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NASSAU COUNTY LEGISLATURE

RICHARD NICOLELLO
PRESIDING OFFICER

RULES COMMITTEE

LEGISLATOR RICHARD NICOLELLO
CHAIR

Theodore Roosevelt Building
1550 Franklin Avenue
Mineola, New York

Reconvened Meeting
March 5, 2018
11:18 A.M.

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

3

4 LEGISLATOR RICHARD NICOLELLO

5 Chair

6

7 LEGISLATOR STEVEN RHOADS

8

9 LEGISLATOR ROSE MARIE WALKER

10

11 LEGISLATOR KEVAN ABRAHAMS

12 Ranking member

13

14 LEGISLATOR DELIA DERIGGI-WHITTON

15

16 LEGISLATOR SIELA BYNOE

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2 LEGISLATOR NICOLELLO: The rule
3 committee is reconvened. We have two items on
4 an addendum. We will need a motion to suspend
5 the rules. Motion by Legislator Rhoads.
6 Second by Legislator DeRiggi-Whitton. Any
7 discussion of the motion to suspend the
8 rules? Any public comment? All in favor
9 signify by saying aye. Those opposed? The
10 rules are suspended. I'm going to call these
11 two items together, items E-24 and E-25.

12 E-24 is a resolution authorizing
13 the county executive to execute an amendment
14 to a personal services agreement between the
15 County of Nassau, acting on behalf of the
16 Nassau County Department of Assessment and
17 Smith Valuation Services, Inc. d/b/a Standard
18 Valuation Services.

19 E-25 is a resolution authorizing
20 the county executive to execute an amendment
21 to a personal services agreement between the
22 county of Nassau, acting on behalf of the
23 Nassau County Department of Assessment and
24 Michael Haberman Associates, Inc.

25 Those motions are moved by

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2 Legislator Rhoads. Seconded by Minority
3 Leader Abrahams. The items are before the
4 committee.

5 Before we get to the
6 administration's presentation I have a request
7 by Jerry Laricchiuta, the president of the
8 CSEA, to make a statement.

9 MR. LARICCHIUTA: Good morning
10 members of the Rules Committee. Thank you for
11 giving CSEA a moment to come up and explain
12 our position here.

13 So, number one, I just want to
14 apologize for the shortness of notification by
15 us. We only found out about this late
16 Thursday evening. We tried to do some work
17 Friday and hence, we are here today and we are
18 going to ask the committee to consider some of
19 our options here.

20 Let me just run the reel back.
21 Real quick let me run you back to 2011 when 69
22 of the 400 people that lost their jobs in
23 Nassau County due to layoffs. Of the 400 that
24 were laid off we were lucky enough to get back
25 240 workers because staffing was so critically

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2 low and remains that way probably even more so
3 today than back in 2011. However, in the
4 Assessment Department we were unsuccessful in
5 getting anyone back. Standard Valuation I
6 believe, I hate using people's name, I know
7 Matt Smith is the name of the person that runs
8 that company, I believe the company is
9 Standard Valuation and I know Haberman is yet
10 another one.

11 Back in 2011 when then county
12 executive, Ed Mangano, decided to freeze
13 assessment rolls he basically laid off 69
14 workers from assessment. And let me tell you,
15 as a union leader I have been in this business
16 a pretty long time, doing it 20 something
17 years, but I've been local A30 president for
18 almost 13 years now. Some day I will be able
19 to look back on my career. But I will tell
20 you one thing, the one thing I will never get
21 over, the thing hurt the most is the layoffs.
22 When people lose their jobs I failed them. We
23 tried like hell. We tried to get the
24 legislators and the county executive at the
25 time to not lay these people off.

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2 What we proved was and what we
3 found was the contract that they were
4 approving back then for Standard Valuation,
5 I'm not sure about the other one, was in
6 direct violation of our contract. And our
7 contract is pretty easily read. It basically
8 says nobody shall be laid off as a direct
9 result of a transfer of unit work. Meaning,
10 in simple language, you can't be laid off if
11 your job is subcontracted out as a result.
12 You cannot be laid off. And they were.

13 We brought that to arbitration and
14 it took over two years to settle. I can't
15 tell you how many hearings we had. These poor
16 people that lost their jobs had to show up
17 time and time again to the union office and go
18 through hours of debate.

19 In 2013 arbitrator Bonnie
20 Weinstock, who doesn't work with us any more,
21 no longer on our panel, but she rendered a
22 decision that said this. The county illegally
23 laid these folks off. Therefore, I'm going to
24 give them back pay. However, because there's
25 now been stipulated by the county and by at

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2 the time Standard Valuation and everyone else
3 that was speaking, the services would no
4 longer be needed I cannot bring them back to
5 work. Unfortunately, I can't bring them back
6 to work because their services are no longer
7 needed because of the new Mangano plan to
8 freeze assessment. We don't need people out
9 in the field reassessing houses, doing
10 computer modeling, all kinds of various work
11 that these assessors do.

12 I have two beautiful, wonderful
13 people that I call my experts and if you ever
14 want to know about assessment these are the
15 people that you should be talking to. These
16 are the people in the trenches that do this
17 every day.

18 We were stuck with the fact that
19 people got laid off. County was stuck with
20 the fact that they did it illegally. They had
21 to pay over a million dollars in back pay.
22 Whatever the contract was back then add a
23 million to that of taxpayer money. But under
24 the stipulation that Standard Valuation would
25 never be brought back on the scene to do these

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2 jobs again I could not get them back to work.

3 Fast forward to now. We find out
4 that not only is there a contract before Rules
5 today, but in fact this has been going on
6 since 2015 unbeknownst to this union. We did
7 not know they were back to work in 2015. We
8 would have taken action back then. Now when
9 you get a contract and legislators get these
10 contracts and this is nothing. This is a
11 small stack. The whole contract is like four
12 inches thick, which we got Thursday night.
13 Actually Friday morning.

14 But on page one of every contract
15 is a little section number 3 that says was
16 CSEA, under section 32(a) compliance,
17 notified. Under both the 2015 contract and
18 this current contract the answer is no. Right
19 off the bat that's a violation of our
20 contract. Which means if I bring this to a
21 subcontracting grievance we will win and the
22 county will pay dearly once again. Which we
23 don't want to see. We're not here for
24 conflict by the way. I want to make this very
25 clear. This is not something that I'm trying

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2 to make anybody here look -- I know we have a
3 new administration. They're getting their
4 feet wet. We have yet to meet with her. Our
5 first official meeting with the county
6 executive is today. About ten days ago we
7 were able to get an appointment with the
8 county executive. We're the largest union in
9 the county. We have 38 departments. There's
10 a whole load of issues going on but we had to
11 give her time to get her feet wet and to learn
12 the job. We knew that from the beginning.

13 So our first meeting is today at
14 three. Yet we find out that the Rules is
15 hearing arguments on this contract and they
16 want to pass this contract today at 11. So we
17 did meet with Helena Williams on Friday, and I
18 got great respect for Mr. Nicolello. I think
19 he's doing a very good job up there as
20 majority leader. We were able to talk to him
21 and he wanted to know what's our problem and I
22 told him just what I'm telling you now.

23 What we are asking for, in all
24 fairness, this is not -- I know there's a time
25 frame but we cannot rush this again. We

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2 messed it up the first time by rushing it.
3 Newsday's story on how the inequities, I
4 know. I've got a \$2,600 tax increase in one
5 year, and when I called my assessment people
6 they gave me the pizza analogy. Which is the
7 best analogy in the world. Did you challenge
8 your taxes? No, I never did. Well, let me
9 explain it. There's eight slices in a pizza.
10 If six of them get smaller two of them have to
11 get a lot bigger. The best analogy you'll
12 ever get. The pizza always remains the
13 pizza. My slice got a lot bigger that year.
14 I have been challenging them since every year
15 because if you don't the slice is going to get
16 even bigger.

17 That's a result of I believe a
18 mistake they made back in '11 by taking away
19 the right of our assessment people to
20 challenge these attorneys when they want to
21 represent hundreds of thousands of residents
22 in tax challenges. But what Smith company
23 did, they need 63,000 of these challenges done
24 in two months. There is no way our Assessment
25 Department could do that even with the

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2 staffing then. So he bundled them up into
3 63,000 agreements and everybody won. Whoever
4 challenged one -- we know the slice got
5 bigger.

6 Today we are in the same situation
7 and now over the years the disparity in
8 taxes -- I'm paying \$4,000 a year to my
9 neighbor and I'm not blowing him up. I don't
10 want him giving me a call later on. But I
11 know there's a disparity. We all know, we
12 agree with that. It's broken. Let's not rush
13 into it again. The people that can fix this
14 are the people in the Assessment Department.
15 If the county executive needs time then she
16 has to sit down and negotiate something with
17 the union. That's all we're asking for is
18 negotiate something with this union so we can
19 allow this to go through without a challenge
20 to cost the taxpayers even yet more money and
21 stop this contract.

22 So, I appreciate the time. This
23 was not meant for any reason to upset anyone.
24 If anybody has any technical questions on why
25 I believe this is a violation of our contract

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2 that's why I brought the two girls from
3 assessment. They know better than I'll ever
4 know. We read the contract. This contract is
5 also a direct violation of our contract. It
6 is work that we do. I thank you for your
7 time. If anybody has any questions I will
8 answer them, otherwise I will sit down and
9 shut up.

10 LEGISLATOR NICOLELLO: Thank you
11 Jerry. I just wanted to say from our
12 perspective we have been receiving briefings
13 from both Haberman and from Standard Valuation
14 Services, Matt Smith's firm. They have
15 impressed upon us the need that these
16 contracts move forward as soon as possible.
17 The work they have to do, the work that has to
18 get done, must be completed by the summer, by
19 the early summer, by June, in order for the
20 values to be sent to the Office of Real
21 Property Services in the state so that this
22 process can be -- so the new assessed values
23 can be issued by the end of this year. It's
24 something that in the old contract was
25 supposed to have been done last year.

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2 Be that as it may we have that
3 pressure on one side. On the other side we
4 hear you. We hear what you're saying. If
5 this work is to be done, supposed to be done
6 by labor unions pursuant to contract that's a
7 deep concern to us. We want to make sure the
8 county is abiding by our contracts. We want
9 to make sure that we're not exposing ourselves
10 to liability as it going forward. We have the
11 two balancing competing factors that we are
12 considering. And it's my intention, I'm going
13 to open it up to the floor, my intention today
14 with this is to hear out the presentation that
15 the administration is going to make on this
16 and then at the end of that to either table
17 this or recess the hearing, one or the other,
18 until a week goes by to give you additional
19 time and to urge the county executive to sit
20 down with the CSEA, to sit down with yourself
21 and the representatives and come to an
22 agreement.

23 This contract is for this year but
24 this is an issue that's going to go on for
25 years as we try to correct our assessment

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2 mess. This is a process that's going to
3 unfold every year for years to come. So
4 there's a lot at stake.

5 MR. LARICCHIUTA: Majority Leader
6 Nicolello, thank you. I understand fully. I
7 want the committee to understand there are two
8 main points here. One is I need the committee
9 to understand that through no fault of County
10 Executive Curran and no fault of this Rules
11 Committee and no fault of the union all what
12 you said makes a lot of sense except it should
13 be getting done by assessment, people in the
14 Assessment Department not a subcontractor.
15 This is work that should be done in-house, but
16 we can't do it right now because we don't have
17 enough staff. So that's point one I need to
18 make.

19 And point two would be, I don't
20 know if a week is enough. I'm not trying to
21 play games here, but if the county executive
22 and their administration says we're just
23 ignore him for a week. We know that the
24 pressure is on Nicolello and Rules. They're
25 going to have to get this done. Then we're

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2 sitting here with an empty gun. You know what
3 I mean. You can't even say that in public
4 today. You know what I mean. Our threat is
5 veiled by the fact that we are under
6 constraint of a time line. If we can get it
7 done in a week and negotiate something with
8 the county executive absolutely we will be in
9 favor of moving this on.

10 We don't want to hinder the
11 county. Assessment is a huge problem. But
12 it's a huge problem caused by the county not
13 by the people that work in assessment.

14 Let me make one statement and this
15 is a fact, you can look it up and we can show
16 you where we got it from. Prior to 2011, even
17 though we had this county guarantee and this
18 whole mess and people's taxes were raised
19 seemed like by chance, when assessment was
20 done totally by the Assessment Department, 90
21 percent of the assessment values that were
22 given fell within five percent of the selling
23 price of that home. So let me repeat that.
24 90 percent of the valuations given by our
25 Assessment Department on a house fell within

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2 five percent of the selling price. That's
3 pretty good.

4 Now, I'm not saying it was perfect
5 because we know it wasn't. We went through
6 the whole should the assessor be elected, then
7 appointed, do we have qualified people running
8 the department. It got into a big myriad
9 mess. Little blame should be left on the
10 people in the trenches doing it. I want the
11 committee to understand those two points are
12 very important. One, it should be done
13 eventually. Realistically we couldn't do it
14 today because you laid them all off. We only
15 have a handful left. We need to restock,
16 restaff the Assessment Department.

17 And two, we are going to do the
18 best we can. I don't know if a week is
19 enough. I don't want to have a gun to my head
20 to say you have a week or else. Because then
21 I don't have any leverage in negotiating with
22 the county executive.

23 LEGISLATOR NICOLELLO: I think
24 the week puts pressure on the administration
25 to get this done. I think it makes sure they

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2 sit down with you and listen to you and work
3 this out. That's what the purpose of the week
4 is. It's not to put pressure on the union but
5 it's to make sure the administration actually
6 sits down with you.

