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6 NASSAU COUNTY LEGISLATURE

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8 RICHARD NICOLELLO

9 PRESIDING OFFICER

10

11 FINANCE COMMITTEE

12

13 LEGISLATOR HOWARD KOPEL

14 CHAIR

15

16

17 Theodore Roosevelt Building

18 1550 Franklin Avenue

19 Mineola, New York

20

21

22 January 25, 2021

23 9:10 A.M.

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2     A P P E A R A N C E S:

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4     LEGISLATOR HOWARD KOPEL

5                     Chair

6

7     LEGISLATOR VINCENT MUSCARELLA

8                     Vice Chair

9

10    LEGISLATOR TOM MCKEVITT

11

12    LEGISLATOR ROSE MARIE WALKER

13

14    LEGISLATOR ELLEN BIRNBAUM

15                     Ranking member

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17    LEGISLATOR ARNOLD DRUCKER

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19    LEGISLATOR DEBRA MULE

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NASSAU COUNTY LEGISLATURE

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RICHARD NICOLELLO

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PRESIDING OFFICER

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VETERANS AND SENIOR AFFAIRS COMMITTEE

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LEGISLATOR JOHN FERRETTI

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CHAIR

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4     LEGISLATOR JOHN FERRETTI, JR.

5                     Chair

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7     LEGISLATOR STEVEN RHOADS

8                     Vice Chair

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10    LEGISLATOR ROSE WALKER

11

12    LEGISLATOR WILLIAM GAYLOR, III

13

14    LEGISLATOR DEBRA MULE

15                     Ranking member

16

17    LEGISLATOR ELLEN BIRNBAUM

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19    LEGISLATOR DELIA DERIGGI-WHITTON

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1 Veterans and Finance - 1-25-21

2 LEGISLATOR KOPEL: Legislator  
3 McKevitt, why don't you lead us in the pledge.

4 Mr. Pulitzer, if you would please.

5 MR. PULITZER: Finance Committee  
6 roll call. Legislator Joshua Lafazan.

7 LEGISLATOR LAFAZAN: Here.

8 MR. PULITZER: Legislator Arnold  
9 Drucker. Ranking Member Ellen Birnbaum.

10 LEGISLATOR BIRNBAUM: Here.

11 MR. PULITZER: Legislator Rose  
12 Marie Walker.

13 LEGISLATOR WALKER: Here.

14 MR. PULITZER: Legislator Thomas  
15 McKevitt.

16 LEGISLATOR MCKEVITT: Here.

17 MR. PULITZER: Vice Chairman  
18 Vincent Muscarella.

19 LEGISLATOR MUSCARELLA: Here.

20 MR. PULITZER: Chairman Howard  
21 Kopel.

22 LEGISLATOR KOPEL: Here.

23 MR. PULITZER: One more time.

24 Legislator Arnold Drucker. Sir, we have a  
25 quorum.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR KOPEL: You got both  
3 committees?

4 MR. PULITZER: I have Veterans,  
5 call that as well?

6 LEGISLATOR KOPEL: Please.

7 MR. PULITZER: Veterans and  
8 Senior Affairs Committee roll call.  
9 Legislator Ellen Birnbaum.

10 LEGISLATOR BIRNBAUM: Here.

11 MR. PULITZER: Legislator Delia  
12 DeRiggi-Whitton.

13 LEGISLATOR DERIGGI-WHITTON:  
14 Here.

15 MR. PULITZER: Ranking Member  
16 Debra Mule.

17 LEGISLATOR MULE: Here.

18 MR. PULITZER: Legislator Steven  
19 Rhoads.

20 LEGISLATOR RHOADS: Present.

21 MR. PULITZER: Legislator Rose  
22 Marie Walker.

23 LEGISLATOR WALKER: Here.

24 MR. PULITZER: Vice Chairman C.  
25 William Gaylor the Third.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR GAYLOR: Present.

3 MR. PULITZER: Chairman John  
4 Ferretti, Jr.

5 LEGISLATOR FERRETTI: Here.

6 MR. PULITZER: We have a quorum  
7 sir.

8 LEGISLATOR KOPEL: We're good to  
9 go then. I think I see RM, that would be  
10 Robert Miles. And Jeremy May, are you here as  
11 well? Yes. I see both of your letters on the  
12 screen. Thank you both for coming and joining  
13 us today.

14 MR. PULITZER: Chairman, excuse  
15 me for one second. Mr. Drucker has come into  
16 the meeting.

17 LEGISLATOR KOPEL: Good morning  
18 Mr. Drucker.

19 Because of the epidemic, we're not  
20 having members of the public personally  
21 providing comments. However, we are accepting  
22 written comments and written comments will be  
23 incorporated into the record of this hearing.  
24 Anybody who is online or otherwise can submit  
25 those comments to the leg L-E-G public

1       Veterans and Finance - 1-25-21

2       comment, one word, no S, at Nassau County NY  
3       dot gov. Just go ahead and submit it there  
4       and we'll incorporate it into the record.

5               Now, in 2018 the county underwent a  
6       reassessment of all residential properties and  
7       the roll had been frozen for many years. The  
8       legislature provided the tools necessary for  
9       the reassessment and the county executive of  
10      course is the one responsible for supervising  
11      it and actually making it go forward. We've  
12      had here in the legislature several hearings  
13      in response to a number of errors and we  
14      passed laws promoting transparency of the  
15      process and the results.

16             The values of the reassessment were  
17      used for the first half of the 2020 school  
18      taxes as well as the '20-'21 general taxes.  
19      As a result of that, many had sticker shock  
20      having opened their bills.

21             So, we're back again to ask  
22      questions and to get information for our  
23      residents, many of whom were concerned about  
24      the actual impact of the reassessment and they  
25      are concerned, some very justifiably so, that



1       Veterans and Finance - 1-25-21  
2       they can no longer afford to live in Nassau  
3       County. I believe Legislator Ferretti you  
4       have some opening?

5                   LEGISLATOR FERRETTI:     Thank you  
6       Deputy Presiding Officer Kopel. I too would  
7       like to thank Mr. Miles and Mr. May for  
8       attending today's important hearing.

9                   I'm concerned about the impact this  
10      reassessment has had on all Nassau County  
11      residents. However, as chairperson of the  
12      Veterans and Senior Affairs Committee, I  
13      believe it's important that we highlight how  
14      Nassau County's veterans and seniors have been  
15      affected by the process.

16                  Seniors in Nassau County live on a  
17      fixed income and some have lived in their  
18      homes for decades and paid property taxes  
19      throughout this time period. Others have  
20      decided to downsize, moving into multiunit  
21      residential complexes hoping to save money and  
22      enjoy their golden years after retirement.  
23      Many were panicked by their tax bills. They  
24      were financially smart throughout their lives  
25      and believed that they planned for retirement

1       Veterans and Finance - 1-25-21

2       accordingly. However, with these tax bills  
3       seniors are wondering if they can continue to  
4       live in the county they have called home for  
5       all these years.

6               Since the beginning of this year  
7       taxpayers have been contacting legislative  
8       offices about general tax bills that have  
9       doubled or tripled between 2020 and '20-'21.  
10      Such an increase is unconscionable.

11             After researching, it appears that  
12      these taxpayers received veterans tax  
13      exemption and the five-year phase-in was not  
14      applied to their properties.

15             Accordingly, we should get to the  
16      bottom of this and we seek to do so today. I  
17      can only say I hope to get answers today. I  
18      have completely no faith that this phase-in  
19      was implemented properly by the Department of  
20      Assessment or this administration, and I hope  
21      to get some clear and concise answers today.  
22      Again, thank you to Mr. Miles and Mr. May for  
23      being here.

24             And finally, to concerned residents  
25      who are watching online or submitted written

1       Veterans and Finance - 1-25-21  
2       comments, thank you for your participation.  
3       We wish you could be here in person and look  
4       forward to the day when we can welcome you  
5       back into the chamber. But for today we have  
6       received, at least I have received a handful  
7       of public comments, about seven, and after I  
8       give an opportunity to anybody from the  
9       Minority to say a few words to open up the  
10      hearing I would like to read them into the  
11      record.

12                   LEGISLATOR KOPEL:       Delia, do you  
13      have anything to say?

14                   LEGISLATOR DERIGGI-WHITTON:       I  
15      think that it's important to have these  
16      hearings whenever there is something,  
17      especially like some type of a mechanism that  
18      seems to have let's say a glitch. From what  
19      I'm understanding, this was the procedure  
20      that's been followed for a number of years  
21      with the veterans to give them as many  
22      benefits for their time served as we possibly  
23      can. But it looks like something went wrong  
24      as far as the formula and I'm glad we're  
25      having this hearing to approach it, to

1 Veterans and Finance - 1-25-21

2 basically see what the glitch is and what the  
3 problem was and to try to change the standard  
4 practice.

5 I think everyone knows that we all  
6 truly care for our veterans and if we had to  
7 pick a group, not that we'd ever want hurt  
8 anyone, but they're the ones we'd want to  
9 protect the most probably. But we will make  
10 sure that it's corrected and that it never  
11 happens again in the future. Thank you for  
12 having this hearing.

13 LEGISLATOR KOPEL: Okay then. I  
14 guess I'll start. First I'd like I guess  
15 Mr. Miles and then you Mr. May, would you just  
16 describe your position as well as your  
17 experience. Would you go ahead and do that  
18 for us please.

19 MR. MILES: I'm sorry legislator,  
20 it was difficult to hear you. Can you please  
21 repeat the question?

22 LEGISLATOR KOPEL: What I said to  
23 start out, if I may, I'd like you to first  
24 you, Mr. Miles and then Mr. May, just describe  
25 your job and your background, your experience

1       Veterans and Finance - 1-25-21

2       and your education for it.

3                   MR. MILES:       So, my name is Robert  
4       Miles. I'm a deputy assessor and counsel for  
5       the Department of Assessment at this moment.  
6       I'm here to discuss the Department of  
7       Assessment and the issues and questions that  
8       the legislators have.

9                   MR. MAY:       Good morning. My name  
10      is Jeremy May. I am currently the vice  
11      chairperson and a commissioner of the  
12      Assessment Review Commission. This is a  
13      position I've served in going on three years  
14      in April. Prior to that I was a deputy county  
15      attorney in the tax certiorari bureau for I  
16      believe five to six years. I am a licensed  
17      attorney in the state of New York. Went to  
18      law school at Hofstra.

19                  LEGISLATOR KOPEL:    Very good.  
20      Mr. Miles, how long have you been in your  
21      position?

22                  MR. MILES:       I've been with the  
23      county for three years sir. First starting  
24      off with the county attorney's office serving  
25      as counsel and deputy county attorney from

1 Veterans and Finance - 1-25-21

2 there and then moving over here full time a  
3 year later.

4 LEGISLATOR KOPEL: Do you have  
5 any background in assessment?

6 MR. MILES: I'm a deputy assessor  
7 here and counsel here. By the way  
8 legislators, it is somewhat difficult to hear  
9 you. I don't know if it's an issue with my  
10 audio or this is a question for Kevin Long.

11 LEGISLATOR KOPEL: Let me ask  
12 you, Mr. May, do you hear me fine?

13 MR. MAY: There is a bit of an  
14 echo in the chamber so it can be difficult to  
15 hear the members that are live.

16 LEGISLATOR KOPEL: It's going to  
17 be a problem. Kevin. Why don't we all wait a  
18 moment and see if we can figure this out.  
19 Thank you for pointing it out.

20 MR. MILES: I don't want to be  
21 difficult. I just want to be able to hear  
22 everything.

23 LEGISLATOR KOPEL: I'm told maybe  
24 it's my fault. Do you hear me better now?

25 MR. MILES: A little bit better

1 Veterans and Finance - 1-25-21

2 legislator.

3 LEGISLATOR KOPEL: Mr. Miles is  
4 not completely convinced.

5 MR. MILES: My apologies.

6 LEGISLATOR FERRETTI: Mr. Miles,  
7 are you hearing me better? Is it possibly  
8 Mr. Kopel's microphone?

9 MR. MAY: In comparison yes  
10 legislator. I would say your feed is clearer.

11 MR. MILES: Clearer. It could be  
12 improved but yes, clearer.

13 LEGISLATOR KOPEL: Let me try to  
14 get as close to the mic as I can and we will  
15 work this way. Mr. Miles, when you go ahead  
16 and you perform assessments for -- you're  
17 doing a mass assessment obviously over here in  
18 Nassau County with a number of properties that  
19 we've got, what are the primary data fields  
20 for the various property classes that you --

21 MR. MILES: Legislator, I'm very  
22 sorry, it's garbled. I'm not sure what the  
23 issue is.

24 LEGISLATOR KOPEL: Maybe I'll  
25 move. Mr. May, do you hear me fine?

1 Veterans and Finance - 1-25-21

2 MR. MAY: I do have a difficulty  
3 sir. I think I caught the gist of your  
4 question but I would understand why Mr. Miles  
5 might be having some difficulty.

6 LEGISLATOR KOPEL: Is this any  
7 better?

8 MR. MAY: Sir, the issue is, as I  
9 mentioned before, it seems there's an echo.  
10 You over yourself.

11 LEGISLATOR KOPEL: It's the echo  
12 that's a problem? This is not better?

13 MR. MILES: I think Mr. May is  
14 correct, there's an echo. I do want to be  
15 able to clearly hear the question so I can  
16 answer effectively.

17 LEGISLATOR KOPEL: Here we go  
18 again. What I asked was for the various  
19 classes of properties that are being assessed  
20 what are the data fields that you collect?  
21 What are the data fields that you use in  
22 performing your assessment of the various  
23 properties?

24 MR. MILES: So, what I'm  
25 gathering from the question is you're asking



1       Veterans and Finance - 1-25-21

2       what data is collected?

3                   LEGISLATOR KOPEL:       The different  
4       classes of data. In other words, you're  
5       obviously looking at addresses, you're looking  
6       at -- what are the different factors that are  
7       used in assessing properties?

8                   MR. MILES:       The assessment  
9       personnel gather inventory data, petitions and  
10      they also inspect properties to gather this  
11      data. Inventory data includes square footage  
12      of land, square footage of the improvement of  
13      the home. The number of bathrooms and the  
14      fixtures in the bathroom. Fireplaces. The  
15      style of the home. The quality, grade of the  
16      home. And then for new construction, like I  
17      said before, we rely on permits and physical  
18      inspections.

19                   LEGISLATOR KOPEL:       So, you do not  
20      do physical inspections for most homes? Do  
21      you do physical inspections outdoors, at least  
22      outside physical inspections, for most homes  
23      or just for new construction?

24                   MR. MILES:       We mostly do the  
25      inspections for new constructions but due to

1       Veterans and Finance - 1-25-21  
2       advancements in technology we are now able to  
3       view and measure square footage using aerial  
4       footage.

5                   LEGISLATOR KOPEL:       Do you  
6       consider the age of a home and the condition  
7       of a home? I guess it's pretty impossible for  
8       you to do that, right?

9                   MR. MILES:       We do the best we can  
10      with the age and the condition of the home.  
11      Obviously newer homes you're able to ascertain  
12      the condition. But actually the data is quite  
13      good here regarding the age of the home.  
14      Condition does change more dramatically  
15      obviously. You can tell what the age is based  
16      on when the property was built with the  
17      condition. Some homeowners just do  
18      renovations inside that don't affect the  
19      square footage or the structure of the home  
20      and that will obviously change the condition  
21      of the home in general.

22                  LEGISLATOR KOPEL:       Do you look at  
23      building records to ascertain whether or not  
24      there have been renovations?

25                  MR. MILES:       We do view building

1       Veterans and Finance - 1-25-21  
2       records. We actually retrieve building  
3       department records from the villages and towns  
4       to get a better view of the homes in Nassau  
5       County.

6                   LEGISLATOR KOPEL:     For every  
7       home? Do you do that for every home?

8                   MR. MILES:       Not every home is  
9       going to have a permit or do reconstruction.

10                  LEGISLATOR KOPEL:     Do you look at  
11       every home to ascertain whether or not that  
12       particular home does have such a permit  
13       outstanding or closed I should say?

14                  MR. MILES:       I'm very sorry  
15       legislator, I lost the last half of the  
16       sentence.

17                  LEGISLATOR KOPEL:     You said you  
18       do look at various homes to see if there are  
19       permits that have been issued and actually  
20       closed out. Do you look at all homes to  
21       ascertain whether or not such a permit has  
22       been issued?

23                  MR. MILES:       We don't actually  
24       need to look at all homes for permitted  
25       issues. The permits are actually maintained

1       Veterans and Finance - 1-25-21  
2       by the building departments of the other  
3       municipalities and then we collect those  
4       permits and review those permits. It's a  
5       system that we've been using for a while and  
6       it has worked in the past and it does continue  
7       to work moving forward. Having the good  
8       relationship with the municipal building  
9       departments helps us greatly.

10               LEGISLATOR KOPEL:       When you say  
11       you collect them, do you on a regular basis  
12       get all of those permits that have been  
13       issued?

14               MR. MILES:       As regularly as  
15       possible. Some building departments are a  
16       little bit smaller than others and have  
17       smaller shops. So it may take some time to  
18       get the information from them. Not every  
19       building department uses electronic  
20       recordkeeping. So paper format is obviously a  
21       bit slower. We gather whenever the building  
22       departments are able to send the information.

23               LEGISLATOR KOPEL:       Since you  
24       don't get all of the information as you've  
25       just said because some of the building

1 Veterans and Finance - 1-25-21

2 departments don't send it regularly you're  
3 definitely going to have quite a bit of  
4 inaccuracies introduced into the process.

5 MR. MILES: I don't believe  
6 legislator I said we don't collect all the  
7 data. I just said for some building  
8 departments it's harder to deliver the  
9 information in a timely manner but we still  
10 request that they do so and actively go and  
11 retrieve it.

12 LEGISLATOR KOPEL: Ultimately you  
13 do get everything; is that right?

14 MR. MILES: Yeah. We get all the  
15 permits from the building departments. They  
16 are all very cooperative.

17 LEGISLATOR KOPEL: What is  
18 valuation approach that you use for  
19 residential properties? Do you use the cost  
20 approach? I'm sorry, you don't use the cost  
21 approach anymore obviously. You use the sales  
22 comps? Is that what your approach is? What  
23 is the approach for valuation?

24 MR. MILES: Are you talking about  
25 the market analysis?

1       Veterans and Finance - 1-25-21

2                   LEGISLATOR KOPEL:       Yes.

3                   MR. MILES:       Yes, that is the  
4       prevailing method used by assessors throughout  
5       the state and country is the market analysis  
6       using the comparable sales approach.

7                   LEGISLATOR KOPEL:       What do you do  
8       when there's not a lot of sales in an area?

9                   MR. MILES:       You try to gather as  
10       much information from the school district and  
11       if not, a little bit farther out. And then  
12       you base the most comparable sales to that  
13       building on the subject property and then  
14       compare the differences in the inventory  
15       between the two. Or obviously more than two  
16       but the other comparable sales.

17                   LEGISLATOR KOPEL:       So, why don't  
18       you go ahead just for the benefit of people  
19       who are struggling with this rather arcane  
20       concept tell us about the level of assessment  
21       and how it's applied, how it's established. I  
22       know there's a point one percent legal or a  
23       level set by the county. But every year in  
24       the past you would go ahead and either have it  
25       established by the court or negotiated -- when

1       Veterans and Finance - 1-25-21

2       I say you I meant the department -- would have  
3       an actual level of assessment either set by  
4       the court or negotiated. What's happening now  
5       so that you make sure that you've got equity?

6               MR. MILES:       I believe I got most  
7       of the question and I will start with what I  
8       heard clearly was what is the level of  
9       assessment and the level of assessment is the  
10      ratio between the market values in the  
11      assessing district and the assessed values in  
12      the assessing district which creates a ratio.  
13      When you develop an assessment you multiple  
14      the market value by that ratio or level of  
15      assessment to produce the assessment.

16             LEGISLATOR KOPEL:     You used to  
17      negotiate the actual level with I guess the  
18      tax certiorari firms?

19             MR. MILES:       The Department of  
20      Assessment doesn't negotiate the level of  
21      assessment.

22             LEGISLATOR KOPEL:     Not anymore  
23      but there was for awhile. Actually ARC did,  
24      right?

25             MR. MILES:       No. Department of

1       Veterans and Finance - 1-25-21

2       Assessment never negotiated the level of  
3       assessment. The level of assessment is set by  
4       the Department of Assessment and that's it.

5               LEGISLATOR KOPEL:     Let me ask you  
6       Mr. May, how about you, does your department  
7       negotiate the actual level or has it in the  
8       past?

9               MR. MAY:       It wouldn't be correct  
10      to say that we negotiate the level,  
11      legislator. The ratio can be challenged as  
12      part of an application to the Assessment  
13      Review Commission and the Assessment Review  
14      Commission as part of this review of an  
15      application would have to make a determination  
16      if the level of assessment was accurate or  
17      some modification need be made.

18              LEGISLATOR KOPEL:     So, in the  
19      past that has not been a matter of discussion  
20      among the various firms together with your  
21      group?

22              MR. MAY:       In the past, the  
23      Assessment Review Commission in arriving at a  
24      determination of level of assessment does  
25      enter discussion with representatives and



1       Veterans and Finance - 1-25-21  
2       representative firms to arrive at a figure  
3       that is accurate. They have input and they  
4       make their suggestions as to what the actual  
5       level of assessment is. But ultimately the  
6       Assessment Review Commission does have the  
7       responsibility of making its own determination  
8       as to that number.

9                   LEGISLATOR KOPEL:     Of course.  
10      How is that number working out lately?  
11      Pre-SCAR hearings, how is that level working  
12      out? Pre-ARC, I'm sorry.

13                  MR. MAY:       In that context,  
14      legislator, that's a bit difficult to answer.  
15      If you're talking about SCAR, the tax year  
16      that most recently was at SCAR was the '21-'22  
17      year. Is that what you are interesting in  
18      learning about?

19                  LEGISLATOR KOPEL:     Yes.

20                  MR. MAY:       For the '21-'22 year  
21      the Department of Assessment published at a  
22      ratio of one -- Mr. Miles can correct me if  
23      that's incorrect -- and the Assessment Review  
24      Commission ultimately used a ratio of .95.

