- can you explain to
4 me what the process is, are they
5 disqualified based on a residency review,
6 and then what happens thereafter?

7 MR. SILVESTRI: We are here with
8 the budget. I have no idea how the
9 investigations go forth.

10 LEGISLATOR BYNOE: I was told
11 there was going to be three people here
12 today

13 MS. MINNAL: Michelle, she is at
14 another meeting.

15 LEGISLATOR BYNOE: What is the
16 title of that person?

17 MR. SILVESTRI: She's a personnel
18 specialist.

19 LEGISLATOR BYNOE: I was hoping
20 she would be here.

21 MR. SILVESTRI: She wouldn't be
22 involved with that aspect of it either.

23 LEGISLATOR BYNOE: I'm just
24 trying to understand the investigation
25 process because it obviously has a huge

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2 impact on the budget and on how we move
3 forward in being able to place individuals
4 in these jobs.

5 So I'm trying to understand the
6 process just to see if there is any
7 opportunity for efficiencies. When a letter
8 goes out, you have no idea on the process at
9 all, on how it's undertaken?

10 MR. SILVESTRI: No, I really have
11 no idea how the investigator works.

12 LEGISLATOR BYNOE: So when we
13 requested that someone from civil service
14 come and be before this body today, we were
15 told there would be three people and I think
16 the third person, based on her title, was
17 going to have a little bit more information
18 on how the process runs and what the impact
19 of what the process would be on the budget.

20 So, absent of that person today,
21 I feel like I'm not getting my questions
22 answered.

23 MR. SILVESTRI: That person has
24 nothing to do with the investigations. As I
25 indicated, the investigator reports directly

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2 to Mr. Camp and/or the commissioners.

3 If we had known what we were
4 coming for, I mean we would have had --
5 we're here to present numbers.

6 LEGISLATOR BYNOE: Every
7 department that has come before us to this
8 point not only had a financial
9 representative from their division, they
10 also had people who were programmatic, part
11 of the process to speak to the efficiencies
12 and effectiveness of their departments and
13 what they deliver for this county.

14 So I'm a little disappointed that
15 we don't have that level of representation
16 here today.

17 I thank you Legislator Ford for
18 shaking your head in agreement with me. I
19 have other questions too pertaining to the
20 process especially as it relates to the
21 Department of Corrections.

22 And knowing that they are
23 significantly understaffed and I wanted to
24 understand how, as a department, how you
25 were moving forward with those activities to

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2 ensure that we had the proper level of
3 staffing at the jail.

4 MR. SILVESTRI: The police
5 department does the investigations of the
6 correction officers. We don't do those
7 investigations.

8 LEGISLATOR BYNOE: I'm not only
9 specifically -- I wasn't going to only
10 specifically ask about the investigations
11 relative to that process, I wanted to know
12 how you actually were moving forward in
13 selecting candidates and the like.
14 Presiding Officer, I have to tell you --

15 CHAIRWOMAN GONSALVES: I'm going
16 to ask you to put your questions in writing
17 and we will refer them to the Civil Service
18 Commission.

19 LEGISLATOR BYNOE: But, Presiding
20 Officer, I have to say that this is the
21 second time today that I have been asking
22 questions and I don't feel that we have the
23 proper representation here to answer the
24 questions. They are pertaining to the
25 budget and this is the hearing for the

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2 budget.

3 I think the departments need to
4 come here properly resourced to answer these
5 questions. I think it an affront that they
6 would come here ill prepared.

7 I'm still waiting for someone to
8 come down about the Commissioner of
9 Investigations. I'm left here with more
10 questions than I have answers to.

11 CHAIRWOMAN GONSALVES: Mr. Camp,
12 who is the commissioner of civil service has
13 a broken back at this particular time and
14 has been unable to attend. And the other
15 person that was going to be here resigned.

16 LEGISLATOR BYNOE: Oh, they
17 resigned. Morelli, you're talking about.
18 Okay. We knew that. I will take that point
19 up in just a minute. I want to go back to
20 the Civil Service Commission.

21 CHAIRWOMAN GONSALVES: Any
22 questions you can put in writing would --

23 LEGISLATOR BYNOE: My question to
24 the Civil Service Commission is how is it
25 staffed?

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2 I would suspect that if Mr. Camp
3 is out, that there's someone who is now
4 acting in his capacity.

5 So is there a deputy
6 commissioner? How is this office staffed,
7 can you answer that question?

8 MR. SILVESTRI: What is the
9 question?

10 LEGISLATOR BYNOE: What is the
11 hierarchy of the office, if the commissioner
12 is not there, who is acting in his capacity?

13 MR. SILVESTRI: Mr. Camp is in
14 communication every day and work is
15 forwarded home to him for him to review and
16 for him to act upon and then it comes back
17 to the office. But he is in communication
18 with the office every day.

19 LEGISLATOR BYNOE: What is the
20 reporting? What is the hierarchy, it's Mr.
21 Camp and then who?

22 MR. SILVESTRI: As far as? There
23 are division heads that run each unit.
24 There is a personnel specialist in each of
25 the units who oversees their units.

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2 Poornima and I work on the budget. That's
3 how the department is broken up.

4 There isn't any other individual
5 to report to. And if there are problems, we
6 are contacting Mr. Camp.

7 LEGISLATOR BYNOE: Possibly then
8 we can have -- Presiding Officer, I make a
9 request that we have this department come
10 back on October 30th and maybe Mr. Camp can
11 participate telephonically.

12 CHAIRWOMAN GONSALVES: That's why
13 I'm asking you if you can put your questions
14 in writing. We can address them to Mr. Camp
15 and they can be presented here.

16 LEGISLATOR BYNOE: I think if
17 he's able to communicate with his office
18 telephonically, I think he should be -- we
19 should be able to create that same
20 opportunity for this body.

21 Because when we ask questions,
22 sometimes it bubbles up other questions. I
23 don't want to be pigeon holed to the
24 questions I can put in writing. I want to
25 have an opportunity to have a dialogue

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2 around these very important issues.

3 I respectfully request that we
4 create an opportunity for October 30th and,
5 between now and then, I'm sure that our
6 capable IT person Mr. Kevin can create a
7 conference call link for us to have that
8 kind of communication.

9 And short of anybody coming down
10 today from the Commissioner of
11 Investigations, I'm requesting someone be
12 available on October 30th as well.

13 CHAIRWOMAN GONSALVES: The 30th
14 is designed really to make final decisions
15 as to what we are going to put forth as the
16 budget for 2018.

17 LEGISLATOR BYNOE: I can't make
18 any final decisions without having answers
19 to some of my questions.

20 CHAIRWOMAN GONSALVES: I'm sorry,
21 but Legislator Ford has a question on the
22 budget for you.

23 LEGISLATOR BYNOE: I'm sorry,
24 Presiding Officer, did you answer my
25 question?

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2 CHAIRWOMAN GONSALVES: On the
3 30th we are committed to voting on the
4 budget and presenting our amendments to that
5 budget.

6 LEGISLATOR BYNOE: I'm committed
7 to doing that too as long as somebody can
8 tap Mr. Camp in telephonically, I don't
9 think that's a big lift.

10 CHAIRWOMAN GONSALVES: Listen,
11 this is the opportunity also on the 30th for
12 the public to really truly engage in the
13 process.

14 LEGISLATOR BYNOE: They may have
15 some questions too.

16 CHAIRWOMAN GONSALVES: And anyone
17 who can answer it can answer it.

18 LEGISLATOR BYNOE: I expected
19 someone --

20 CHAIRWOMAN GONSALVES: We all
21 did. It's not fair to the two people here
22 who were assigned to come down here on
23 budgetary matters and they are certainly not
24 equipped to respond to questions.

25 LEGISLATOR BYNOE: These are

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2 budgetary items.

3 CHAIRWOMAN GONSALVES: You are
4 asking about staffing. Is there adequate
5 staffing and who's in charge? I would
6 imagine there are different units within
7 civil service; am I correct?