7 Anyone else? Legislator Rhoads.

8 LEGISLATOR RHOADS: I certainly
9 agree and thank you so much Jerry for coming
10 here and advising us, bringing us up to speed
11 on that. To be perfectly honest I'm kind of
12 dumbfounded. I would think that given the
13 importance of this particular issue I would
14 think that the first thing the administration
15 would do is probably reach out to labor to
16 make sure in the very first instance moving
17 forward we don't have an issue. I was
18 surprised to hear that that had already not
19 taken place.

20 But we certainly can't consider it
21 today. I think the intention is for us to be
22 able to at least learn about the contract to
23 get some information on the record and to
24 allow time for those conversations to take
25 place.

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2 The assessment problem is a major
3 issue. I think there's universal agreement on
4 both sides of the aisle that there needs to be
5 comprehensive solution to that. I think the
6 system when it was initially created came with
7 a set of problems. I think that unfortunately
8 in the process of trying to fix those problems
9 there was a whole new set of perhaps larger
10 problems that have been created. And since
11 the administration has indicated the desire to
12 tackle this we want to make sure in that
13 process we're deliberate and we want to make
14 sure whatever solution comes out of that
15 process that solution is one that's going to
16 work. We don't want to be in that same
17 situation where we keep creating a larger set
18 of problems down the road. We want to be
19 deliberative. We want the administration to
20 think those problems through and we certainly
21 intend to participate in that process to make
22 sure that whatever solution we come up with
23 that solution is in the best interests of the
24 taxpayers of Nassau County. And that's
25 exactly what both labor and those of us, the

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2 administration and those of us in the
3 legislature all want to see happen.
4 Especially the people working in the
5 Assessment Department. They want to see a
6 fair and equitable system that serves the
7 taxpayers. We want to make sure that
8 happens. But I appreciate you bringing it to
9 our attention.

10 MR. LARICCHIUTA: Thank you
11 Legislator Rhoads. I appreciate it.

12 LEGISLATOR NICOLELLO: Thank you
13 Jerry. Invite the administration back up to
14 make the presentation. Before they start I
15 wanted to thank Mr. Haberman, Mr. Smith
16 Mr. Peysner who is in the back of the room.
17 They have given us, majority members, minority
18 members, individuals, our staff, multiple
19 presentations on this assessment issue, on
20 what the work that has been done and what will
21 be done. We have been thoroughly briefed, but
22 we would like to give the administration the
23 time to put the case on the record.

24 MS. ROTHSCILD: Good morning. We
25 have Deputy County Executive John Chiara and

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2 Deputy County Executive Mark Page to present
3 on behalf of the administration.

4 MR. CHIARA: Good morning
5 majority leader, minority leader, members of
6 the committee. My name is John Chiara, deputy
7 county executive for compliance.

8 I think to everyone it's pretty
9 clear based on their experience and working in
10 the communities that you all represent that
11 our tax rolls and our assessment system is
12 broken. And it's due to the fact that in 2011
13 the rolls were frozen. Since then there has
14 been no updates to the rolls. What our task
15 force recognized was that there really hasn't
16 been any updates to it since 2009. And what
17 this has created is an unequal and unfair
18 system for all taxpayers in Nassau County.
19 It's shifted the tax burden by approximately
20 \$1.7 billion in an unfair manner.

21 It's also created a system where
22 the county hasn't been able to stabilize it's
23 finances. Mr. Page is going to address that
24 after I speak. What the administration is
25 asking is that we move forward the work that's

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2 already been started by Mr. Haberman and SVS.
3 That's a systematic review that began in
4 2015. These two amendments are critical of
5 all the money that was already spent to move
6 forward so in 2019 we will be in a position
7 where we can have a tentative roll for a
8 non-reappraisal reassessment. This is the
9 first step in creating a fair tax system for
10 all of your residents.

11 I think the majority leader said it
12 earlier, is that really time, unfortunately,
13 is not on our side here. If we're not able to
14 move these contracts forward in a timely
15 manner, and it is true, it is quite clear that
16 the Department of Assessment is not equipped
17 to do this because of the tax cuts, the cuts
18 that have happened over the last seven, eight
19 years.

20 But time is not on our side because
21 if we can't move forward with these contracts
22 then we're not going to be able to move
23 forward with the tentative roll in 2019. And
24 it really, as I think the majority leader said
25 earlier, it really backs up. This work needs

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2 to be completed by the summer, early fall so
3 notices can be sent out in the early fall to
4 the residents in accordance with the law.

5 Again, under the law there must be
6 a uniform assessment. That's a requirement
7 that the county has or any assessment unit
8 has. It's something that this county has not
9 been able to do pretty much since the rolls
10 were frozen in 2011. Until we begin to fix
11 that there's going to continue to be a
12 structural imbalance that not only creates,
13 again, unfairness across the board for all the
14 taxpayers of Nassau County, but again it makes
15 it almost impossible to balance our budget.

16 I want to bring up Mr. Page to
17 discuss the issues that create such a dilemma
18 for balancing the budget and dealing with the
19 cert issues.

20 MR. PAGE: Good morning. Mark
21 Page, Deputy County Executive for Finance. I
22 appreciate the opportunity to speak to you
23 this morning. The urgency in extending these
24 contracts has to do with the circumstances we
25 find ourselves in right now. The fact is that

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2 in 2017 the county has paid about \$90 million
3 in cert judgments. That's basically
4 challenges by taxpayers on the amount of tax
5 they paid in prior years, which at the end of
6 the challenge proceeding determined were valid
7 in a scale as I said about \$90 million in
8 2017. That number has been growing year by
9 year. I think in 2016 I think it was \$75
10 million.

11 At the end of 2016, the last year
12 where we have audited financial statements for
13 the amount of those claims which were pending
14 in one way or another was about \$340 million.
15 How does this problem relate to these
16 contracts?

17 We're in a situation where our
18 basic assessment rolls are for many taxpayers
19 who grieve are determined in the
20 decision-making process to be wrong. That
21 means that although we collect the property
22 tax in the year that it's levied and the
23 county has spent it on important needs, as
24 this determination process goes on, and it can
25 take years, eventually the money that was

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2 spent when the tax came in turns out not to
3 have really been there and we have to give
4 back a considerable amount of it to taxpayers
5 who shouldn't have actually paid us that much
6 in the year when we spent the taxes.

7 The way ultimately to turn around
8 this problem is to have a fairer tax
9 assessment roll and this administration is
10 trying to get to that point as soon as
11 possible. We're very much focused on the
12 tentative assessment roll due next January,
13 January 2019, and we believe that as a
14 practical matter the resources available to us
15 to get there on a very tight schedule as a
16 practical matter right now for the county are
17 the two contracts before you.

18 That \$90 million that was spent on
19 cert judgments in 2017 is basically money that
20 the county collects in taxes from whatever
21 source that we don't have available to spend
22 on services now that we clearly need.

23 To put that in a somewhat broader
24 context, for a number of years the county has
25 had similar amounts owing on judgments and has

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2 borrowed money to cover the cost. We now have
3 bonds outstanding through 2043 that were
4 issued to pay for these costs. Our annual
5 interest and principal payments on those bonds
6 in 2018 are \$128 million. So, that's another
7 \$128 million that's coming out of our money to
8 pay claims on taxes that were determined to be
9 wrong and the cost was financed way behind us
10 now.

11 You can think of it as perhaps a
12 piece of our deficit financing. If you look
13 at the whole amount of the deficit financing
14 that we're now paying back for it's about \$178
15 million. The 125 is part of the 178. That
16 178 you add the 90 that we paid out of current
17 funds in 2017 and you're talking a little bit
18 below \$300 million. That's money we're
19 spending now for services that the county used
20 back whenever. We don't have to spend on what
21 we need now.

22 One way of looking at that is that
23 the county's total property tax collection for
24 sort of general purposes in a year is around
25 \$800 million. You look at this number, which

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2 is 270 some odd added together, we're actually
3 spending more than a third of the property tax
4 we collect each year not on what we need now
5 but to pay back what we already spent behind
6 us.

7 The big chunk of that is these
8 challenges to the fairness of our property tax
9 assessment. That was the \$90 million in
10 2017. We need to turn this around and a major
11 step here to turn it around is to get an
12 assessment roll which is fair and which we can
13 defend. We need that step to stop this annual
14 additional cost of paying cert judgments which
15 just keeps coming along with this. Even when
16 we get it it's not going to stop instantly but
17 at least it will get us the foothold to turn
18 around this problem.

19 Time urgency. That \$90 million in
20 2017, I don't know what the numbers are going
21 to be in 2018. In the budget, which this
22 administration inherited, the budget
23 allocation for that purpose is \$30 million.
24 It's not 90. We don't control the expense
25 particularly. Time spent, more years, more of

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2 this cost. We need a new, proper assessment
3 roll and then we need to maintain it to turn
4 around this problem. I would be happy to
5 answer your questions.

6 LEGISLATOR NICOLELLO: Thank you
7 Mr. Page and Mr. Chiara. You both laid out
8 the big picture rational for taking action on
9 assessment. I would like to focus on the
10 contracts that are before us. Is there anyone
11 from the administration here who can talk
12 about that? These two contracts.

13 MR. CHIARA: Yes. Mr. Denion and
14 Mr. Gregware.

15 LEGISLATOR NICOLELLO: Mr. Page.

16 LEGISLATOR ABRAHAMS: I have a
17 quick question before Mr. Denion comes up.
18 First, I want to thank you for being here
19 today as well as Mr. Chiara and Mr. Denion as
20 well. It sounds like to me, based off of what
21 I heard you say, and I want to make sure I
22 heard you correctly, were you implying that
23 this plan would reduce refund payments to
24 residential and commercial taxpayers? The
25 contracts that are being for us to today with

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2 Haberman and Standard Valuation?

3 MR. PAGE: Yes. I believe that
4 they're a vital step towards as rapidly as
5 possible correcting the assessment roll of the
6 county, which is necessary.

7 LEGISLATOR ABRAHAMS: In regards
8 to residential, let's stay there for a second,
9 what was the county's liability in 2018 that
10 was residential? Because it was our
11 understanding that residential was a very
12 small proportion because the previous
13 administration was resolving these cases
14 before the next tax year went into place. So
15 the liability to the county was very minimal.
16 So, what was the number? You mentioned many
17 numbers. What was the number that you were
18 able to find in 2017?

19 MR. PAGE: The \$90 million number
20 is almost entirely commercial. There's
21 another number, which I don't have at the
22 moment, but what happens is that if a property
23 owner grieves and then settles on what their
24 number should be before the final tax levy for
25 that year happens, the cost of lowering a

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2 particular taxpayer's bill is covered in the
3 final tax levy. It doesn't hang on as a debt
4 that has to be paid later. But in the tax
5 levy it's actually the slices in the pizza
6 that one of my predecessor this morning was
7 talking about.

8 What happens is, if you need a
9 certain amount of money from that class of
10 property and somebody grieves and his value
11 goes down and it's settled at that, then the
12 tax rate, the percentage that's levied on the
13 whole class goes up. So that those who don't
14 grieve pay for those who didn't and it's built
15 in. It's a number and a practice which is
16 incremental frankly on the \$90 million I'm
17 already talking about in '17 but it's payment
18 mechanism is kind of built in.

19 LEGISLATOR ABRAHAMS: I
20 understand that. But the \$90 million, if I
21 understand correctly, was generated based off
22 of liability because this is liability --
23 these are commercial ratepayers and if I
24 understand you correctly, the \$90 million is
25 majority commercial, very little residential.

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2 And since most of it is commercial it is our
3 understanding and our impression that since so
4 little of it is residential that that
5 liability has occurred.

6 So, going forward, if we're talking
7 about the systematic review of what the two
8 contracts presented to us today, those
9 systematic reviews will not necessarily reduce
10 the residential liability for the county in
11 the out years. That's what I'm really driving
12 at.

13 Is what you're proposing today for
14 the residential -- and we will get to the
15 commercial -- is that going to reduce the
16 county's ability. Because, as far as I know,
17 there is very little liability and the
18 liability is basically generated from the
19 backlog of years and years and that number is
20 a very small number now. Are you somehow
21 saying that residential liability is going to
22 grow and this systematic review is going to
23 fix that? Because the liability, based on
24 your own number of \$90 million, is very little
25 already. So I'm not too sure. I want to make

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2 sure I understand what you're presenting today
3 in regards to residential. The reassessment
4 plan as it pertains to residential.

5 MR. PAGE: As it pertains to
6 residential, if we hold on to the practice of
7 settling residential grievances as they come
8 in and basically in the final tax levy setting
9 the rate so that the money is effectively
10 there to pay for the settlement by levying on
11 the whole class more -- if you stay with the
12 practice --

13 LEGISLATOR ABRAHAMS: Why would
14 we be paying for the settlement? What
15 settlement?

16 MR. PAGE: The reason that the
17 liability number doesn't include much for
18 residential property, class one, is that as a
19 current matter we've already paid them in the
20 way the property tax levy is set for that
21 class. The settlement and then the levy is
22 set. The levy is set to cover effectively the
23 payment to the grieving residential property
24 owner.

25 LEGISLATOR NICOLELLO: We can go

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2 back to this later on. I really want to focus
3 on what these contracts do.