25                  LEGISLATOR KOPEL:     How has that

1 Veterans and Finance - 1-25-21

2 worked out post-ARC?

3 MR. MAY: I'm not sure I  
4 understand, sir.

5 LEGISLATOR KOPEL: You've had a  
6 number of negotiated reductions as you go  
7 through the process; isn't that right? Now  
8 that's going to affect the ratio ultimately,  
9 the actual ratio, doesn't it?

10 MR. MAY: Well, again, I would  
11 have to clarify which tax year you're  
12 specifically asking about. If we're still  
13 talking about '21-'22 --

14 LEGISLATOR KOPEL: Yes. Let's  
15 stick to one period.

16 MR. MAY: Sure. If we're talking  
17 about tax year '21-'22, after ARC makes its  
18 determination as to level of assessment and  
19 carries forward with its final determinations,  
20 those determinations would not be affecting  
21 ratio in that same tax year. They could have  
22 potentially a future effect depending on what  
23 the Department of Assessment does with that  
24 updated roll because there would be  
25 modifications to the roll after ARC's review

1 Veterans and Finance - 1-25-21

2 period.

3 And if for whatever reason those  
4 new values from the Assessment Review  
5 Commission were not appreciated, then it is  
6 possible that those reductions could have an  
7 impact on future years. But as far as the  
8 year itself that ARC is working on, ARC's  
9 determination as to level of assessment and  
10 its final determinations don't typically have  
11 an impact in that same tax year.

12 LEGISLATOR KOPEL: I understand  
13 what you're saying but what I'm suggesting to  
14 you is, yes, it would have on the future years  
15 and I get that. But reductions actually, if  
16 they were applied to the same year, in other  
17 words, they would have -- legally you won't  
18 apply it to the same year, I understand. But  
19 if they had been applied that would have  
20 distorted the ratio, wouldn't it? In other  
21 words, if you take those reductions, you back  
22 them in, you would have resulted in a  
23 different LOA.

24 MR. MAY: When you say back it  
25 in, legislator, it almost seems like you're

1 Veterans and Finance - 1-25-21

2 asking if ARC's corrections were what the  
3 Department of Assessment started with when  
4 they published their tentative roll.

5 LEGISLATOR KOPEL: Obviously  
6 they're not.

7 MR. MAY: So, then sir, I'm  
8 failing to understand your question. I  
9 apologize.

10 LEGISLATOR KOPEL: What I'm  
11 saying is that with all the reductions -- the  
12 reductions mean that the LOA in many cases was  
13 not correct? The one that was established.

14 MR. MAY: ARC ultimately  
15 disagreed with the Department of Assessment,  
16 yes.

17 LEGISLATOR KOPEL: And that was  
18 my question. What is the extent of that  
19 disagreement? Have you quantified it?

20 MR. MAY: Well, we can compare  
21 the Department of Assessment's starting level  
22 of assessment of one to the value that ARC  
23 determined which was .95. So, there's a five  
24 percent difference. I'm not sure by what  
25 other metric you might want to try to quantify

1 Veterans and Finance - 1-25-21

2 that.

3 LEGISLATOR KOPEL: And the five  
4 percent is that nationally acceptable  
5 Mr. Miles?

6 MR. MILES: Yes. Five percent is  
7 acceptable.

8 LEGISLATOR KOPEL: What do you  
9 call that? Okay.

10 MR. MILES: It's acceptable range  
11 for the Office of Real Property Tax Services.

12 LEGISLATOR KOPEL: Have you, and  
13 I will put this question to both of you, the  
14 differential, the price-related differential  
15 for high-priced and low-priced homes. My  
16 question to you is, have you seen that there's  
17 a difference in equity in terms of the  
18 assessed valuations over there? Do you see  
19 that the high-priced homes might sometimes  
20 tending to be a little bit -- the LOA of  
21 high-priced and low-priced homes let me put it  
22 that way, have you looked at that, either of  
23 you?

24 MR. MILES: I think the level of  
25 assessment is universally applied.

1       Veterans and Finance - 1-25-21

2                   LEGISLATOR KOPEL:     What I'm  
3     asking is, do you find that it has been  
4     consistently applied between high-priced and  
5     low-priced homes? I don't know mean legally.  
6     Obviously you're going to do that. I'm  
7     talking about post-ARC. What is your  
8     experience Mr. May?

9                   MR. MAY:       That is not a field  
10    that we have looked at very, or at least I  
11    don't have an answer for that right now. That  
12    would be something that I would have to  
13    investigate and get back to you on.

14                  LEGISLATOR KOPEL:     Let me go Mr.  
15    May to some of your -- what is the average  
16    reduction in '19-'20 at ARC?

17                  MR. MAY:       I don't have that  
18    number immediately available to me  
19    legislator. I would happy to get that for  
20    you.

21                  LEGISLATOR KOPEL:     That would be  
22    important.

23                  MR. MILES:       Legislator the  
24    '19-'20 tax year?

25                  LEGISLATOR KOPEL:     Yes.

1 Veterans and Finance - 1-25-21

2 MR. MILES: The year prior to  
3 the --

4 LEGISLATOR KOPEL: I'm sorry.  
5 No, no, no. '20-'21 sorry.

6 MR. MAY: Legislator, I don't  
7 have that figure at my fingertips but I can  
8 certainly get it for you.

9 LEGISLATOR KOPEL: The tax impact  
10 notices versus the actual taxes as they came  
11 out how do you find that they worked out?

12 MR. MILES: Legislator, I'm not  
13 sure what the question is.

14 LEGISLATOR KOPEL: We sent out  
15 tax impact notices several times versus  
16 actually taxes, final taxes. How accurate  
17 were the impact notices, that was my question.

18 MR. MILES: Remember when we  
19 testified back in the fall and then again in  
20 the winter, I think several times, we were  
21 using the '19-'20 tax rates because we did not  
22 have the '20-'21 tax rates. We said these  
23 were projections based on the previous year if  
24 the school taxes remained the same and  
25 obviously they did not. They increased based

1       Veterans and Finance - 1-25-21

2       on the budgetary needs of the schools in a  
3       pandemic-riddled year. So, the projections  
4       were different once the tax rates changed.  
5       But I'm fairly positive that we intimated to  
6       this body that we were using a previous school  
7       tax year.

8                   LEGISLATOR KOPEL:     Are you saying  
9       that the inaccuracies in the projections were  
10      primarily due to school budget increases?

11                  MR. MILES:       I'm saying that it  
12      has an effect on the projections, absolutely.  
13      If the average increase in the school budget  
14      is two percent or higher and some of these  
15      school districts do not have a large number of  
16      parcels in it then yes, it will affect --

17                  LEGISLATOR KOPEL:     I understand  
18      that but what I asked you was, are you saying  
19      that the differentials from the projections  
20      were primarily due to school tax increases?  
21      School budget increases?

22                  MR. MILES:       I'd have to take a  
23      further dive but yes, I believe that is  
24      definitely --

25                  LEGISLATOR KOPEL:     That was not



1 Veterans and Finance - 1-25-21

2 my impression. Could you check and get back  
3 to us?

4 MR. MILES: I beg to differ.  
5 There was a significant increase in the school  
6 taxes to make up for a year of struggle for  
7 these schools for the pandemic.

8 LEGISLATOR KOPEL: I have just a  
9 few more questions then I will turn it over to  
10 other people and maybe I will come back. New  
11 construction. They didn't get the phase-in;  
12 is that right?

13 MR. MILES: Correct.

14 LEGISLATOR KOPEL: Doesn't that  
15 work to actually discourage new construction  
16 in the county?

17 MR. MILES: I'm not sure  
18 legislator, but legally it was consistent with  
19 other taxpayer protection plans for 485(s)  
20 which are sections of the real property tax  
21 law where new construction was excluded from  
22 reassessment exemptions.

23 LEGISLATOR KOPEL: I'm not  
24 quarreling with the fact that that was the law  
25 but we asked for some changes in the law and

1       Veterans and Finance - 1-25-21

2       I'm suggesting that perhaps that ought to have  
3       been one of the changes as well. People who  
4       planned and started new construction,  
5       sometimes years in advance, were shocked to  
6       find that their taxes were sometimes multiples  
7       of what they had anticipated and for those  
8       people that's a disaster.

9                   MR. MILES:     Legislator, this  
10       isn't a new issue. This is something that  
11       occurred during the previous tax rolls in a  
12       frozen roll where you had very low,  
13       undervalued properties and then the new  
14       construction would be implemented in full on  
15       the assessment rolls. So, this is not an  
16       entirely new situation. This is something  
17       that occurred during the previous  
18       administration for previous tax rolls and is  
19       it something that we are looking at now. As  
20       compared to previous administrations, there's  
21       an attempt by this one to improve that  
22       situation.

23                   LEGISLATOR KOPEL:     Well, I think  
24       we ought to go ahead and do something actively  
25       to try to fix that. I think we're probably

1 Veterans and Finance - 1-25-21

2 not doing enough.

3 Mr. May and Mr. Miles, the claim  
4 has been made by the administration that the  
5 '20-'21 roll was probably the most accurate  
6 in history and ARC has generally supported  
7 that by adhering pretty closely. You said,  
8 what is it you say, .95 LOA versus the point  
9 one which is --

10 MR. MILES: The '20-'21 ratio at  
11 ARC was point 1 for '20-'21.

12 LEGISLATOR KOPEL: What I've been  
13 hearing -- and correct me if I'm wrong about  
14 that -- I've heard that you've got about 15  
15 percent reductions in ARC; is that about  
16 right?

17 MR. MAY: In '20-'21? When you  
18 say 15 percent are you talking about --

19 LEGISLATOR KOPEL: Numbers of  
20 cases.

21 MR. MAY: As percentage of  
22 cases. Give me one moment please. You're  
23 asking about the reductions as far as  
24 percentage of cases. Give me one moment  
25 please. I don't have the percentage of

1       Veterans and Finance - 1-25-21

2       overall cases but I can get that to you before  
3       the end of the day.

4                   LEGISLATOR KOPEL:       That would be  
5       useful, thank you. Now, I've been hearing  
6       that many of the cases the Department of  
7       Assessment at the hearing submitted evidence,  
8       and I think actually in a large majority  
9       that's what I've been hearing of cases the  
10      Department of Assessment has submitted  
11      evidence at the hearings that in fact the  
12      assessed valuation was too low and ought to  
13      have been higher. Am I hearing correctly?

14                  MR. MILES:       You're talking about  
15      for the '20-'21 SCAR season?

16                  LEGISLATOR KOPEL:       Yes.

17                  MR. MILES:       I don't know if  
18      that's generally the case. Also, there's a  
19      difference between valuation and defense.  
20      When we do a valuation, mass appraisal uses  
21      large swabs of sales in the county and then  
22      continues to, you know, polish the values  
23      until it gets to the assessment. When you do  
24      a defense you only stick with the five  
25      comparables that you have at your disposal.

1 Veterans and Finance - 1-25-21

2 So, it is a slightly different tack used at  
3 SCAR because it's defense versus multiple  
4 regression analysis. But I still do not find  
5 that the majority of cases were where the  
6 average market value was over. I think all of  
7 the submissions that we sent to the court were  
8 quite fair actually.

9 LEGISLATOR KOPEL: I'm not asking  
10 about fairness. What I'm asking right now,  
11 Mr. May I will ask you that. What percentage  
12 of the cases did the Department of Assessment  
13 come in and say that the valuation was  
14 actually too low on the tax roll?

15 MR. MAY: Legislator, I'm afraid  
16 I don't have any insight into what the  
17 Department of Assessment did in their SCAR  
18 defenses.

19 LEGISLATOR KOPEL: Okay. I would  
20 like to know the number or the percentage of  
21 cases in which the Department of Assessment is  
22 claiming that their actual valuation is too  
23 low. Because you're actually coming in with  
24 two valuations on the same day. You got the  
25 tax roll and you've got -- now you're saying

1       Veterans and Finance - 1-25-21

2       that it actually ought to have been higher.

3       You actually raise taxes after these hearings,  
4       do you?

5                   MR. MAY:       Assessments cannot be  
6       raised at SCAR.

7                   MR. MILES:     Legislator, both of  
8       us are confused as to the question being  
9       asked.

10                  LEGISLATOR KOPEL:     What I'm  
11       saying is that when the department comes in  
12       and says that not only was the valuation not  
13       too high it was actually too low.

14                  MR. MILES:     That's not what the  
15       department says when it goes to SCAR. The  
16       department is there to defend the value that  
17       it placed onto the roll. It does not make an  
18       opinion --

19                  LEGISLATOR KOPEL:     I understand  
20       you're defending the value but do you actually  
21       claim that it ought to be higher? That's what  
22       I'm hearing.

23                  MR. MILES:     That is not how you  
24       litigate a case. It's for defense purposes  
25       only. We are not making a secondary opinion

1 Veterans and Finance - 1-25-21

2 as to whether the assessment is too high or  
3 too low. We are there to defend the value.

4 LEGISLATOR KOPEL: In the course  
5 of such defense you don't come in ever and say  
6 that actually I've got evidence that the value  
7 really ought to have been higher?

8 MR. MILES: We don't say that the  
9 value ought to have been higher. We are  
10 saying we are sustaining the value.

11 LEGISLATOR KOPEL: Do you present  
12 evidence that the value ought to have been  
13 higher.

14 MR. MILES: We present evidence  
15 that sustains the value.

16 LEGISLATOR KOPEL: Okay.  
17 Mr. Ferretti.

18 LEGISLATOR FERRETTI: Thank you  
19 Deputy Presiding Officer. Good morning  
20 Mr. Miles, Mr. May. Can you hear me well?

21 MR. MAY: Yes.

22 MR. MILES: I don't know what the  
23 issue was with Legislator Kopel.

24 LEGISLATOR FERRETTI: I'm glad  
25 you can hear me because I have a lot of

1       Veterans and Finance - 1-25-21  
2       questions so I'm going to ask you to bear with  
3       me as I go through them and ask my colleagues  
4       for that same courtesy as well. I'll try to  
5       be as quick as I can and I will try to start  
6       with Mr. Miles and I'll hold off on the  
7       questions for Mr. May until after I'm done  
8       with the questions for Mr. Miles.

9                       Before I get to my questions I do  
10       want to follow-up on something that Deputy  
11       Presiding Officer Kopel brought up and that  
12       was permits, slash, certificates of occupancy  
13       that get sent from local municipalities.  
14       Those being the towns, villages to the  
15       county. Do you know, Mr. Miles, of any lag  
16       time between the time that a certificate of  
17       occupancy is obtained from a resident until  
18       the time that the county gets a hold of it?

19                      MR. MILES:       I'm not aware of the  
20       actually lag time or what the averages are or  
21       any relationship between the building  
22       department who sends it and the lag time with  
23       the certificate of occupancy. I'm pretty  
24       certain it varies but I'm not sure. I haven't  
25       studied that.



1       Veterans and Finance - 1-25-21

2                   LEGISLATOR FERRETTI:       COs are  
3   dated, right?

4                   MR. MILES:       Yes.

5                   LEGISLATOR FERRETTI:       For  
6   example, in the Town of Hempstead the COs that  
7   you're receiving this year when are they  
8   dated? Are they generally from the same time  
9   period or are they all mixed and jumbled? In  
10   other words, you're receiving COs from 2019  
11   this year?

12                  MR. MILES:       No. I believe  
13   they're more recent.

14                  LEGISLATOR FERRETTI:       Okay. Now,  
15   if you don't have information on a particular  
16   piece of property, CO information, then the  
17   assessment will not reflect any of that work,  
18   correct? Let me give you an example. If a  
19   house gets a dormer on top of it and they get  
20   a CO for that, if you don't have the  
21   information, if you don't have a record that  
22   there's a CO for a dormer you don't assess on  
23   that, onto this reassessment, correct?

24                  MR. MILES:       There is a chance  
25   that we won't be able to assess on that. But

1       Veterans and Finance - 1-25-21  
2       due to improvements in technology and aerial  
3       footage we can actually start measuring the  
4       square footage of increases to the exterior of  
5       homes now.

6                   LEGISLATOR FERRETTI:     You could  
7       but would you have any reason to? Is it a  
8       practice to go to properties that have not  
9       applied for a permit to go and measure their  
10      properties?

11                  MR. MILES:       Some work  
12      unfortunately is unpermitted.

13                  LEGISLATOR FERRETTI:     Right.  
14      That's where I was getting. My next question  
15      is, if the unfortunate situation happens where  
16      a Nassau resident does not apply for a permit  
17      as legally required -- which I'm sure never  
18      happens -- how do you assess on that property  
19      for that addition?

20                  MR. MILES:       We will do an  
21      exterior inspection.

22                  LEGISLATOR FERRETTI:     But how do  
23      you know that they're doing the work?

24                  MR. MILES:       Because there's still  
25      a change in the property. If the improvement

1 Veterans and Finance - 1-25-21

2 increases its square footage there's clearly  
3 some work being done.

4 LEGISLATOR FERRETTI: How do you  
5 know it increased in square footage? Is the  
6 Department of Assessment regularly going out  
7 and looking at every property in Nassau County  
8 to ensure that the property is not increasing  
9 in square footage?

10 MR. MILES: You can see. You can  
11 compare.

12 LEGISLATOR FERRETTI: How do you  
13 see it?

14 MR. MILES: We have footage like  
15 I said. There's aerial footage and you can  
16 compare from I believe every quarter the  
17 difference in the home from the square footage  
18 from the previous.

19 LEGISLATOR FERRETTI: Who in the  
20 Department of Assessment is doing this  
21 comparison each month?

22 MR. MILES: We have our assessors  
23 doing this. Our field division.

24 LEGISLATOR FERRETTI: Your field  
25 division is looking at this footage every

1       Veterans and Finance - 1-25-21  
2       month to ensure that -- they're comparing --  
3       to make sure properties don't increase in  
4       size?

5                   MR. MILES:       I mean, the footage  
6       comes in every quarter. So that's the  
7       timeline in terms of checking. And we were  
8       very luckily to have this technology. It's  
9       improved our workplace greatly.

10                  LEGISLATOR FERRETTI:       I would  
11       look into different technology because I've  
12       had a lot of residents call and complain that  
13       neighbors of their's who don't have COs are  
14       not being assessed on additions to their  
15       property because under this reassessment if  
16       the county doesn't have a record of the COs  
17       they're not assessing on it. But you're  
18       telling me different. You're telling me that  
19       Department of Assessment, which is too busy to  
20       answer the phones, has enough staff to monitor  
21       each property in Nassau County to make sure  
22       that they're not increasing the size of the  
23       house unpermitted, right?

24                  MR. MILES:       I'm saying that  
25       there's improved technology that is helping us

1 Veterans and Finance - 1-25-21

2 greatly.

3 LEGISLATOR FERRETTI: Just  
4 theoretically though, if you missed one, if  
5 one house in Levittown did a dormer and didn't  
6 get a permit and you missed it, that  
7 technology didn't catch it, that property  
8 would not be accurately assessed, correct?

9 MR. MILES: If we have zero  
10 technology, we have zero footage and permits  
11 then obviously we would not be able to get  
12 that if we have zero information. We cannot  
13 assess with no information. That would be  
14 unfair. You can't be assessing blindly in the  
15 dark.

16 LEGISLATOR FERRETTI: Mr. Miles,  
17 correct me if I'm wrong. Every reassessment  
18 done in Nassau County prior to this  
19 reassessment somebody went to each property to  
20 assess it; isn't that correct?

21 MR. MILES: I'm not sure each  
22 property was attended to in the previous  
23 reassessments.

24 LEGISLATOR FERRETTI: So you  
25 don't know?

1 Veterans and Finance - 1-25-21

2 MR. MILES: So, in the  
3 reassessments during the Levinson years I  
4 believe there was some trending as well, which  
5 is very common.

6 LEGISLATOR FERRETTI: Were there  
7 on-site inspections on the previous  
8 reassessments in Nassau County?

9 MR. MILES: There were some  
10 on-site inspections but that's common amongst  
11 all assessing jurisdictions.

12 LEGISLATOR FERRETTI: The  
13 previous reassessments in Nassau County were  
14 they done under a modeling?

15 MR. MILES: I just want to get  
16 this point out. It is a constitutional issue  
17 for us to barge in and force our ways into  
18 homes. If we are not invited to the home we  
19 will not, you know --

20 LEGISLATOR FERRETTI: Excuse me,  
21 Mr. Miles, didn't you just testify two minutes  
22 ago that Nassau County has technology where  
23 there are aerial views of the size of the  
24 property, the exterior of the property?  
25 Didn't you just testify to that?

1 Veterans and Finance - 1-25-21

2 MR. MILES: Correct. But if we  
3 are not invited inside the home we are not  
4 going --

5 LEGISLATOR FERRETTI: Who talked  
6 about inside? I didn't talk about inside.  
7 What I'm saying is, in previous reassessments  
8 isn't it true that these site inspectors would  
9 go to the property and look at it with human  
10 eyes; isn't that true?

11 MR. MILES: Yes but --

12 LEGISLATOR FERRETTI: That's all  
13 I'm asking. Thank you.

14 MR. MILES: Not every property  
15 was attended to.

16 LEGISLATOR FERRETTI: Moving on.

17 MR. MILES: Like I said in the  
18 past, not every assessment was based on an  
19 inspection. There was trending involved.  
20 This is a common practice throughout the  
21 state.

22 LEGISLATOR FERRETTI: Newsday's  
23 reported that 65 percent of residents saw tax  
24 increases on their school tax bills as a  
25 result of this reassessment. Is that report

1 Veterans and Finance - 1-25-21

2 accurate?

3 MR. MILES: I'm not sure. I  
4 didn't work on the report.

5 LEGISLATOR FERRETTI: What's your  
6 assessment? What percentage of Nassau County  
7 residents saw an increase in their school  
8 taxes and their school tax bill that was due,  
9 due to extensions, December 10, 2020?

10 MR. MILES: I'm sorry can you  
11 repeat the question legislator?

12 LEGISLATOR FERRETTI: Sure. What  
13 percentage of Nassau County residents saw an  
14 increase to their school tax bill that was due  
15 December 10, 2020? First half 2020? What  
16 percentage saw an increase?