8 MR. SILVESTRI: Yes.

9 CHAIRWOMAN GONSALVES: And that
10 there are individuals in charge of those
11 units; am I correct?

12 MR. SILVESTRI: Yes, you are.

13 CHAIRWOMAN GONSALVES: Explain
14 that, can you do that?

15 MR. SILVESTRI: There is a
16 classification unit that reviews every
17 request for any type of title that comes in.
18 They will review it to make sure the request
19 is an accurate assessment of what the duties
20 of that job are.

21 If it isn't accurate, they will
22 certify that and, if it is not, they will
23 give the agency a different title that
24 reflects those particular titles.

25 LEGISLATOR BYNOE: So, that

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2 doesn't answer any of my questions but I
3 appreciate that.

4 Let me ask you another question
5 then. Do we engage with any outside entity
6 for these types of investigations or are we
7 relying solely on that one person?

8 MR. SILVESTRI: It is the one
9 person. As I indicated, the majority of
10 people come into the office.

11 LEGISLATOR BYNOE: Is there a
12 collaboration between the Civil Service
13 Commission and any other governmental agency
14 in undertaking these investigations?

15 MR. SILVESTRI: There is -- to
16 the best of my knowledge, no. We do our own
17 investigations on people who have applied
18 for civil service examinations and/or if
19 something is brought forward to us a
20 residency requirement. Somebody has written
21 to us, we will then go and do those types of
22 investigations.

23 LEGISLATOR BYNOE: We are not
24 utilizing other county departments for these
25 investigations or state entities, agencies?

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2 MR. SILVESTRI: No.

3 LEGISLATOR BYNOE: Department of
4 Labor>

5 MR. SILVESTRI: No.

6 LEGISLATOR BYNOE: DMV?

7 MR. SILVESTRI: No, not for
8 these investigations.

9 LEGISLATOR BYNOE: What is the
10 qualifications of the person currently
11 holding that position?

12 MR. SILVESTRI: He is a former
13 Nassau County police officer.

14 LEGISLATOR BYNOE: And that's a
15 requirement by way of the civil service?

16 MR. SILVESTRI: The title that
17 he's held I don't know the particulars to
18 what the qualifications were, but he fit
19 those qualifications.

20 LEGISLATOR BYNOE: Again, I'm on
21 the record requesting that Mr. Camp be
22 available telephonically on October 30th to
23 be able to answer some of the questions I
24 have asked today. Thank you.

25 CHAIRWOMAN GONSALVES: Any other?

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2 Legislator Ford.

3 LEGISLATOR FORD: Good afternoon.
4 I too share the concerns of Legislator Bynoe
5 not having some of the questions that we
6 would have of civil service.

7 Although, I understand Mr. Carl
8 Camp has back problems or broken vertebrae.
9 I would almost say I would agree to have him
10 on TV but if it's going to jeopardize his
11 health, I think in the absence of being able
12 to directly question Mr. Camp, I think you
13 should go back and find someone suitable to
14 answer some of these budget questions for a
15 later date.

16 It really is unfair and if
17 somebody has requested, it's not your fault.
18 You two happen to be the messengers and
19 that's how it happened.

20 I just want to go back. The one
21 investigator that you currently have, they
22 do not do any police investigations?

23 MR. SILVESTRI: No.

24 LEGISLATOR FORD: Do they do
25 investigations for the fire marshals?

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2 MR. SILVESTRI: No.

3 LEGISLATOR FORD: For their
4 candidates, that's done by a separate --

5 MR. SILVESTRI: The police
6 department does the majority of those
7 investigations.

8 LEGISLATOR FORD: So then the
9 investigator that you utilize for the civil
10 service, what basically would those be the
11 other job titles whether or not you come in
12 as a clerk, director of Consumer Affairs?

13 MR. SILVESTRI: Anybody who -- if
14 somebody had a DWI, and they have applied
15 for a civil service, on the application they
16 ask if you have an arrest record. So it's
17 anybody who indicates they have had have had
18 an arrest record, he will investigate to
19 make sure that they have fulfilled whatever
20 requirements there are to do that.

21 There are certain titles that
22 require fingerprinting when dealing with
23 children, you have to be fingerprinted.

24 If something comes back from the
25 Department of Criminal Justice indicates

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2 that there is something there, he will do an
3 investigation on that.

4 We get requests for residencies.
5 Somebody living out of the county and they
6 shouldn't be living out the county. And
7 they shouldn't be living out of the county.
8 Those are the types of investigations that
9 he does.

10 Those people, a lot of them, will
11 come into the office and they will sit and
12 talk with him.

13 LEGISLATOR FORD: For the
14 classification person, how many people that
15 come for I guess the job title, they have to
16 reclassify them or request, how many do we
17 have in the budget right now, do you know
18 offhand?

19 MS. MINNAL: In the
20 classification unit?

21 MR. SILVESTRI: There are seven
22 people in that unit.

23 LEGISLATOR FORD: And you're
24 keeping that at seven, you're not asking for
25 an increase?

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2 MR. SILVESTRI: No.

3 LEGISLATOR FORD: And they are
4 the ones like if I want a job title change
5 or bring in a new type of employee, it would
6 be that person who would review it and come
7 back and tell us?

8 MR. SILVESTRI: One of those
9 people would be reviewing it and look to see
10 if the modifications are appropriate.

11 LEGISLATOR FORD: Then I guess my
12 last -- I have notes all over the place.

13 When you put down here for the
14 revenue, that would be the Department of
15 Revenue where it's lower, for 2018 proposed
16 budget, it went from \$1,592,000 for the
17 midyear 2017 projection and now 2018 budget,
18 you put in it's down to \$420,000, correct?

19 MR. SILVESTRI: Right.

20 LEGISLATOR FORD: I know you're
21 attributing that to last year you had the
22 police exam so you had thousands of people
23 that applied to take that test.

24 But how many are you trying to
25 work into the budget an increase, because

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2 with the incentive that has been given, we
3 lost over 300 employees and all of them are
4 civil service employees, okay? Have you
5 looked into that?

6 Like, this would be an uptick on
7 this revenue because all of the new hires
8 that we should be expected to bring in in
9 2018 because we're going to need them, they
10 would also have to take tests and we charge
11 for every test they take, correct?

12 MR. SILVESTRI: But they may
13 have been on a list that -- a list -- a test
14 they had already been taken so they are
15 currently on a list. So they might not be
16 -- there may not be any revenues from those.

17 But we are always looking at what
18 examinations are and we're always projecting
19 as to what it should be.

20 LEGISLATOR FORD: Do you normally
21 every year -- so how long normally are the
22 tests like good for, the list, does it stay
23 in for ten years?

24 MR. SILVESTRI: The list is good
25 for a minimum of one year to a maximum of

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2 four.

3 LEGISLATOR FORD: So you'll look
4 at the test and there's a possibility that
5 you may have to give more tests next year?

6 MR. SILVESTRI: Right, yes.

7 LEGISLATOR FORD: Thank you very
8 much.

9 CHAIRWOMAN GONSALVES: Legislator
10 Curran.

11 LEGISLATOR CURRAN: Hello. I'm
12 curious to know about the proportion of
13 positions processed by the department
14 between different jurisdictions, for
15 example, the county NUMC and school
16 districts and other municipalities.

17 So the county does it for all of
18 these entities, correct?

19 MR. SILVESTRI: Correct.

20 LEGISLATOR CURRAN: So what is
21 the number, for instance, you don't have to
22 know exactly, but just generally the
23 proportion for county versus NUMC versus
24 school districts versus the other
25 municipalities? It's okay if you don't

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2 know.

3 MR. SILVESTRI: It's not really
4 something that -- I can tell you that if you
5 do the municipalities in total including the
6 medical center because it's not a county
7 agency, it will exceed what it is in Nassau
8 County.

9 LEGISLATOR CURRAN: So those two
10 together are more than --

11 MR. SILVESTRI: All the counties,
12 all the school districts, and the
13 municipalities.

14 LEGISLATOR CURRAN: That makes
15 sense. I see there is a revenue line in the
16 budget for NUHCC reimbursement. Is that
17 payment for these services?

18 MR. SILVESTRI: Yes.

19 LEGISLATOR CURRAN: It is. Do
20 the school districts and other
21 municipalities also pay for these services

22 MR. SILVESTRI: No, not at this
23 point.

24 LEGISLATOR CURRAN: Why just
25 NHCC?

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2 MR. SILVESTRI: Well, we have
3 been trying to reach out to them. We have
4 an employee that is dedicated to work on the
5 medical center. So he take it to -- from
6 the CS4 and he will follow it to the list
7 situation just so that he is the sole
8 contact with the medical center as opposed
9 to his supervisor.