4 LEGISLATOR ABRAHAMS: I think
5 that's what I was trying to do. I'm trying to
6 understand are the contracts going to address,
7 as the administration has presented it, it
8 sounds like to me they are implying the
9 contracts will address the future liability.
10 Which there should be no future liability. I
11 want to understand what the contract is going
12 to do.

13 LEGISLATOR NICOLELLO: I think
14 what he's talking about in terms of liability
15 there is, as you know, we all know, there is
16 outstanding refund liability for commercial in
17 hundreds of millions of dollars that will
18 still be drawing down, number one.

19 Number two, they you also have the
20 fact that we borrowed money over the years and
21 those interest and principal payments will
22 have to be made as Mr. Page indicated until
23 2043. I think that's the point that he was
24 making. I don't know that it goes into what
25 we are doing today.

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2 MR. PAGE: There's also a certain
3 amount of old residential property amounts
4 owing.

5 LEGISLATOR ABRAHAMS: I
6 understand.

7 MR. PAGE: I think that having a
8 fairer roll means that you won't have the
9 problems of some people grieving and some
10 not. Having a better done assessment roll so
11 that the values of the properties are proper
12 in relation to each other means that you don't
13 have the unfairness of the system that we now
14 have to a degree.

15 Also, the settlement process that
16 we go through, which does its best to conclude
17 grievances by residential property owners
18 quickly has a further effect of basically
19 addressing grievances with a very strong
20 impetus to settle them before the final tax
21 levy, not to defend the county assiduously. .
22 Because it's important to the county to settle
23 so that it does not in fact end up with a
24 liability later.

25 LEGISLATOR ABRAHAMS: Correct.

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2 That's why I didn't think the liability was
3 anything at all.

4 Just for the record, during the
5 months of January -- we're going through it
6 now -- the months between January 3rd and
7 normally it's March 1st, the county executive
8 has extended that period into April -- people
9 have an opportunity to grieve their taxes.
10 Them grieving their taxes in that period, if
11 they were resolved to the best of their
12 satisfaction that tax roll wouldn't be until
13 the 2019-2020 tax roll.

14 It was also our understanding that
15 those cases, people that grieve between this
16 period, a large majority of them are being
17 resolved prior to that tax roll in September
18 of 2019 being implemented. Therefore reducing
19 any level of liability going forward.

20 I understand, as the presiding
21 officer has indicated, I understand there's
22 backlogs and stuff. I'm talking about going
23 forward. Obviously we are considering this
24 contract on a going forward basis.

25 So what I would really need to

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2 understand from you is, the residential
3 grievances that are taking place that could
4 create liability for the county in the out
5 years, what exactly is that number that is not
6 being resolved prior to that 2019 tax roll
7 going into effect? Because then, in essence,
8 from my perspective could be our potential
9 liability, if any at all. Can you give me
10 that number? What percentage that would be of
11 properties that are taxpayers not resolved
12 going into that 2019 tax roll? I'm asking you
13 to do it based off historicals of course.

14 MR. PAGE: I will get you that
15 number. I don't have it with me at this
16 moment. I think though that one needs to
17 think a little bit more broadly in terms of
18 the value that is resolved in the settlement
19 process before the final tax levy on
20 residential properties. Because that too is
21 costing others of the county's taxpayers to
22 cover in the amount of property tax they pay.

23 LEGISLATOR ABRAHAMS: Absolutely.

24 LEGISLATOR NICOLELLO: We're
25 still in the assessment big picture right

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2 now. I would like to hear about these
3 contracts. We can always ask Mr. Page to come
4 back up and continue this discussion but let's
5 get to the contracts please.

6 MR. GREGWARE: Dan Gregware,
7 county attorney's office. Before you you have
8 two contract amendments to the SVS contract
9 and the Michael Haberman contract that were
10 originally I guess commenced back in 2015.
11 These amendments are going to allow these
12 contractors continue performing maintenance on
13 the systematic review program. These
14 contracts extensions will take us to the end
15 of 2018. And then the end goal of these
16 contract amendments will be eventually to be
17 able to produce final market values to be
18 utilized in the 2019 tentative tax roll.

19 So, these are the two contracts
20 generally. SVS also has an economic units
21 component of their scope of work that was
22 previously not addressed in the original
23 contract. That is also being added to the SVS
24 contract. As you can see, there's a time and
25 performance schedule in the proposed

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2 amendments. There's also a payment schedule.
3 SVS is proposing an increase of \$1,142,000 and
4 the Michael Haberman increase is proposed at
5 \$1,484,812. I don't know if you have any
6 additional questions.

7 LEGISLATOR NICOLELLO: These
8 contracts are for these firms to do a
9 systematic review, correct?

10 MR. GREGWARE: The original
11 contracts in 2015 were to do a systematic
12 review. These two are to enable them to
13 perform the systematic review. Once they
14 complete the systematic review the produce
15 reports and those reports identify certain
16 deficiencies. Those deficiencies are
17 corrected at the Assessment Department. At
18 the end of the day we need final market values
19 to be utilized for the tentative tax roll.

20 So this is to enable us to continue
21 the maintenance to bring us to final market
22 value so that we can utilize them for the
23 tentative roll.

24 LEGISLATOR NICOLELLO: Tell us
25 what the difference is between a systematic

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2 review and a full revaluation.

3 MR. GREGWARE: The systematic
4 review is more aligned with identifying
5 deficiencies in the county's systems. And it
6 also is based on a modeling system as opposed
7 to going to each individual properties and
8 doing a complete evaluation of each individual
9 property. It's more done on a modeling
10 basis. I know the contractors here, Michael
11 Haberman as well as Neil Peysner, could
12 probably speak to the specifics of what would
13 be involved in the comparisons of the two.

14 LEGISLATOR NICOLELLO: And
15 there's differences in procedure, correct?
16 Each homeowner would get a notice. They have
17 the ability for a hearing.

18 MR. GREGWARE: Right. In a full
19 revaluation notice would definitely be
20 produced to the homeowners. In a systematic
21 review situation I believe notices would still
22 be provided to the homeowners but it would
23 have to be at a certain -- 60 days prior. So
24 they would still be doing the notices in this
25 scenario as well.

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2 LEGISLATOR NICOLELLO: The
3 contract that was passed I believe in 2015 for
4 the systematic review anticipated that the
5 work would be done in time for January '18.
6 That did not happen. Why?

7 MR. GREGWARE: The work was
8 completed. The scope of the work was never
9 intended to produce a final market value
10 number. It was to identify deficiencies and
11 to I guess eventually assist the department to
12 be able to produce final market value
13 numbers. But based on the time line that we
14 have we're going to need the help from the
15 contractors in order to continue that
16 maintenance and to help us correct those
17 deficiencies to be able to produce those final
18 market value numbers.

19 LEGISLATOR NICOLELLO: Was there
20 something that the county did not do that
21 frustrated the ability to complete the work
22 when it was supposed to be completed?

23 MR. GREGWARE: I wasn't fully
24 involved with the back and forth with the
25 Assessment Department and the contractors. I

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2 know the contractors produced reports that did
3 identify certain, and I don't know if it's
4 necessarily deficiencies in the county and as
5 far as getting back to the contractors, but I
6 think it was more in line with there's
7 deficiencies in their modeling and how they go
8 about doing their assessment process.

9 LEGISLATOR NICOLELLO: The
10 process from here forward if we approve the
11 contracts would be that the contractors would
12 continue their modeling, they would continue
13 to do their review to some time later this
14 spring, early summer, correct?

15 MR. GREGWARE: The goal would be
16 to produce preliminary reports by July 1st.
17 That's what the Office of Real Property, ORPS,
18 is asking that the county produce a
19 preliminary report. So they are going to help
20 us produce those preliminary reports in the
21 summertime by July 1, and once ORPS, we
22 contact with ORPS, maybe ORPS will make
23 certain recommendations and then we can
24 continue to be able to produce the market
25 values by November 30th.

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2 LEGISLATOR NICOLELLO: It goes to
3 the state and the state does whatever it does
4 in terms of reviewing, issuing recommendations
5 and that type of thing?

6 MR. GREGWARE: Correct.

7 LEGISLATOR NICOLELLO: It comes
8 back and there's more to be done at this level
9 or is it finalized at that point?

10 MR. GREGWARE: After the
11 preliminary report portion -- I guess the
12 ultimate goal would be for ORPS to maybe make
13 recommendations and the county to implement
14 those recommendation to be able to produce
15 market value by the end of November.

16 LEGISLATOR NICOLELLO: Then at
17 that point in this year what does the county
18 do in terms of alerting homeowners to what has
19 transpired?

20 MR. GREGWARE: We are required to
21 notice the homeowners 60 days prior to I guess
22 the tentative roll. So the tentative roll
23 goes out January 1st. So it would be 60 days
24 prior we would have to notify homeowners.

25 LEGISLATOR NICOLELLO: So by

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2 November 1st or thereabouts?

3 MR. GREGWARE: Correct.

4 LEGISLATOR NICOLELLO: I don't
5 know if you know this but what does that
6 notice contain. Does it tell them what their
7 estimated market value is?

8 MR. GREGWARE: Yes.

9 LEGISLATOR NICOLELLO: Does it
10 give them an anticipated tax consequence of
11 the new value?

12 MR. DENION: Conal Denion, County
13 Attorney's Office. It basically would be a
14 preliminary look at the tentative roll. So
15 market values, assessed values. What they
16 would be seeing in January they're going to
17 see in November.

18 LEGISLATOR NICOLELLO: You will
19 have the market value and then you will have
20 the assessed value which is when you apply
21 that percentage.

22 MR. DENION: Tax rate.

23 LEGISLATOR NICOLELLO: Not the
24 tax rates but the percentage, correct? The
25 ratio?

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2 MR. DENION: That as well, right,
3 exactly. That just starts the process. As
4 you said, they will come in and if they
5 challenge they will come in to ARC and talk
6 about the AVs.

7 LEGISLATOR NICOLELLO: The
8 ultimate goal of this process is to have
9 better values, correct? To remedy the
10 deficiencies in the county's tax roll both
11 commercial, residential and utilities and the
12 like?

13 MR. DENION: Correct.

14 LEGISLATOR NICOLELLO: What
15 you're telling us is these contracts have to
16 be, the work has to start at some point in the
17 near future if this is going to be completed
18 in time for this year?

19 MR. DENION: That's correct.

20 LEGISLATOR NICOLELLO: Anyone
21 have questions? Legislator Rhoads.

22 LEGISLATOR RHOADS: Thank you
23 Mr. Chairman in this case.

24 Mr. Denion, just so I understand,
25 so the work that's been done under this

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2 contract previously was to review the county's
3 systems so that we can figure out what was
4 wrong with the process that the county has
5 been using, correct?

6 MR. DENION: That and moved
7 toward eventually getting new values, yes.

8 LEGISLATOR RHOADS: That part of
9 the work has been done?

10 MR. DENION: It's my
11 understanding, correct.

12 LEGISLATOR RHOADS: So now this
13 part of the work is supposed to be to assist
14 us in establishing market values that actually
15 match or assessed values that actually match
16 using modeling what market value actually is
17 with respect to homes in particular
18 neighborhoods?

19 MR. DENION: Be careful. The
20 appraisers are going to come up, the
21 contractors are going to come up with the
22 market values that should reflect the true
23 market values out there.

24 LEGISLATOR RHOADS: And the idea
25 is that the assessed valuation, because we are

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2 supposed be a market value based assessment
3 system, that the assessed value will at some
4 point match ideally the market value; is that
5 right?

6 MR. DENION: Actually, the market
7 values we want as true as possible. Then, as
8 you know, the county uses a fractional level
9 of assessment. Currently for a residential
10 .25 percent and the other class is one
11 percent. The AV is a reflection of those
12 percentages as applied and other things
13 according to law that affect the assessed
14 value.

15 LEGISLATOR RHOADS: Which brings
16 up an interesting point. Since you speak of
17 fractional assessment, one of the things that
18 has been done I believe starting with the
19 Suozzi administration was that the level of
20 assessment was changed. Initially when the
21 new assessment system was put into place there
22 was no fractional assessment. The level of
23 assessment was 1.0, just as it is for class
24 two, three and four properties today,
25 correct?

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2 MR. DENION: Well, that is a
3 fraction but it was a different one. It was a
4 higher fraction for class one.

5 LEGISLATOR RHOADS: The fraction
6 was one for two, three and four. It's not a
7 fraction. It's one.

8 MR. DENION: Just be careful.
9 Anything under 100 is a fraction in this case.

10 LEGISLATOR RHOADS: But it's 1.0
11 but for this particular --

12 MR. DENION: Which is one percent
13 level assessment.

14 LEGISLATOR RHOADS: But for this
15 particular class of properties you now have a
16 .25 level of assessment?

17 MR. DENION: Right.

18 LEGISLATOR RHOADS: Going
19 forward, whatever system we have in place, we
20 want to make sure is consistent. What I
21 believe first happened under the Suozzi
22 administration and may or may not have
23 continued, you guys can certainly tell me, is
24 that under I believe it's Article 18 -- you're
25 familiar with the 6-20 rule -- that we cannot

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2 raise, the county cannot raise the assessment
3 of any home greater than six percent in one
4 tax year or greater than 20 percent over a
5 period of five, right?

6 MR. DENION: Yes.

7 LEGISLATOR RHOADS: And that by
8 changing the level of assessment you in effect
9 are able to circumvent that 6-20 rule?