17 MR. MILES: I've seen the reports  
18 of it being 60 percent.

19 LEGISLATOR FERRETTI: You saw 60  
20 percent. Where did you see that report?

21 MR. MILES: I've seen the  
22 reports. I don't know. It's 65 percent  
23 Newsday. I haven't performed the report.

24 LEGISLATOR FERRETTI: The  
25 Department of Assessment was very quick back a



1       Veterans and Finance - 1-25-21  
2       year or two ago to say only 52 percent would  
3       see increases in their tax bill. So you came  
4       up with that projection. But in the months  
5       since the tax bills came through -- let me  
6       finish -- not once did the Department of  
7       Assessment calculate an actual impact to  
8       Nassau residents on the school tax bills? You  
9       can't tell me what percentage of residents saw  
10      an increase in their school tax bill?

11               MR. MILES:     If you recall when I  
12      said earlier that the tax impact notices that  
13      we sent out multiple times were based upon the  
14      '19-'20 school budget.

15               LEGISLATOR FERRETTI:     That's  
16      fine. I'm not talking about that. I'm not  
17      talking about the tax impact notices.

18               MR. MILES:     That would be the  
19      difference between the '19-'20 school taxes  
20      and the '20-'21 school taxes. There is an  
21      increase in the budget.

22               LEGISLATOR FERRETTI:     What I'm  
23      asking you is a very simple question. Do you  
24      know, yes or no, what percentage of Nassau  
25      County residents saw a school tax increase on

1       Veterans and Finance - 1-25-21  
2       their first half '20-'21 school tax bill? Do  
3       you know that?

4                   MR. MILES:       I have not done the  
5       report and I will not comment on a report I  
6       did not do.

7                   LEGISLATOR FERRETTI:       Has anyone  
8       from the Department of Assessment calculated  
9       that number?

10                  MR. MILES:       It's been calculated  
11       by other experts. I have not seen the  
12       department calculate that number.

13                  LEGISLATOR FERRETTI:       How many  
14       school districts are in Nassau County?

15                  MR. MILES:       I believe 54.

16                  LEGISLATOR FERRETTI:       Out of  
17       those 54 do you know how many pierced the two  
18       percent property tax cap?

19                  MR. MILES:       A large portion  
20       pierced the two percent property cap.

21                  LEGISLATOR FERRETTI:       Is that  
22       right?

23                  MR. MILES:       A large percentage.

24                  LEGISLATOR FERRETTI:       Are you  
25       sure?

1 Veterans and Finance - 1-25-21

2 MR. MILES: Yes.

3 LEGISLATOR FERRETTI: Do you know  
4 which school districts did not pierce the  
5 cap?

6 MR. MILES: A few but I don't  
7 know them offhand.

8 LEGISLATOR FERRETTI: If a school  
9 district pierces the property tax cap are the  
10 residents within the school district penalized  
11 in any way by the state in terms of  
12 exemptions?

13 MR. MILES: No. I don't believe  
14 they are penalized.

15 LEGISLATOR FERRETTI: Do they  
16 lose any exemptions? Is there any impact on  
17 those residents from the state?

18 MR. MILES: I don't think they  
19 lose exemptions from -- from a county  
20 standpoint it doesn't change the exemption  
21 percentage because of the tax cap.

22 LEGISLATOR FERRETTI: On the  
23 '20-'21 first half school tax bill --

24 MR. MILES: If anything, you  
25 know, going over the tax cap is a necessity

1       Veterans and Finance - 1-25-21

2       probably during a year like this.

3                   LEGISLATOR FERRETTI:       What makes  
4       you say that? Did you speak to any of the  
5       school districts about their budgets? Are you  
6       aware of any reserves of those school  
7       districts?

8                   MR. MILES:       We have people who  
9       work here who have worked at school districts  
10      and said it was a difficult year.

11                  LEGISLATOR FERRETTI:       Do you have  
12      a breakdown of the property tax increases and  
13      decreases in the first half school bills? I  
14      know you can't give me a percentage that went  
15      up but do you have any idea how many went up  
16      less than \$500? How many went up between \$500  
17      and a thousand etcetera?

18                  MR. MILES:       I don't have that  
19      report.

20                  LEGISLATOR FERRETTI:       Has anyone  
21      done a report like that in the Department of  
22      Assessment?

23                  MR. MILES:       Not that I'm aware  
24      of.

25                  LEGISLATOR FERRETTI:       Has it been

1 Veterans and Finance - 1-25-21

2 broken down by school district the increases  
3 and decreases?

4 MR. MILES: Not that I'm aware  
5 of.

6 LEGISLATOR FERRETTI: Can it be?  
7 Can you do it? Can the Department of  
8 Assessment do a breakdown like that?

9 MR. MILES: We can break down by  
10 school district. We'll have to break it down  
11 on a by-parcel basis. 380,000 parcels. I'm  
12 sure it can be done. It would take some time.

13 LEGISLATOR FERRETTI: I'd request  
14 you do that and if you could provide it to the  
15 Office of Budget Review I'd appreciate it.

16 MR. MILES: I'm marking it down  
17 now.

18 LEGISLATOR FERRETTI: Mr. Miles,  
19 I want to talk about what I touched on in my  
20 introduction which was a recurring theme we're  
21 hearing specifically from seniors and veterans  
22 about anomalies in their general tax bill. My  
23 office has received numerous calls from  
24 veterans that received the eligible fund  
25 veterans exemption. This is an exemption for

1       Veterans and Finance - 1-25-21  
2       veterans that bought homes using funds paid to  
3       them for military service such as pensions,  
4       bonuses, insurances, etcetera. Are you  
5       familiar with that exemption, Mr. Miles?

6                   MR. MILES:       Yes. It's an older  
7       exemption. One that was used in the past.  
8       The state is attempting to move most veterans  
9       over from the eligible fund veterans to  
10      alternative veterans exemption.

11                   LEGISLATOR FERRETTI:       For each of  
12      these homes a taxable value and therefore the  
13      general fund taxes were increased  
14      significantly. Some even more than doubled.  
15      The Department of Assessment has not responded  
16      to this, the majority's increase, beyond  
17      indicating they are investigating. Are you  
18      still investigating this issue?

19                   MR. MILES:       We've investigated  
20      the issue. There are certain veterans who are  
21      impacted on their special district fund. The  
22      Adapt program did not contemplate the taxpayer  
23      protection exemption for certain special  
24      districts where we asked it to and where we  
25      programed it to and for some reason it did

1 Veterans and Finance - 1-25-21

2 not.

3 LEGISLATOR FERRETTI: I think  
4 what you're saying is that veterans who are  
5 receiving this exemption their phase-in got  
6 messed up, right?

7 MR. MILES: Certain veterans.

8 LEGISLATOR FERRETTI: When you  
9 say "certain veterans" is it the veterans that  
10 are receiving the eligible fund veterans  
11 exemption?

12 MR. MILES: My understanding is  
13 not all of the eligible fund veterans were  
14 affected. That some were affected and it  
15 specifically affected certain special  
16 districts.

17 LEGISLATOR FERRETTI: Which  
18 special districts?

19 MR. MILES: Off the top of my  
20 head I do not know. But there are certain  
21 exemptions that do not apply to special  
22 districts. But that is not the case for the  
23 TPP. The TPP is to be applied to all county,  
24 town and special districts.

25 LEGISLATOR FERRETTI: What you're

1 Veterans and Finance - 1-25-21

2 saying is there was an error; is that right?

3 MR. MILES: There was an Adapt  
4 computer program error.

5 LEGISLATOR FERRETTI: When you  
6 say "Adapt computer program error" tell me  
7 what Adapt is.

8 MR. MILES: Adapt is the internal  
9 system that the department uses to administer  
10 assessments.

11 LEGISLATOR FERRETTI: What  
12 department?

13 MR. MILES: The Department of  
14 Assessment.

15 LEGISLATOR FERRETTI: It's a  
16 Department of Assessment error, right? Let's  
17 not play word games here.

18 MR. MILES: It's a computer  
19 error. The application was provided the  
20 instructions to apply the taxpayer protection  
21 plan to all districts and it did not.

22 LEGISLATOR FERRETTI: Why was  
23 this error not identified in the quality  
24 control process in the Department of  
25 Assessment?



1       Veterans and Finance - 1-25-21

2                   MR. MILES:       It's very complex in  
3       terms of the special districts.   There's 400  
4       plus special districts throughout the county  
5       and there's some overlap with certain parcels  
6       and some that do not.   It's very complex in  
7       terms of the application of exemptions in the  
8       tax bills for special districts.   It's  
9       actually easier to apply an exemption and send  
10      out bills for the schools then it is for the  
11      general because of the amount of  
12      municipalities and districts in the county.

13                  LEGISLATOR FERRETTI:       What does  
14      the department do to evaluate exemptions to  
15      determine if they were calculated properly?  
16      What is the actual quality control process in  
17      the Department of Assessment for situations  
18      like this?   Is there one?

19                  MR. MILES:       I mean, generally we  
20      reviewed the assessed values to ensure that  
21      the assessed values are receiving the  
22      percentage.

23                  LEGISLATOR FERRETTI:       So, is  
24      there a quality control process for a  
25      situation like this?   Did someone miss this or

1 Veterans and Finance - 1-25-21

2 there's just no safeguard?

3 MR. MILES: No. I believe this  
4 is such a unique circumstance that it was  
5 difficult to find until --

6 LEGISLATOR FERRETTI: When you  
7 say it's unique, how many veterans, that are  
8 now going to overpay or have been overpaying,  
9 how many of them are there? How many received  
10 this exemption in Nassau County?

11 MR. MILES: There are 8,000  
12 eligible fund veterans. I believe there's --

13 LEGISLATOR FERRETTI: That  
14 doesn't sound too unique. That sounds pretty  
15 large.

16 MR. MILES: I'm describing the  
17 amount of veterans in the county. I believe  
18 there's 8,000 eligible fund, 40,000  
19 alternative, maybe another 20 or 30 Cold War.  
20 Some of them overlap. I believe there's  
21 70,000 exemptions attributed to veterans. I  
22 believe this is a much, much smaller  
23 percentage than that because of the uniqueness  
24 of the eligible fund exemption and some of the  
25 other exemptions compared to the special

1 Veterans and Finance - 1-25-21  
2 districts and the taxpayer protection  
3 exemption.

4 LEGISLATOR FERRETTI: How many  
5 veterans were affected by this?

6 MR. MILES: I believe 4,000.

7 LEGISLATOR FERRETTI: So there  
8 are 4,000 errors; is that correct?

9 MR. MILES: There was not 4,000  
10 errors. There was a systematic computer error  
11 that did not apply the exemption the way we  
12 asked it to.

13 LEGISLATOR FERRETTI: I will  
14 rephrase. You're saying there are 4,000  
15 computer errors that did not apply the  
16 exemption the way you wanted it to; is that  
17 right, 4,000?

18 MR. MILES: I'm saying there was  
19 one computer error that affected 4,000 people.

20 LEGISLATOR FERRETTI: 4,000  
21 properties, right?

22 MR. MILES: Correct.

23 LEGISLATOR FERRETTI: Not 4,000  
24 people?

25 MR. MILES: 4,000 properties, I

1 Veterans and Finance - 1-25-21

2 apologize.

3 LEGISLATOR FERRETTI: I've had  
4 multiple phone calls from veterans and so have  
5 my colleagues and I'm sure on both sides of  
6 the aisle that have called screaming about  
7 this issue and they've told us to a man or  
8 woman that the Department of Assessment is  
9 acknowledging there's an error and saying it's  
10 coming from the respective receiver of taxes  
11 offices. Is that true?

12 MR. MILES: I'm not aware of  
13 that. I've talked to one of the receivers who  
14 said that one of our employees was making this  
15 claim and we addressed that. But that is one  
16 of the receivers.

17 LEGISLATOR FERRETTI: Did the  
18 receivers of taxes calculate this exemption?

19 MR. MILES: No. The Department  
20 of Assessment calculates the exemption.

21 LEGISLATOR FERRETTI: Do the  
22 receivers of taxes qualify veterans for this  
23 exemption? Who qualifies the veterans for the  
24 exemption? Is it the receiver of taxes or is  
25 it the county?

1 Veterans and Finance - 1-25-21

2 MR. MILES: The veteran applies  
3 for the exemption and then the department  
4 reviews the application and then determines if  
5 they meet the legal qualifications.

6 LEGISLATOR FERRETTI: What  
7 department?

8 MR. MILES: The Department of  
9 Assessment.

10 LEGISLATOR FERRETTI: So, is this  
11 error to 4,000 properties, 4,000 properties  
12 where veterans live, is that the county of  
13 Nassau's error or is it the receiver of taxes  
14 error? Let me rephrase. The county's  
15 computer error or the receiver of taxes?

16 MR. MILES: I never claimed there  
17 was a receiver error. I never claimed there  
18 was.

19 LEGISLATOR FERRETTI: I'm not  
20 saying you did. Mr. Miles, you're a deputy  
21 county assessor, correct?

22 MR. MILES: I'm a deputy assessor  
23 and counsel.

24 LEGISLATOR FERRETTI: Don't you  
25 have staff there that you are the supervisor

1 Veterans and Finance - 1-25-21

2 of?

3 MR. MILES: Yes.

4 LEGISLATOR FERRETTI: That's why  
5 I'm asking you these questions. I understand  
6 you didn't personally answer the calls, but if  
7 your staff is answering the calls and  
8 directing people to the receivers and saying  
9 the receivers are making the error that's  
10 something that you need to address, wouldn't  
11 you agree?

12 MR. MILES: I have addressed it.  
13 I think it was a singular circumstance and we  
14 addressed it. I told the receiver as such and  
15 he was very gracious.

16 LEGISLATOR FERRETTI: We have  
17 4,000 properties that are now phased in --  
18 aside from the ones we've already uncovered  
19 and had previous hearings on -- now we've got  
20 4,000 more. This affecting veterans and their  
21 family members. What's the plan to rectify  
22 this?

23 MR. MILES: There's the standard  
24 New York State Real Property Tax Law set forth  
25 in Article 5 that you can correct errors such

1 Veterans and Finance - 1-25-21

2 as these.

3 LEGISLATOR FERRETTI: Excuse my  
4 ignorance. What does that mean, Article 5?  
5 How do we get these people their money back?  
6 They've been overcharged. What are we doing  
7 to get their money back?

8 MR. MILES: Based on timing, I  
9 believe that we can correct the issue and  
10 potentially change the tax bills before the  
11 impacted parties have to overpay.

12 LEGISLATOR FERRETTI: So now  
13 their general tax bills were already sent,  
14 right? They're already on the website.  
15 Presumably some have already paid it.

16 MR. MILES: We will work with the  
17 town receivers for the solution in terms of  
18 creating the corrected bills and those who  
19 overpay and cannot get their money back will  
20 receive a refund and receive a corrected bill  
21 in the second half.

22 LEGISLATOR FERRETTI: So they'll  
23 get a refund? They're not going to have to  
24 wait for the second half to get a credit?  
25 They'll actually going to get a check that's

1       Veterans and Finance - 1-25-21

2       cut from the county sometime in the future to  
3       reimburse them, correct?

4               MR. MILES:       I'm not aware. I'm  
5       not going to speak for the receivers in terms  
6       of there being a credit or anything. The  
7       standard practice is refund and then corrected  
8       bill.

9               LEGISLATOR FERRETTI:       Is the  
10       county responsible for the funds that are lost  
11       due to the correction?

12              MR. MILES:       I lost you on the  
13       last part.

14              LEGISLATOR FERRETTI:       Is the  
15       county responsible for the funds that are lost  
16       due to the correction?

17              MR. MILES:       Yes. The fiscal  
18       impact is to the county under the county  
19       guarantee.

20              LEGISLATOR FERRETTI:       Just so we  
21       are all clear on that, that means that  
22       whatever is paid back is going to come from  
23       the county even though the county didn't  
24       collect all of that, right?

25              MR. MILES:       Correct. We



1       Veterans and Finance - 1-25-21

2       guarantee for the schools and the towns.

3               LEGISLATOR FERRETTI:       Tell me the  
4       calculation.   What's the value of this 4,000  
5       computer error mistake?

6               MR. MILES:       I believe it's in the  
7       five million range.

8               LEGISLATOR FERRETTI:       When you  
9       say the "five million range," is there an  
10      exact number that's been calculated or just  
11      based on your regulation it's five million?  
12      Or is there no number that's actually been  
13      calculated yet?

14              MR. MILES:       Based on my  
15      recollection but the calculation is being  
16      confirmed.

17              LEGISLATOR FERRETTI:       Would you  
18      agree that that five million is now going to  
19      have to be absorbed by all of Nassau  
20      taxpayers?

21              MR. MILES:       It's a five million  
22      charged to the county.

23              LEGISLATOR FERRETTI:       Who pays  
24      that?   It's the residents, right?

25              MR. MILES:       I don't know the

1 Veterans and Finance - 1-25-21

2 budgetary practices of the Office of Budget.

3 LEGISLATOR FERRETTI: Do you know  
4 where that five million is going to come  
5 from? What fund? Is it the general fund?

6 MR. MILES: I would ask that  
7 question of the Office of Management and  
8 Budget.

9 LEGISLATOR FERRETTI: Just going  
10 to skip around a little bit. Like I said,  
11 please bear with me. I know I'm taking up a  
12 lot of your time.

13 In terms of the recent lawsuit that  
14 was settled between the county and numerous  
15 residents who sued the county over the  
16 reassessment, there were settlement terms that  
17 were agreed upon by the county that I would  
18 like to ask you about and ask where we are in  
19 terms of compliance to those terms. Meaning  
20 the Department of Assessment.

21 One of the settlement terms.

22 Defendants will revise the county's  
23 assessment website and any mail disclosures by  
24 specifically eliminating the, quote,  
25 calculation ladders, end quote, or, quote,

1       Veterans and Finance - 1-25-21  
2       ladder reports, end quote, by including on the  
3       assessment website plain English narratives  
4       and hyperlinks substantially as set forth in  
5       exhibit B and by consolidating and  
6       streamlining public assess to the assessment  
7       website.

8                       Has this been done?

9                       MR. MILES:       I'm sorry I lose you  
10       a little bit when you lean down.

11                      LEGISLATOR FERRETTI:       Are you  
12       familiar with the settlement, sir?

13                      MR. MILES:       I'm familiar with the  
14       settlement.

15                      LEGISLATOR FERRETTI:       Are you  
16       aware of the fact that the county agreed to  
17       numerous transparency items that they would  
18       comply with?

19                      MR. MILES:       I know there were  
20       some agreements in the settlement.

21                      LEGISLATOR FERRETTI:       Are you  
22       aware if the Department of Assessment has  
23       complied?

24                      MR. MILES:       I'm sorry?

25                      LEGISLATOR FERRETTI:       Has the

1 Veterans and Finance - 1-25-21

2 Department of Assessment complied with the  
3 settlement agreement?

4 MR. MILES: I believe the  
5 department is working on what's been agreed  
6 upon.

7 LEGISLATOR FERRETTI: I'm sorry.  
8 You've been working on what?

9 MR. MILES: I'm sorry, I keep  
10 losing you. I apologize.

11 LEGISLATOR FERRETTI: They're  
12 working on what?

13 MR. MILES: I believe we're  
14 working on what has been agreed upon.

15 LEGISLATOR FERRETTI: Is there  
16 any anticipated time period where you're going  
17 to be in compliance? Because I don't see  
18 anything in the settlement agreement saying  
19 you have a year. I mean, we're talking about  
20 making minor adjustments to the website. Why  
21 is it taking this long?

22 MR. MILES: I will check with the  
23 IT department.

24 LEGISLATOR FERRETTI: One of the  
25 items that the county agreed to comply with.

1 Veterans and Finance - 1-25-21

2 Defendants, meaning the county, will make  
3 public all the approximately 180 independent  
4 variables that were used in the  
5 computer-assisted mass appraisal modeling in  
6 the reassessment and the coefficients for  
7 those variables in each market area.

8 Has this been made public?

9 MR. MILES: I believe it will be  
10 made public.

11 LEGISLATOR FERRETTI: I would  
12 hope it will be. You agreed to do it. But  
13 has it been yet?

14 MR. MILES: Not that I'm aware  
15 of.

16 LEGISLATOR FERRETTI: Why?

17 MR. MILES: I don't know. I will  
18 talk with the IT department. There's no  
19 nefarious reason why.

20 LEGISLATOR FERRETTI: Defendants  
21 will publish maps on the assessment website  
22 showing all the market areas and neighborhoods  
23 used in the reassessment and explain how the  
24 neighborhood coefficients were determined in  
25 each market area. Where can I find these

1 Veterans and Finance - 1-25-21

2 maps?

3 MR. MILES: The neighborhood

4 maps?

5 LEGISLATOR FERRETTI: No. What I  
6 just read. Defendants will publish maps on  
7 the assessment website.

8 MR. MILES: I don't mean to be  
9 rude. Like I said, sometimes when you're  
10 bending down I miss some of the words.

11 LEGISLATOR FERRETTI: I  
12 apologize. I will try to speak more clearly  
13 into the microphone.

14 MR. MILES: Thank you.

15 LEGISLATOR FERRETTI: You're  
16 welcome. Defendants will publish maps on the  
17 assessment website showing all the market  
18 areas and neighborhoods used in the  
19 reassessment and explain how the neighborhood  
20 coefficients were determined in each market  
21 area.

22 Has this been published on the  
23 website?

24 MR. MILES: Not that I'm aware  
25 of.

1       Veterans and Finance - 1-25-21

2                   LEGISLATOR FERRETTI:       For a  
3       period of not less than three years from the  
4       date of this settlement agreement, defendants  
5       will perform periodic reviews at least  
6       annually of the neighborhood and market  
7       designations. Has this been done?

8                   MR. MILES:       Not that I'm aware  
9       of. We're in a paused roll.

10                  LEGISLATOR FERRETTI:       In the next  
11       seven years, defendants agree to perform  
12       comparative market analysis for the 3,000  
13       highest valued and 3,000 lowest valued  
14       properties in the county to assure the  
15       continued fairness and accuracy of evaluation  
16       of those properties.