10 Any problems that the medical
11 center may have, they call this individual
12 directly. So we get reimbursed for those
13 services.

14 LEGISLATOR CURRAN: And there is
15 not a parallel thing happening at the school
16 districts or other municipalities?

17 MR. SILVESTRI: No.

18 LEGISLATOR CURRAN: Why just with
19 the hospital?

20 MR. SILVESTRI: Because no one
21 else has really seen an interest in doing
22 it.

23 LEGISLATOR CURRAN: That's
24 interesting. So does that mean. I was just
25 wondering if there was an opportunity for

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2 revenue for us from school districts and
3 other municipalities since we are doing this
4 for them.

5 MR. SILVESTRI: It's them paying
6 us for our staff. They are reimbursing.

7 LEGISLATOR CURRAN: I see what
8 you're saying. They're paying for their
9 guy.

10 MR. SILVESTRI: Right. That is
11 inclusive of salary and all of the benefits.

12 LEGISLATOR CURRAN: That makes
13 sense. Thanks. I have a question about
14 particular title in the department is a
15 civil service info tech coordinator. The
16 salary listed as \$186,000 a year.

17 I'm wondering if this is a person
18 perhaps this could be work that's done by
19 the county IT staff, if we need a dedicated
20 IT person in the department.

21 MR. SILVESTRI: He is the person
22 that did Lotus notes. He is the one that
23 really promulgated the whole thing for the
24 online processing.

25 LEGISLATOR CURRAN: I see. So

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2 you're saying this is a particular job that
3 has to be done within the department?

4 MR. SILVESTRI: Right.

5 LEGISLATOR CURRAN: To process
6 all the online applications?

7 MR. SILVESTRI: To process it and
8 maintain it and keep it current. It's a
9 system that at the outset nobody in the
10 county knew. Don't know whether they can do
11 it now or not but at that point in time he
12 was the sole person.

13 LEGISLATOR CURRAN: And then
14 another observation. Overtime is quite low.
15 2016 it was just \$11,000 but it has
16 increased six fold. So \$61,000 in the
17 scheme of things is still pretty low, but
18 just in terms of the proportion of increases
19 it's quite large and I'm wondering why that
20 is.

21 MR. SILVESTRI: Because of the
22 police exam for next year. We don't know
23 what staffing is going to be. Whether
24 people are -- our hours are normally 9:00 to
25 4:45. People come in to go to the police

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2 exam somewhere at 7:00 in the morning
3 sometimes they don't get out until after 6
4 o'clock for the exams.

5 LEGISLATOR CURRAN: So this is to
6 prepare for possible overtime to accommodate
7 the police exam.

8 MR. SILVESTRI: Yes.

9 LEGISLATOR CURRAN: Has there
10 been a police exam in 2017?

11 MR. SILVESTRI: No, not yet.

12 LEGISLATOR CURRAN: So there is
13 none held, none taken in 2017, but there is
14 one scheduled for 2018?

15 MR. SILVESTRI: Right.

16 LEGISLATOR CURRAN: And I'm
17 thinking that should be the first half of
18 the year?

19 MR. SILVESTRI: Should be, yes.

20 LEGISLATOR CURRAN: According to
21 the civil service website, hiring is still
22 being done from exam number 2000 which was
23 given in 2012, correct?

24 MR. SILVESTRI: Yes.

25 LEGISLATOR CURRAN: So are there

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2 still people eligible from that list which
3 is about five years old?

4 MR. SILVESTRI: Yes, but a list
5 once again is only good for a four year
6 period of time once it is established. Go
7 ahead.

8 LEGISLATOR CURRAN: So these
9 people if they're still on the list for 2012
10 they would have to retake the test because
11 it has expired?

12 MR. SILVESTRI: It will be
13 expiring. So if they want to be considered
14 for the position they have to retake the
15 exam, yes.

16 LEGISLATOR CURRAN: No matter how
17 they did?

18 MR. SILVESTRI: Right.

19 LEGISLATOR CURRAN: I'm curious to
20 know, how many months does it take to plan,
21 administer, grade and get a list. How long
22 is that whole process?

23 MR. SILVESTRI: In general?

24 LEGISLATOR CURRAN: In general.

25 MR. SILVESTRI: We get

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2 notification from the state somewhere six
3 months prior to them offering an exam and
4 then we circulate it to all the county
5 agencies and all the other agencies we deal
6 with looking for feedback if anybody wants
7 the exam to be given. With that, if nobody
8 wants it, even then sometimes we may give
9 it.

10 Then we review what lists we
11 currently have established in the same title
12 to see if it's warranted. Because if you
13 have a clerk test that was given the
14 previous year and you still have a thousand
15 candidates, it's not really feasible to be
16 giving it. We go and review it.

17 We give two months from the time
18 that the notices are sent out for people to
19 review it and forward their applications and
20 then we review the applications.

21 Then the test is given and it
22 takes anywhere from six to nine months to
23 get the results back from the state. So it
24 could be a very lengthy process.

25 LEGISLATOR CURRAN: And do we at

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2 the county need to get permission from the
3 state to administer a test?

4 MR. SILVESTRI: They are
5 basically most of them are state tests and
6 they have an offering of exams. We can
7 request something but it follows whatever
8 their schedule is going to be.

9 LEGISLATOR CURRAN: Thanks.

10 CHAIRWOMAN GONSALVES: Legislator
11 Walker.

12 LEGISLATOR WALKER: As far as
13 your staffing, your part time and seasonal,
14 I imagine in the summer when you have a lot
15 to go through civil service, especially if
16 it's a new applicant compared to someone who
17 has worked before.

18 So you requested in your budget
19 you have the same number of employees? I
20 guess you had budgeted for 49 but -- you
21 budgeted for 41 but you had 49, right? Am I
22 reading that right?

23 MR. SILVESTRI: We have 49
24 positions that we have requested, yes, full
25 time.

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2 LEGISLATOR WALKER: I thought
3 that was part time and seasonal. Full time
4 was 52?

5 MS. MINNAL: Between part time
6 and seasonal it was 49.

7 LEGISLATOR WALKER: So you are
8 budgeting for the same number next year?

9 MS. MINNAL: Right.

10 LEGISLATOR WALKER: Are all those
11 positions filled?

12 MR. SILVESTRI: Most of them are.
13 There are times that somebody has left and
14 there is a transition period but most of
15 those positions are filled, yes.

16 LEGISLATOR WALKER: It just
17 seemed to me I heard more this summer than
18 ever, we needed lifeguards desperately and I
19 had so many people reaching out to me they
20 had all their life guard certifications.
21 They got to a certain point with civil
22 service but they didn't get hired until
23 either most of the summer was over and some
24 of them never got hired, but they were
25 available to work.

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2 I just hope that we have the
3 staff to make sure we can get every one that
4 we need on board to be out there.

5 MR. SILVESTRI: There should be
6 sufficient staff to do that. But each one
7 of those lifeguards normally will have to
8 take a medical. So maybe there is some kind
9 of a medical problem.

10 LEGISLATOR WALKER: Then I would
11 assume that civil service would tell them
12 that?

13 MR. SILVESTRI: Right. Everybody
14 who goes in and there is a medical problem
15 is notified of what the problem is and what
16 they have to do to remedy that.

17 LEGISLATOR WALKER: Was any delay
18 in hiring any of those attributed to that?
19 It just seemed to me that I had a lot of
20 young people calling me saying I got this
21 far with civil service and I haven't heard
22 another word.

23 MR. SILVESTRI: There is a delay
24 but once we clear the person then it is up
25 to the agency to notify them. We don't tell

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2 them when their start date is. So it's a
3 matter of clearing whatever the problems may
4 be, if there are any.

5 LEGISLATOR WALKER: Thank you.
6 It really doesn't answer my question but I
7 guess I will have to work on that for next
8 summer, a lot, if I'm here.