10 MR. DENION: Are you asking me
11 whether that was done? That was done 15 years
12 ago they did that.

13 LEGISLATOR RHOADS: Going forward
14 we would need some -- obviously this is a
15 major change that's going to take place with
16 how assessments are done here. We would want
17 some commitment from the administration that
18 we're going to comply with the 6-20 rule
19 that's set forth in state law and we are not
20 going to change the level of assessment to
21 circumvent that.

22 MR. DENION: I'm going to ask
23 John Chiara to answer your question.

24 MR. CHIARA: I think you've seen
25 the proposal from the county executive. It's

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2 been well circulated.

3 LEGISLATOR RHOADS: Is that
4 actually going to be issued? Because it's
5 dated February 23rd. We're here on March 5th
6 already. What's the hesitation?

7 MR. CHIARA: The hesitation from
8 the administration?

9 LEGISLATOR RHOADS: Yes.

10 MR. CHIARA: That is a draft
11 that's been circulated for debate with the
12 county executive and with the majority and the
13 minority.

14 LEGISLATOR RHOADS: I don't think
15 there's any debate on our part.

16 MR. CHIARA: Excuse me,
17 discussions. Not in this chamber. I believe
18 there has been a lot of discussions about
19 that. That is a proposal that the county
20 executive has made. It's sort of irrelevant
21 if -- the main issue is that if there's going
22 to be no -- if these -- because of the
23 stagnation that we have with the rolls right
24 now and the fact that there is nothing is
25 moving, the rolls are not moving in any

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2 direction for the last 11 years -- excuse
3 me since 2011 -- there actually is no --
4 without these two amendments moving forward
5 the six and 20 proposal by the county
6 executive is moot.

7 LEGISLATOR RHOADS: Understood.
8 But we do want to assure before we move
9 forward with this process that there is a
10 commitment from the county executive to abide
11 by 6-20. Because at the end of this process
12 we can't have people being reassessed and
13 having their assessment jump tens of
14 percentage points theoretically. It's going
15 to have to be phased in in accordance with the
16 law.

17 MR. CHIARA: Right. And actually
18 the proposal was made by the county executive
19 because the phase-in is an idea of fairness in
20 that individual residents of the county,
21 because the fact the county has failed to do
22 their proper assessment, this phase-in is
23 necessary in order to make it fair for
24 individual residents who have to plan on their
25 individual yearly finances for the phase-in.

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2 That's one of the reasons why the county
3 executive proposed that. Because a phase-in
4 is necessary in order to ensure the economics
5 of each individual resident rather than the
6 county as a whole. I think that's why the
7 county executive proposed to that to the
8 legislature.

9 LEGISLATOR RHOADS: My
10 understanding is that if this advances the
11 county executive will be making that
12 commitment?

13 MR. CHIARA: Yes.

14 LEGISLATOR RHOADS: That's good.
15 That's the right answer.

16 MR. CHIARA: If this doesn't
17 advance the whole thing is moot. Which is the
18 unfortunate nature of it.

19 LEGISLATOR RHOADS: To be honest,
20 the state law is never moot. We are
21 committing to something that we're supposed to
22 be doing under operation of state law. We
23 shouldn't make this provision more than what
24 it is. What the county executive is
25 essentially agreeing to do is abide by the law

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2 she's supposed to abide by.

3 MR. CHIARA: We are going to
4 comply with the state law.

5 LEGISLATOR RHOADS: That's good.
6 Excellent.

7 Now where we are at this point is
8 fine, we know what the county has been doing
9 wrong. We now are going to reset the market
10 values to more accurately reflect,
11 reestablish, get a better picture of assessed
12 valuations so that it matches market value.
13 What's the next step in the process?

14 MR. DENION: After what? After
15 we publish a tentative roll?

16 LEGISLATOR RHOADS: My point is,
17 fine, we've paid these outside companies now
18 to assess the county's systems and how it is
19 we actually set our assessment rolls to better
20 reset the process going forward to make sure
21 we do it correctly. Now we're going to get
22 new valuations under this contract. What's
23 the next step in the process?

24 MR. CHIARA: The next step, as I
25 think the committee is aware, is that the task

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2 force is looking at what the next steps that
3 have to occur. Which is going to include
4 having more people at the Department of
5 Assessment to be able to handle sort of the
6 customers from coming in and understanding
7 their assessment.

8 And not only that, they're going to
9 have to continue to update the rolls moving
10 forward, which has not been done, which is the
11 reason why I think in previous administration
12 was easy way to cut people because there was
13 not a need to that. Moving forward it will be
14 the Department of Assessment that will be
15 responsible for updating the rolls depending
16 on how they decide to do it, if it's yearly or
17 every couple of years, that needs to be keep
18 updating. That's something that needs to
19 be -- there needs to be more personnel at the
20 Board of Assessment.

21 LEGISLATOR RHOADS: Can you walk
22 us through what's a non-reappraisal
23 reassessment versus a revaluation?

24 MR. DENION: That's a term ORPS
25 uses. According to ORPS there's two types you

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2 can do. You can do the full reappraisal
3 reassessment which is individually going out
4 and taking pictures and revaluating parcels
5 individually.

6 LEGISLATOR RHOADS: How many
7 bedrooms you have? How many bathrooms you
8 have?

9 MR. DENION: They have that data
10 but this is a more intense look at it. Versus
11 the non-reappraisal reassessment takes the
12 result of your systematic review, trending,
13 fixing particular areas like the economic
14 units and the cost of depreciation, problems.
15 And then coming up with values that really are
16 much, much more reflective of the true market
17 values without going through the cost and
18 expense and time it takes to go through that
19 full reappraisal reassessment.

20 LEGISLATOR RHOADS: How does that
21 contrast with the revaluation?

22 MR. DENION: It's a different
23 approach. It's not as intense I guess would
24 be the word. Going out like what was done 15
25 years ago of individually looking at every

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2 parcel. Visiting property. That sort of
3 thing. There are great tools they can use now
4 they didn't use 15 years ago. The computers
5 are better. The aerial shots are better. All
6 those things are better now that they can
7 bring to bear to not have to do those things
8 because it takes a lot longer and it costs a
9 lot more money.

10 LEGISLATOR RHOADS: Okay. I
11 would yield now.

12 LEGISLATOR NICOLELLO: Legislator
13 Bynoe.

14 LEGISLATOR BYNOE: Thank you
15 Presiding Officer. Good afternoon. There was
16 some discussion about trying to create some
17 equality to the assessment system in the sense
18 that there is separate and unequal as reported
19 by Newsday, and others have talked today about
20 the fact that those who have not grieved are
21 shouldering the burden of the tax bills,
22 right? So, Legislator Rhoads just questioned
23 whether the administration would be looking to
24 carry out an executive order. And Deputy
25 County Executive Chiara you said she is in

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2 fact intending to carry out the executive
3 order; is that correct?

4 MR. CHIARA: She's not going to
5 carry out the executive order if nothing
6 passes. There would be no need to.

7 LEGISLATOR BYNOE: Then you know
8 my question. In the event that this passes
9 then she intends to carry out the executive
10 order?

11 MR. CHIARA: Yes.

12 LEGISLATOR BYNOE: So the
13 executive order, as I understand, states that
14 there would be no adjustment to the LOA,
15 correct? That it would stay .025?

16 MR. CHIARA: Yes.

17 LEGISLATOR BYNOE: .25.

18 So last week, along with members of
19 the senior staff, we undertook an exercise, an
20 analysis and looked at some of the properties,
21 information that was provided for some of the
22 properties by SVS as it relates to what the
23 current county market value is and what the
24 proposed SVS number would be. And when we
25 looked at I believe it was Harriman in

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2 Hempstead and Liberty in Williston Park and we
3 looked at those numbers it indicated that in
4 fact in the early onset this is not creating
5 any opportunity for this to be a more
6 equitable system.

7 In fact, what was actually
8 occurring was creating more of a disparity for
9 those properties in Hempstead on Harriman
10 versus those on Liberty Avenue.

11 So it's my contention that if we
12 don't adjust the LOA that we are going to have
13 individuals who have in most cases been
14 carrying the load and those that have been
15 paying upwards of 88 percent and the such of
16 their assessed value that they in fact now
17 would be in a worse off situation. That they
18 in fact would further burdened by this
19 process. So not adjusting the LOA creates
20 that situation.

21 And I would like to know if we
22 considered those people when we agreed to not
23 execute an executive order. If we considered
24 those that are currently paying basically
25 their fair share in terms of assessed value

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2 that -- I shouldn't say paying their fair
3 share -- that they're allowing for their
4 properties to be assessed at the almost
5 appropriate level, thereby being burdened
6 because others are grieving and they're paying
7 less than 40 percent, less than 50 percent of
8 their value. Did we consider those people in
9 this plan?

10 MR. CHIARA: The issue, and not
11 speaking about any specific property, the
12 issues right now, the situation we're in, is
13 that because, as Mr. Page was saying earlier,
14 because we don't have a defensible role
15 that -- there's no defensible position that
16 those people could take -- as taxes go up --
17 as the individual property values are lowered
18 by assessment versus those that have not
19 grieved, then when those are leveled out there
20 will be fairness to all the taxpayers.

21 LEGISLATOR BYNOE: But not if we
22 don't adjust the LOA. We aggravate the
23 conditions for those that are currently
24 paying -- they're paying based on their
25 assessed values that have been not grieved.

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2 Those that have not grieved. We are going to
3 slowly escalate those that have grieved at 41
4 percent of their assessed value and they're
5 not going to get to 100 percent for 12 and 20
6 years out. But those that are paying that
7 have not grieved in many cases are reaching
8 their 100 percent value within two years.
9 Thereby increasing the disparity between what
10 they're paying and what the others would be
11 paying based on the proposed market value.

12 MR. CHIARA: I think I said
13 earlier, going back to it, there is a general
14 idea of fairness because some of those people
15 that have been -- because the county has
16 failed to have what they're required to do,
17 which is to have a uniform assessment system
18 by the law of fairness is that -- we believe
19 that it needs to be phased in over time.

20 So the individuals on the other
21 side are able to -- similar arguments have
22 taken place in Washington about what the
23 economic effect of having a dramatic tax
24 increase on certain people is and it's phased
25 in over time. That's why the six and 20

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2 rule -- the county executive has proposed
3 following the six and 20 rule so that it's
4 phased in over time. So there's no drastic
5 consequences to many, many residents.

6 The thing that's difficult to
7 answer because we don't have a tax system that
8 is -- rolls that are accurate and fair, is how
9 actually individual -- the taxpayers would be
10 affected in each individual thing when the
11 tentative rolls come out.

12 LEGISLATOR BYNOE: In fairness
13 you're saying we are going to introduce it
14 over time. Which I don't disagree about. We
15 should maybe looking to implement this either
16 over time by adjusting the LOA so that there
17 is an opportunity to strike some level of a
18 balance, some semblance of a balance. Because
19 what we do now is aggravate the situation by,
20 in fact, not adjusting the LOA, thereby
21 burdening those that have not grieved their
22 taxes further.

23 I hear your point about the
24 executive order but there is a counter
25 argument to that executive order that I think

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2 burdens taxpayers who are the most vulnerable
3 here in Nassau County. Those who are not
4 grieving. So, the point to me is that this
5 executive order shields some but burdens
6 others. So I have a concern about the
7 executive order. I have a concern that we're
8 not entertaining the fact that we should be
9 introducing an LOA that somehow shares the
10 burden, shares the pain across all of those
11 households and doesn't put it on those that
12 simply have not grieved. For that fact, I'm
13 really concerned about moving forward with
14 this. I think in light of fairness and in
15 light of trying to bring some equality back to
16 the discussion it has to take place.

17 I have bared witness to the
18 administration out in the community at Black
19 History Month programs where there's a large
20 majority of nonminority community members
21 stating that they were working to bring some
22 level of equality here. I'm actually shocked
23 to know today that we're putting in an
24 executive order that really does deliver the
25 contrary.

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2 So, I'm concerned and I don't know
3 how many properties fall into this example,
4 fall into this category, but I can tell you
5 with the example utilized by SVS where they
6 compare and contrast Harriman and Liberty, I
7 can tell you in Harriman, where I believe we
8 had 12 properties to look at, seven of those
9 fall into this category.

10 MR. DENION: Legislator Bynoe, I
11 seen those examples from the vendor but I
12 think you said your staff might have done
13 further analysis on this. Would you be able
14 to share that? We haven't seen that yet.

15 LEGISLATOR BYNOE: Sure, we can
16 share that. But again, the further analysis
17 that we conducted illustrated that seven of
18 those properties of the 11 fall into a
19 category to which they escalate and within two
20 years they are paying almost at 100 percent.
21 Thereby, again, shouldering the majority of
22 the burden. And we will share that
23 information.

24 LEGISLATOR NICOLELLO: I wanted
25 to make a point about this discussion that has

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2 not been raised before. It appears based on
3 what we have seen in areas of the county and
4 many of the areas or areas of people of color,
5 areas that are economically depressed, have
6 been grieving at a lesser extent than other
7 areas of the county.

8 But let's make sure that we
9 understand the effects of this which is that
10 65 percent to 70 percent of your taxes go to
11 your school district. So, in areas that
12 area-wide, school district-wide people tend
13 not to grieve it will have little effect, the
14 new assessed values will have little effect
15 because in those areas within those school
16 districts there's going to be little change
17 because they have not been grieving and the
18 skew of their assessed values is not there.

19 There will be some to the extent of
20 the 30 percent or so of your town taxes and
21 county taxes because there you're comparing
22 say someone living in Bellmore versus someone
23 living in Syosset.