17                  Has the first analysis been  
18       performed?

19                  MR. MILES:       We haven't performed  
20       evaluations since it's a paused roll.

21                  LEGISLATOR FERRETTI:       So no?

22                  MR. MILES:       We haven't valued  
23       anything. There has been a paused roll. It  
24       would be counterintuitive to value 6,000  
25       properties and leave the rest of them.

1       Veterans and Finance - 1-25-21

2                   LEGISLATOR FERRETTI:       Isn't that  
3 independent of the roll?

4                   MR. MILES:       Why would that be  
5 independent of the roll?

6                   LEGISLATOR FERRETTI:       Comparing  
7 the market analysis doesn't mean you have to  
8 change the roll. You can do that with a  
9 frozen roll, can't you?

10                  MR. MILES:       We can compare.

11                  LEGISLATOR FERRETTI:       You agreed  
12 to.

13                  MR. MILES:       Not going to change  
14 the valuation.

15                  LEGISLATOR FERRETTI:       I'm not  
16 saying it did. I mean, there's a settlement  
17 agreement you can comply with it or you don't.

18                  MR. MILES:       We'll comply with  
19 it. We'll have our internal numbers.

20                  LEGISLATOR FERRETTI:       Mr. Miles,  
21 recently Resolution 186-20 to require the  
22 assessor to restore to the official website of  
23 Nassau County the total value of the  
24 exemptions granted and the estimated tax  
25 impact to individual homeowners pursuant to



1       Veterans and Finance - 1-25-21

2       real property tax law Section 485(u).

3                   On December 28th the county  
4       executive signed Resolution 186-20 to restore  
5       to the county website information detailing  
6       the total amount of the phase-in exemption and  
7       the full value of the tax impact associated  
8       with the exemption.

9                   Were you aware that this was signed  
10      into law, Mr. Miles?

11                  MR. MILES:       Yes. I believe that  
12      was signed in last month. Maybe a few weeks  
13      ago.

14                  LEGISLATOR FERRETTI:       Yes. If  
15      you recall, the administration inexplicably  
16      removed the exemption from the website shortly  
17      after the school tax bills were posted.  
18      First, why was it removed to begin with?

19                  MR. MILES:       I'm not sure but I  
20      believe currently we're working on putting the  
21      number back up. Making sure the number is  
22      clear.

23                  LEGISLATOR FERRETTI:       Who ordered  
24      its removal? Did you?

25                  MR. MILES:       No, I did not.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR FERRETTI: Did the  
3 assessor?

4 MR. MILES: I'm not sure.

5 LEGISLATOR FERRETTI: Who removed  
6 it?

7 MR. MILES: I don't know but  
8 we're working on putting the number up and  
9 complying with the law.

10 LEGISLATOR FERRETTI: Why is it  
11 taking this long? It came down a day after it  
12 was put up. Why is it taking 40 days to put  
13 it back up?

14 MR. MILES: Just making sure that  
15 it's clear. Making sure that it's  
16 understandable.

17 LEGISLATOR FERRETTI: Did you  
18 make sure it was understandable when you put  
19 it up in the first place?

20 MR. MILES: I'm not sure. We're  
21 complying with the law now and working on  
22 putting the number up.

23 LEGISLATOR FERRETTI: When will  
24 it be restored?

25 MR. MILES: I will have to talk

1 Veterans and Finance - 1-25-21

2 to the IT division.

3 LEGISLATOR FERRETTI: Are you  
4 aware that the legislation calls for it to be  
5 restored immediately?

6 MR. MILES: I'm aware of that and  
7 we are working on that.

8 LEGISLATOR FERRETTI: My  
9 understanding is that the '22-'23 roll is  
10 frozen, correct?

11 MR. MILES: It's a paused roll,  
12 correct.

13 LEGISLATOR FERRETTI: Now the  
14 phase-in in assessed values will continue  
15 unabated notwithstanding the frozen  
16 assessment; is that correct?

17 MR. MILES: Correct.

18 LEGISLATOR FERRETTI: So, will  
19 individuals that have experienced a tax  
20 increase in year one of the reassessment  
21 continue to see that increase be phased in  
22 over the four years despite the fact that the  
23 county executive and the assessor decided to  
24 freeze the roll for '22-'23?

25 MR. MILES: I'm not sure what the

1 Veterans and Finance - 1-25-21

2 question is.

3 LEGISLATOR FERRETTI: Does the  
4 '22-'23 frozen roll affect the phase-in and  
5 the impacts of the phase-in at all?

6 MR. MILES: I don't know the tax  
7 impact. We are two years away from that.

8 LEGISLATOR FERRETTI: Generally  
9 speaking, if you receive a tax increase as a  
10 result of the reassessment it gets phased in  
11 over five years, correct?

12 MR. MILES: It's not tax  
13 increases that get phased in it's assessed  
14 values.

15 LEGISLATOR FERRETTI: I said the  
16 tax impact gets phased in over five years  
17 generally; is that correct?

18 MR. MILES: I understand what you  
19 said legislator but I'm going with what the  
20 law says. The law says you phase in market  
21 value increases and they are equalizing using  
22 level of assessment. It's not based on tax  
23 impact. It's not based on tax. It's based  
24 on --

25 LEGISLATOR FERRETTI: I didn't

1 Veterans and Finance - 1-25-21

2 say it was. I understand that the assessment  
3 gets phased in over five years. What I'm  
4 asking is, generally, generally, those who  
5 have an increase over five years in their  
6 assessment are generally seeing tax increases  
7 over five years. Would you disagree with  
8 that? Are more people seeing a decrease when  
9 their assessment goes up?

10 MR. MILES: No. It's dependent.  
11 If everybody is going up 20 percent per year  
12 that means everyone's going up 20 percent.  
13 So, it doesn't necessarily mean that you're  
14 going up or down. It's dependent upon your  
15 relationship with your neighbors and the  
16 school district taxes and your county and  
17 general taxes.

18 LEGISLATOR FERRETTI: Thank you  
19 Mr. Miles. I may have some more for you after  
20 but I'm going to switch over to Mr. May for a  
21 minute.

22 MR. MILES: Thank you sir.

23 LEGISLATOR FERRETTI: Thank you.  
24 Good morning Mr. May.

25 MR. MAY: Good morning

1 Veterans and Finance - 1-25-21

2 legislator.

3 LEGISLATOR FERRETTI: Mr. May,  
4 how many challenges were made to the '20-'21  
5 roll?

6 MR. MAY: I have that figure.  
7 One moment please. For tax year '20-'21 we  
8 received 259,000.

9 LEGISLATOR FERRETTI: How about  
10 '21-'22?

11 MR. MAY: For '21-'22, 243,600.

12 LEGISLATOR FERRETTI: Now,  
13 '20-'21, how many of those 259,000 received a  
14 settlement offer from ARC?

15 MR. MAY: For '20-'21 I might not  
16 have that figure at my fingertips legislator,  
17 but if not I will be happy to get it for you.  
18 No. For '20-'21 I don't have that breakdown  
19 immediately at my fingertips. I want to make  
20 sure I take down all of the figures that  
21 you're interested in. Give me one moment.  
22 So, legislator, for '20-'21 you're interested  
23 in the number of offers overall?

24 LEGISLATOR FERRETTI: Yeah. How  
25 many overall offers. Also how many were

1 Veterans and Finance - 1-25-21

2 accepted.

3 MR. MAY: I can get that for you.

4 LEGISLATOR FERRETTI: What the  
5 average offer was. The highest offer. Now,  
6 '21-'22 those are the offers still going out  
7 now, right?

8 MR. MAY: Yes. We will be  
9 issuing our final determinations on '21-'22 by  
10 the end of March. At this time in our process  
11 we are largely done with our first-time  
12 reviews. We are now dealing with  
13 counteroffers and discussions with the  
14 applicants.

15 LEGISLATOR FERRETTI: So, in  
16 terms of offers from ARC are they pretty much  
17 all out, the initial offers?

18 MR. MAY: We've done the  
19 overwhelming, 99 percent majority, of our  
20 first offers for '21-'22.

21 LEGISLATOR FERRETTI: Let's talk  
22 about those. How many offers have gone out of  
23 reductions?

24 MR. MAY: I'll need one moment to  
25 pull up that stat. About 200,000.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR FERRETTI: And how  
3 many of those 200,000 so far have been  
4 accepted?

5 MR. MAY: Approximately 55,000.

6 LEGISLATOR FERRETTI: What was  
7 the highest percentage reduction offered by  
8 ARC for '21-'22?

9 MR. MAY: That I'm not going to  
10 have legislator. I will have to find that for  
11 you.

12 LEGISLATOR FERRETTI: What was  
13 the average?

14 MR. MAY: That, again, I would  
15 have to get that figure for you. You're  
16 interested in the highest and the average  
17 percentage?

18 LEGISLATOR FERRETTI: Yes. This  
19 shouldn't be -- with all due respect -- these  
20 questions were emailed before the hearing.  
21 You have should this down already in terms of  
22 the question.

23 MR. MAY: I do apologize  
24 legislator.

25 LEGISLATOR FERRETTI: If you



1 Veterans and Finance - 1-25-21

2 grieved your assessment for '21-'22 was a  
3 different level of assessment applied before  
4 ARC gave the offer of settlement?

5 MR. MAY: ARC's determined level  
6 of assessment for '21-'22 would have been used  
7 to calculate our value and make the offer. I  
8 think the answer to your question is yes.

9 LEGISLATOR FERRETTI: What is  
10 that level of assessment?

11 MR. MAY: .95.

12 LEGISLATOR FERRETTI: I want to  
13 make sure I understand this because this gets  
14 a little complicated. The level of assessment  
15 is from the Department of Assessment when they  
16 calculate your assessment is point one,  
17 correct?

18 MR. MAY: Yes.

19 LEGISLATOR FERRETTI: Is what  
20 you're telling me, Mr. May, that if you  
21 grieved your assessment for '21-'22 ARC  
22 applied a different level of assessment before  
23 mailing the offer; is that correct?

24 MR. MAY: Yes.

25 LEGISLATOR FERRETTI: And that

1       Veterans and Finance - 1-25-21

2       level of assessment is lower than point one,  
3       correct?

4                   MR. MAY:       Yes.

5                   LEGISLATOR FERRETTI:       Correct me  
6       if I'm wrong, but for '21-'22, which is year  
7       two of the reassessment, if you grieved your  
8       assessment you automatically got a reduction  
9       offer; is that correct?

10                  MR. MAY:       That is not correct.

11                  LEGISLATOR FERRETTI:       Tell me  
12       why.

13                  MR. MAY:       We apply the level of  
14       assessment at .95 and we run the math. But if  
15       your resultant value does not indicate a  
16       reduction ARC would not be making an offer.

17                  LEGISLATOR FERRETTI:       In other  
18       words, if your property value increased the  
19       level of assessment, even though it's lower,  
20       wouldn't automatically qualify you for a  
21       reduction, correct?

22                  MR. MAY:       That is correct. The  
23       level of assessment by itself would not  
24       guarantee a reduction.

25                  LEGISLATOR FERRETTI:       But you

1       Veterans and Finance - 1-25-21

2       would agree that decreasing the level of  
3       assessment for ARC purposes would certainly  
4       lead to a larger amount of offers than if you  
5       didn't, right?

6                   MR. MAY:       I couldn't say that  
7       that happens 100 percent of the time but I  
8       think that's probably generally correct.

9                   LEGISLATOR FERRETTI:       Under the  
10       previous administration did ARC use the same  
11       level of assessment as the Department of  
12       Assessment?

13                   MR. MAY:       We are talking about a  
14       period of eight years so I'm not 100 percent  
15       sure. But in my time certainly ARC disagreed  
16       with the Department of Assessment and used a  
17       different level of assessment, yes.

18                   LEGISLATOR FERRETTI:       And the  
19       result of that was mass settlements, right?

20                   MR. MAY:       That was a factor that  
21       led to a large number of settlement offers and  
22       settlements, yes.

23                   LEGISLATOR FERRETTI:       What is  
24       mass settlement?

25                   MR. MAY:       I suppose legislator

1       Veterans and Finance - 1-25-21  
2       that depends on -- perhaps a little bit of  
3       context would be helpful. During the frozen  
4       roll period the Assessment Review Commission  
5       annually determines that the level of  
6       assessment was different than that published  
7       by the Department of Assessment. So, a  
8       practice would have been that if ARC reviewed  
9       a particular case in a previous year and a  
10      property owner filed in the successive year  
11      that ARC would apply the level of assessment  
12      for that new year to the value settled in the  
13      previous year.

14                 So, that was a tactic that was used  
15      to address a number of cases. So, I think  
16      that maybe what you are referring to when you  
17      say mass settlement.

18                 LEGISLATOR FERRETTI:     I guess  
19      what I'm asking is, it's the same question I  
20      actually asked assessor Moog months ago, which  
21      I understand Mr. May you don't work in the  
22      same department as assessor Moog, but if I  
23      recall his explanation of mass settlement is  
24      when you use a different level of assessment  
25      and grant reductions as a result. So, in

1 Veterans and Finance - 1-25-21

2 '20-'21 what level of assessment did ARC  
3 use?

4 MR. MAY: In '20-'21 ARC actually  
5 used one, which was the level of assessment  
6 published by the Department of Assessment. So  
7 for '20-'21 ARC agreed with the Department of  
8 Assessment as to level of assessment.

9 LEGISLATOR FERRETTI: So, if you  
10 grieved your assessment for '20-'21 it was a  
11 straight up comparison of fair market values,  
12 correct?

13 MR. MAY: To the extent that  
14 there was no varied level of assessment  
15 applied, yes, absolutely.

16 LEGISLATOR FERRETTI: If my  
17 market value I disagree with it, I would say  
18 it's really worth X, which presumably is  
19 something less than what the Department of  
20 Assessment valued it at, and ARC would  
21 determine the actual value and if it was less  
22 they would offer a reduction, right?

23 MR. MAY: Correct.

24 LEGISLATOR FERRETTI: Whereas, in  
25 '21-'22 there's another variable in there;

1 Veterans and Finance - 1-25-21

2 correct?

3 MR. MAY: It's not that there's  
4 another variable legislator. In '20-'21 ARC  
5 still used the level of assessment to arrive  
6 at our assessed value. It's just that for  
7 '21-'22 the level of assessment was  
8 different.

9 LEGISLATOR FERRETTI: Maybe an  
10 example would make this more clear. If the  
11 Department of Assessment assessed resident X's  
12 property at \$400,000 and resident X grieved  
13 their assessment. For '21-'22 if ARC  
14 determined that the Department of Assessment  
15 was correct and the property was worth  
16 \$400,000 would the Assessment Review  
17 Commission send resident X an offer of  
18 reduction for '21-'22?

19 MR. MAY: In that specific  
20 example legislator, yes.

21 LEGISLATOR FERRETTI: So even  
22 though ARC would be saying that the Department  
23 of Assessment was correct in their  
24 determination that that property was worth  
25 \$400,000, the Assessment Review Commission is

1 Veterans and Finance - 1-25-21

2 going to send a reduction, correct?

3 MR. MAY: Again, in that specific  
4 example, yes.

5 LEGISLATOR FERRETTI: With this  
6 .95, what would their assessment be reduced  
7 to as a result of this offer if they accepted  
8 it?

9 MR. MAY: I may embarrass myself  
10 by doing the math incorrectly but I believe  
11 that would be an assessed value of 400 versus  
12 an assessed value of 395.

13 LEGISLATOR FERRETTI: I think  
14 you're off a little bit but that's probably  
15 close. So, is that 395,000 in this example  
16 correct? Is that the correct assessment?

17 MR. MAY: In the opinion of the  
18 Assessment Review Commission, yes it would be.

19 LEGISLATOR FERRETTI: What you're  
20 saying is, even though the Assessment Review  
21 Commission determined that the fair market  
22 value was 400,000 they're going to say it's  
23 correct that this property is going to be  
24 reduced to 395,000?

25 MR. MAY: With the very specific

1 Veterans and Finance - 1-25-21

2 fact pattern that we're discussing, yes.

3 LEGISLATOR FERRETTI: Can you  
4 explain that? I lose that. I thought the  
5 whole point of reassessment was that the fair  
6 market value -- you were going to be assessed  
7 at your fair market value. Now you're telling  
8 me the fair market value in this example is  
9 400,000 but the Assessment Review Commission  
10 is offering a reduction to something less. I  
11 got to tell you Mr. May that sounds very  
12 familiar.

13 MR. MAY: In both examples the  
14 Assessment Review Commission and the  
15 Department of Assessment are agreeing as to  
16 fair market value. But because there is a  
17 disagreement as to the level of assessment  
18 that ratio between fair market value and  
19 assessed values the ARC and DOA, despite  
20 agreeing on fair market value, will end up  
21 disagreeing as to assessed value.

22 LEGISLATOR FERRETTI: Isn't that  
23 exactly what we would have heard under the old  
24 system? Isn't it the same exact thing?  
25 What's different?



1       Veterans and Finance - 1-25-21

2                   MR. MAY:       Again, legislator,  
3       we're talking about a very specific example  
4       and this goes back to the question that you  
5       asked earlier regarding wouldn't a different  
6       level of assessment indicate that ARC is just  
7       automatically making an offer of reduction and  
8       the answer there is no.

9                   In the greater context, ARC is  
10       performing a review and arriving at a  
11       determination of fair market value. So, there  
12       are cases where ARC disagrees with the  
13       Department of Assessment in the other  
14       direction and may find that instead of the  
15       property being worth 400,000 that it may have  
16       been worth 410,000 and then after applying the  
17       level of assessment would indicate a zero  
18       reduction.

19                   It is only in the very specific  
20       circumstance where ARC and the Department of  
21       Assessment agree as to market value but  
22       disagree as to level of assessment that we  
23       would see the circumstance that you are  
24       referring to.

25                   LEGISLATOR FERRETTI:       Mr. May, I

1       Veterans and Finance - 1-25-21  
2       used an example to illustrate my point. But  
3       my point carries on all properties. The  
4       differing level of assessment artificially  
5       lowers the value. If the property is assessed  
6       at \$400,000 and ARC determines it's worth 390  
7       fair market value will the offer be 390,000 or  
8       will it be something less because there's a  
9       level of assessment that's applied at .95?

10               MR. MAY:       Well, ARC's offer of  
11       fair market value would be 390 but our offer  
12       of assessed value --

13               LEGISLATOR FERRETTI:       -- would be  
14       something less, right?

15               MR. MAY:       It would be less than  
16       the published value by the Department of  
17       Assessment. Legislator, the reason why I'm  
18       struggling is this is just math.

19               LEGISLATOR FERRETTI:       I  
20       understand. How do you calculate your offer?  
21       What's the formula? Fair market value times  
22       level of assessment, right?

23               MR. MAY:       And a comparison then  
24       to the published value.

25               LEGISLATOR FERRETTI:       Forget the

1 Veterans and Finance - 1-25-21

2 published value. When you determine an offer  
3 at ARC don't you come up with a fair market  
4 value and multiple it times the level of  
5 assessment to get an offer amount?

6 MR. MAY: Yes.

7 LEGISLATOR FERRETTI: You  
8 determine a fair market value, correct?

9 MR. MAY: Yes.

10 LEGISLATOR FERRETTI: Is that  
11 fair market offered to the resident as the  
12 assessed value or is it different?

13 MR. MAY: After it's converted to  
14 an assessed value with the level of assessment  
15 that would be our offer as an assessed value  
16 reduction, yes.

17 LEGISLATOR FERRETTI: So, the  
18 assessed value as a result of a lower level of  
19 assessment has been made artificially lower  
20 than the fair market value, correct?

21 MR. MAY: I would disagree with  
22 the characterization of it being artificial.  
23 The level of assessment is a calculation.  
24 Parties can disagree as to the calculation and  
25 the end result of the level of assessment.

1 Veterans and Finance - 1-25-21

2 But to characterize it as artificial I would  
3 not agree with.

4 LEGISLATOR FERRETTI: Fair  
5 enough. Thank you Mr. May. That's what I  
6 have for now and I will open it up. Anybody  
7 from the Minority have questions? I know the  
8 Ranking Member Ms. Birnbaum.

9 LEGISLATOR BIRNBAUM: With all  
10 this discussion my question really is, what  
11 has changed? Have we assessed homes in a  
12 different way? You said we're using the  
13 aerals but basically you're still going by  
14 square footage, improvements. Has any  
15 methodology changed in the method of  
16 assessments that's been done in the  
17 reassessment versus in previous years when it  
18 had been assessed?

19 MR. MILES: The previous years  
20 did not have any valuation approach. For  
21 eight to ten years I don't think there was any  
22 change in valuation or a review the level of  
23 assessment, review of assessments at all.  
24 That's the major difference.

25 We updated the market values,

1       Veterans and Finance - 1-25-21  
2       updated the assessed values and we actually  
3       used the market approach which is used  
4       throughout the state and throughout the  
5       country. So, that's the major differences.  
6       There was never an assessment done. There was  
7       an attempt to do a systematic review but it  
8       was completed for this assessment. So we  
9       reviewed the equity and the values and we came  
10      up with determinations.

11               LEGISLATOR BIRNBAUM:       So, then  
12      not including the frozen period, the previous  
13      assessments was it basically using the same  
14      formulas?

15               MR. MILES:       You're saying  
16      comparing the '21-'22 year to the '20-'21  
17      year?

18               LEGISLATOR BIRNBAUM:       No. I'm  
19      saying when there had been a previous  
20      reassessment.

21               MR. MILES:       Similar approach.  
22      Market value approach.

23               LEGISLATOR BIRNBAUM:       Then the  
24      level of assessment was the number that  
25      changed between previous years and now,

1 Veterans and Finance - 1-25-21

2 correct?

3 MR. MILES: Yes. The level of  
4 assessment has continued to decrease.

5 LEGISLATOR BIRNBAUM: In a  
6 nutshell when we're talking about the amount  
7 of people in the county whose taxes have gone  
8 up versus down could you give us a  
9 generalization? What would you say it has  
10 come to?