9 CHAIRWOMAN GONSALVES: Legislator
10 Bynoe

11 LEGISLATOR BYNOE: Thank you. So
12 the process you just explained in terms of
13 people being screened for medical issues.
14 When you are disqualified, do they get a
15 letter advising them that they have a right
16 to appeal?

17 MR. SILVESTRI: Depending on the
18 title, it will either be through us or
19 through the agency, yes.

20 LEGISLATOR BYNOE: So they will
21 get a letter saying you have been
22 disqualified, but you have a right to appeal
23 and it will explain the appeal process?

24 MR. SILVESTRI: Right.

25 LEGISLATOR BYNOE: Is that

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2 standard for all disqualifications?

3 MR. SILVESTRI: It is standard
4 for all medical disqualifications, yes.

5 LEGISLATOR BYNOE: What about
6 residency or any other?

7 MR. SILVESTRI: They will get
8 something telling them they have been
9 disqualified. If you're disqualified
10 because of a residency then you can write
11 and ask us something, but it's not the same
12 procedure as to what it is for a medical
13 disqualification.

14 LEGISLATOR BYNOE: So when
15 someone is disqualified for residency they
16 don't get any communication regarding an
17 opportunity to appeal?

18 MR. SILVESTRI: That's not what I
19 said. They can appeal it.

20 LEGISLATOR BYNOE: Do they get
21 notification that they have the opportunity
22 to appeal?

23 MR. SILVESTRI: They are sent a
24 letter telling them that they don't have the
25 residency requirements and that they can

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2 appeal it, yes.

3 LEGISLATOR BYNOE: It's included
4 in the letter?

5 MR. SILVESTRI: As far as I know,
6 yes.

7 LEGISLATOR BYNOE: Okay. Thank
8 you.

9 CHAIRWOMAN GONSALVES: There
10 being no other questions or comments from
11 the legislators, I am now ready to open --
12 and thank you for being here on such short
13 notice, and now I have a number of community
14 people who have been sitting here patiently
15 to address this body.

16 I will begin with Peter Caruso.
17 He's not here. I can understand that.

18 Alec Slatky, I know he's here.
19 Come on up, Alec.

20 MR. SLATKY: Good afternoon
21 everyone. My name is Alec Slatky. I'm here
22 representing Triple A Northeast. I'm here
23 to talk about the public safety fee as you
24 know.

25 I was pleased to hear the

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2 comments earlier from Legislator Kopel
3 basically questioning the premise of the
4 public safety fee and saying that it's not
5 reasonably related to the cost of whatever
6 it's trying to be a fee for.

7 I think that's really the point
8 because we can do a thought experiment.
9 Last year it was asked for \$105 fee. This
10 year \$120 fee. What number is reasonable
11 based on any cost? Could it a \$500 fee? A
12 \$300 fee? A \$1,000 fee?

13 There doesn't seem to be any
14 relation with the cost of whatever the
15 public safety fee is supposed to fund.

16 So we would very strongly hope
17 that the County Legislature unanimously
18 rejects these fee increases.

19 Legislator Curran, I appreciate
20 you and also Senator Martins coming out and
21 saying these fees are wrong and we hope that
22 the fee will not be an issue next year but
23 we hope it ends as an issue this year.
24 Because, really, the Deputy County Executive
25 for finance testified before that they're

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2 not increasing taxes in this budget. The
3 public safety fee is a tax and they are
4 proposing an increase.

5 It's a tax and not a fee because
6 it's going to fund general government
7 expenses.

8 I listened to his entire
9 testimony. I heard pretty much nothing
10 about track safety. And that's
11 theoretically what the public safety fee is
12 supposed to fund. Traffic safety expenses
13 of the police department. Which is poor
14 governance to begin with as I said before
15 but I didn't hear anything about that. I
16 heard that "if we have to preserve the
17 quality of life, we have to find ways to
18 raise revenue."

19 I heard, this was partially in
20 relation to some other fees, "there is no
21 relationship between expenses and the
22 offices and the fees we are charging.

23 We have a government to run.
24 That's a tax. That's not a fee.

25 We urge the Legislature

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2 unanimously to reject it to come out with
3 amendments that would obviate the need for
4 this public safety fee increase because I
5 think NIFA has said, and I will quote from
6 their report, I know I have 15 seconds,
7 "even if approved it is possible that this
8 large surcharge may lead to improved driver
9 behavior which could result in a decline in
10 the number of violations and associated
11 revenues."

12 If people are driving more safely
13 and that's a risk to the county. That's
14 ridiculous. Thank you.

15 CHAIRWOMAN GONSALVES: Randy
16 Kaplan.

17 MR. KAPLAN: Hi. Good afternoon
18 everybody. I'm Randy Kaplan and I'm the
19 director of Government Affairs for the Long
20 Island Board of Realtors.

21 I want to say thanks to Howard
22 and to Kevan for voicing your concerns
23 before about the fees and where the money is
24 going on these real estate related fees.

25 I'm very hopeful that County

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2 Clerk O'Connell will alleviate our concerns
3 here in a couple of minutes and bring some
4 clarity to this.

5 One of the things that really
6 concerns me this morning and you all heard
7 me speak up here many times and Tim and many
8 of our realtors, when is enough enough?

9 We keep coming back to the same
10 old thing. How many more fees can we keep
11 putting on?

12 What concerns me greatly is what
13 Mr. Naughton talked about before when asked
14 he said, they haven't reached the ceiling
15 yet for where these fees are going.

16 I almost fell down in my seat
17 when I heard that. Just the past couple of
18 years we have gone up hundreds of dollars,
19 each year, and now they're saying there is a
20 vision to possibly go even higher.

21 Well, we are here to implore you
22 once again today, you know our position,
23 please, we are imploring you, let's keep
24 young people here. Let's keep everybody
25 here. Let's attract and retain people here.

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2 Nassau County is an amazing place
3 to live. Unfortunately it's not going in
4 that direction anymore.

5 So I beg of you all please come
6 up with something that works and we are
7 heartbroken that we keep hearing the fees
8 are going to be attacked over and over and
9 over again. I'm still in disbelief what I
10 heard this gentleman say before about not
11 reaching the ceiling. I hope that resonates
12 with all of you. I know it does.

13 Please do your best to make sure
14 we are able to get the budget passed without
15 these crazy fees. Thank you.

16 CHAIRWOMAN GONSALVES: You're
17 welcome. Kathleen Engel.

18 MS. ENGEL: Good afternoon. I
19 appreciate the time that you are taking to
20 listen to the public when it comes to the
21 budget and certain fees that are coming
22 forward.

23 I am the past president of the
24 Long Island Board of Realtors at the time
25 representing over 25,000 members.

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2 All of our members, 8,000 of
3 those are in Nassau County. We are finding
4 a problem with real estate in general when
5 it comes to our clients and past clients
6 purchasing homes. They are finding it near
7 impossible to get to the fees.

8 I will tell you speaking for
9 myself in 2008 when we had that whole
10 problem with the real estate industry and
11 the bottom falling out, it was in fact the
12 real estate industry that kept the economy
13 afloat. That was stated by numerous people
14 not just myself.

15 Sandy took my house five years
16 ago. I just settled on the house and
17 closed.

18 I am at a divide at this point.
19 I can either relocate somewhere in Nassau
20 County and I have been a Nassau County
21 resident for 45 years or I can leave.

22 I have chosen to leave because
23 the fees that are being put upon us, the
24 taxes that are being put upon us are
25 becoming absolutely impossible. My past

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2 clients are not doing anything as far as
3 real estate is concerned. They're actually
4 moving out of the state.

5 Nassau County is a beautiful
6 place to live, but it's not if you cannot
7 afford it. Especially for the elders who do
8 not have children in the schools right now
9 reaping those benefits.

10 I thank you for your time and I
11 certainly hope you will reconsider thinking
12 about the fees and the taxes that are
13 involved with our county.

14 CHAIRWOMAN GONSALVES: Tim
15 Lachapelle.

16 MR. LACHAPELLE: My name is Tim
17 Lachapelle and I'm the legislative liaison
18 for the Long Island Board of Realtors.

19 I'm here today to urge the
20 legislature to remove real estate related
21 fees from the budget and replace \$24 million
22 in revenue with a more practical and
23 equitable tax, a spending cut, or a
24 combination of the two.