24 But for your school taxes, for
25 example, someone living in Bellmore, whether

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2 someone lives in Syosset is not going up as
3 much as they should has no effect on the
4 amount you're paying in your school taxes in
5 Bellmore.

6 Going back to the pizza analogy.
7 The only pizza you're talking there is among
8 Bellmore residents. Or you can take any town
9 in the county. Take Mineola. If you're
10 living in Mineola the only pizza you're
11 talking about in terms of your school taxes is
12 people living in Mineola. So if people in
13 Mineola did not grieve and people in other
14 parts of the county did grieve, any
15 disproportionate effect of change in assessed
16 value would not affect them in terms of their
17 school taxes. You're just comparing
18 yourselves to the school taxes.

19 So the universe of what we're
20 talking about is really people who are paying
21 town and county taxes as opposed to other
22 people in the town and county as opposed to
23 school taxes.

24 LEGISLATOR BYNOE: One statement
25 I want to make. So, your discussion is about

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2 the school taxes and saying it's 70 percent of
3 what we pay so it's only 30 percent of the
4 their tax burden. Nonetheless, my point is
5 that there is still a disparity even in that
6 30 percent. Let's not minimize that. And for
7 someone who is really on a fixed income or
8 working several jobs to even keep up with the
9 tax rate to which they are currently faced
10 with I wouldn't downplay the fact that that's
11 going to have some impact for them.

12 But I also wanted to state that
13 while it presents in majority minority
14 communities, there are people across Nassau
15 County that will be faced with the same
16 issue. And when looking at that data I was
17 actually surprised at some of the areas that
18 also did not grieve that are not majority
19 minority communities. So, while I address the
20 fact that it was stated at an NAACP event,
21 addressing a crowd of majority minority
22 residents, this is an issue that is actually
23 systemic and it's throughout the whole
24 county. Thank you.

25 LEGISLATOR NICOLELLO: That's

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2 accurate. Throughout every community there
3 has been people who have grieved their taxes
4 and people who have not. It does appear based
5 on what I was shown that some of the minority
6 areas tended to grieve less for whatever
7 reason.

8 LEGISLATOR BYNOE: Newsday
9 illustrated that point very well and I agree
10 with the assessment. My point is that while
11 it presents in majority minority communities
12 there are communities throughout Nassau County
13 that would be affected by not looking at
14 striking some level of fairness by adjusting
15 that LOA and allowing for the pain to be
16 shared across the county. Thank you.

17 LEGISLATOR NICOLELLO: I don't
18 think we're disagreeing. I think the only
19 point I was making is that in terms of those
20 areas, area wide where people tend not to
21 grieve, the affects of abiding by state law
22 will be less pronounced especially with
23 respect to school taxes. Because again when
24 you're talking about school tax bills you're
25 not worrying about if I live in Mineola I'm

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2 not worrying about what someone's paying
3 school taxes in Syosset or elsewhere. It's
4 simply limited.

5 Legislator DeRiggi-Whitton.

6 LEGISLATOR DERIGGI-WHITTON: So,
7 if we were going to go about this in a perfect
8 world and say the quickest way to eliminate
9 the situation that Legislator Bynoe was
10 discussing would that involve ignoring the LOA
11 or increasing it or not taking that into
12 account?

13 MR. DENION: I think you will
14 have an LOA, but I think what the legislator
15 was proposing was that you would reduce that
16 fraction from .25 to a much lower fraction.
17 What was done 15 years ago.

18 LEGISLATOR DERIGGI-WHITTON: That
19 would make it a fair system in a more timely
20 way?

21 MR. DENION: I don't know to
22 fairness or not but it would have the effect I
23 think that she is requesting.

24 LEGISLATOR DERIGGI-WHITTON: I
25 want to say something. I understand that Rich

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2 Nicoletello's point is it's really only the
3 county portion so it's less than the major
4 part of your tax bill. But the reason that we
5 have the state putting the limit on it is
6 because it's substantial enough that it makes
7 a difference in someone's budget. So, we
8 can't have it both ways. We can't say we have
9 to abide by the state and say we can only
10 increase it six percent. But these people
11 that haven't, for whatever reason, haven't
12 grieved their taxes aren't really getting
13 hurt.

14 LEGISLATOR NICOLELLO: No one
15 said that. No one said that. The point I was
16 making was very clear. That when you look at
17 school taxes the impact if it's area wide of
18 people grieving or not grieving the impact of
19 changes in assessment is much less than if you
20 examine a community where people tend not to
21 grieve as opposed to the community where
22 people tend to grieve. No is saying there's
23 no impact.

24 LEGISLATOR DERIGGI-WHITTON: So
25 there is impact which is why the six percent

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2 is there. The bottom line is these people who
3 do not have, for whatever reason, I see this
4 in some of my -- I think people are afraid to
5 come to question their taxes because they're
6 afraid of them going up. They have misbeliefs
7 in the system. They don't want to touch it.
8 Unfortunately because of those misbeliefs
9 they're paying more. And now for us to try to
10 fix that situation, if that's really what our
11 intent is, we're not going to be able to do
12 that as quickly as I think these people might
13 deserve because of protecting those that have
14 already grieved their taxes and paying less.

15 Would you say that that's basically
16 the situation as far as trying to balance out
17 the roll?

18 MR. CHIARA: The proposal by the
19 county executive is a balancing between moving
20 as quickly forward to a fair tax roll so that
21 all residents, those that grieved and those
22 that haven't grieved over the last seven
23 years, are treated the same. And also to
24 phase in the effects, the dramatic effects
25 that could occur if people's taxes go up

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2 dramatically. That's the balanced approach
3 that the administration has taken. That's the
4 intent of the six and 20 by the state as
5 well.

6 It's so people's -- if the effects
7 are not felt in one year and phased in. I
8 know all of us are going to feel the effects
9 of what's happening in Washington with losing
10 a lot of our property tax deduction. The same
11 argument was there. A lot of people felt that
12 there should be a phase-in so that it could be
13 fair.

14 The flip side of that, many people
15 argued that certain people are going to be
16 treated not quite exactly right. But right
17 now a majority of the rolls are so unfair that
18 there's -- we don't even have a basis to
19 really talk about fairness. Again, I don't
20 know if that answers your question.

21 LEGISLATOR NICOLELLO: Legislator
22 Bynoe.

23 LEGISLATOR BYNOE: So, we believe
24 that if we allow for the 6-20 rule to be in
25 play and for each year the property can't

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2 exceed the six percent increase, right? And
3 not adjusting the LOA is fair for a property
4 owner in Hempstead whose current county market
5 is 243 and SVS says the proposed market value
6 would be 275, we think that they should get a
7 six percent increase along with the folks out
8 in Williston Park that's at 273,200 at county
9 market value. Where SVS says that the value
10 is 652.

11 I could actually give you an
12 example even on Harriman Street where I
13 believe that someone's property value, the
14 current county market value is 180 and SVS
15 says it would go up to 280. I agree even on
16 that same block that an adjustment to the LOA
17 would bring some level of equality a lot
18 quicker to that family living on the same
19 street with assessed values that differ by
20 \$100,000, as well as a situation out in
21 Williston Park where someone's assessed value
22 is been beaten down into the ground to 273
23 when we know it's upwards of 652. I don't see
24 how we think that's an opportunity to
25 prescribe any kind of equality to this

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2 process.

3 LEGISLATOR NICOLELLO: The only
4 issue I have is with your words you said the
5 6-20 rule to be in play. Let's make it clear,
6 this is a state law. It's not just an
7 arbitrary figure that somebody came up with.
8 It's New York State law that says you can't
9 have your assessed value increase more than
10 six percent a year or more than 20 percent
11 over five years.

12 LEGISLATOR BYNOE: I agree that
13 that is state law. But I also noted that
14 state law also allows us to adjust the LOA so
15 that we can deal with situations where there
16 are such huge disparities.

17 LEGISLATOR NICOLELLO: The
18 question is whether we are going to manipulate
19 the level of assessment to achieve the result
20 we may want to achieve. In other words, to
21 make an end run around the state law.

22 Anyway.

23 Any other questions for these
24 gentlemen? I think we would like to hear from
25 the vendors themselves but Legislator Rhoads

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2 has a question for Mr. Page.

3 LEGISLATOR RHOADS: Hi deputy
4 County Executive for Finance. Thank you for
5 coming back up. I kind of wanted to follow-up
6 on the point that the minority leader was
7 attempting to make before just so we can get a
8 framework on where we are right now. There
9 was some confusion and I just want to see if
10 we can add some clarity to it.

11 In terms of where we are now on the
12 residential side Nassau County is not
13 incurring any additional debt in the
14 resolution of residential challenges today; is
15 that correct?

16 MR. PAGE: I think that's
17 correct.

18 LEGISLATOR RHOADS: And good, bad
19 or indifferent the reason we're not incurring
20 any additional debt is because we've adopted a
21 system where we resolve the grievances as
22 quickly as we can to make sure that those
23 resolutions are in place for the final
24 assessment rolls so that no one is actually
25 paying us any money that they theoretically

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2 don't owe us, correct?

3 MR. PAGE: Yes. I think that
4 that settlement process --

5 LEGISLATOR RHOADS: Good, bad or
6 indifferent. I understand that by adopting
7 that strategy I think everyone fully
8 understands that there's a host of issues
9 created by doing that. But as it stands right
10 now with that system Nassau County is not
11 incurring any additional debt. In other
12 words, we're not floating bonds to pay out any
13 settlements because there are no settlements
14 to be paid. They're all incorporated within
15 the final assessment roll. That's already
16 been determined.

17 MR. PAGE: That's true of the
18 current grievances in residential. I think
19 there's a backlog of grievances on residential
20 that we haven't paid and eventually we will
21 presumably pay and what we pay it with remains
22 to be seen.

23 LEGISLATOR RHOADS: We're talking
24 from prior years. But as of 2017, for 2017 we
25 didn't incur any additional liability?

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2 MR. PAGE: No is a very extreme
3 statement. I think you're basically right but
4 there are some exceptions to that. But you're
5 basically right.

6 LEGISLATOR RHOADS: On the
7 commercial side we're not able to resolve
8 those claims prior to the assessment roll
9 being set. So there is an actual payment that
10 has to go to a commercial property that
11 grieves their taxes and successfully grieves
12 those taxes, right? They have actually paid
13 money out of pocket.

14 MR. PAGE: Yes.

15 LEGISLATOR RHOADS: Now, you're
16 familiar with the DAF, Deferred Assessment
17 Fund. Is the county at this point, as of
18 2017, just looking at 2017, have all the
19 successful grievances been paid out of the
20 money that was collected through the Deferred
21 Assessment Fund?

22 MR. PAGE: No.

23 LEGISLATOR RHOADS: What
24 additional liability in terms of bonding did
25 the county incur in 2017 as a result of the

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2 successful challenges of commercial property
3 tax grievances?

4 MR. PAGE: In 2017 the county
5 didn't issue any bonds to cover current
6 expenses, which is what this would generally
7 be. It used a certain amount of I think just
8 operating cash and a certain amount of fund
9 balance to pay out cert judgements. I don't
10 believe it actually issued any bonds for this
11 purpose in 2017.

12 LEGISLATOR RHOADS: Can you tell
13 us how much money was collected in DAF versus
14 how much money was paid out of DAF? Or
15 globally how much was paid out in successful
16 commercial challenges?

17 MR. PAGE: I need to get that for
18 you because I don't know of that \$90 million
19 paid out in 2017 there's a chunk of it back
20 residential claims and there's a chunk of it
21 that is commercial. I don't know that
22 breakdown. How much of it was paid out of
23 DAF? None.

24 One of the problems with DAF as it
25 currently exists is that it's specific to

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2 individual property owners in individual
3 years. And generally, or very often, when a
4 property owner comes in to resolve their
5 claims and hopefully get paid, there will be a
6 period of time before DAF as well as DAF for a
7 particular DAF participant property owner, and
8 I think that we're making great progress at
9 this point, we're certainly pushing on it, to
10 figure out how to access the DAF piece which
11 is funded as opposed to the prior piece which
12 isn't and to divide them up so we can at least
13 respond to the taxpayer to the extent they're
14 covered by DAF and there's money in the DAF
15 fund.

16 LEGISLATOR RHOADS: So at this
17 point it's a logistical issue as to how best
18 to access the DAF funds because that's set up
19 on an individual tax basis.

20 MR. PAGE: That's a piece of it,
21 yes. Individual taxpayer basis and it's only
22 got the two years that it's been in
23 existence. And much, to a considerable
24 degree, what we resolve other than through the
25 settlement process on residential takes

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2 several years to happen. So that what we're
3 actually paying out and what we paid out in
4 '17 is mostly for periods before DAF existed
5 on the commercial side.

6 LEGISLATOR RHOADS: So on the
7 commercial side when someone challenges their
8 taxes and you're having a hearing on that in
9 theory you're settling for multiple years not
10 just one?

11 MR. PAGE: Generally yes.

12 LEGISLATOR RHOADS: And some of
13 those years are without the DAF payment?

14 MR. PAGE: Yes.

15 LEGISLATOR RHOADS: Moving
16 forward though, since we are in this year, on
17 a year on year basis theoretically DAF exists
18 to cover whatever disputed, whatever liability
19 is created by the disputed assessment for
20 individual properties? In other words, if
21 somebody is just challenging 2018 --

22 MR. PAGE: I'm with you. We have
23 in '18 an appropriation already there of \$30
24 million for cert claims. The best estimate I
25 have been able to get of how much we think we

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2 will be able to access DAF to make additional
3 payments beyond that is maybe \$30 million by
4 the end of calendar '18.