11 MR. MILES: I'm sorry  
12 legislator. I lost you on the last part of  
13 the sentence.

14 LEGISLATOR BIRNBAUM: The number  
15 of residents taxes have gone up versus down  
16 what would you say the breakout has been?

17 MR. MILES: I haven't done the  
18 report. I've heard it was 60 to 65. But I  
19 have not done that report.

20 LEGISLATOR BIRNBAUM: Is there a  
21 way we can see that by school district?

22 MR. MILES: Yes. Actually, I  
23 marked down Legislator Ferretti's request. I  
24 will be bringing that down to our internal IT  
25 and accounting divisions.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR BIRNBAUM: Okay.

3 LEGISLATOR FERRETTI: Thank you.

4 Mr. Miles, with the veterans  
5 exemption error, computer error, has anyone  
6 from the Department of Assessment or anyone in  
7 the administration reached out to these  
8 residents to advise them of this error?

9 MR. MILES: I'm not aware of the  
10 communications from the county executive's  
11 office or the department. I believe once we  
12 submit the correction of errors and we're  
13 completing the final numbers I believe there  
14 will be a communication strategy. I don't  
15 know what it is yet.

16 LEGISLATOR FERRETTI: Can you  
17 provide this body with a list of the  
18 properties that were affected by this?

19 MR. MILES: The correction of  
20 error petition will actually have the list of  
21 properties.

22 LEGISLATOR FERRETTI: Thank you.  
23 Legislator Walker.

24 LEGISLATOR WALKER: Thank you  
25 Legislator Ferretti. I'm just going to back

1       Veterans and Finance - 1-25-21

2       up a minute. When we started this whole  
3       reassessment process I questioned Mr. Moog in  
4       how we were doing it. Spoke about modeling.  
5       I said you have communities that, I used my  
6       community for example. I live in a Levitt home  
7       in Hicksville, not in Levittown, but those  
8       Levitt homes have drastically changed. There's  
9       very few original Levitt homes. Some of those  
10      homes are basically no longer even Levitt  
11      homes. McMansions have kind of been put in  
12      those spots or whatever.

13               He assured myself and all of us  
14      that no, everything like that is going to be  
15      taken care of. I said well, I don't know how  
16      you model a particular area when that area is  
17      very different than it used to be. Same as  
18      areas with capes that were all basically very  
19      similar homes.

20              Also, you spoke about getting the  
21      information from the towns as far as permits  
22      and what changes have taken place in various  
23      homes. And let's be real, and Legislator  
24      Ferretti addressed this too, there are many  
25      people that just say forget it, I'm not



1       Veterans and Finance - 1-25-21  
2       getting a permit. I'll worry about that when  
3       I'm selling the house or whatever. I don't  
4       plan on moving. So, all of those homes,  
5       unless you really did an aerial view of each  
6       one of the homes in Nassau County, you're not  
7       going to know that. So, people who do the  
8       right things once again lose out and people  
9       who don't do what's right they benefit. Guess  
10      that happens with many things.

11               The whole issue with problems that  
12      we've had, mistakes that were made that have  
13      cost us tremendous amount of money. The  
14      latest being the two properties, the Seasons  
15      in the Bellmore-Wantagh area and also the  
16      other up I believe it was Glen Cove and  
17      Carnation Drive in Farmingdale, major mistakes  
18      that cost this county a lot of money.

19               Now you have the whole veterans  
20      issue which is costing a tremendous amount of  
21      money once again on the county. I know you  
22      said well, I'm not exactly sure where it's  
23      coming from but we know it's coming from the  
24      taxpayers of Nassau County. So, not only have  
25      people's houses gone up, their taxes have gone

1       Veterans and Finance - 1-25-21

2       up, many are people who thought their taxes  
3       were going down in the latest information  
4       found out their taxes are going up. They are  
5       now stuck with paying all these mistakes that  
6       were made.

7                   I'm sure if it was coming from the  
8       assessment people's pockets you'd be very,  
9       very concerned about all these errors. But  
10      it's almost like there were mistakes made and  
11      we just have to deal with it and yes, we're  
12      stuck with the county guarantee.

13                   MR. MILES:       That is not a fair  
14      statement for the staff here who work very  
15      hard. Especially during a pandemic-riddled  
16      year. Take their job seriously.

17                   LEGISLATOR WALKER:       I'm not  
18      denying that people don't take their jobs  
19      seriously.

20                   MR. MILES:       But I think the  
21      characterization that it's compared to their  
22      money and the taxpayer's money many of them  
23      are taxpayers.

24                   LEGISLATOR WALKER:       Many of them  
25      are going to get stuck paying for this also.

1 Veterans and Finance - 1-25-21

2 Everyone who lives in Nassau County is paying  
3 for these errors.

4 MR. MILES: I have to speak up on  
5 this. Many of the people are hard working  
6 county residents too. So the characterization  
7 that they don't care because it's not their  
8 money or they don't take assessment seriously  
9 is not a fair characterization. They are  
10 upset by this computer error. They did  
11 everything they could do to make sure  
12 everything was right. A 20-year computer  
13 program caused this mistake and now we are  
14 here discussing this with you, being  
15 transparent with you as much as we can and  
16 we're going ahead and trying to fix the issue.

17 But the characterization that it's  
18 not their money and they don't care that is  
19 not fair at all.

20 LEGISLATOR WALKER: I apologize  
21 if I made it seem like that they did not care  
22 because I believe we all care. But we're  
23 stuck with a tremendous amount of debt now  
24 that the county taxpayers have to pay because  
25 of errors. And whether it was said by one

1       Veterans and Finance - 1-25-21

2       person or not, constantly throughout this  
3       process the blame is also being shifted to  
4       someplace else. You know, no matter what  
5       question we ask with assessment we didn't  
6       really get an exact answer of what was taking  
7       place. And once again it's a computer error.  
8       It's a problem with an antiquated system.  
9       There's not enough staff. I don't deny that  
10      the people there are working very, very hard.  
11      Okay? But the bottom line is it's a mess. We  
12      were told over and over again that the  
13      assessment is very good. We can stand by this  
14      assessment.

15                   The county executive herself told  
16      people grieve your taxes. I thought this  
17      whole process was to make it so that people  
18      didn't have to grieve their taxes. That it  
19      was going to be correct. Unfortunately, we're  
20      finding out that a tremendous amount of it  
21      isn't correct.

22                   MR. MILES:     I disagree with that  
23      characterization as well. The county  
24      assessments are very accurate and they are  
25      correct. There have been several issues with

1       Veterans and Finance - 1-25-21  
2       the computer program that has caused issues  
3       not only for this administration but in prior  
4       administrations there was an error in which an  
5       apportionment occurred and the county  
6       buildings, during the previous administration,  
7       were considered taxable and millions of  
8       dollars were paid to the Garden City school  
9       district to fix that issue. There was a  
10      switching of the special districts between one  
11      municipality or one school district and  
12      another and that was fixed.

13               I don't disagree with you that  
14      Adapt is a problem. But I do disagree with  
15      you the fact that the county assessments are  
16      not correct because they are and there's been  
17      evidence of the fact that they are and it's  
18      been independently analyzed saying as much.

19               I think it's just that we have to  
20      continue to try to work with a system that  
21      three departments in this county utilize.  
22      It's not an easy system to reprogram. It's a  
23      system where a lot of complicated math is done  
24      between three departments and we just continue  
25      to try to improve and try to make sure that

1       Veterans and Finance - 1-25-21

2       this system doesn't continue to have hiccups.

3               But the fact of the matter is the  
4       county assessments are accurate. The  
5       programmatic issues are a separate issue with  
6       an older program.

7               I think the county executive in  
8       terms of saying you have the ability to  
9       grieve, of course we should advocate for the  
10      rights of our taxpayers that you have the  
11      ability to do these things because the law  
12      provides you as such and that we support the  
13      rights of our taxpayers. I don't think she's  
14      saying grieve your taxes, the assessments are  
15      wrong. She has iterated time and again the  
16      assessments are right and they are.

17              LEGISLATOR WALKER:     I have to  
18      differ because I don't think they are because  
19      I don't think that many properties aren't  
20      really -- they haven't been looked at because  
21      that's not how the assessment was done. You  
22      cannot tell me that a property that has major  
23      improvements, that have so much more of a home  
24      on a piece of a property than a smaller  
25      property next door should be assessed at a

1       Veterans and Finance - 1-25-21

2       lower value. That's done because of the way  
3       it was done. In the previous assessment every  
4       home was looked at. That was the previous  
5       assessment. That was not chosen the way we  
6       went about things this time I do not agree,  
7       that's my opinion, but I think a lot of other  
8       people have that same opinion too.

9                       We get the phone calls because  
10       people call assessment and they can't speak to  
11       anyone. They call upstairs to the county  
12       executive's office and can't speak to anyone.  
13       When you have residents, some of them very,  
14       very old seniors sobbing on the phone how am I  
15       supposed to pay these taxes? And their taxes  
16       have gone up extraordinarily. It's very, very  
17       sad and it's very sad it's left for the  
18       legislators to have to deal with where we  
19       don't have an answer for them. And many of  
20       these problems we've had to point out for you  
21       and if you knew about it ahead of time we  
22       weren't aware that you knew about it nothing  
23       because nothing was shared with us and I think  
24       that's a major, major problem.

25                       And even upstairs, people call

1       Veterans and Finance - 1-25-21  
2       upstairs to the county exec's office and  
3       they're told call your legislator. Just a lot  
4       of problems here, and I don't think it was  
5       addressed properly.

6                   LEGISLATOR FERRETTI:     Thank you  
7       Legislator Walker. We have four other  
8       legislators right now that have comments but  
9       just before we get to them, Mr. Miles, you  
10      referenced an error that happened in 2010  
11      where a county property was on the tax roll;  
12      is that correct?

13                  MR. MILES:       Yeah. I believe the  
14      county property was considered taxable.

15                  LEGISLATOR FERRETTI:     Who was the  
16      county assessor at that time?

17                  MR. MILES:       I don't recall.

18                  LEGISLATOR FERRETTI:     It was Mr.  
19      Jankowski. Do you know if he was elected or  
20      appointed to office?

21                  MR. MILES:       I don't know.

22                  LEGISLATOR FERRETTI:     He was  
23      appointed just so you know. Perhaps there's a  
24      trend there. Before we get to Legislator  
25      Rhoads --



1       Veterans and Finance - 1-25-21

2                   MR. MILES:       I don't think whether  
3   an assessor is appointed or elected has any  
4   relevance to the fact that the computer system  
5   caused an error when our mid-level staff were  
6   working on the process.   I don't think an  
7   elected assessor or an appointed assessor has  
8   any relevance to mid to lower level staff  
9   working on exemptions and taxable value.

10                   LEGISLATOR FERRETTI:       I respect  
11   your opinion and I hope you have an  
12   opportunity to voice that opinion at the  
13   ballot box in a referendum hopefully not in  
14   the too distant future.

15                   But just going on, before we get to  
16   Legislator Rhoads who is next, just so you  
17   realize the impact, I don't know if you know  
18   this or not, I want to give you a couple of  
19   properties that we've identified as having  
20   this veterans exemption error.

21                   Property number one.   In 2020, I  
22   don't know if you have a pen and paper, it  
23   might help if you just jot it down.

24                   MR. MILES:       Would your staff send  
25   me the properties --

1 Veterans and Finance - 1-25-21

2 LEGISLATOR FERRETTI: No

3 different properties.

4 MR. MILES: -- in an email?

5 LEGISLATOR FERRETTI: So property  
6 number one the school taxes in 2020.

7 MR. MILES: Wait, I'm sorry  
8 legislator. I lost the last -- I asked if you  
9 can have legislative staff send me the  
10 properties so I can look at them.

11 LEGISLATOR FERRETTI: Sure.  
12 Absolutely. Property number one. The school  
13 taxes for 2020 after STAR \$3,247.60. In  
14 '20-'21 those school taxes went down  
15 presumably as a result of the reassessment to  
16 \$2,759.69. Approximately \$1,000. Again, this  
17 property has this veterans exemption.

18 2020 general taxes, \$1,362.51.  
19 '20-'21 general taxes, \$3,109.39. So in this  
20 example we're seeing a reduction in school  
21 taxes, which as we know is about 67, 68  
22 percent of the entire tax bill, in about  
23 \$1,000. But the general taxes shot up from  
24 about \$1,000 to \$3,000. Massive, massive  
25 hit. That's a \$2,000 difference. That's just

1 Veterans and Finance - 1-25-21

2 one example.

3 Another example. This is the last  
4 one. I won't bore you with all the examples.  
5 I'll just do two and then we'll go to  
6 Legislator Rhoads. This example the 2020  
7 school taxes property two, again with the same  
8 exemption, \$3,020 in 2020 school taxes.  
9 '20-'21, 1,873. So about a \$1,200  
10 reduction. But when you get to the general  
11 taxes, \$2,132.26 in 2020. In '20-'21,  
12 \$4,093. So again, an approximate \$2,000  
13 difference. That's substantial. These are  
14 not minor errors. These are errors that,  
15 quite frankly, they could put veterans and  
16 their families out of their homes.

17 Before we get to Legislator Rhoads,  
18 I want to just once again ask for a list of  
19 these 4,000 properties. It's very important  
20 we get them. I understand that the outreach  
21 hasn't been done to these houses and these  
22 properties and their families. If it's not  
23 going to be done soon, the ones in my district  
24 I'm going to reach out to every one of them.  
25 So please, if you can get us that list.

1 Veterans and Finance - 1-25-21

2 MR. MILES: You will be receiving  
3 the correction of error resolutions soon.  
4 Like I said, they will have all the  
5 information.

6 LEGISLATOR FERRETTI: Thank you.  
7 Legislator Rhoads.

8 LEGISLATOR RHOADS: Thank you Mr.  
9 Chairman. Good morning. Still morning.  
10 Good. Mr. Miles, why are you here this  
11 morning?

12 MR. MILES: I'm here because I'm  
13 the deputy assessor for the Department of  
14 Assessment.

15 LEGISLATOR RHOADS: You're not  
16 the only deputy assessor, right?

17 MR. MILES: I'm not the only.  
18 I'm here because of my handsomeness.

19 LEGISLATOR RHOADS: Without  
20 question. But how many deputy assessors are  
21 there, Mr. Miles?

22 MR. MILES: I believe it's  
23 probably between four and six.

24 LEGISLATOR RHOADS: There are  
25 other deputy assessors that were available to

1       Veterans and Finance - 1-25-21

2       come today, correct?

3                   MR. MILES:       I believe so. I  
4       didn't check their schedules but I'm sure some  
5       of them were.

6                   LEGISLATOR RHOADS:       You've been  
7       with the county for three years I believe you  
8       said?

9                   MR. MILES:       Yeah, three years  
10      legislator.

11                  LEGISLATOR RHOADS:       Part of that  
12      time was spent in the county attorney's  
13      office, right?

14                  MR. MILES:       Yes.

15                  LEGISLATOR RHOADS:       And you're  
16      now counsel to the Department of Assessment,  
17      correct?

18                  MR. MILES:       I have been counsel  
19      since I was at the county attorney's office.  
20      The previous county attorney appointed me to  
21      that job.

22                  LEGISLATOR RHOADS:       You've got  
23      three years as counsel to the Department of  
24      Assessment whether it's in the county  
25      attorney's office or within the Department of

1       Veterans and Finance - 1-25-21

2       Assessment itself, correct?

3               MR. MILES:       Correct.

4               LEGISLATOR RHOADS:       You're listed  
5       as deputy assessor but in your education and  
6       background, sort of getting back to a point  
7       that Alternate Deputy Presiding Officer Kopel  
8       sort of led off the questioning with, you have  
9       no background in assessment, right?

10              MR. MILES:       I believe I have a  
11       background now in assessment.

12              LEGISLATOR RHOADS:       In terms of  
13       your education, you went to law school, you  
14       became a lawyer. In your undergraduate work  
15       it wasn't in assessment, right?

16              MR. MILES:       Correct. But a lot  
17       of people fall into this field. Many of our  
18       field staff started out as real estate agents  
19       or brokers and then they came into this  
20       department and learned how to apprise and  
21       assess and they've been doing it well for a  
22       while now.

23              LEGISLATOR RHOADS:       Have you  
24       taken any classes in assessment?

25              MR. MILES:       I have taken classes.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR RHOADS: Do you  
3 actually participate in any of the assessing  
4 of property or is your work with the  
5 Department of Assessment largely as counsel?

6 MR. MILES: It's largely as  
7 counsel.

8 LEGISLATOR RHOADS: So, other  
9 deputy assessors that are here, would it be  
10 fair to say they have a better technical  
11 knowledge of the Department of Assessment and  
12 how assessing is actually done?

13 MR. MILES: I think I have a  
14 pretty sound technical knowledge of assessment  
15 based on the legal background and based on my  
16 training in taking classes for assessing. But  
17 there's other people who have great valuation  
18 knowledge as well.

19 LEGISLATOR RHOADS: Obviously  
20 we're asking a lot of technical questions  
21 today because we want to make sure that we get  
22 an understanding. We want to make sure the  
23 public has an understanding of what went on  
24 with respect to this particular assessment and  
25 how assessment in general is done. Obviously

1 Veterans and Finance - 1-25-21

2 that was the purpose of today's hearing you  
3 would assume that, right?

4 MR. MILES: Yes.

5 LEGISLATOR RHOADS: Would it not  
6 have been better to have one of the deputy  
7 assessors with more background knowledge about  
8 the technical aspects of assessing?

9 MR. MILES: I think I'm doing a  
10 great job legislator.

11 LEGISLATOR RHOADS: For your  
12 understanding yes, you're doing a great job I  
13 would say. However, where is Robin Laveman  
14 today?

15 MR. MAY: Legislator, the  
16 chairperson would have preferred to be here  
17 herself but she is in class preparing  
18 certification as a New York State assessor.

19 LEGISLATOR RHOADS: So, she is in  
20 class today learning how to do the job that  
21 she's been appointed for?

22 MR. MAY: I would disagree with  
23 that characterization legislator.

24 LEGISLATOR RHOADS: If she's  
25 taking classes to be a certified assessor to



1 Veterans and Finance - 1-25-21

2 replace the certified assessor that we had is  
3 she not obtaining training to do the job that  
4 she's been appointed for?

5 MR. MAY: I don't know that I can  
6 characterize it as training. She is preparing  
7 to get the certification.

8 LEGISLATOR RHOADS: What would  
9 you call taking classes, Mr. May?

10 MR. MAY: Well, the statute does  
11 allow for a period of time for an assessor to  
12 achieve that certification and still fit their  
13 qualifications. To that extent, I would  
14 disagree that she is not qualified.

15 MR. MILES: Actually, Legislator  
16 Rhoads, if you don't mind me chiming in, we  
17 have several assessors who have taken or plan  
18 on taking the IAO certification and they take  
19 this class as well. It's almost like a bar  
20 prep. It's a prep for the test, not a prep  
21 for the knowledge.

22 LEGISLATOR RHOADS: Why aren't  
23 they testifying today?

24 MR. MILES: I'm sorry?

25 LEGISLATOR RHOADS: You said you

1       Veterans and Finance - 1-25-21

2       have several assessors who have applied for  
3       and received this certification within your  
4       department. Why do we not have one of them  
5       testifying today?

6                   MR. MILES:       I'm a great deputy  
7       assessor and I'm doing a great job here.

8                   LEGISLATOR RHOADS:    I appreciate  
9       the level of confidence you have in your own  
10      abilities, Mr. Miles. But when we're asking  
11      specific questions about how an assessment is  
12      conducted and many of the answers that we're  
13      receiving are I don't know, I'll have to  
14      check, it would be nice at the hearing if we  
15      actually had the answers to those questions  
16      since we all knew what this hearing was about.

17                   MR. MILES:       I think actually I've  
18      answered all the questions in terms of how  
19      assessments are done and how we do them and  
20      inventory and data. I think I've actually  
21      answered every question.

22                   LEGISLATOR RHOADS:    I'm happy  
23      that you're satisfied with your performance  
24      but I can tell you that I haven't been  
25      satisfied with your performance. Again, it's

1       Veterans and Finance - 1-25-21  
2       not a personal criticism of you. Obviously  
3       you're testifying with respect to your breath  
4       of knowledge but there are clearly other  
5       individuals within the department and I would  
6       have hoped the assessor designee would have  
7       been one of them who could have appeared today  
8       to give us a better understanding of what it  
9       is that we're looking for.

10               Incidentally, the class or the prep  
11       test or prep that the assessor designate is  
12       taking now is that a class that county  
13       taxpayers are paying for?

14               MR. MAY:       I don't know.

15               LEGISLATOR RHOADS:       Is the  
16       assessor designate on county time taking that  
17       class?

18               MR. MAY:       That I don't know.

19               LEGISLATOR RHOADS:       Mr. Miles,  
20       you had testified earlier with respect to the  
21       discrepancy between the tax impact notices  
22       that were sent out to taxpayers, which  
23       understandably were an estimate based on I  
24       think it was the '19-'20, I guess the initial  
25       ones were based originally on '17-'18 and

1 Veterans and Finance - 1-25-21

2 eventually as it progressed but originally  
3 based on '19'-'20.

4 The discrepancy between those tax  
5 impact notices and the actual taxes that came  
6 out as part of the general taxes for the  
7 '20-'21 school year when they came out in  
8 November, and I believe you said that the  
9 reason for the discrepancy was a change in  
10 school budgets; is that correct?

11 MR. MILES: I would say a lot of  
12 it has to do with the change in the school  
13 budget.

14 LEGISLATOR RHOADS: My question  
15 for you is, I'm going to use myself as an  
16 example. My tax impact notice when it was  
17 received '19-'20 projected there would be a  
18 decrease in my taxes by about \$2,000. The  
19 actual decrease that I received was about  
20 \$50. In my total tax bill that was a  
21 discrepancy probably of around 15 percent  
22 between the tax impact notice and the actual  
23 taxes that I received. I live in Bellmore.  
24 The Bellmore school district increased their  
25 budget by 1.90 percent.