25 The \$58 million generated in

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2 revenue from the past two years of fee hikes
3 is nothing more than a back door tax on
4 homeowners and aspiring homeowners in Nassau
5 County.

6 Now the county wants to generate
7 another \$24 million from a \$200 fee hike.

8 On Monday I asked the Legislature
9 to call on the clerk and the Assessment
10 Department to justify the increase in
11 revenue to their departments.

12 I stand by my position that if
13 they cannot do that you cannot raise these
14 fees.

15 I also see you all bending over
16 backwards trying to hold NIFA responsible
17 for the decision to put fees inside this
18 budget. That's extremely misleading.

19 NIFA does not tell the county
20 government how to balance the budget. They
21 simply ensure that the revenues match
22 expenses.

23 Last year NIFA sent back the
24 original budget because the Legislature
25 removed the fees and refused to replace the

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2 revenue or cut spending.

3 After NIFA sent the budget back,
4 the Legislature raised the revenue in the
5 quickest and most politically expedient way,
6 by raising a back door tax on mortgage
7 instruments.

8 Nassau County has plenty of state
9 approved methods for generating new revenue
10 and I have a hard time believing that there
11 isn't any fat to be cut out of \$2.9 billion
12 budget.

13 So, I repeat, you need to amend
14 the budget to remove real estate related
15 fees and replace \$24 million with a more
16 practical and equitable tax, a spending cut,
17 or combination of the two.

18 If you remove the fees and do not
19 come up with a way to replace the \$24
20 million in revenue, LIBOR will really see
21 that for what it is, a hollow gesture.

22 NIFA will almost certainly reject
23 the budget again and, like last year, the
24 fees will be added back in the budget
25 sometime after Election Day.

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2 In addition, while we appreciate
3 the legislators who consistently voted
4 against the fees, we need you to step up and
5 start proposing new revenue sources and
6 spending cuts.

7 NIFA's loan dissenter to last
8 year's budget rejected it on the basis that
9 it relied on uncertain revenue. Imagine
10 that. Here we are again one year later
11 looking for more revenue that the last round
12 of fee hikes did not deliver.

13 I'm not going to stand up here
14 and tell you that you have an easy job. But
15 you need to stop doing your job the easy
16 way.

17 I guarantee you that your
18 constituents did not elect you so that you
19 can covertly raise \$82 million in real
20 estate fees off the backs of mortgages in
21 only three years.

22 CHAIRWOMAN GONSALVES: Jenna
23 Suppon. I don't know if the last name is
24 correct. Come together then. Scott, you
25 are going to open it and then Jenna will.

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2 So introduce yourself for the for the
3 record, please.

4 MR. BANKS: I'm Scott Banks. I'm
5 the attorney in chief for the Nassau County
6 Legal Aid Society.

7 I first want do start off by
8 thanking you, Presiding Officer Gonsalves,
9 for meeting me this week for about an hour
10 discussing the issues of Legal Aid Society
11 and regarding issues of veterans rights in
12 the courts. It was very enlightening.

13 I want to thank also Leader
14 Abrahams who I also spoke with regarding our
15 legal aid budget. I also want to give a
16 kudos to Legislator Bynoe who, for the past
17 year, has really assisted the Legal Aid
18 Society, particularly in our working with
19 NIFA and this Legislature in guaranteeing
20 that our advance for the following two years
21 under our legal aid contract will be timely
22 which really assists our office greatly and
23 I thank you.

24 I'm here today to ask this
25 Legislature to approve the Legal Aid

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2 Society's request for a 6.33 percent
3 increase in our 2018 budget.

4 Under the county executive's
5 budget proposal, they are proposing a 2.5
6 percent increase which is approximately
7 \$167,000.

8 Unfortunately, while we
9 appreciate an increase in these difficult
10 times, that increase simply does nothing to
11 assist us in most particularly raising the
12 salaries of our undercompensated attorneys.

13 The budget proposal by the County
14 Executive will be eaten up mostly in cost
15 related to administration and that's related
16 to our medical plan and benefits.

17 So we will have very little money
18 left to do salary increases. And our union
19 Jenna Suppon, our president, and one of our
20 star attorneys, we are negotiating for the
21 past year. The budget, our union contract
22 expired December 31st of 2016.

23 The proposal that we have is
24 approximately \$256,000 more than the County
25 Executive has authorized. Our attorneys,

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2 salaries, pale in comparison to attorneys
3 who work in New York City, Brooklyn
4 defenders, and, frankly, our counterparts in
5 the criminal justice system, the District
6 Attorney's Office.

7 Each and every day, the attorneys
8 like Jenna, go to court every day, work side
9 by side with an assistant District Attorneys
10 who have similar years of experience, who
11 have similar loan obligations for college
12 and law school, yet are paid \$20,000,
13 sometimes \$30,000 less than our legal
14 attorneys.

15 As a result, our office has last
16 in the past year seven experienced
17 attorneys. Can I ask for more time, please?
18 Thank you.

19 CHAIRWOMAN GONSALVES: Yes. When
20 I met with you this week I said I will give
21 you the additional time, and of course
22 there's Jenna as well who I think wants to
23 say something. I think go back a little bit
24 you said the ADA make \$30,000 less?

25 MR. BANKS: Make more.

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2 CHAIRWOMAN GONSALVES: But you
3 did say less. Make more.

4 MR. BANKS: Yes. The starting
5 salary for an assistant district attorney is
6 \$60,000 or more. Our starting salary is
7 \$48,000 for an nonadmitted attorney. It
8 goes up to 51 upon admission.

9 But I was saying we have lost
10 approximately seven lawyers. By losing
11 these attorneys, it affects our ability to
12 provide services to our clients. And,
13 frankly, it handicaps the court system in
14 general.

15 If we don't have the staffing,
16 then we can't man the parts. We can't try
17 the cases, we can't resolve the cases.

18 We handle well over 9,000 cases
19 in the district court and the county court.
20 We also handle family court. We are short
21 family court attorneys.

22 The Legal Aid Society actually
23 does its work more effectively and at less
24 cost to the county than assigned county.
25 You can compare the two budgets.

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2 Right now in Nassau County we
3 have lost seven attorneys. I believe five
4 of them have gone to the city and are making
5 15 to \$20,000 more than they were making
6 when they were here in the office in the
7 Nassau County. It is unsustainable.

8 It is difficult to recruit
9 attorneys. We recruit from Hofstra, from
10 Touro. We try to stay in Nassau County to
11 recruit these law graduates, we help them,
12 we train them. We spend a lot of time
13 investing in them.

14 I think it's incumbent upon this
15 body, this county, to recognize that these
16 attorneys are providing a vital service to
17 our clients and ,frankly, to the county.

18 You know, we are dealing with an
19 opioid epidemic in Nassau County. Legal Aid
20 Society, although we are criminal defense
21 lawyers, we are part of the solution. We
22 train our attorneys to identify drug issues.
23 To identify clients and, by doing so, we go
24 in the court system, the drug courts and put
25 them into necessary programs. That is a

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2 vital vital need for our court and our
3 client base.

4 I understand that the issues
5 before this board, I was in government once,
6 I understand the difficult decisions you
7 need to be making, but I implore you, there
8 is -- I mean, the District Attorney's
9 Office, I don't want to pit one agency
10 against us, but, frankly, they have received
11 according to the 2018 budget, they are
12 referring a 15 percent increase in their
13 budget. Well over I think \$2 million in
14 salary alone.

15 What I am asking this Legislative
16 body is to increase our budget from the
17 county executive's proposal by another
18 \$256,000. So I can raise salaries for our
19 young attorneys who work so hard in the
20 court system.

21 So I thank you for your time and
22 hopefully we can get some good results. I
23 appreciate it.

24 CHAIRWOMAN GONSALVES: Thank you,
25 Scott. Jenna, would you like to address,

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2 please.

3 MS. SUPPON: Yes. Good
4 afternoon. My name is Jenna Suppon and I am
5 an attorney at the Nassau County Legal Aid
6 Society. I'm also the Nassau County chapter
7 president of the Association of Legal Aid
8 Attorneys under the UAW 2325.