5 LEGISLATOR RHOADS: In theory,
6 the idea behind DAF is that there should be no
7 operating money within the budget other than
8 what's in DAF that would pay any disputed
9 commercial assessment going forward. In other
10 words, it's supposed to zero out.

11 MR. PAGE: That is the theory.

12 LEGISLATOR RHOADS: All of this
13 is theory.

14 MR. PAGE: That one, yeah.

15 LEGISLATOR RHOADS: You would be
16 able to get us that breakdown for next week?

17 MR. PAGE: Between the amount of
18 claims paid in '17 that were on commercial and
19 the amount on residential?

20 LEGISLATOR RHOADS: Yes.

21 MR. PAGE: Yes.

22 LEGISLATOR RHOADS: Thank you
23 very much.

24 LEGISLATOR ABRAHAMS: Just
25 hearing Legislator Rhoads questioning and

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2 obviously having an opportunity to hear from
3 other folks in the administration, to me it
4 becomes more clearer and this is was what I
5 was driving at earlier. On a going forward
6 basis, as we take the Standard Valuation
7 Services contract under consideration, the
8 contract would do very little in addressing
9 the tax, I'm sorry, the debt the county would
10 carry going forward very little. I'm
11 understanding the debt on a going forward
12 basis, this contract is more for the sense
13 that we are trying to create, and I know it's
14 been debated by Legislator Bynoe as well as
15 others, the fairness, which we understand, in
16 making sure that folks in all parts of the
17 county are paying their fair share.

18 But in terms of taking this
19 contract under consideration for it addressing
20 future tax certiorari debt it does very little
21 to do that on the residential. Now hearing
22 from other members of the administration am I
23 right by making that assessment? That this
24 contract does very little to reduce the debt
25 in the out years? Not the backlog and not

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2 from what's --

3 MR. PAGE: If you assume that the
4 county is going to continue with the
5 settlement process that it's been using for
6 the last few years on residential
7 properties -- I think when you get into how
8 that addresses the merit property by property
9 of a particular grievance I think it has a
10 bunch of problems.

11 LEGISLATOR ABRAHAMS: I agree.
12 What I'm saying is that assuming -- unless the
13 administration is proposing a change to that
14 process in resolving those cases prior to the
15 next tax year of when those new valuations --
16 I'm sorry, when the new assessed values would
17 go into implementation. Unless you're talking
18 about a proposed change I'm assuming we are
19 going to keep that system in place.

20 Under that assumption, back to my
21 previous question.

22 MR. PAGE: Yes, you're right
23 under that assumption. I think that this
24 administration is doing it's best to achieve a
25 fair assessment roll and certainly for this

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2 year we're looking to maintain the practice of
3 prior years in not landing ourselves with a
4 big liability for residential properties that
5 haven't been settled before the final roll.
6 So we stay on the pattern of what we've done.

7 I think that the question of
8 whether we get delayed on the new assessment
9 roll and time passes and whether we can really
10 continue to hold on to the settlement practice
11 for residentials that we've had for the last
12 few years, whether that's really sustainable I
13 think is an open question. I can't answer
14 it. I'm not comfortable we can stay there.

15 LEGISLATOR ABRAHAMS: I just want
16 to make sure as we take the next few weeks as
17 we are considering these contracts and I'm
18 glad Legislator Rhoads he actually asked some
19 of the questions I was going to ask in regard
20 to the commercial side. I just want to make
21 sure as we engage in a process to evaluate
22 these contracts that we are taking them into
23 consideration of what the expectation would be
24 of what we plan to see from these contracts.

25 I would hate to have any of our

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2 members or the public believe that by
3 considering these contracts, I'm sorry,
4 contract as it pertains to the residential
5 side, that we would be reducing our
6 liability. Because when I have my forums I
7 talk about the liability to the county. But
8 generally I focus that liability on the
9 backlog and then on the commercial. I usually
10 do not talk about it from the residential
11 standpoint. So I don't want the public to
12 think they are generating taxing liability by
13 them grieving their taxes and they're
14 contributing to the problem.

15 Which, in essence, this contract in
16 itself does not address -- would not curtail
17 any liability because the liability on the
18 residential end does not exist to the
19 magnitude we've seen in the past. That's all
20 I was trying to drive at.

21 MR. PAGE: I think that's right
22 at this time. The question of whether the
23 current practice is sustainable going forward
24 I think is open.

25 LEGISLATOR NICOLELLO: Legislator

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2 Walker has a question.

3 LEGISLATOR WALKER: I would just
4 like to know if we moved ahead with these
5 contracts what would be the margin of error
6 between an actual assessment of each property
7 than going with the modeling and moving
8 forward with these contracts as they stand
9 now?

10 MR. PAGE: What would be the
11 margin of error?

12 LEGISLATOR WALKER: In other
13 words, I don't want to see us move forward in
14 this direction only to find that down the road
15 we didn't do an actual assessment of each
16 property. That we find ourselves in a similar
17 situation not far down the road where everyone
18 is grieving their taxes and continues as they
19 continue to grieve every year anyway but find
20 us in that same situation where they're over
21 assessed. We're really not accomplishing what
22 we want to accomplish.

23 MR. PAGE: I think that there's
24 absolutely no question that going forward with
25 these contracts and taking advantage of the

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2 work that they've already done and adding the
3 incremental piece that we're asking for now
4 will give us an assessment roll which is far
5 better than what we're living with right now.

6 In a perfect world would we take
7 more time and resources to try to sort of get
8 the last incremental piece in terms of making
9 this accurate? We probably would. But we're
10 not living in a perfect world.

11 As time passes we are continuing to
12 tax people on a valuation pattern that
13 basically doesn't make sense in many cases.
14 It causes a tremendous volume of grievances
15 that we have. Just in their number it's very
16 hard to respond to them reasonably one by
17 one.

18 At the end of the day assessment,
19 you know, what is a property worth? If I sell
20 my house to you this afternoon and we're all
21 set, money changes hands, by tonight I'm going
22 to be thinking I should have asked for more
23 because it closed. And you're probably going
24 to be thinking I paid too much. I could have
25 gotten it for less if I pushed him harder.

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2 The reason I say that is this
3 question of valuing a given property, what is
4 the market value, it's a very imperfect
5 enterprise at best. And maybe with more time
6 and resources this could be done better than
7 the admittedly accelerated effort that we're
8 doing with these contractors. But we think we
9 will be in a much better place than we are now
10 with their work product. As a practical
11 matter, that's what we're trying to do for the
12 county as quickly as we are able.

13 LEGISLATOR RHOADS: Mr. Page,
14 this may be better answered by Mr. Smith or
15 one of the vendors. I think the point that
16 we're trying to drive at is obviously this is
17 an inexact science. When you take two houses
18 that are right next to each other, myself and
19 my neighbor's house, we're not looking at
20 necessarily what's inside the house. We could
21 have the same number of bedrooms, same number
22 of bathrooms, same square footage. But my
23 neighbor's house the bathrooms may be fully
24 updated and the kitchen may be fully updated
25 and the basement is finished. Whereas, in

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2 mine I haven't touched the house in 20 years.
3 You will never be able to tell the difference
4 between the two and they'll probably wind up
5 being valued close to or at the same.

6 There has to be with the system we
7 have now an idea of what our margin of error
8 is in terms of the difference between what we
9 value a home at and what it's actual market
10 value might be versus using modeling
11 technology. Maybe the answer is there is no
12 answer. But at least we want to make sure we
13 get something with respect to the question.

14 How confident are the vendors in
15 the modeling technology that it is equal to,
16 better than doing a direct assessment? Or is
17 it simply a cost factor? A direct valuation
18 of each property.

19 MR. PAGE: You need to hear from
20 them. I think generally in assessment
21 challenges there are some jurisdictions that
22 have a range of maybe five percent up and
23 down. So if you come in challenging and
24 you're within that band then the tax levying
25 district has that as a defense. Just as one

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2 straw in the wind in terms of margins that
3 people recognize here.

4 MR. PEYSNER: Good afternoon.
5 Neil Peysner representing Standard Valuation
6 Services. Good afternoon Presiding Officer
7 and members of the committee.

8 I would like to try to address this
9 question. Although I'm not a statistician,
10 it's very important that we get the numbers
11 and values as fair as possible. That's the
12 bottom line. That's the end goal that we are
13 trying to achieve here. But we're not doing
14 this in a vacuum. That's why earlier in the
15 discussion today we talked about ORPS, Office
16 of Real Property Tax Services. They are
17 involved in every step of the way as well.
18 They're going to test the numbers to make sure
19 that they're within certain statistical
20 guidelines. And their CODs, PRDs. I'm not
21 going to go into what those statistics mean,
22 but we've applied them because we have a
23 modeler on staff, who is an extraordinary
24 modeler, a top notch statistician,
25 mathematician and we felt having him on our

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2 team was the most appropriate thing to do.

3 Again, the numbers aren't just sent
4 out randomly. There's a lot of statistical
5 analysis that goes into them and there are
6 certain guidelines that ORPS has for certain
7 municipalities of certain types and certain
8 types of properties. Certainly if you have a
9 homogeneous community, homogeneous
10 neighborhood, you would expect a certain kind
11 of results to fall within a very narrow
12 guideline. As you deal with more complex
13 areas there are guidelines that apply to that
14 as well.

15 As we are trying to say, probably
16 within ten percent plus or minus is within
17 acceptable guidelines. And that's how you
18 judge the success of a revaluation. It's all
19 tested by statistics. It's not a comparison
20 between one neighbor and another. It's the
21 overall statistics of the entire unit, the
22 entire municipality. It's tested by ORPS.
23 It's tested by us before we even consider
24 applying those numbers to the general
25 population. If you want to follow-up I will

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2 do my best.

3 LEGISLATOR RHOADS: I appreciate
4 your answer and I'm satisfied with your
5 answer.

6 LEGISLATOR ABRAHAMS: I have a
7 question for you but just want to I don't know
8 if it's Mr. Page or Mr. Chiara come back up.
9 I have a question in regards to the out years
10 of future grievances. Do we believe that if
11 we undertake these contracts that we would see
12 a reduction in the amount of people grieving
13 on both the residential and commercial end?
14 And also, would we see a reduction in the
15 amount of cases that are unfavorable for the
16 county?

17 MR. PAGE: Unfavorable? I think
18 yes and yes in the long run. I think we would
19 couple the new assessment roll with thinking
20 hard about our settlement policies and
21 defense. We would hope that the roll was much
22 more defensible on the county's side. Whether
23 that will -- in the long run you're looking to
24 have your taxpayers have more confidence that
25 the roll is fair so that they don't grieve as

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2 much. How do you get there from here? How
3 quickly can you expect to get there from
4 here? Are you really going to change the
5 culture in the first year that you have a new
6 assessment roll? Not so clear. But over time
7 it should be yes and yes to your questions.

8 LEGISLATOR ABRAHAMS: I guess my
9 next question is for Mr. Peysner. Obviously
10 coming from your background of being an expert
11 in this field, and the county has debated the
12 potential executive order for six and 20, but
13 coming from your practice, and I understand no
14 one up here wants to see any taxpayer,
15 regardless of where they live, be hit with a
16 tax bill that jumps up and that's the reason
17 why the administration is even discussing the
18 potential of a six and 20.

19 But that being said, if you had
20 your opportunity to reduce future liability,
21 future debt for the county, I understand
22 you're not a member of the administration,
23 would the practice be to basically just fix,
24 if it was possible, fix the system by
25 basically just in essence blowing it up or is

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2 the best way to phase it in over a period of
3 time? Which I would believe if we phase it in
4 over a period of time in some of the cases
5 where the market values are so much lower, as
6 in the case that Legislator Bynoe brought up,
7 are so much lower than where they should be
8 tax liability firms will still have the
9 ability to grieve those taxes because our
10 system is still in flux.

11 Then when you add in factors of
12 market values changing over a period of time,
13 just in the last five years we've all seen our
14 home properties spike up a little bit, go down
15 a little bit, it seems like it's a constant
16 moving target. To rely on, even though I
17 think there is some merit in looking at a six
18 and 20, by it prolonging us actually getting
19 an accurate assessment does it hurt us from
20 the standpoint point of being able to have an
21 accurate assessment in the fastest way
22 possible so we reduce the potential liability
23 of allowing taxing certiorari firms from
24 continuing to get clients to grieve their
25 taxes. I would like your opinion. It was a

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2 long-winded question and statement.

3 MR. PEYSNER: You're making very
4 good points. We are charged with having very
5 fair values and making sure it's fair across
6 the board. Once you start applying different
7 policy issues it's really beyond my
8 expertise. I can see the good in doing it one
9 way and I can also see the positives in
10 another way. I'd rather have John Chiara just
11 talk about this and I'll try to follow up the
12 best I can.

13 LEGISLATOR ABRAHAMS: Thank you
14 Neil.

15 MR. CHIARA: Again, the approach
16 that the administration has taken is a
17 balancing between the last -- the inequities
18 and the indefensible tax roll that we
19 currently have and moving forward so there can
20 be a fairness for all taxpayers. Again, it's
21 a balance the administration has taken.