1 Veterans and Finance - 1-25-21

2 MR. MILES: Yes.

3 LEGISLATOR RHOADS: I can tell  
4 you that Freeport was 1.85 percent. Merrick  
5 was 3.43 percent. North Merrick was 3.23  
6 percent. Seaford was 3.32. Wantagh was  
7 1.78. All of these increases in budgets  
8 really didn't exceed more than three percent  
9 in many occasions and some were actually below  
10 two percent.

11 If school taxes are the result of  
12 there being a discrepancy between the tax  
13 impact notices and the actual taxes that are  
14 charged, how can you say that it's the school  
15 budgets that are responsible for a 15 percent  
16 increase when all of the increases were  
17 somewhere in the one, two or three percent  
18 range? That doesn't make sense.

19 MR. MILES: By the way, I don't  
20 want to pinpoint specific school districts  
21 because I don't know what their circumstances  
22 were this year.

23 LEGISLATOR RHOADS: The budgets  
24 are actual numbers. You kind of made a sort  
25 of clear and defined statement that the reason

1       Veterans and Finance - 1-25-21  
2       that there was such a big discrepancy between  
3       the tax impact notices and the actual taxes  
4       that were charged was because of school  
5       budgets. School budgets increased anywhere  
6       from one to three percent. At least in my  
7       area. In fact, Newsday has reported that  
8       countywide school district budgets increased  
9       by about two percent on average, slightly over  
10      two percent. Yet there seemed to be  
11      discrepancies in the area of around 15 percent  
12      between, at least mine, between tax impact  
13      notices and the amount that was actually  
14      charged. How is there a correlation between  
15      the two?

16                   MR. MILES:     I don't think it's  
17      generally 15 percent difference between the  
18      two. Remember, when we talk about assessments  
19      and you and I have had long conversations  
20      about assessments and the relationships  
21      between assessment and taxes and your  
22      neighbors. It's dependent upon your  
23      individual assessed value as compared to  
24      everybody else in your school district or the  
25      assessing unit. And you compare your

1       Veterans and Finance - 1-25-21

2       assessment to the tax levy and that's where  
3       your taxes come from.

4                       So, I don't think it's on average  
5       15 percent, ten percent, two percent, one  
6       percent. The assessment is very  
7       individualistic as you and I have discussed  
8       and many of the legislators here. It's a  
9       case-by-case basis when it comes to how the  
10      tax levy affects you when you compare your  
11      assessment to everyone else in the district.

12                   LEGISLATOR RHOADS:     But everybody  
13      else in the district is receiving substantial  
14      tax increases. While the county executive and  
15      the assessor testified that the splits between  
16      those going up and those going down would be  
17      somewhere in the area of around 52-48. In a  
18      community like Bellmore we are seeing that 74  
19      percent of homeowners actually received a tax  
20      increase, whereas, 26 percent received a  
21      decrease.

22                   MR. MILES:     I think the  
23      percentages were all averages. When you  
24      compare district to district I think you have  
25      to look at the individual parcels and you have

1       Veterans and Finance - 1-25-21

2       to see the level of increase. Because, you  
3       know, 60 percent, 75 percent, 50 percent it  
4       could be \$10 or \$100 or \$50, I don't know. I  
5       can't pontificate.

6                   LEGISLATOR RHOADS:       Do you have  
7       that breakdown?

8                   MR. MILES:       As discussed earlier,  
9       we will be gathering that information for  
10      Legislator Birnbaum and Legislator Ferretti.

11                  LEGISLATOR RHOADS:       With all due  
12      respect, we were asking for that breakdown  
13      months ago. In fact, the last time that the  
14      assessor came to testify, at that time  
15      assessor Moog came to testify, that was one of  
16      the things that was requested specifically by  
17      the legislature.

18                  MR. MILES:       I believe I just got  
19      a request from counsel a few days ago. I've  
20      gotten this request today. I will be putting  
21      that information together.

22                  LEGISLATOR RHOADS:       When we asked  
23      the questions a couple of months ago, the last  
24      time that the assessor was here, why is the  
25      Department of Assessment waiting for a formal



1       Veterans and Finance - 1-25-21  
2       request from counsel as opposed to simply  
3       responding to the requests from legislators  
4       that are made on the record at a hearing? It  
5       would have been nice to have that information  
6       today so that we could actually -- it would  
7       have been nice to have that information today  
8       so that we're not talking in the abstract, we  
9       could be talking about actual numbers.

10                   MR. MILES:     Like I said, I didn't  
11       get the previous request but I have it now a  
12       few days ago and now. So we will be working  
13       on it.

14                   LEGISLATOR RHOADS:     My overall  
15       point is that you have made the statement  
16       today that the county executive actually has  
17       also made claiming that the increases, the  
18       substantial reason for the increases that  
19       people are seeing in their taxes is because of  
20       school tax rates. School budget increases.  
21       So, when we're talking to homeowners who've  
22       received a five, ten, 20, 30 in some cases 100  
23       percent increase in their taxes and you see  
24       that school tax increases are anywhere from  
25       one to three percent how do those two things

1 Veterans and Finance - 1-25-21

2 equate?

3 MR. MILES: I don't know if it's  
4 one or three percent. I've seen it as high as  
5 five percent in certain districts and like I  
6 said I'm not going to --

7 LEGISLATOR RHOADS: According to  
8 Newsday the highest was in Seaford at 3.5  
9 percent.

10 MR. MILES: I think there's  
11 others that are slightly higher. But like I  
12 said, I'm not going to pinpoint certain  
13 districts.

14 LEGISLATOR RHOADS: You mean  
15 Newsday could be wrong?

16 MR. MILES: No. I have to look  
17 back at the Newsday article.

18 LEGISLATOR RHOADS: Assume for  
19 the purposes of my question that I'm right and  
20 that Newsday is correct and that three and a  
21 half percent is the largest increase. When  
22 you're talking to residents who are facing,  
23 and certainly in a community like Bellmore  
24 where you're facing certainly more substantial  
25 increases than a three percent change in your

1 Veterans and Finance - 1-25-21

2 school taxes, how can either you or the county  
3 executive justify claiming that that's because  
4 of an increase in school taxes?

5 MR. MILES: Remember, one of the  
6 main variables changes. The school district  
7 levy changes. The impact to the individual is  
8 dependent upon their assessment as compared to  
9 everyone else. When you see one of the main  
10 variables switching you can probably make an  
11 educated guess, if not stronger than that,  
12 that the difference in the school district  
13 taxes is going to adjust your projections and  
14 your estimates. As you stated before, we were  
15 estimating using the '17-'18 tax bill. The  
16 schools have increased two, four, six percent  
17 since the '17-'18 school taxes.

18 LEGISLATOR RHOADS: Mr. Miles, it  
19 hasn't adjusted ten percent, 20 percent, 30  
20 percent, 50 percent. I'm getting calls from  
21 residents who have seen an increase in their  
22 school taxes by three, four, five, \$6,000.  
23 That's not because of tax rates. That's not  
24 because the school district budget has  
25 increased by that amount. That's because the

1 Veterans and Finance - 1-25-21

2 assessment caused that.

3 MR. MILES: No, I don't think  
4 it's the assessment caused that. I think it's  
5 the case-by-case individual -- it's an  
6 individual relationship between your  
7 assessment and the tax levy.

8 LEGISLATOR RHOADS: But it's an  
9 individual relationship that 74 percent of  
10 homeowners within the Bellmore school district  
11 are facing right now. You keep citing to it  
12 being an individual case. But when an  
13 individual case is multiplied throughout an  
14 entire community it has to be looked on a  
15 macro level not on an individual level. Why  
16 is that the case?

17 MR. MILES: We can't say that 75  
18 percent of individuals received a, you know,  
19 ten percent increase where the majority of  
20 them could have received a one or two percent  
21 increase.

22 LEGISLATOR RHOADS: So you're  
23 going to try to get us that information then?

24 MR. MILES: Yes. Like I said, I  
25 received the request a few days ago and I have

1       Veterans and Finance - 1-25-21

2       this request now, and I will work with the  
3       internal IT division and accounting division  
4       to ascertain that information.

5                   LEGISLATOR RHOADS:     Can you work  
6       with our Office of Legislative Budget Review  
7       on that as well?

8                   MR. MILES:       Absolutely.

9                   LEGISLATOR RHOADS:     How long do  
10      we expect it's going to take to receive that  
11      information?

12                  MR. MILES:       I'll have to ask the  
13      accounting and IT divisions.

14                  LEGISLATOR RHOADS:     Because I  
15      want to make sure that at some point in time  
16      we're having a follow-up so that we can ask,  
17      with the information in hand, we can ask some  
18      more intelligent questions about how we got to  
19      where we got. I would like to have a general  
20      time frame of when that would be.

21                  MR. MILES:       I will provide that  
22      to your counsel.

23                  LEGISLATOR RHOADS:     How long do  
24      you think it's going to take to get the  
25      estimate?

1 Veterans and Finance - 1-25-21

2 MR. MILES: I'd have to talk with  
3 people who work with technology and  
4 accounting.

5 LEGISLATOR RHOADS: So a week?

6 MR. MILES: I'm not going to  
7 estimate. I'd have to ask them first. We're  
8 in the middle of finishing up exemptions for  
9 '21-'22 year and finalizing the '22  
10 assessment roll. I have to see what's going  
11 on with those important individuals.

12 LEGISLATOR RHOADS: Legislator  
13 Ferretti asked you before about the assessor  
14 back in 2010, Mr. Janowski, right? And there  
15 was a \$1.3 million mistake apparently that was  
16 made in listing a county property on the tax  
17 rolls which obviously should not be part of  
18 the tax rolls and that created a mistake for  
19 the taxpayers of the county, right?

20 MR. MILES: Yes. And that was an  
21 Adapt-related issue.

22 LEGISLATOR RHOADS: As a result  
23 of that Adapt-related issue for that \$1.3  
24 million the appointed county assessor, Mr.  
25 Jankowski, was fired. Were you aware of

1 Veterans and Finance - 1-25-21

2 that?

3 MR. MILES: I don't believe he  
4 was fired for the 1.3 but I don't know. I  
5 can't ask the former county executive why he  
6 fired his assessor ten years ago.

7 LEGISLATOR RHOADS: Again, I'm  
8 basing it on Newsday's reporting at the time  
9 as being the justification for his firing. At  
10 least according to Newsday, we know that the  
11 prior county assessor was fired for a \$1.3  
12 mistake. So let's talk about the mistakes  
13 that we have now in this roll.

14 MR. MILES: Legislator, that's  
15 not the only error that's occurred because of  
16 Adapt from 2010. There have been a few, like  
17 I said before, there has been a mixing of  
18 special districts, people who should have  
19 received exemptions who didn't and were  
20 restored. So, this is not an issue unique to  
21 this administration. The Adapt programing has  
22 caused issues in the past.

23 LEGISLATOR RHOADS: I understand  
24 that the Adapt program has caused issues in  
25 the past and it's nice for us to be able to

1       Veterans and Finance - 1-25-21  
2       continue and say well, it's the Adapt system  
3       and we can only work with what we have. You  
4       would agree with the statement that whatever  
5       technological improvements have been requested  
6       by the administration and by the Department of  
7       Assessment to this legislature the legislature  
8       has granted authority to upgrade their  
9       systems, right?

10                   MR. MILES:       I understand but --

11                   LEGISLATOR RHOADS:       We've given  
12       you, Mr. Miles, everything that the Department  
13       of Assessment has asked for. Can you think of  
14       an instance of anything that we've not  
15       provided you?

16                   MR. MILES:       I appreciate the  
17       resources that have been allocated to this  
18       department and is helping it and we  
19       continue --

20                   LEGISLATOR RHOADS:       So if we've  
21       known that the Adapt system is a problem why  
22       did we not ask for an improvement in the Adapt  
23       system?

24                   MR. MILES:       The Adapt system is  
25       so integral to three different departments



1       Veterans and Finance - 1-25-21  
2       that untangling it and creating a new program  
3       or overhauling this program is a substantial  
4       project. It won't take a blink of an eye or  
5       snap of the fingers. It would take a while if  
6       we're overhauling Adapt or asking Tyler  
7       Technologies to adjust the Adapt or moving on  
8       to another program. It would take a very long  
9       time to adjust the system because it's so  
10      integral and because the assessing unit and  
11      its other municipalities are very complex.

12                   LEGISLATOR RHOADS:     Has anybody  
13      undertaken an analysis at this point? If the  
14      Adapt system is creating and every assessment  
15      apparently that we do is throwing out errors  
16      that result in negative consequences for  
17      taxpayers, have we at least started the  
18      process of taking a look at the Adapt system  
19      and making changes to it or overhauling the  
20      system entirely and going with a different  
21      system?

22                   MR. MILES:       Yes, we have been.  
23      We are discussing changes to Tyler  
24      Technologies. I've anecdotally look at other  
25      potential programs. So, there is a process.

1 Veterans and Finance - 1-25-21

2 But it would take a very long time to untangle  
3 the Adapt system. You don't want to  
4 negatively impact the Assessment Review  
5 Commission's operations or the treasurer's  
6 operation.

7 LEGISLATOR RHOADS: I guess my  
8 concern is that if we know that for at least  
9 the last ten years the Adapt system has been  
10 throwing out errors and we know that it's  
11 going to take a long time to be able to change  
12 the Adapt system have we started to make any  
13 changes to the Adapt system or are we simply  
14 saying that it's too hard?

15 MR. MILES: I don't think the  
16 answer is it's too hard. I think it takes a  
17 very thorough review of what to do and how  
18 we're going to do it.

19 LEGISLATOR RHOADS: What's the  
20 Department of Assessment's timeframe as to  
21 when we can expect revisions to the Adapt  
22 system?

23 MR. MILES: So sorry. I lost you  
24 again.

25 LEGISLATOR RHOADS: What is the

1       Veterans and Finance - 1-25-21  
2       Department of Assessment's timeframe as to  
3       when we can expect revisions to the Adapt  
4       system?

5                   MR. MILES:       I will go back and  
6       talk to the IT division who works with it on a  
7       regular basis.

8                   LEGISLATOR RHOADS:       Is there any  
9       timetable within the Department of  
10      Assessment? You've indicated that you started  
11      that review. Is there any kind of one-year  
12      plan, two-year plan, five-year plan as to when  
13      we can expect there to be revisions?

14                  MR. MILES:       No timetable yet but  
15      I will talk to the technologists in our  
16      department.

17                  LEGISLATOR RHOADS:       Because  
18      obviously you understand, Mr. Miles, and I'm  
19      sure Mr. Moog understood, at least I hope  
20      everybody did, that every time one of these  
21      problems occur these are real people who have  
22      to pay more than their fair share of taxes  
23      that we then at county taxpayer expense have  
24      to go back and fix these mistakes.

25                  As much as we would like to say

1       Veterans and Finance - 1-25-21

2       hey, it's the computer's problem, the computer  
3       works for the Department of Assessment. At  
4       some point in time it has to become the  
5       Department of Assessment's problem. It has to  
6       become the county's problem. It has to become  
7       our government's problem to try and fix what  
8       we know is a system that isn't working. You  
9       would agree with that, right?

10                   MR. MILES:     I agree that we have  
11       to look at this program and see what we can  
12       potentially do to improve it or move on from  
13       it.

14                   LEGISLATOR RHOADS:     If we know  
15       that the computer system continues to make  
16       mistakes, why is it before the actual roll is  
17       finalized do we not go back and review, at  
18       least a sampling, to make sure that with  
19       respect -- and it seems to be occurring with  
20       respect to exemptions -- why aren't we going  
21       back and taking a look at each exemption and  
22       doing a sampling of those properties to ensure  
23       that the exemption is being applied properly?

24                   MR. MILES:     I believe there is  
25       sampling done. We reviewed the assessment and

1       Veterans and Finance - 1-25-21

2       the percentages of the assessment.

3                   LEGISLATOR RHOADS:       For the  
4       veterans exemption that we're talking about  
5       we've identified that there is now 4,000  
6       veterans who had to pay thousands of dollars  
7       more than they had to pay. Take money out of  
8       their pocket. Many are seniors. Many are on  
9       fixed incomes. Probably paying money that  
10      they didn't have to pay their taxes and we're  
11      throwing up our hands and saying sorry, it's a  
12      mistake and we'll get you a check whenever we  
13      figure out how we're going to get you paid.

14                   MR. MILES:       I don't agree with  
15      the characterization that we're just throwing  
16      up our hands. I think we're concerned. We're  
17      upset about it. Like I told Legislator  
18      Walker --

19                   LEGISLATOR RHOADS:       I guess my  
20      point is, we're all concerned about it but our  
21      concern doesn't make up for the thousands of  
22      dollars they had to take out of their  
23      pockets -- who knows where they came up with  
24      it from -- and now they're waiting on us to  
25      pay them back. The concern is great but

1       Veterans and Finance - 1-25-21

2       concern doesn't pay the bills.

3                   One, when are we getting them their  
4       money back? But two, when are we going to  
5       make sure that these mistakes aren't going to  
6       be made in the first place?

7                   MR. MILES:     The budget question I  
8       think has to be asked of OMB. But the  
9       technology is -- we continue to build up our  
10      staff, continue to train people, continue to  
11      look at these issues. Some of these issues  
12      are extraordinarily unique. An exemption not  
13      being applied to certain special districts is  
14      just a very unique situation.

15                   But in response to that, we moved  
16      quickly in analyzing the situation and we're  
17      putting together the resolutions that should  
18      be filed relatively shortly and we are  
19      finding, based on every systematic issue  
20      that's coming up with Adapt, we come up with a  
21      response in kind.

22                   So, I think we got to keep on  
23      increasing the quality controls in the unit  
24      and we're looking into ways to improve the  
25      Adapt technology, if not move on from Adapt

1 Veterans and Finance - 1-25-21

2 technology.

3 LEGISLATOR RHOADS: Just so I  
4 understand your testimony, with respect  
5 specifically to the veterans exemption, it's  
6 your understanding that there was sampling  
7 that was performed with respect to how the  
8 Adapt system was analyzing veterans  
9 exemptions?

10 MR. MILES: I'm not aware of the  
11 level of sampling that was done with the  
12 exemptions. There's 70,000 veterans  
13 exemptions.

14 LEGISLATOR RHOADS: Do you know  
15 whether there is? Is there sampling that's  
16 performed?

17 MR. MILES: We quality control  
18 the assessment rolls and the tax rolls. This  
19 is just an extraordinarily unique situation  
20 where a certain exemption wasn't applied to a  
21 special district where that is the case for  
22 some of the exemptions but not for this one.  
23 I think the uniqueness of the systematic error  
24 caused a problem.

25 But, you know, we are working

1 Veterans and Finance - 1-25-21

2 towards solutions not for this but for any  
3 problems that we foresee and we just continue  
4 to develop the department and improve.

5 LEGISLATOR RHOADS: I guess part  
6 of my concern is that we are being very  
7 reactive. After the fact we're trying to  
8 figure out why a problem occurred and trying  
9 to come up with a solution so that the problem  
10 doesn't happen again. That's a strategy and  
11 obviously that's something that we should be  
12 doing. But the other component to that is  
13 trying to be proactive in making sure that the  
14 mistake doesn't happen in the first place. Or  
15 if the mistake does happen that the mistake is  
16 discovered before the roll actually goes  
17 final.

18 MR. MILES: I think we're taking  
19 actions to be more proactive. Like I said  
20 before, it's a very unique problem where an  
21 exemption is not applied to certain special  
22 districts when generally some of those are not  
23 but this one should have been. It's an  
24 extremely unique situation. I don't think  
25 anyone in the department has seen a situation



1       Veterans and Finance - 1-25-21

2       like this. Very unique. Very particular.

3       But we're going to put controls in so that  
4       this and similar issues, like you said, be  
5       proactive and make sure things like this don't  
6       happen again.

7                   LEGISLATOR RHOADS:       We think that  
8       this particular mistake is going to be a \$5  
9       million mistake for county taxpayers, right?  
10      That was your estimate?

11                  MR. MILES:       That is the estimate  
12      given to me.

13                  LEGISLATOR RHOADS:       Back in  
14      December, last month, we actually had to fix  
15      the assessment on two properties, the Seasons  
16      at Seaford and Mill Pond in Port Washington  
17      because there was another error where these  
18      properties were assessed as new construction  
19      and therefore did not receive the benefits of  
20      the phase-in and therefore received erroneous  
21      property tax bills. And that correction that  
22      we passed was about \$2.7 million in liability  
23      to the county as well, right?

24                  MR. MILES:       Yes. 2.7.

25                  LEGISLATOR RHOADS:       We've got

1 Veterans and Finance - 1-25-21

2 this \$5 million mistake. We got another \$2.7  
3 million mistake that we've now had to fix at  
4 county taxpayer expense. And that is where  
5 the money comes from, right? I know you don't  
6 know what fund it comes out of but regardless  
7 of what fund it comes out of it's not like the  
8 county is manufacturing widgets, right? We  
9 don't manufacture anything. Every dollar that  
10 we spend is a dollar that comes from  
11 taxpayers, right?

12 MR. MILES: We'd have to talk to  
13 budget about where money comes from but yes,  
14 taxpayers pay taxes to fund the county.

15 LEGISLATOR RHOADS: We are in  
16 agreement on that general thing, right? So  
17 it's county taxpayers, regardless of what fund  
18 it comes out of, it's county taxpayer money  
19 that ultimately winds up having to pay back  
20 the mistakes that we make in our assessment,  
21 right?

22 MR. MILES: The taxes from the  
23 county.

24 LEGISLATOR RHOADS: So, now we're  
25 aware of these two mistakes. Do we have

1 Veterans and Finance - 1-25-21

2 anything else coming down the pike?

3 MR. MILES: The team has been  
4 working to review any and all potential  
5 programatic issues. So far they have not seen  
6 anything else.

7 LEGISLATOR RHOADS: As you sit  
8 here today you're aware of there being no  
9 other issues with respect to how the tax bills  
10 were calculated?

11 MR. MILES: Right.

12 LEGISLATOR RHOADS: If there is  
13 something else that comes down the pike that  
14 would be a surprise to you at least at this  
15 point?

16 MR. MILES: I have confidence in  
17 the group. Like I said, there is correction  
18 of error resolutions coming down for the  
19 veterans. There were clergy that was affected  
20 as well. Those resolutions are coming down  
21 for the clergy and the veterans.