9 I second everything Scott just
10 said. I will show you how effective a
11 Nassau County legal aid can be in two
12 minutes and 45 seconds.

13 To say that our lawyers are
14 dedicated and hard working is a gross under
15 statement. Our days start 8:00 a.m. at the
16 jail. We work through out lunches. We work
17 sometimes 10, 11, 12:00 at night. I can't
18 tell you the number of times I have been in
19 our office in Hempstead after 3 o'clock in
20 the morning working on our cases.

21 We give up our weekends, we give
22 up our holidays, we give up our times with
23 our families for our clients.

24 We provide a constitutionally
25 mandated service. We don't have the

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2 appropriate resource to do that given our
3 case loads, but we can't of course and we
4 would never give our clients short shrift of
5 what they are constitutionally guaranteed.

6 So, what we do, we, the lawyers
7 make up that gap. We are giving our time to
8 make sure that our clients receiving the
9 services, that they are constitutionally
10 guaranteed. It's coming from us and we are
11 not compensated for that.

12 Our salaries as Scott indicated
13 are very low. I'm 32 years old. I have
14 seven years of criminal defense experience
15 trying cases. I make \$66,000 a year.

16 I came out of law school with
17 \$150,000 in law school debt. I'm currently
18 at over \$200,000 because I don't make enough
19 money to pay the interest on my loan debt.

20 As Scott indicated, we are
21 hemorrhaging attorneys at a very high rate.
22 We have lost seven in the last year or so.
23 Every single one of those attorneys has come
24 to me as the union president and said, I'm
25 sorry, I have to break my commitment to the

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2 office. I know it's going to negatively
3 affect my colleagues, and our clients, but I
4 have to do it because I can't make ends
5 meet.

6 We are living paycheck to
7 paycheck in a profession because we believe
8 in the work we are doing. We need the
9 resources to be able to do that work.

10 A lot of the attorneys that have
11 left our office or currently in our office
12 want to be in Nassau County long term. They
13 want to have homes here, raise their
14 children here, and we don't have the
15 resources to do it, people are being forced
16 to leave.

17 The people that haven't left yet
18 are seriously considering leaving because
19 they can't afford to live here.

20 Additionally, by having more
21 experienced and trained attorneys, you can
22 more effectively and efficiently handle the
23 cases that we do have. You have somebody
24 who can right off the bat at the inception
25 of a case appropriately evaluate it. Get

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2 the person the services that they need and
3 spot the legal issues that you need to
4 address them quickly.

5 Every one talks about court
6 congestion and about what you need to do to
7 rectify that, we need more DAs, we need more
8 court personnel. That's half the equation.
9 The other half of the equation are the
10 defense attorneys and we need to be treated
11 appropriately. Thank you.

12 CHAIRWOMAN GONSALVES: Thank you,
13 Jenna. James Jacobs. Yes, go ahead.

14 MR. JACOBS: Good afternoon
15 legislators and people up there.

16 I just want to say there are
17 people speaking to the county leg know that
18 we would like -- My name is James P. Jacobs,
19 and I'm a private citizen live in Uniondale
20 for 25 plus years.

21 Good afternoon to you. Been
22 patient waiting. Like with the legal aid
23 just stated, just like the person stated
24 with the fees for the housing and everything
25 else. As a private citizen when I first

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2 moved out here in Nassau County, I was told
3 everybody is welcome and everybody can have
4 a good quality of life.

5 But surely it seem if you live
6 north of Hempstead Avenue, you see the Hub
7 getting developed, but south of Hempstead
8 Avenue is not getting developed. That's
9 affecting my quality of life.

10 My representative, Mr. Abrahams,
11 he's been a strong advocate for us. But
12 sometimes it's nice I learned in life that
13 when offer disagreement with people you
14 learn the art of compromise; you give a
15 little, I give a little.

16 The reason I'm here now, my Mrs.,
17 her pet project is beautification because
18 she loves a nice area of the flowers and
19 stuff like that. A number of years ago we
20 were promised certain things in good faith,
21 as a citizen because we pay our taxes like
22 everybody else, all we want is the same
23 amount of service. We are not asking for
24 more, just the same amount of service.

25 Saying that, like the legal aid

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2 lady said about competition. She can make
3 lots of money but see she has a conscious
4 and a good soul and she wants to do well for
5 Nassau County.

6 Me, as a private citizen, all I
7 want is the same service that I pay my taxes
8 for for my county legislative body.

9 I understand you have different
10 philosophy, political parties, I understand
11 that. But when I was a young man growing
12 up, when I had a disagreement with someone,
13 I learn the art of compromise. You give
14 some, you take some. Legal Aid Society not
15 asking a lot. The people are talking about
16 the real estate fee, all they're asking for
17 is just treatment.

18 Here is the issue, I understand
19 the philosophy of parties, they're thing is
20 cut all taxes for everyone, not raise the
21 fees and whatnot. The government served by
22 the people for the people; in order to run
23 the government you have to put taxes. It
24 may be a dirty word for somebody. You still
25 got to do what you got to do.

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2 All I'm asking is that if you do
3 taxes, be fair to every one not just the one
4 percent, not the 99 percent. Be fair to
5 everyone.

6 I get tired of other people
7 getting a free ride and I have to work like
8 a dog to pay for my home. So asking for
9 beautification, money for Legal Aid Society
10 which I don't mind paying extra taxes as
11 long as everyone else is paying their fair
12 share. If there's a guy making \$5 million,
13 \$10 million, and he's paying 13 percent. I
14 make way less than that, and I pay 34
15 percent, there is a problem with that. But
16 saying that, that's all I'm coming from.

17 So thank you for letting me say
18 what I had to say on my mind. I'm down to
19 22 seconds. I wish you a wonderful weekend.
20 And thank you, Kevan, for coming back. I
21 thought you had left. Thank you for giving
22 me the spot. I appreciate it.

23 Two quick points. On this
24 presentation, it's a nice presentation, but
25 it's not thorough. It's generalization.

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2 When I talk to the gentleman and asked where
3 the parks are located, he couldn't answer
4 that question. My thing, be thorough. When
5 I work, I'm taught to be thorough. So when
6 you do it in front of your colleagues and
7 all that, you want all the details, the T
8 crossing, the dot on the I's, you know what
9 I'm saying?

10 You have to go forgive me. It's
11 been a long day. Trying to get everything
12 out in a timely fashion. Thank you for
13 letting me speak. Hopefully that
14 beautification as a personal favor for me,
15 please consider it. We're not asking much.
16 Thank you.

17 CHAIRWOMAN GONSALVES: Thank you.
18 I believe we have Mr. Mayers. I haven't
19 seen you for a while.

20 MR. MAYERS: Good afternoon.
21 Before I get to what I want to say, I have
22 to give this young lady here kudos because
23 that is something that I complain about here
24 in Nassau County about the lack of good
25 lawyer-ship for those who less fortunate.

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2 As a matter of fact, I was
3 thinking I would bring this to the NAACP
4 about suing Nassau County where this ill
5 affordable representation for those who less
6 fortunate is concerned.

7 I thank Scott Banks and his group
8 need to get a good raise to represent those
9 less fortunate in this county.

10 I know Scott can do a good job
11 representing these people where they are
12 concerned. Thank you, Scott, keep up the
13 good work. You can reach out to the NAACP
14 any time if you need our help. Thank you.

15 I wasn't meaning to come here
16 today, but you know sometimes God put people
17 in the right place. I came by here because
18 I went by Kevan's office to pick up some
19 things here for my church because we
20 celebrating 125 years with the Anglican
21 Episcopalian church in Freeport.

22 My family's letter is so good to
23 give my church recognition and I came by
24 here and I saw him outside and he said
25 something is going on in here. I said what

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2 is going on? Kevan said they're discussing
3 the budget. It hits me right away why
4 didn't I get involved here when the budget
5 is concerned.

6 Then I come in here and I heard
7 John Imhof speaking. And he give you a
8 glittering picture about the DSS which is
9 full of lies. Because I had my trouble with
10 Mr. Imhof over the years with my
11 constituency and people from my community.

12 He's telling nothing but lies in
13 here today about this broad picture he give
14 to you all. You all need to go there
15 unannounced with him and see how he treats
16 some these people when they come there
17 looking for help.