22 LEGISLATOR ABRAHAMS: I think
23 there is tremendous merit in what you're
24 trying to do. I'm not arguing against what
25 you're trying to do. What I'm asking is in

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2 that effort to achieve fairness in the way you
3 are trying to achieve it in the form of a six
4 and 20 does that hurt the county from future
5 potential liability because we don't have our
6 system being corrected as fast as it could?
7 That's what I'm driving at.

8 MR. CHIARA: I think when the
9 administration, again, some members of the
10 staff of the legislature have been part of it,
11 when the administration has taken this
12 approach they heard voices from SVS, from
13 Haberman and we feel this is the best approach
14 we can take in order to achieve a tentative
15 roll in January '19. If the county doesn't
16 get a tentative roll in 2019 we're in a much
17 more challenging fiscal place. First because
18 we're pushing out, as Mr. Page said, pushing
19 out the financial issues even further into the
20 future into the unknowing.

21 Obviously we all understand the
22 continuous pattern of bonding out our debt has
23 created so many challenging issues for every
24 community. And when you bond out the debt all
25 taxpayers are paying for it. It is all

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2 these -- I don't know if I'm not addressing
3 it -- but it's all these issues that have led
4 to this balanced approach to moving forward.
5 Because where we are right now if we have to
6 continue to defend a roll that is indefensible
7 we'll have to, on the residential side, we'll
8 have to continue -- be forced to settle. I'm
9 not speaking for the county attorney's office
10 but be forced to have to settle. No matter
11 what, we won't have an option to defend is
12 where we are right now.

13 On the commercial side we'll
14 continue to have years in the future that we
15 don't have good values and will be seeing
16 massive refunds.

17 LEGISLATOR ABRAHAMS: I agree
18 with you that if you proceed with the current
19 format it could do that. But my ultimate
20 question is that, using the analogy if you had
21 a dilapidated house that bad plumbing,
22 asbestos, several issues with it, it seems by
23 taking the analogy of the six and 20 we would
24 do the plumbing this year and then three years
25 down the road we'll address the flooring and

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2 maybe down the road after address that some of
3 the electricity and electric issues.

4 Or the perspective could be let's
5 just knock down the house and start over.
6 Though it would be a culture shock and I'm not
7 advocating for this one bit, but I need
8 accurate information to make a proper
9 decision. It would be a culture shock to many
10 of our residents if they saw their taxes
11 jumped up. But at the same time, and this is
12 what I'm trying to drive at, would it give us
13 a more accurate system faster which reduces
14 the level of grievances as well as the level
15 of opportunity for the county to lose in
16 unfavorable cases faster is what I'm driving
17 at. Does it do that faster if we do something
18 similar to what Legislator Bynoe has been
19 referring?

20 MR. CHIARA: Right now if you
21 look, again, if you just look at the past
22 several years we've seen, as the residents of
23 Nassau County's lack of belief in our
24 assessment system, we've seen the dramatic
25 increases by, I don't know, ten, 20, 30

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2 percent year after year of challenges.

3 I think to answer part of your
4 question, based on a system that I think
5 everyone, including the administration, is
6 giving a longer opportunity for those to
7 grieve. The administration has allowed
8 resources to help those people grieve. Taking
9 that sort of position where I think everyone
10 here agrees that the system is not
11 defensible. That system we're in leaves us no
12 options except to continue doing what's been
13 done for the last several years. I would say
14 a couple years after '11 when it really became
15 an issue. Which is we cannot take a position
16 in court or at SCAR or at ORPS to defend our
17 rolls.

18 But at the same point, no matter
19 what happens in the future all residents of
20 Nassau County will still have the equal
21 opportunity to grieve their taxes based upon
22 whether it's over assessed or whether it's
23 unfair, whether they're being assessed at an
24 unequal assessment to their neighbor. That
25 still continues to be. It's what we're trying

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2 to strive for is a balance to get to that fair
3 system as soon as we can so the residents of
4 Nassau County, certain residents aren't
5 disparately impacted by the system.

6 LEGISLATOR ABRAHAMS: I think we
7 agree we both want a fair system and both want
8 it as fast as possible. I guess that's what
9 we will be debating over the next two weeks,
10 how do we get to a fairer system as fast as
11 possible. I think everyone up here would want
12 to see a system which reduces the county's
13 debt as it pertains to commercial as quickly
14 as possible and also reduces the amount of
15 unfavorable cases to the county as it pertains
16 to the residential end. Which would in my
17 mind, earmark the fact that we have a very
18 accurate system if we have people, residents
19 that are challenging and they're challenging
20 and they're not successful. That would mark
21 to me we are doing our job.

22 And though I think every resident,
23 every taxpayer in this county has their right
24 to grieve their taxes, we have a system where
25 basically they should not have to grieve their

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2 taxes to ensure that their assessment is
3 fair. And right now that is not the case.
4 They have to grieve to get it to be fair and
5 we should have a system in place where they
6 should not have to do that. But I thank each
7 and every one of you for your candor today.

8 LEGISLATOR NICOLELLO: Legislator
9 Walker.

10 LEGISLATOR WALKER: Another quick
11 question if Mr. Peysner could answer this.
12 I'm going to use my area for example. I live
13 in Hicksville in a Levitt home. Basically
14 Levitt's, no basement. You know how Levitt
15 built those I live in what is considered
16 Levitt ranches, which is all in my
17 development.

18 However, many of those Levitt homes
19 are now blown up, pushed out, done this, done
20 that. Some of them, very few, but some of
21 them when they did an extension even put a
22 basement under their extension. Whatever.

23 How would the assessment move
24 forward, when you said you look at
25 development, you look at municipality, you

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2 look at an area, whatever, how would you be
3 able to tell like the difference in -- if a
4 resident asked me okay, this new way of doing
5 it how exactly is it done? Can you explain it
6 to me so that the neighbor who's done all
7 these extended things their house is one value
8 and this house that's basically still the
9 basic Levitt, obviously you're not seeing
10 what's inside, but --

11 MR. PEYSNER: Again, the success
12 of the revaluation and the product, which is
13 the final values, is a function of the data
14 that's available. So starting off, since this
15 is a systematic review, we're not going out
16 feet on the ground, taking pictures, taking
17 measurements, we know all that. We're
18 starting with the county's data.

19 So the county collected data over
20 the course of many years, there's building
21 permits that get filed, files of different
22 information. That information we gather and
23 that information gets gathered in our modeling
24 system.

25 In addition to that, we're looking

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2 at sales because the sales in a particular
3 market are going to give you your best
4 indication of market value for a property.
5 So, we're taking sales files of every type of
6 property and every area, there's probably
7 15,000 sales or so each year. We've looked at
8 probably five years worth of sales. Those
9 sales are going to determine what the values
10 are for every property type, every property
11 size, properties with multiple bathrooms,
12 bedrooms, fireplaces, basements, no
13 basements. Because of the data that we have
14 and the modeling skills that are used to
15 develop the models, the models are going to
16 use that data and determine what the proper
17 value is by analyzing all those sales.

18 So, in essence, a house that's
19 bigger, all other things being equal, will
20 have a higher value than a smaller house. A
21 house with a basement, if the model determines
22 that the basement contributes to value that
23 house will have more value. It's not
24 subjective, it's very objective, with the
25 model determining all of the various

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2 adjustments to properly value any type of a
3 house, any type of amenity or difference
4 between houses. Even as far as locational
5 issues. If you're on a busy street or if you
6 about a golf course. As long as that data is
7 collected properly in the system and it's
8 something that we can use in the model the
9 model will determine what the proper
10 adjustment should be and make sure everything
11 gets factored and valued properly.

12 Then there's a whole testing
13 procedure as well. It just doesn't spit out
14 numbers and that's the end of it. We have
15 teams of people that review these numbers to
16 make sure they make sense. We're going to
17 maybe use multiple listing service and just to
18 bounce it off to see if the values that the
19 model is creating are accurate. And maybe
20 look at listings because listings aren't
21 necessarily included in the modeling process.
22 But we will do that as part of the review
23 process to make sure all the numbers fit in
24 line with various communities and are
25 accounting for all the differences in the

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2 amenities and differences in physical
3 characteristics.

4 LEGISLATOR WALKER: Thank you.

5 LEGISLATOR NICOLELLO: Any other
6 questions for Mr. Peysner? Anyone have any
7 questions for Mr. Haberman? Thank you very
8 much Mr. Peysner. I would just ask either
9 Mr. Page or Mr. Chiara come back up for a
10 moment or both.

11 LEGISLATOR RHOADS: I guess we've
12 come full circle at this point and we're going
13 to end up where we began. Obviously we
14 started off with a statement from Jerry
15 Laricchiuta from CSEA that he hasn't been
16 brought into the loop on this process. At the
17 beginning I think we have an understanding
18 that we're going to be postponing this for a
19 week to allow the administration to sort of
20 get its ducks in a row and consult with and
21 meet with the CSEA to make sure that at the
22 very beginning of this process we're not
23 creating another issue.

24 Can I have the commitment from the
25 administration that they will be meeting with

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2 Jerry Laricchiuta to address the concerns that
3 he has raised before next week so we can move
4 forward with the process in a way that serves
5 the taxpayers?

6 MR. CHIARA: Yes.

7 LEGISLATOR NICOLELLO: Thank
8 you. That was it gentlemen. Thank you very
9 much. I believe Mr. Laricchiuta wanted to
10 speak.

11 MR. LARICCHIUTA: Thank you
12 Mr. Chairman. When we first got here this
13 morning the idea and the intent, and it
14 remains, to see if we can work something out
15 with the administration going forward, right?
16 However, I just want to remind the committee
17 that prior to the layoffs in '11 and prior to
18 the contracts that went out under the previous
19 county executive administration, yes, our
20 Assessment Department was slow. We're
21 outdated in technology. We need an severe
22 upgrade in technology and we need a severe
23 upgrade in staffing.

24 Now fast forward of course we need
25 both even more. Technology is one of the

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2 reasons we are slow and the staffing is
3 certainly a big issue. But listening to some
4 of the testimony from both the county and the
5 vendor, I just want to remind everybody that
6 the system is today broke. It's not better
7 than it was in 2011. All we did was package
8 up thousands of rebates to people that
9 challenged their grievances.

10 Mr. Chairman, I just want to say, I
11 think there's a misunderstanding. Maybe I
12 misunderstood you. When you said it only
13 effects 30 percent of the property tax bill,
14 whatever the Assessment Department comes out
15 with and these vendors, I don't believe that's
16 correct. Because as a personal, I only know
17 from my personal, and I asked the two ladies
18 that I would like for a real quick minute for
19 you to hear them, when my taxes went up \$2,600
20 and I thought the bank made a mistake, because
21 they have taken out a lot more for my mortgage
22 payment, they got back to me and said no, no
23 your taxes went up \$2,600. They actually
24 did. \$1,900 of that was school taxes. \$1,900
25 of \$2,600 was school taxes. When I called the

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2 assessment department they said yes, because
3 you didn't grieve.

4 I want you to be clear on that.

5 The whole tax bill it's not just the 30
6 percent. 16 percent of the taxes come to the
7 county and then you have the special districts
8 and the towns. Yes, that's about 30 percent.
9 The other 65 percent is the schools. But that
10 also is effected. If you don't grieve your
11 school taxes will go up substantially.

12 If you don't mind. Would you
13 mind?

14 LEGISLATOR NICOLELLO: Not at
15 all. Just before you do that I think just to
16 clarify, what I was referring to if you had
17 one community that no one in that community
18 challenged their taxes and you had another
19 community, another school district, where
20 everyone did, there's two separate school
21 districts. So community-wide in those two
22 extreme examples, which doesn't exist, there
23 would be no affect on the community that did
24 not grieve their taxes in their school taxes
25 because that other community that does doesn't

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2 pay into the school district. Different
3 circumstances.

4 MR. LARICCHIUTA: I do think we
5 all agree, this committee seems to get it,
6 that the system that we have in place today is
7 archaic. Legislator Bynoe brought out a good
8 point. But the issue is it's archaic because
9 we live in a county where, and you made the
10 point, if you don't have the resources to
11 grieve you could have a house in an area where
12 the values are 300,000 and pay about the same
13 taxes if you live up north that's worth
14 \$700,000. That's a broken system. I don't
15 believe it's broken because of the county
16 Assessment Department. I believe it's broken
17 because of some decisions made by the prior
18 administration and the fact that we just threw
19 up our hands and said here. Now who's making
20 all the money? The attorneys that are
21 attacking and challenging for the residents
22 that do grieve.

23 So, I just want to clear the air
24 that I'm no expert in assessment, but I think
25 it would be important for the committee, just

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2 briefly, we don't want to take up a lot of
3 your time, these two young ladies are experts
4 in assessment. One does the modeling and they
5 both do assessment, and I think it would be
6 important to listen to them for a minute or
7 two each.

8 LEGISLATOR NICOLELLO: Go ahead.

9 MS. RYAN: Hello. My name is
10 Eileen Ryan. I'm a deputy assessor. I've
11 been with the Department of Assessment for 23
12 years. I have been involved with our revals
13 up until the time they were frozen. In the
14 last model I did run completely by myself. We
15 use a very similar situation as Mr. Peysner
16 was talking about. In fact, I sat with
17 Mr. Peysner and their modeler for an hour or
18 two and showed them our modeling system. We
19 do use the same statistical guidelines to
20 demonstrate that our values are fair and
21 equitable.