22 LEGISLATOR RHOADS: What was the  
23 mistake with respect to the clergy?

24 MR. MILES: Same issue.

25 LEGISLATOR RHOADS: For the

1 Veterans and Finance - 1-25-21

2 clergies that's not a partial exemption that's  
3 a full exemption, right?

4 MR. MILES: It's supposed to be a  
5 partial exemption but the way that the statute  
6 is written a lot of it is wholly exempt.

7 LEGISLATOR RHOADS: How many  
8 homeowners does this affect?

9 MR. MILES: I think about 800.

10 LEGISLATOR RHOADS: What do we  
11 approximate the total cost to be to county  
12 taxpayers?

13 MR. MILES: I apologize. I  
14 combined the impact for the two.

15 LEGISLATOR RHOADS: For veterans  
16 and the clergy?

17 MR. MILES: Yes.

18 LEGISLATOR RHOADS: That's  
19 included within the five million?

20 MR. MILES: Yes.

21 LEGISLATOR RHOADS: Now, when  
22 these corrections are made how is that going  
23 to impact residents' second half tax bills?

24 MR. MILES: I'm sorry, I lost you  
25 at the end.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR RHOADS: How is this  
3 going to affect residents' second half tax  
4 bills?

5 MR. MILES: The second half tax  
6 bills will be corrected.

7 LEGISLATOR RHOADS: With respect  
8 to the correction, does the difference get  
9 spread out among other taxpayers or is the  
10 county going to be footing the bill for the  
11 second half as well?

12 MR. MILES: Correct.

13 LEGISLATOR RHOADS: So, all of  
14 the refunds that are due to taxpayers we not  
15 only have to pay the refund to the individual  
16 taxpayer who overpaid as a result of the  
17 Department of Assessment's error but we also  
18 have to make the individual taxing  
19 jurisdictions whole on the second half?

20 MR. MILES: Correct. That is  
21 included in the \$5 million. That's my  
22 understanding.

23 LEGISLATOR RHOADS: That's your  
24 understanding. Bear with me. We covered a  
25 lot of ground so far between all the questions

1 Veterans and Finance - 1-25-21

2 you've been asked. I'm just trying to not go  
3 over things we've gone over before.

4 MR. MILES: I understand. I  
5 appreciate that.

6 LEGISLATOR RHOADS: Has the  
7 Department of Assessment done any analysis  
8 with respect to the impact notices that were  
9 sent out as to how many people based upon the  
10 tax impact notices were going to receive a  
11 percentage increase over a decrease?

12 MR. MILES: I don't have that  
13 report.

14 LEGISLATOR RHOADS: There is a  
15 report however that was done, correct?

16 MR. MILES: I believe I'm  
17 producing that report.

18 LEGISLATOR RHOADS: This is based  
19 on the tax impact notices that went out two  
20 years ago, right? At the time those tax  
21 impact notices went out was there any kind of  
22 breakdown within the Department of Assessment  
23 as to how many people were expected to receive  
24 a tax increase versus a decrease in individual  
25 jurisdictions?

1 Veterans and Finance - 1-25-21

2 MR. MILES: I believe the numbers  
3 were 52 to 48.

4 LEGISLATOR RHOADS: That was  
5 overall but was there a breakdown -- and it  
6 turns out that 65-35 is the actual breakdown,  
7 right? So, those initial estimates were not  
8 exactly accurate, right?

9 MR. MILES: Remember, we talked  
10 about this earlier, projections based on  
11 previous school district budgets. So, the  
12 estimates change based on one of those major  
13 variables.

14 LEGISLATOR RHOADS: But at the  
15 time there was an analysis that was broken  
16 down by individual school district?

17 MR. MILES: I don't recall seeing  
18 that report.

19 LEGISLATOR RHOADS: At the time  
20 we were sending out tax impact notices as to  
21 what the anticipated impact would be on  
22 individual homeowners we didn't take a look at  
23 what the impact would be on individual  
24 communities?

25 MR. MILES: It could have been

1 Veterans and Finance - 1-25-21

2 but I did not see that report myself.

3 LEGISLATOR RHOADS: As general  
4 counsel is that something that typically would  
5 go to you?

6 MR. MILES: There's a lot of  
7 things that come my way in this department.

8 LEGISLATOR RHOADS: It's possible  
9 that that report does exist, you just don't  
10 recall having seen it?

11 MR. MILES: Correct.

12 LEGISLATOR RHOADS: And if that  
13 analysis does exist that's something that the  
14 Department of Assessment could provide to the  
15 legislature in a timely fashion?

16 MR. MILES: Yeah. I believe it  
17 was similar to the request that was made  
18 before. But I do request, as in the past,  
19 that counsel will provide me with the request  
20 from the legislature.

21 LEGISLATOR RHOADS: I'm sure that  
22 we will take that request under advisement.  
23 But that's something that obviously we're on  
24 the record today and we can certainly make a  
25 note of it. I want to make sure that we don't



1 Veterans and Finance - 1-25-21

2 lose track of that. You know that's something  
3 that we're going to be looking for?

4 MR. MILES: I'm attempting not to  
5 lose track of any of the reports or requests  
6 made. But it does help to have also counsel  
7 reaffirm.

8 LEGISLATOR RHOADS: We will make  
9 sure to get that to you Mr. Miles. This way  
10 there's no confusion. Can you also check,  
11 before we leave the topic of the mistake I  
12 guess with respect to veterans and with  
13 respect to I guess clergy are included in  
14 that, can you get us an answer as to when we  
15 would expect that residents that were victims  
16 of this mistake were going to be made whole?

17 MR. MILES: There's someone in  
18 the background talking. I couldn't hear.

19 LEGISLATOR RHOADS: With respect  
20 to the mistakes that were made in the veterans  
21 exemption and I guess the exemption as applies  
22 to clergy, is there a way for you to check to  
23 see when we expect that individuals are going  
24 to be made whole?

25 MR. MILES: We have to

1       Veterans and Finance - 1-25-21  
2       communicate with the treasurer's office and if  
3       we can get corrected bills out we would have  
4       to talk this out with the receivers.

5               LEGISLATOR RHOADS:     You'd have to  
6       talk it out with the receivers to get  
7       corrected bills out but I'm talking about the  
8       actual refund that's due to taxpayers to the  
9       amount that they overpaid.

10              MR. MILES:     Right. I'd have to  
11      talk to the treasurer's office.

12              LEGISLATOR RHOADS:     That's has  
13      nothing to with the receivers, right?

14              MR. MILES:     Right. Correct. The  
15      treasurer is separate from the receiver. The  
16      receiver does the issuance of the tax bills.

17              LEGISLATOR RHOADS:     Just so we're  
18      clear because there's been some confusion, at  
19      least in reports from the media, the mistakes  
20      that we're talking is not mistakes that were  
21      made by the receiver of taxes, correct?

22              MR. MILES:     I don't recall seeing  
23      any articles or reports from anyone saying  
24      that there is a mistake from the receiver and  
25      the one receiver who stated his concern I've

1 Veterans and Finance - 1-25-21

2 talked with said receiver. He was very  
3 gracious.

4 LEGISLATOR RHOADS: The point is  
5 the receivers of taxes are only putting out,  
6 when they calculate these tax bills, are only  
7 putting in information that they receive from  
8 our Department of Assessment, correct?

9 MR. MILES: Correct. They only  
10 take the data and they print paper.

11 LEGISLATOR RHOADS: In terms of  
12 the individual town receivers, if there are  
13 any errors with respect to the tax bills those  
14 errors are because of the information that  
15 they were provided, they're not errors that  
16 were made by the actual receivers of taxes,  
17 correct?

18 MR. MILES: I don't think I've  
19 ever made that representation.

20 LEGISLATOR RHOADS: I just want  
21 to make sure on the record that that's  
22 accurate.

23 MR. MILES: No. I definitely do  
24 not make that representation at all.

25 LEGISLATOR RHOADS: If you could

1       Veterans and Finance - 1-25-21  
2       get us the information again I would  
3       appreciate it. Only because what I'm hearing  
4       from residents is that when residents call the  
5       county executive's office they're being told  
6       to call their legislator. We're turning  
7       around and asking these questions so that we  
8       actually have information to be able to  
9       provide back to individual residents. So we  
10      need the information. If you can't get the  
11      information to us at least get the information  
12      to the county executive's office, so when  
13      residents call perhaps the county executive's  
14      office can answer the resident's question  
15      instead of sort of passing it off.

16                   Now, you had answered some  
17      questions earlier about the defensive values  
18      at ARC and the defensive values at SCAR.

19                   MR. MILES:     I'm not going to  
20      pontificate on ARC. They're an independent  
21      commission.

22                   LEGISLATOR RHOADS:     I understand  
23      that they're an independent commission. But  
24      I'm talking about specifically with respect to  
25      the Department of Assessment's position,

1 Veterans and Finance - 1-25-21

2 right? You indicated that the Department of  
3 Assessment provides evidence during these  
4 proceedings to defend its values, correct?

5 MR. MILES: Correct.

6 LEGISLATOR RHOADS: You were  
7 pretty consistent about that answer. The  
8 relevant question I think is, does the  
9 Department of Assessment change the evidence  
10 that it uses to defend those values from the  
11 evidence that it used to calculate those  
12 values in the first instance?

13 MR. MILES: You don't use  
14 evidence to produce values. You use evidence  
15 to defend the value. You use a large swath of  
16 market values and sales to produce the market  
17 value.

18 LEGISLATOR RHOADS: My question  
19 though is --

20 MR. MILES: It's common practice  
21 throughout New York State and many other  
22 jurisdictions and this is the procedure.

23 LEGISLATOR RHOADS: My question  
24 though is one really with respect to  
25 transparency. If the Department of Assessment

1       Veterans and Finance - 1-25-21  
2       at the time it creates the initial value is  
3       using a certain set of facts and information  
4       how is someone challenging that value supposed  
5       to know if the Department of Assessment  
6       changes it when it's trying to change its  
7       values?

8                   MR. MILES:       I don't think the  
9       department is changing its opinion of value.  
10      I don't think it's changing evidence. I think  
11      we use all the market sales when we do the  
12      mass appraisals. And then when we do the  
13      evidence at SCAR it's whittled down to five  
14      comparable sales. I don't think we are  
15      changing our opinion of values as I stated  
16      before. You have a large swath of market  
17      sales, comparable sales and then you whittle  
18      it down to five.

19                  LEGISLATOR RHOADS:       But does the  
20      department change the five values that it uses  
21      to defend its values?

22                  MR. MILES:       I don't think the  
23      department changes anything. The opinion  
24      remains the same. It's just the development  
25      of the defense. Our job there is just to

1 Veterans and Finance - 1-25-21

2 sustain the value that we placed on it when we  
3 placed the tentative roll.

4 LEGISLATOR RHOADS: Turning to  
5 the topic of new construction for a second,  
6 Mr. Miles. New construction was not  
7 considered to be part of the phase-in that the  
8 county executive sought approval for in  
9 Albany, correct?

10 MR. MILES: The law that is  
11 utilized by the county of Nassau is consistent  
12 with the reassessment exemption used in other  
13 jurisdictions. Which excludes physical  
14 improvement from the exemption.

15 LEGISLATOR RHOADS: So the answer  
16 is yes, new construction was included in the  
17 phase-in?

18 MR. MILES: Consistent with other  
19 laws, yeah.

20 LEGISLATOR RHOADS: It doesn't  
21 sound as though any potential account was  
22 taken with respect to the Superstorm Sandy  
23 homes.

24 MR. MILES: I don't know if  
25 that's the case.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR RHOADS: What I seem  
3 to be hearing at least, there's a subset of  
4 the population, particularly in South Shore  
5 communities, that had to do either optional or  
6 mandatory elevation either during or after the  
7 2018 year where greater than 50 percent of  
8 their home would have been modified to make  
9 them considered as new construction. That  
10 wasn't included as part of any phase-in,  
11 correct?

12 MR. MILES: I mean, I don't  
13 believe many of the parcels remaining in the  
14 South Shore have this issue. I don't recall  
15 seeing this issue at all.

16 LEGISLATOR RHOADS: But the  
17 administration at this point is apparently  
18 going to Albany to request that new  
19 construction now be phased in?

20 MR. MILES: It's a separate  
21 exemption from one that exists already. It's  
22 the home improvement exemption. It is a  
23 separate exemption from this one consistent  
24 with construction exemptions.

25 LEGISLATOR RHOADS: For example,



1       Veterans and Finance - 1-25-21  
2       the last time we spoke, the Wantagh homeowner  
3       who saw his school taxes go up from 8,000 to  
4       \$23,000 because of his home being assessed as  
5       new construction, what's the practical impact  
6       going to be with respect to that particular  
7       homeowner if this exemption is passed?

8                   MR. MILES:       I'm sorry, can you  
9       repeat the question?

10                   LEGISLATOR RHOADS:       Not a  
11       problem. When we spoke earlier there was a  
12       Wantagh homeowner that I alluded to during the  
13       last hearing that saw his school taxes go up  
14       from \$8,000, \$8,500 to \$23,000 because his  
15       home was considered to be new construction.  
16       If this phase-in, if the additional phase-in  
17       is passed, do we know what the impact would  
18       be? How would that phase-in work on somebody  
19       in a similar position to this particular  
20       homeowner?

21                   MR. MILES:       The new construction  
22       value of the home as the law is written now is  
23       that they would get an exemption, an  
24       eight-year exemption, and starting with the  
25       physical value that was placed onto the roll

1 Veterans and Finance - 1-25-21

2 for that or any applicable tax roll moving  
3 forward. With the exemption declining over  
4 eight years.

5 LEGISLATOR RHOADS: Would that be  
6 phased in in equal parts?

7 MR. MILES: It should be, yes.  
8 It's 12 and a half percent each year.

9 LEGISLATOR RHOADS: Do we know  
10 what the status of that legislation is?

11 MR. MILES: I do not know.

12 LEGISLATOR RHOADS: Has the  
13 Department of Assessment in calculating the  
14 '22-'23 roll anticipated that phase-in?

15 MR. MILES: In terms of?

16 LEGISLATOR RHOADS: In the  
17 Department of Assessment's analysis of the  
18 '22-'23 roll has the Department of Assessment  
19 taken into account the possibility of that  
20 phase-in?

21 MR. MILES: We don't even have  
22 the school budget for '21-'22 and it probably  
23 would be tough to project what the school  
24 budgets would be for '22-'23.

25 LEGISLATOR RHOADS: Just want to

1       Veterans and Finance - 1-25-21  
2       talk a little bit about ladder reports and to  
3       just dovetail on something that Legislator  
4       Ferretti was asking about in his questioning.  
5       When the prior assessor, Mr. Moog, was  
6       testifying before the legislature he indicated  
7       that the Department of Assessment utilized  
8       ladder reports to show residents a breakdown  
9       of the valuation of subject property and the  
10      ladder report enhanced transparency. Yet when  
11      the county was sued on this issue the  
12      department agreed that the ladder reports were  
13      not accurate representations of how the value  
14      was in fact determined. Do you remember that  
15      testimony, the earlier testimony?

16               MR. MILES:     I vaguely remember  
17      this conversation.

18               LEGISLATOR RHOADS:     But then the  
19      '21-'22 roll was trended. Again, presumably  
20      using the information contained in the ladder  
21      reports.

22               MR. MILES:     Using the market  
23      value.

24               LEGISLATOR RHOADS:     But again,  
25      using the same factors that go into the --

1 Veterans and Finance - 1-25-21

2 that would have been listed in the ladder  
3 report, correct?

4 MR. MILES: That's what the  
5 '20-'21 market value was based off of and  
6 then we trended based on school district  
7 market values.

8 LEGISLATOR RHOADS: Now for the  
9 '22-'23 roll you're now locking that in place  
10 because of the frozen roll?

11 MR. MILES: We've frozen the  
12 market values.

13 LEGISLATOR RHOADS: In reality,  
14 the ladder report itself is in fact still  
15 relevant, is it not? Because it's the base of  
16 the trended number and the frozen assessment.  
17 In other words, it's all based on the same  
18 ladder report?

19 MR. MILES: I'm not sure. I'm  
20 pretty sure I remember some testimony saying  
21 that the '21-'22 ladder reports are no  
22 longer -- or that the '20-'21 was no longer  
23 useful for '21-'22.

24 LEGISLATOR RHOADS: What are you  
25 trending off of?

1 Veterans and Finance - 1-25-21

2 MR. MILES: If that's the case  
3 then they're not relevant for '22-'23.

4 LEGISLATOR RHOADS: The  
5 assessments that were in '20-'21 were not the  
6 basis for the assessments in '21-'22?

7 MR. MILES: No. They are.

8 LEGISLATOR RHOADS: So the  
9 information that was contained in the ladder  
10 reports for '20-'21 why is that no longer the  
11 basis for the assessment roll in '21-'22?

12 MR. MILES: We trended the market  
13 values. Also, if I recall, it's been agreed  
14 upon that the ladder report not be included.

15 LEGISLATOR RHOADS: But the  
16 ladder report is simply giving homeowners for  
17 the purposes of transparency an explanation as  
18 to how their value was calculated, correct?

19 MR. MILES: But legislator,  
20 respectfully, this was already agreed to and  
21 approved by the county attorney's office and  
22 by this body.

23 LEGISLATOR RHOADS: But I'm  
24 trying to understand how a homeowner for the  
25 purpose of transparency is supposed to

1       Veterans and Finance - 1-25-21

2       understand how the Department of Assessment  
3       actually calculated its value.

4                   MR. MILES:       I think we've stated  
5       it before I think it's on the website and I am  
6       not going to renegotiate or re-litigate what  
7       happened. I believe there was an agreement in  
8       place. County attorney's office agreed to  
9       that with the opposing party and I believe  
10      this body approved it.

11                   LEGISLATOR RHOADS:       But part of  
12      that was supposed to be, and part of the  
13      settlement was supposed to be, making public  
14      all of the 180 independent variables or  
15      predictors that were used in the  
16      computer-assisted mass appraisal modeling in  
17      the reassessment and the coefficients or  
18      multipliers for those variables in each market  
19      area including the neighborhood coefficient.

20                   MR. MILES:       Okay.

21                   LEGISLATOR RHOADS:       Where is that  
22      information on the county website?

23                   MR. MILES:       I will talk to the IT  
24      department.

25                   LEGISLATOR RHOADS:       But if the

1 Veterans and Finance - 1-25-21

2 whole idea behind this is supposed to be  
3 transparency, right, and that was the initial  
4 idea of the ladder report was supposed to  
5 provide transparency, correct?

6 MR. MILES: I believe, but, like  
7 I said, I'm not going to renegotiate the  
8 agreement regarding the ladder report --

9 LEGISLATOR RHOADS: I'm not  
10 asking you to renegotiate.

11 MR. MILES: -- but I am working  
12 with the IT department to put up information.

13 LEGISLATOR RHOADS: I'm not  
14 asking you to renegotiate. What I'm asking  
15 for is what assurance the Department of  
16 Assessment is making so that individual  
17 homeowners can understand how their assessment  
18 was actually calculated. If the ladder report  
19 was supposed to do that for the '20-'21 roll  
20 and now the Department of Assessment, in a  
21 settlement, has said yes, that information was  
22 inaccurate and it's no longer good, right?  
23 What is the Department of Assessment doing for  
24 the '21-'22 roll for the '22-'23 roll and for  
25 rolls going forward to make that transparent?

1       Veterans and Finance - 1-25-21

2                   MR. MILES:       I think, like you  
3       said before, improving the website per the  
4       agreement and putting up the information  
5       that's in the agreement and I will discuss  
6       this with the IT department.

7                   LEGISLATOR RHOADS:       But  
8       homeowners right now are in the process of  
9       grieving their taxes for the '22-'23 year.  
10      Part of that --

11                  MR. MILES:       That is not correct.  
12      I'm sorry.   Can you repeat the year?   I  
13      apologize.

14                  LEGISLATOR RHOADS:       Right now for  
15      the '22-'23 tax year the grievance period is  
16      now open, right?

17                  MR. MILES:       Yes.

18                  LEGISLATOR RHOADS:       So homeowners  
19      presumably have the opportunity if they  
20      believe the Department of Assessment is wrong  
21      in their calculations have the ability to  
22      grieve their assessments, right?   That's the  
23      purpose to the grievance period, right?

24                  MR. MILES:       Yes.

25                  LEGISLATOR RHOADS:       In order to



1       Veterans and Finance - 1-25-21  
2       be able to do that the individual homeowner  
3       should be able to understand how the  
4       Department of Assessment used the 180  
5       independent variables to calculate their  
6       assessed value.

7                   MR. MILES:       I don't think when  
8       you grieve your assessment you grieve the  
9       process. You grieve the value.

10                   LEGISLATOR RHOADS:       I  
11       respectfully disagree. As a homeowner, I have  
12       the ability not only to disagree with your  
13       conclusion but I have the ability to challenge  
14       your conclusion. I also have the ability to  
15       challenge the methodology that you used to  
16       make that conclusion. I'm not restricted in  
17       the proof that I can provide as a homeowner.  
18       I have the ability to take a look at how those  
19       180 independent variables or predictors were  
20       used in determining my value and arguing why  
21       some are incorrect, don't I?

22                   In other words, when you have, in  
23       school, when you have a math equation it's not  
24       necessarily the answer. You're always taught  
25       to show the math so that you have an

1       Veterans and Finance - 1-25-21

2       opportunity during the course of the process  
3       to see if there was a mistake made that  
4       effected the ultimate conclusion.

5               If that information isn't on the  
6       county website as per the agreement that was  
7       reached months ago, you have homeowners that  
8       are actively in the process now of grieving  
9       their taxes that don't have the benefit of  
10      that information. When can we anticipate that  
11      information is going to be up on the county  
12      website?

13              MR. MILES:     I will discuss it  
14      with the IT department.

15              LEGISLATOR RHOADS:     When do we  
16      expect that that discussion is going to happen  
17      and when are we going to get an answer to that  
18      question?

19              MR. MILES:     I will have it this  
20      week.

21              LEGISLATOR RHOADS:     Why is this  
22      the first time that we're thinking about it?

23              MR. MILES:     I'm sure other  
24      individuals might have discussed this with the  
25      IT department but I will be the one following

1 Veterans and Finance - 1-25-21

2 up.