18 I call a lot of times, I complain
19 to different legislators in here about the
20 DSS service.

21 Then he come in here and give you
22 all this picture about what they're doing
23 reaching out to the community.

24 The other thing that strikes me
25 when they talk about these children in the

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2 summer who they find jobs for. None comes
3 from my side the community. I ask him how
4 diverse those children is; the diverse
5 community that come from that got these jobs
6 through DSS in the summer. I don't think
7 any of them look like me. All right? So
8 he's a darn liar.

9 DSS not treat the people from my
10 community as he treat the people working
11 inside, he don't promote them, who did he
12 come in here today with? He didn't have
13 nobody around him looking like me. This
14 county is diverse.

15 So now John Imhof comes in here
16 and gives you all this glory about what DSS
17 is doing. You have to check it out for
18 yourself. Ask him for the numbers. The
19 hiring. The salaries. Look at it yourself
20 and don't be fooled by him.

21 I have my issues with him over
22 the years with the complaints that come to
23 the NAACP from the people coming here
24 seeking help from DSS. So check it out for
25 yourself when he sit here and tell you any

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2 bloody foolishness about all this glittering
3 and the people he is trying to help this
4 damn foolishness. No.

5 As far as I'm concerned he should
6 have been out of that position a long time
7 and I hope the next County Executive will
8 toss him out on his head. He's been here
9 too bloody long, get him out of here and get
10 somebody who is going to treat the people in
11 this county as they should be treated when
12 the taxpayers of this county is spending
13 money to look after people who are less
14 fortunate.

15 CHAIRWOMAN GONSALVES: Thank you,
16 Mr. Mayers.

17 MR. MAYERS: Thank you.

18 CHAIRWOMAN GONSALVES: County
19 Clerk Maureen O'Connell.

20 COUNTY CLERK O'CONNELL: Thank
21 you, Norma. Somehow I get the feeling some
22 of you don't want to hear what I have to
23 say.

24 CHAIRWOMAN GONSALVES: No. Say
25 what you have to say.

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2 COUNTY CLERK O'CONNELL: Thank
3 you for inviting me here to speak. I'm here
4 of course to talk about the fees; the real
5 estate recording fees.

6 The one word I can use is beyond
7 outrageous is what I can describe, the sense
8 of the community as they are recording these
9 documents in my office.

10 Let's just put it in sort of a
11 practical context. A veteran comes in to
12 pay off his mortgage or he's paid off his
13 mortgage loan and now he wants to satisfy
14 with the mortgage with the paper called a
15 satisfaction.

16 He comes into my office to file a
17 one-page document and it costs him almost
18 \$1,000. Insanity is the only word I can use
19 to describe that.

20 The other thing I want to put out
21 to you is, someone buys a house, a deed, a
22 mortgage, maybe a satisfaction from having
23 sold a house.

24 This process, they're paying a
25 recording fee on each of those documents as

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2 well as other fees, it's costing them
3 thousands upon thousands of dollars. It's
4 literally outrageous.

5 I want to address the assessment
6 fees that came up earlier that you seem to
7 have some confusion about.

8 This is a fee charged by the
9 department of assessment. It's called the
10 tax map verification fee. What is that?
11 It's a fee dreamt up out of whole cloth.

12 What you are paying the
13 Department of Assessment to do is check in
14 their database to make sure that the
15 properties identification numbers are
16 correct.

17 The County Clerk is the only
18 office that has the actual record that is
19 correct of property ownership in the county.
20 So what happens for this \$455 fee? They
21 check on a database up in Assessment which
22 is not the official database. Sometimes
23 their information is incorrect.

24 So, if you are filing a deed, a
25 mortgage, and a satisfaction, you're paying

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2 for three tax map verification fees for
3 information that is wrong. Do you
4 understand what I'm saying? Wrong.

5 People are changing their
6 documents that are used as the instruments
7 at a closing based on information coming
8 from the Department of Assessment which has
9 a different database than mine.

10 So this has become literally
11 insane and I'm asking you to reconsider
12 these fees. Roll them back. Please roll
13 them back.

14 I have even had some of you call
15 me asking me on behalf of our shared
16 constituency to waive these fees.

17 You can't sit up there and vote
18 for those fees and come to me and say, grant
19 this person a hardship. You are asking me
20 to violate the law. I can't do that.

21 So you're going to have to make
22 some hard decisions on this budget. I ask
23 you to reconsider these fees.

24 Just last week we had a meeting
25 of the New York State County Clerk's

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2 Association and the Suffolk County Clerk and
3 I are purporting to put forward state
4 legislation which will standardize the
5 recording fees in the State of New York to
6 override this nonsense because it's not
7 fair. Not fair to your constituents and the
8 people who are trying to buy and sell real
9 estate here in Nassau County.

10 So I'm asking you very, very,
11 very seriously to look at this structure.

12 We have veterans in this county.
13 I've asked some of you to consider maybe
14 exempting these fees, first time home
15 buyers. No one has even asked for my input.

16 Having been a state legislator
17 myself for many years, there may have been
18 ways you could have mitigated this. But now
19 it's out of control.

20 I ask you to please look at this
21 and take my words very seriously. I
22 literally have people crying in my office
23 paying these fees.

24 So thank you for your tolerance,
25 thank you for listening to me and I know

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2 you're going to work hard to get rid of
3 these fees. If you have any questions I'm
4 happy to answer.

5 CHAIRWOMAN GONSALVES: I just
6 want to say something to anyone who has sat
7 here for a number of hours, correct, Scott,
8 even though I told you to come later, but
9 you came earlier. I guess you wanted to
10 hear what everybody else had to say. I
11 really don't blame you.

12 On the 30th of this month, which
13 is approximately a week from Monday, we are
14 going to have a budget vote. It's another
15 opportunity for the public to address their
16 concerns.

17 By that time hopefully -- I want
18 every one to know this, you're not coming
19 here and talking on deaf ears. We are
20 listening. We always listen.

21 When it is feasible, we take your
22 concerns into consideration. That's what we
23 have been doing over the past several weeks.

24 We've heard once the County
25 Exec's budget was out there and the fees and

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2 everything else that was aligned with the
3 budget, there came a talking point for each
4 and every one of us and for the public out
5 there no matter who we met, where we met.

6 I want you to know that we have
7 been working diligently. It's our job. I
8 have to say to you we probably could have a
9 very easy pass because I don't think we
10 would have a problem with this budget with
11 NIFA as it is.

12 However, as I said to someone
13 yesterday, you may think it's a good budget
14 but there's always room for improvement.

15 So that's what we're going to be
16 doing in the next several years. And on
17 October 30th if you want to come back here
18 come back here and listen to what we are
19 going to put forth for a budget for 2018.

20 I know both sides of the aisle
21 are working diligently to make it a fair but
22 certainly a budget that we can live with and
23 of course the county certainly will not be
24 in deep red. So, thank you, Maureen.

25 COUNTY CLERK O'CONNELL: Did

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2 anyone have any questions? Yes, Minority
3 Leader.

4 LEGISLATOR ABRAHAMS: How are
5 you? I just have a couple of quick
6 questions and a statement as well.

7 The fees that you're talking
8 about whether it's the mortgage recording,
9 the block fee, the tax verification map, we
10 have been dead set against those from day
11 one.

12 We are already are putting
13 together amendments to remove those fees.
14 That \$24 million in revenue when you combine
15 the two, we are already putting together
16 amendments to remove them.

17 From our standpoint I can speak
18 for our side, you at least have our side and
19 it sounds like there's a willingness from
20 the other side, I just don't know how much,
21 to remove those fees.

22 We plan to put amendments forward
23 by the deadline next Monday.

24 That being said, I want to make
25 sure I heard you correctly, when you talked

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2 about the charge of the fees, you plan to
3 not charge for the increase if -- if we
4 weren't successful in getting our amendments
5 approved through the Legislature, I thought
6 I heard you say you weren't going to charge.

7 COUNTY CLERK O'CONNELL: No. I
8 said I follow the law. Some of have you
9 called any office asking to you waive fees
10 in hardship circumstances when some of our
11 constituents approach us and you can't vote,
12 sit up here and vote for a law and ask me to
13 waive it. This is insanity.