22 When we first did the reval we were
23 sued by taxpayers and the judge at the time,
24 Dana Winslow, did put a cap on the amount of
25 residential properties that could go beyond

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2 the six percent. The six and 20 you're
3 correct, that is the state law. At the time
4 our level of assessment was 2.11. How were we
5 going to get around that six percent and still
6 have a fair and equitable roll? We had to
7 lower that level of assessment that you're
8 discussing down to one percent. Now we were
9 back to fair and equitable law. So it's a
10 doable thing.

11 The other piece that I wanted to
12 discuss well, the economic units that they're
13 discussing in the contract, those have already
14 been established by Assessment Review
15 Commission and they have been studied
16 extensively. We certainly could review those
17 and adopt those. So that work's been done.

18 As far as the other situation, the
19 level of assessment chart that I handed out
20 earlier, if you look at it you'll see some
21 frozen year. 2012 was the model that I have
22 done. You can see if you go down at the
23 totals all the way down, you'll see our
24 values, our total assessed values, have
25 decreased tremendously. While on the number

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2 of parcels column you will see that hasn't
3 changed much at all. This is in a rising
4 market.

5 If you look at the last two columns
6 we do have a level of assessment right now of
7 .0025 and there's a stipulated level of
8 assessment that's been agreed upon to settle
9 these values and it's in a descending order.
10 So that has decimated our assessed value. And
11 the affect of that is to cause the tax rates
12 to skyrocket. All of that is outside of
13 assessment. That has nothing to do with us.
14 That was imposed on us. So our role has been
15 destroyed by that level of thinking. I think
16 that's all my points.

17 LEGISLATOR ABRAHAMS: Ms. Ryan,
18 thank you again for being here today. I don't
19 know if you had a chance to understand or
20 follow the analysis that's been put forward by
21 the contracts that are here.

22 MS. RYAN: Absolutely. We do the
23 same thing.

24 LEGISLATOR ABRAHAMS: I
25 understand that's an issue that

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2 Mr. Laricchiuta has brought to our attention
3 as well. However, I did want to ask you a
4 more simple question in regards to -- and I
5 understand the issue between the county and
6 the CSEA, but would it be your estimation that
7 we should go forward with something to the
8 magnitude that's being before us today?

9 MS. RYAN: We need to do a reval
10 yesterday. We're way past that. That's
11 really impacting the inequitableness of our
12 roll. Before you were making a point about
13 the six and 20 rule and you were concerned
14 that people would be blindsided by tax bills
15 that go up. That's going on now. We have
16 people calling up crying, saying I did nothing
17 to my house. But because they didn't grieve
18 they're getting the big pizza slice. We have
19 no control over that. There's nothing we can
20 do until we do a reval. I think everybody in
21 this room is on that same page. We can all
22 agree on that.

23 LEGISLATOR ABRAHAMS: Thank you.

24 MS. FRADELLA: Good afternoon.

25 My name is Vicky Fradella. I'm a residential

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2 field assessor. I'm not going to say too much
3 because Eileen touched on everything. What I
4 do want to say is there are two things I
5 noticed that I believe are our biggest issues
6 that this contract really isn't going to
7 resolve. That is the level of assessment
8 issue, which we can all see it doesn't
9 address.

10 And also there was a statement made
11 that we were going to use the data that we
12 currently have in place to bring forward a new
13 roll. We are approximately four years behind
14 on property collection. Mostly because of the
15 slow down and the lack of staffing.

16 A reassessment is not going to
17 correct the incorrect data. Somebody asked
18 about a basement versus a non-basement. I
19 live in a Levittown as well. I'm one of those
20 people that have a basement. I'm using myself
21 as an example. I grieve every year. So I
22 have a much lower assessed value and a much
23 lower tax bill than my neighbor who has no
24 assessment, about 500 square feet less than me
25 and is paying \$16,000 a year for a house that

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2 is extraordinary smaller than mine. The
3 contracts don't address that. They don't
4 address the level of assessment issue. They
5 don't address the staffing issue and they
6 don't address the data collection portion.

7 But we do have in place a sales
8 team that collects the data regularly and
9 validates those sales. We do have in place a
10 data collection staff. Although it has been
11 diminished through the last administration.
12 We do have in place models and a system for
13 collecting the data and running a reval. So
14 I'm not entirely sure what the point of the
15 contract is.

16 LEGISLATOR NICOLELLO:

17 Mr. Peysner, I was wondering the backlog and
18 data collection how do we overcome that?

19 MR. PEYSNER: I can't speak for
20 the Assessment Department. I know they have
21 teams in place to try to do their best with
22 collecting data, stay on top of data. I don't
23 know for certain how far behind they are.
24 They are behind. They are somewhat behind in
25 their sales verification process. But they're

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2 behind. But we have as much data as we have
3 and as much up to date data as they can
4 provide to us. I can't speak for the
5 department on what they --

6 LEGISLATOR NICOLELLO: No, no.
7 My point was how do you compensate for that
8 apparent lack of information because the data
9 collection is behind? How do you compensate
10 in establishing values based on this
11 systematic review?

12 MR. PEYSNER: The data that's
13 provided to us that is the only data that we
14 can use basically. We do have building permit
15 files and we're trying to match up building
16 permits with the property files so we have a
17 complete database of inventory for
18 properties.

19 There's always going to be, as we
20 said before, it's a moving target. Properties
21 are changing on a daily basis. There has to
22 be a cut off time when we can look at data and
23 apply the models and apply what we need to do
24 to go forward. But that very next day things
25 are changing again. We think we have the best

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2 available. Again, it all gets tested against
3 ratio and other sales. I think at the end of
4 the day the values and the end result are
5 going to prove that they're within statistical
6 measures and it's a reasonable valuation.

7 LEGISLATOR NICOLELLO: Kevan had
8 a question.

9 LEGISLATOR ABRAHAMS: My question
10 was, I think the chairman answered one of my
11 question in regards to -- because obviously
12 hearing how data is collected and how it's
13 used, I wanted to ensure that we weren't
14 building a model or a systematic review that
15 uses stale data for lack of a better term.
16 But I did have a question -- I'm sorry ma'am,
17 can you tell my your name?

18 MS. FRADELLA: Vicky Fradella.

19 LEGISLATOR ABRAHAMS: You
20 mentioned quite a bit -- obviously we
21 understand this because I don't think
22 Mr. Peysner or Standard Valuation or Michael
23 Haberman claimed that their contract did
24 anything in regards to LOA. You mentioned a
25 couple of times that these contracts do

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2 anything to address the LOA. I understand, I
3 know there are policymakers in the county and
4 they're in charge of making sure they're
5 encouraging and pushing policy. But would it
6 be your estimation that in order to truly
7 achieve fairness in the fastest and most
8 appropriate way we have to take under
9 consideration the LOA with some level of
10 systematic review?

11 MS. FRADELLA: Absolutely. I
12 think until we have an equal level of
13 assessment for properties that are grieved and
14 properties that aren't grieved we're not going
15 to reach a fair and equitable roll.

16 LEGISLATOR ABRAHAMS: Thank you
17 so much Vicky.

18 MR. LARICCHIUTA: Thank you
19 Mr. Nicoletto, Mr. Abrahams, Rules Committee.
20 I just want to make sure that I impress upon
21 you, I don't want you to take this as this is
22 just a union issue because we do that in the
23 grievance room with arbitrators. This is
24 not. This has been a systemic long-term issue
25 and it's really about yes, my assessors in the

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2 Assessment Department but it's about getting
3 it done and getting it done right.

4 Eventually we know we have to work
5 something out. If the county executive wants
6 to really get rolling in 2018 she's going to
7 have to work something out with this union
8 contractually in order to allow these
9 contracts, which violate our contract, to go
10 forward. Something is going to have to be
11 worked out.

12 On the bigger scheme it's not about
13 unionism. I'm not here as a dock worker.
14 We're here to say look, we tried it the other
15 way for seven or eight years. It's broken
16 today worse than it every was. Let's resupply
17 the staff at the assessment department
18 office. Let's see if we can work something
19 out with the county executive. Then starting
20 next year or whatever we want to make sure
21 that Nassau County residents are treated
22 fairly, taxed properly and it's all done
23 in-house. We don't need to have contractors
24 and vendors when we have an Assessment
25 Department. And if it were not for the

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2 layoffs in 2011 we wouldn't be having this
3 conversation today and we wouldn't be in this
4 archaic system with two houses next to each
5 other having 20 percent difference in property
6 tax.

7 So anyway, thank you again for your
8 time. I really do appreciate it and we look
9 forward to meeting soon.

10 LEGISLATOR NICOLELLO: Thank you
11 Jerry. I think everyone up here, everyone in
12 this room, understands we have to put more
13 resources into the Assessment Department both
14 in terms of personnel and in terms of
15 technology. We understand that the Assessment
16 Department is about half of what it was.
17 Republican, Democrat, whoever we are, we know
18 that has to go on going forward. We can do
19 whatever we do this year to get the values
20 closer to where they should be. But again,
21 it's an ongoing process and the year after
22 that and the year after that if we don't put
23 the resources in we'll just find ourselves
24 back in the same place. Thank you.

25 Any other questions?

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2 LEGISLATOR RHOADS: One follow-up
3 issue based on Ms. Fradella's testimony. We
4 are about four years behind on the information
5 that we I guess updating the system through
6 the building department and bringing those
7 changes and incorporating those within our
8 valuation system. I know the presiding
9 officer had asked if there was a mechanism by
10 which the vendor was going to account for
11 that. I do want to draw to the attention of
12 the administration that that's kind of a big
13 issue. If you're behind four years behind on
14 data collection you're going to need to bring
15 that up to speed in order to get your
16 valuations right. I don't want to go through
17 this process, I don't want to spend all this
18 money, I don't want to go through a
19 reevaluation of how it is that we assess our
20 properties and at the end the day we're
21 putting these folks in the position of having
22 to start off with inaccurate data that's
23 behind and ineffective. There's got to be
24 some sort of solution, whether it's with this
25 contract, whether it's additional staffing to

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2 help with the backlog but something's got to
3 be done to make sure that the values we're
4 putting into the system are accurate.

5 Otherwise the values that come out of the
6 system are never going to be accurate.

7 LEGISLATOR NICOLELLO: I think
8 we're good. Is there any other discussion or
9 questions among the legislators? Is there any
10 public comment?

11 MS. MEREDAY: Meta Mereday,
12 Baldwin resident. I'm just concerned again
13 with regard to how these decisions are going
14 to be documented moving forward. Where is the
15 overall reporting process as it pertains to
16 the success so that residents, those of us who
17 are still living here and trying to address
18 the increasing number of zombie homes in our
19 neighborhoods and communities, where is the
20 overall benchmarking or oversight that's going
21 to give us some level of protection?

22 Because there has been some of us
23 that have been before this body to address the
24 rising issue with regard to the property
25 assessment. So whether we talk about inside

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2 workers or outside contractors this is still a
3 very big hole that you're still looking at the
4 same and diminishing number of people to try
5 to address.

6 Unfortunately, Nassau County is
7 becoming such the butt of unnecessary, I
8 wouldn't say unnecessary but sad commentary.
9 Just looking at a recent Newsday editorial in
10 the cartoon section where they have the
11 cartoon about the pothole season is here again
12 and they're actually doing cannonballs. So if
13 we look at the situation with our roads and
14 infrastructure and marry that to what is
15 happening in this whole property assessment,
16 there is some serious concerns as we once
17 again are looking at someone outside that we
18 are paying and committing tax dollars to to
19 address this issue.

20 I think I would have to agree with
21 the previous speaker as to the employees that
22 we are bringing in for these various positions
23 having the credibility and the experience and
24 the expertise to help for the long term.
25 Because we're not putting our best foot

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2 forward because a lot of our residents are
3 fleeing. And that particularly is impactful
4 for me working in the veteran space because
5 now I have to introduce myself to the new
6 sheriff in Suffolk County to make sure I can
7 postpone the eviction processes that will be
8 impacting a new set of veterans and seniors in
9 the community.

10 I'm hoping that there is true
11 oversight as we look at this down the road to
12 make sure that the money that then money that
13 is being expended for this work is actually
14 going to be done and that there is going to be
15 some true reporting to the taxpayers and the
16 residents as to what has been accomplished.
17 Because we're just churning in the same boat.
18 And to have to see something like this in
19 Newsday along with having to duck and dodge
20 the bad roads that are all over Nassau County
21 it really is starting to get very telling and
22 it's sad. Thank you.

23 LEGISLATOR NICOLELLO: Thank
24 you. Legislator Bynoe.

25 LEGISLATOR BYNOE: Just one

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2 moment. I just wanted to echo the sentiments
3 of Legislator Rhoads and request that if
4 there's any information to be provided to the
5 legislative body regarding the stale data that
6 is presumably going to be used to move forward
7 and have a plan to adjust for that we want to
8 make sure we have that information as well.
9 My fear is that we're building a house on a
10 faulty foundation and it's going to crumble
11 and we have to start out on good footing.
12 Thank you.

13 LEGISLATOR NICOLELLO: Legislator
14 Rhoads makes a motion to table. Seconded by
15 Minority Leader Abrahams. All in favor of
16 tabling signify by saying aye. Those
17 opposed? Carries unanimously. The item is
18 tabled. I'm going to put this committee in
19 recess once again. Thank you.

20 (TIME NOTED: 1:49 P.M.)

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CERTIFICATION

I, FRANK GRAY, a Notary
Public in and for the State of New
York, do hereby certify:

THAT the foregoing is a true and
accurate transcript of my stenographic
notes.

IN WITNESS WHEREOF, I have
hereunto set my hand this seventh day of
March 2018

FRANK GRAY