14 LEGISLATOR ABRAHAMS: I think I
15 misheard you.

16 COUNTY CLERK O'CONNELL: I want
17 do just add that this tax map verification
18 charge is for no service. It's a made up
19 fee for something that provides no service.
20 It was thought up by the Budget Office here
21 in Nassau County based on a Suffolk County
22 model.

23 In Suffolk County, the town
24 assessor assigns the tax map and lot
25 numbers.

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2 So when those assignments of
3 numbers go to the County Clerk, that is
4 reviewed by the County Clerk for a fee to
5 make sure that the tax assessor on the town
6 level assigns the correct property
7 identification number to that new lot, so to
8 speak. So there is a service there. All
9 they do is check a data base upstairs.
10 There's no verification. Sometimes their
11 information is wrong. There is no service.
12 It's a fee without providing a service.

13 So if you go in there with three
14 instruments, you are paying three times for
15 them to check your tax lot or tax
16 verification for nothing for no service.
17 Just so you have a good -- and Howard knows
18 this. He's in the title business, some of
19 you who are lawyers. I literally have
20 people that will not close on homes through
21 a power of attorney because they are paying
22 for a tax map certification fee on a power
23 of attorney because it identifies a
24 property.

25 So just to put this in context

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2 for you, this is not the way to run a county
3 and finance a county.

4 As I said, what we are going to
5 do as County Clerks statewide, we are going
6 to look to legislate out of Albany a
7 standard fee and take this whole thing out
8 of the localities hands because it's getting
9 out of hand. So thank you. Anyone else
10 have any questions?

11 CHAIRWOMAN GONSALVES: Legislator
12 Solages.

13 LEGISLATOR SOLAGES: Thank you,
14 Madam Chair. Nice to see you.

15 During my examination of
16 Mr. Naughton several statements he stated
17 you seem to disagree with or you stated it
18 was incorrect. Do you recall what
19 statements?

20 COUNTY CLERK O'CONNELL: I think
21 he was talking about the tax map as a
22 verification fee as a charge from my office.
23 It's not generated by my office. It's
24 generated from a department under the County
25 Executive and the county government here

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2 called the Department of Assessment. They
3 have another database which is not the
4 official database of property ownership. So
5 it's not a county clerk fee per se which is
6 what I wanted to clarify.

7 Again, it was dreamt up by
8 someone as a way to generate a fee for
9 basically what I describe as no service.

10 LEGISLATOR SOLAGES: Just to be
11 clear, as it relates to recording fees, that
12 would not lead to any increased services
13 from your office?

14 COUNTY CLERK O'CONNELL: No.
15 Under the law, courts have held that fees
16 that government impose should represent or
17 reflect the cost of providing the service.
18 So this is not a cost that you're covering a
19 charge that I'm creating or even providing a
20 service. It's really way out of line with
21 what services we are providing.

22 We generate \$250 million in
23 revenue in the County Clerk's Office.
24 Approximately \$45 million goes to the
25 county. The rest goes to other entities,

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2 the state, the clerk of the courts, those
3 are state court fees, et cetera.

4 We have about a \$6 million
5 budget. So we more than pay for ourselves.
6 So these fees don't represent the cost of
7 the service is what my point is.

8 LEGISLATOR SOLAGES: Thank you.
9 My last question. I ask Mr. Naughton would
10 this have any aggregate affect on any
11 particular segment in the population, I was
12 thinking of senior citizens, in particular,
13 how can you envision this affecting senior
14 citizens who have to transfer a deed or
15 something?

16 COUNTY CLERK O'CONNELL: It does
17 affect them because when they are doing
18 estate plans, and some of you who are
19 lawyers can relate to this, when someone
20 does an estate plan and perhaps transfers
21 ownership of property into a trust, so to
22 speak, they are paying a tax map
23 verification fee numerous times and
24 recording fees.

25 So it's literally impacting

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2 across the board. The buying and selling of
3 real estate and people doing estate plans
4 particularly senior citizens.

5 Children come in and they're
6 filing these documents paying thousands of
7 dollars to protect their families and it has
8 no relationship to what it cost for us to
9 provide the service. Thank you all.

10 CHAIRWOMAN GONSALVES: I have one
11 more legislator who wants to ask Mr. Banks a
12 question.

13 LEGISLATOR BYNOE: Thank you,
14 Presiding Officer. Good afternoon.

15 I have a question regarding
16 litigation that Suffolk County and
17 Westchester County were involved in relative
18 to the legal aid services that they provide
19 to the residents.

20 In any way is that tied to part
21 of your concerns?

22 MR. BANKS: I think you are
23 addressing the Hirro Haring lawsuit. In
24 2010, the ACLU and other interested parties
25 were concerned about the administration of

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2 indigent legal services throughout the
3 state.

4 They were particularly concerned
5 about upstate counties that were not
6 providing really any services and they also
7 sought to identify a downstate county to
8 also use as a defendant in the lawsuit that
9 they ultimately commenced.

10 The Legal Aid Society of Suffolk
11 County -- I'm sorry -- Suffolk County was
12 identified as a county not providing
13 adequate legal services for indigent
14 offense. So they were joined in the lawsuit
15 with four upstate counties. It was not
16 Westchester County.

17 The result of that lawsuit was a
18 consent settlement with New York State which
19 resulted in mandated state funding to
20 increase services for various things like
21 arraignment, first appearance, because
22 Suffolk County wouldn't have arraignment
23 attorneys and people arrested wouldn't have
24 lawyers. Also, to deal with quality and
25 enhancement of services.

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2 As a result of that lawsuit, ILS,
3 Indigent Legal Services, was created.
4 Indigent Legal Services has now gone further
5 in trying to mandate the settlement of the
6 Hirro Haring lawsuit to all of the counties
7 in the state.

8 They have done this through
9 various grants that are given to various
10 public defender and legal aid offices. So
11 we do receive grants and public defender
12 offices -- grants from ILS.

13 Unfortunately those grants are
14 for grant attorneys for three years periods
15 of time which have no effect on the
16 attorneys that are employed under our county
17 budget.

18 We have I believe currently
19 contracted under the county budget 47.5
20 attorneys and that is paid exclusively,
21 those salaries and benefits are paid through
22 our budget with our annual budget through
23 the county.

24 In fact, the Comptroller's Office
25 is very careful in making sure there is no

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2 overlap in the expenditures made for grant
3 attorneys versus attorneys on our certified
4 list. We give every month a certified list
5 of the attorneys on our county.

6 But we were fortunate not to be
7 because they were looking for a down state
8 county. Nassau County was considered as a
9 possible defendant but, although I have only
10 been in charge of the office for the past
11 year, although I have been a legal aid
12 attorney 35 years ago, Nassau County is
13 always -- and you have heard it through
14 Jenna Suppon today, these lawyers don't
15 worry about their hours. They don't worry
16 about their weekends. They put the work in
17 for their clients. That's what they care
18 about.

19 I think Nassau County has always
20 done it better, I mean, under a lot of
21 budgetary constraints. So that's why we
22 certainly would not want to become a Hirro
23 Harring county. I think it would be a
24 disgrace. I think under my leadership I'm
25 going to make sure that does not happen.

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2 LEGISLATOR BYNOE: Thank you.

3 That just goes to the point that we need to
4 properly resource you. Thank you very much.

5 MR. BANKS: I just want to say, I
6 know I sent correspondence to each of the
7 legislators which will also further out line
8 some of the reasons why I'm making the
9 requests today. And, hopefully, if you
10 don't have it, you can contact my office and
11 I will forward those letters to you.

12 But, once again, thank you very
13 much. I know this is a long day and a
14 difficult process for all of you. I
15 appreciate it.

16 CHAIRWOMAN GONSALVES: Thank you
17 all. Hopefully you will be back on the 30th
18 to talk to us again or we will talk to you,
19 how's that?

20 We will let you know exactly what
21 we will be presenting on the 30th.

22 (Whereupon, the 10-20-17 2018
23 Budget Committee Hearing concluded at 3:15
24 P.M.)

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C E R T I F I C A T E

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

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

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

IN WITNESS WHEREOF, I have hereunto set
my hand this 6th day of November, 2017.

FRANK GRAY