3 LEGISLATOR RHOADS: I know that  
4 there are a few other legislators that have  
5 questions. There may be an opportunity to  
6 circle back later but we are running out of  
7 time.

8 LEGISLATOR FERRETTI: Thank you  
9 Legislator Rhoads. Legislator Drucker.

10 LEGISLATOR DRUCKER: Thank you  
11 Chairman Ferretti. I know you told me to be a  
12 little patient this morning but I think three  
13 hours is excessive. And I think as a point of  
14 order perhaps we should consider some  
15 modification going forward with some of these  
16 meetings that we as legislators should be  
17 limited with a certain amount of time. It's  
18 really unfair after three hours.

19 LEGISLATOR FERRETTI: I would  
20 just remind you there's two committees here.  
21 It's a dual committee meeting, so obviously  
22 there are more legislators that are asking  
23 questions than if it was a single committee.  
24 But I certainly think all the questions that  
25 have been asked have been quite on point, and

1 Veterans and Finance - 1-25-21

2 I think if there were less questions on  
3 resolve we'd have less questions to ask. But  
4 I appreciate your view.

5 LEGISLATOR DRUCKER: No, no. I  
6 agree. I'm not diminishing or demeaning any  
7 of the questions that were asked. I'm just  
8 saying that the length of the colloquy was  
9 rather excessive but thank you.

10 We've spent a few three hours here  
11 really highlighting the anomalies and the  
12 errors that have occurred. No one can deny  
13 that. Mr. Miles, Mr. May. Mr. Miles I've had  
14 extensive conversations with you as you know  
15 Nassau County having had a frozen tax roll for  
16 almost ten years resulting in this grossly  
17 inaccurate assessment system. Any time a  
18 municipality undertakes a reassessment the  
19 idea of course is to achieve a fair and  
20 accurate assessment and tax roll. Wouldn't  
21 you agree with that, Mr. Miles?

22 MR. MILES: Yes, I agree.

23 LEGISLATOR DRUCKER: Again, we've  
24 asked this before. After this reassessment  
25 what is considered to be the standard level of

1 Veterans and Finance - 1-25-21

2 accuracy or margin of error nationally?

3 MR. MILES: If you have a roll  
4 within ten percent coefficient of dispersion  
5 you're considered very accurate. We are below  
6 that.

7 LEGISLATOR DRUCKER: How much  
8 below?

9 MR. MILES: I think we're at  
10 somewhere between 8.5 and 8.9.

11 LEGISLATOR DRUCKER: I think you  
12 had indicated once before, right now pending  
13 before ARC there were about 80,000 appeals for  
14 the '20-'21 roll of which 55,000 were offered  
15 settlements?

16 MR. MILES: SCAR. Yes, there  
17 were 80,000 petitions filed. Somewhere in the  
18 40 to 50 percent received a reduction. 25  
19 percent of that -- I mean received an offer.  
20 25 percent of that received I believe a zero  
21 percent, or accepted a zero percent offer.  
22 And the average reduction between the  
23 negotiations for the SCAR mediation program  
24 and court is four percent. Which is well  
25 below that ten percent number.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR DRUCKER: That  
3 indicates to you and to your department and  
4 really should indicate to taxpayers that by  
5 and large it's an accurate tax roll?

6 MR. MILES: Highly accurate.

7 LEGISLATOR DRUCKER: By the way,  
8 are your tax rolls reviewed by the state of  
9 New York.

10 MR. MILES: Yes. We do send our  
11 assessment rolls up to the Office of Real  
12 Property Tax Services.

13 LEGISLATOR DRUCKER: Do you ever  
14 get feedback from them on that?

15 MR. MILES: They confirm our  
16 municipal ratios so far of point one percent.  
17 Which means our assessments are accurate  
18 again.

19 LEGISLATOR DRUCKER: All  
20 governments should aspire and I think we all  
21 do aspire to be proactive rather than reactive  
22 as Legislator Rhoads had indicated here.  
23 Obviously we all can't predict a computer  
24 error which resulted in the veterans not  
25 receiving their exemptions. I understand

1 Veterans and Finance - 1-25-21

2 that. That was a computer error. I think the  
3 Adapt program that was implemented by the  
4 department was designed to mitigate against  
5 those type of errors but errors happen; is  
6 that correct, Mr. Miles?

7 MR. MILES: Correct. That is  
8 correct.

9 LEGISLATOR DRUCKER: That program  
10 was a proactive attempt to try to address  
11 things that might happen in a monumental  
12 effort of reassessing 400,000 homes?

13 MR. MILES: Yes.

14 LEGISLATOR DRUCKER: We've talked  
15 today about the disparate treatment that new  
16 construction, condominiums, have gotten and  
17 substantially renovated homes that have  
18 undergone physical changes. We've had  
19 extensive discussions with your office, you  
20 and I in your office, over the past year  
21 concerning really the glaring inequity and  
22 flaw in the New York State Real Property Tax  
23 Law in which new construction, condos and  
24 homes with substantial physical changes are  
25 taxed differently and are not afforded the

1       Veterans and Finance - 1-25-21

2       exemption that all the homeowners are entitled  
3       to and not being subject to the benefits of  
4       the TPP; isn't that right, Mr. Miles?

5                   MR. MILES:       Yes, that's correct.

6                   LEGISLATOR DRUCKER:       In fact, you  
7       and David Moog and the county attorney's  
8       office in fact drafted legislation almost a  
9       year ago that was given to our state  
10      legislators to file in Albany to change the  
11      way properties are taxed. But these changes  
12      must occur at the state level; isn't that  
13      correct?

14                  MR. MILES:       That is correct.

15                  LEGISLATOR DRUCKER:       The bill  
16      that has been filed in Albany we are anxiously  
17      awaiting would correct this flaw; isn't that  
18      correct?

19                  MR. MILES:       We are awaiting -- I  
20      don't know where we are at with the bill but  
21      yes, we are waiting for our legislators to act  
22      on it.

23                  LEGISLATOR DRUCKER:       If the bill  
24      is passed, just briefly explain how new  
25      construction, condos and substantially



1       Veterans and Finance - 1-25-21  
2       renovated homes how will they then be  
3       treated. In fact, from what we understand  
4       now, the bill also calls for an eight and a  
5       half year phased in, an exemption; isn't that  
6       correct?

7                   MR. MILES:       Correct. The way  
8       that the bill is drafted it's consistent with  
9       home improvement and construction laws, which  
10      is probably the proper place to place this  
11      exemption. It amends the 421(f) exemption.  
12      It gives a 12 and a half percent decreasing  
13      exemption over eight years to the newly  
14      constructed portion of the property. It's a  
15      very good exemption.

16                   LEGISLATOR DRUCKER:       Thank you.  
17      Again, this was also asked already. One of  
18      the problems of going after three hours. The  
19      errors that resulted in the failure to provide  
20      veterans with their entitled exemptions and  
21      the error that we had talked about last month  
22      in which a condominium in Port Washington and  
23      Seaford were classified incorrectly, those are  
24      the types of errors that occur irrespective of  
25      who is the assessor, correct? Whether he's

1 Veterans and Finance - 1-25-21

2 elected, appointed or what; isn't that  
3 correct?

4 MR. MILES: That is absolutely  
5 correct.

6 LEGISLATOR DRUCKER: Legislator  
7 Ferretti had a question about a homeowner's  
8 assessment going up and their taxes going up  
9 in year one of the five year phase-in and then  
10 it stands to reason that their taxes would  
11 continue to go up for the next four years.  
12 But that is not necessarily true; isn't that  
13 right? Because as increased value on the tax  
14 rolls are added due to the phase-in there are  
15 tax rates that could come down going forward  
16 and there are people who could experience  
17 actually a reduction in their taxes even after  
18 the first year of it going up; isn't that  
19 true?

20 MR. MILES: That is true.

21 LEGISLATOR DRUCKER: Could you  
22 elaborate on that?

23 MR. MILES: As I was stating to  
24 Legislator Rhoads, assessment is a  
25 case-by-case basis. Very much contingent upon

1       Veterans and Finance - 1-25-21  
2       your relationship and your assessment compared  
3       to your neighbors in the school district. So,  
4       it's not a one-to-one ratio. It's very  
5       dependent on a variety of factors. Most  
6       importantly, your relationship of your  
7       assessment to your neighbors and the school  
8       district levy and obviously the general levy.

9                   LEGISLATOR DRUCKER:       So, with the  
10       increase in property value that comes on the  
11       rolls that could force school districts to  
12       lower their tax rates; isn't that true?

13                  MR. MILES:       More likely than not,  
14       tax rates will go down because values are  
15       going up.

16                  LEGISLATOR DRUCKER:       Legislator  
17       Rhoads pointed out in Baldwin, Bellmore  
18       rather, people experiencing 75 percent  
19       increase in taxes. Is it fair to say that  
20       there are some districts where that would be  
21       reversed? Where you have certain districts  
22       where the majority of the taxpayers are going  
23       to have their taxes going down kind of like a  
24       reverse of the 75 percent that he mentioned as  
25       an example in Bellmore?

1       Veterans and Finance - 1-25-21

2                   MR. MILES:       I believe there are  
3       some districts like that.  It's like I said,  
4       legislator, it's all about the relationship  
5       between your assessment, your neighbors and  
6       the levy.

7                   LEGISLATOR DRUCKER:       I just have  
8       one more question.  As far as the Department  
9       of Assessment getting information that would  
10      trigger some form of evaluation that you  
11      talked about with aerial photographs.  I think  
12      Legislator Ferretti was talking about that.  
13      Does the taking out of a permit to perform  
14      improvements to a property, does that trigger  
15      that kind of attention that perhaps would then  
16      require or result in the department conducting  
17      some of those higher technological searches of  
18      a property?

19                  MR. MILES:       Yes, they do.  When  
20      we receive the permits and see a square  
21      footage change it does raise the antennas of  
22      the assessors and they will review the  
23      increase in the square footage.

24                  LEGISLATOR DRUCKER:       I'm going to  
25      yield to my any other legislators.

1 Veterans and Finance - 1-25-21

2 LEGISLATOR FERRETTI: Thank you  
3 Legislator Drucker. Legislator  
4 DeRiggi-Whitton.

5 LEGISLATOR DERIGGI-WHITTON:  
6 Again, I think most of my points have been  
7 covered, but I do request that every step that  
8 we can make to be transparent be followed up  
9 as soon as possible. Robert, I know it's  
10 maybe not even under your job category but  
11 making sure the website is clear, making sure  
12 we get the correction of error list as soon as  
13 possible to all of the legislators. Anything  
14 we can do to make it more transparent I think  
15 will help to reassure not only the veterans  
16 and the clergy but everyone else who is  
17 questioning their assessment.

18 I'm going to just say one thing. I  
19 think two years ago we all knew that the  
20 assessment roll had to be addressed. Ten  
21 years of it being stagnant, other than some  
22 people appealing and some people not, we knew  
23 it wasn't fair. I know the county executive's  
24 intentions were to make it fair. What I think  
25 happened unfortunately, SVS when we hired

1 Veterans and Finance - 1-25-21

2 them, and I voted for that contract, I think  
3 it was \$5 million, did they do a reassessment  
4 or a reevaluation?

5 MR. MILES: They did the  
6 systematic review and they performed the  
7 reassessment.

8 LEGISLATOR DERIGGI-WHITTON:  
9 Would you call it a reassessment or would you  
10 call it a reevaluation? There is a technical  
11 difference.

12 MR. MILES: It's a mass appraisal  
13 modeling reappraisal.

14 LEGISLATOR DERIGGI-WHITTON: The  
15 modeling I think is where we kind of are all  
16 suffering the consequences because I think the  
17 neighborhood factor and basic changes in the  
18 school districts' tax rolls it wasn't what I  
19 thought was going to happen. I really thought  
20 for the \$5 million it was going to go house by  
21 house not neighborhood by neighborhood. Not,  
22 in my opinion, a way that didn't take all the  
23 factors that really should have been taken  
24 into effect.

25 I really think the roll from day

1       Veterans and Finance - 1-25-21

2       one, because it was done that way, has caused  
3       a lot of problems and a lot of questions. I  
4       think that your office has made a big attempt  
5       to correct it. But I really thought as a  
6       legislator that we were going to get a  
7       complete reassessment not a reevaluation.  
8       Which, again, took things, moving things back  
9       and forth and neighborhoods and whether or not  
10      the neighborhood factor I even agreed with  
11      sometimes. I saw it in my own district.  
12      Unless you didn't know the district there is  
13      no way you would have agreed with the  
14      neighborhood factor.

15                   MR. MILES:       Just to address that,  
16      I do believe this was a fully formed and  
17      highly accurate reassessment. I think for a  
18      jurisdiction of this size and I mean not being  
19      assessed for ten years we really kept the data  
20      quite in very good shape and that produced a  
21      very accurate model. And the companies that  
22      were hired to produce the values they are  
23      individuals, or not the companies but the  
24      individuals who represented the companies, are  
25      highly educated, highly trained professionals

1       Veterans and Finance - 1-25-21

2       who have been doing this for many years and  
3       know all the neighborhoods and districts like  
4       the back of their hand.

5                       So, it wasn't just modeling and  
6       just reviewing the data. They also used their  
7       experience as appraisers to value the property  
8       and would give input on the modeling. I think  
9       that was really important and that's why it  
10      produced such an accurate roll. The issue  
11      that you point to legislator is the Adapt  
12      system that has caused problem. As I said  
13      before, something we are reviewing.

14                   LEGISLATOR DERIGGI-WHITTON:     I  
15      hope you're right. Just as common person, I  
16      do disagree with the some of the neighborhood  
17      factors in my own district and growing up  
18      there and knowing some of the homes that had  
19      waterfront views compared to other places  
20      closer to like industrial areas. Some of the  
21      neighborhood factors I really thought were off  
22      to say the least.

23                   But I know that the intention was  
24      good to try to fix this roll. I wish we did  
25      do it a little bit more by reevaluation which



1 Veterans and Finance - 1-25-21

2 would have been, a reassessment, which would  
3 have been house by house. I think a lot of it  
4 was relied upon by reevaluation, which is  
5 again factors that don't always pan out and  
6 now we're trying to correct it.

7 It's really, unfortunately, in my  
8 opinion, what started out as the right move  
9 has become a problem in justifying the value.  
10 Because normally sometimes if it's a  
11 reassessment it really is based more on  
12 sales. I have people that have values that we  
13 can't find the sales anywhere close to. So,  
14 it's a tough process.

15 Looking back, I wish we were more  
16 aware of the difference between a re-eval and  
17 reassessment.

18 But going forward, my constituents  
19 were a lot of the ones mentioned in that  
20 lawsuit. I've had to deal with them quite  
21 often. They're upset. I think that the best  
22 thing we can do is to take that ruling or  
23 judgement serious and do as quickly and as  
24 transparent as possible, as most transparent  
25 as possible, fixing any of the suggestions

1 Veterans and Finance - 1-25-21

2 that were made including to the website and  
3 everything else.

4 Finally, I want to just -- this is  
5 totally off topic, so I'm probably going to  
6 get in trouble -- we have to look going  
7 forward. Our taxpayers, many of them, are  
8 getting hit with reassessment. I hear the  
9 Village of Sea Cliff got hit more than any  
10 other village in Nassau County as far as the  
11 number of \$5,000 or more per household. I  
12 have to live with that and it's really hard.  
13 I hear it all the time. We get calls quite a  
14 lot.

15 I know we've had issues in this  
16 area, in my area, with American Water. \$1,000  
17 water bills sometimes. It's really been  
18 tough. I'm going to take this second to say  
19 going forward with any settlements, like with  
20 LIPA in other areas which is not directly  
21 related to you, we really have to think about  
22 the implications of our school districts and  
23 our taxpayers because it seems that some areas  
24 are really getting clobbered more than  
25 others. As a representative of those areas I

1 Veterans and Finance - 1-25-21

2 really am trying to stand to make sure their  
3 hardships are being recognized. Thank you.

4 LEGISLATOR FERRETTI: Thank you  
5 Legislator DeRiggi-Whitton. Legislator Mule.

6 LEGISLATOR MULE: Thank you  
7 Mr. Chairperson. Many of my questions were  
8 answered. Were asked actually by Legislator  
9 Drucker so I'm not going to say much except to  
10 reiterate his call for at least thinking about  
11 time limits for speakers because I think  
12 that's necessary so that everyone has a fair  
13 chance to speak.

14 I'm going to add one more request  
15 that perhaps the speakers can go back and  
16 forth between Minority and Majority or  
17 Majority Minority. Again, so everyone has  
18 more of a chance to speak. With that I will  
19 turn it back. Thank you.

20 LEGISLATOR FERRETTI: Thank you  
21 Legislator Mule. Legislator Gaylor.

22 LEGISLATOR GAYLOR: Thank you  
23 Legislator Ferretti chairperson and cochair  
24 Howard Kopel. These questions I guess are  
25 directed to Mr. Miles. And I just want to go

1       Veterans and Finance - 1-25-21  
2       back and talk about this error to 4,000  
3       veterans and I guess does that 4,000 include  
4       the 800 church or religious organizations that  
5       you referenced?

6                   MR. MILES:       No. That's a  
7       separate number.

8                   LEGISLATOR GAYLOR:       Same number?

9                   MR. MILES:       Separate.

10                  LEGISLATOR GAYLOR:       So it's about  
11       4800 properties we're talking about. 5,000  
12       just round it up. This error was a computer  
13       error. A computer error based on a system  
14       called Adapt. I think is what you referred to  
15       it as, correct?

16                  MR. MILES:       Right.

17                  LEGISLATOR GAYLOR:       So the  
18       computer spits out data that somebody puts in  
19       and I would imagine that the people  
20       responsible for what goes into Adapt are  
21       within your department, the Department of  
22       Assessment; is that correct?

23                  MR. MILES:       Yeah. People in my  
24       department put in the exemptions and then the  
25       internal IT division will apply the

1 Veterans and Finance - 1-25-21

2 exemptions.

3 LEGISLATOR GAYLOR: So when  
4 there's an error who is responsible for the  
5 error?

6 MR. MILES: Except for the fact  
7 that when the error it does not occur based on  
8 the application of the exemption by the  
9 division. Because it did not relate to the  
10 application that was put in place by the  
11 division.

12 LEGISLATOR GAYLOR: I mean, the  
13 computer system is run and maintained by the  
14 Department of Assessment. The data that goes  
15 in is by the Department of Assessment?

16 MR. MILES: I don't know about  
17 run. It's maintained utilizing Adapt of Tyler  
18 Technologies. It's their programing that we  
19 use our -- it's their programing that we use  
20 to produce the assessment rolls and the tax  
21 rolls.

22 LEGISLATOR GAYLOR: Where is the  
23 quality control between that third-party  
24 vendor I guess that you were alluding to and  
25 the Department of Assessment?

1       Veterans and Finance - 1-25-21

2                   MR. MILES:       We have been and are  
3       putting quality controls in place.   As I  
4       stated before, this was a very, very unique  
5       situation where an exemption was not applied  
6       to certain special districts.   It's an  
7       extraordinarily unique situation that we  
8       haven't seen in the past.

9                   LEGISLATOR GAYLOR:     If it's not  
10      the Department of Assessment's responsibility  
11      for the error then who exactly is responsible  
12      for the error?

13                  MR. MILES:       We are going to look  
14      into the technology that is used and make sure  
15      that this doesn't happen again and, as stated  
16      before, be proactive in ensuring that the  
17      taxes are calculated correctly.

18                  LEGISLATOR GAYLOR:     That's the  
19      same language Mr. Moog used last year and 18  
20      months ago in talking about the Adapt system  
21      and the problems that were raised after there  
22      were errors with seniors or veterans or to the  
23      general taxpayers he says the same thing.   Now  
24      we've gone whole another cycle and we're  
25      seeing the same, for lack of a better term,

1 Veterans and Finance - 1-25-21

2 failure to be proactive.

3 MR. MILES: I don't know if  
4 that's a fair characterization. We have put  
5 in a quality assurance unit. We are beefing  
6 up our quality controls and utilizing those  
7 skilled people and improving our systems.  
8 Like I said before, the problems that have  
9 been produced by this system, by the computer,  
10 are extraordinarily unique. This one is an  
11 extremely unique situation, especially  
12 considering the fact that we have 400 special  
13 districts and to apply certain exemptions to  
14 certain districts and not others it really is  
15 quite complex.

16 LEGISLATOR GAYLOR: I understand  
17 that and we live in a very complex environment  
18 in Nassau County. Very unique environment.

19 MR. MILES: I agree with that.

20 LEGISLATOR GAYLOR: But that's  
21 why we build into contracts quality control  
22 measures. That's why we place organizations  
23 as responsible agents. That's why we hire  
24 people with certain education levels who can  
25 oversee such complex matters and are trained

1 Veterans and Finance - 1-25-21

2 and certified to do such. The buck has to  
3 stop somewhere is what I'm saying. We can't  
4 tell our constituents it was a computer  
5 error. The computer spit out the value. I  
6 mean, the county executive used to go around  
7 saying I'm not sure -- and I'm generalizing  
8 here -- but basically I'm not sure how your  
9 assessments were determined because the  
10 computer spits it out.

11 So what you're saying now is we  
12 have no control over what the computer does.  
13 In this instant it affected some 4,000  
14 veterans and 800 churches and religious  
15 organizations because the computer made a  
16 problem.

17 MR. MILES: Not the churches and  
18 the religious organizations.

19 LEGISLATOR GAYLOR: Veterans.

20 MR. MILES: And I think that it  
21 doesn't change the fact that this has been  
22 independently reviewed as an accurate  
23 assessment roll. And no matter who you put in  
24 charge of the Department of Assessment, this  
25 is a very unique technological situation. So,



1 Veterans and Finance - 1-25-21

2 I think that that has to be put out there.

3 That it takes technologists --

4 LEGISLATOR GAYLOR: I agree  
5 totally with you. I mean, it's a very  
6 technical area and field we're working in.  
7 But the buck has to stop somewhere. If  
8 doesn't stop with the Department of  
9 Assessment, then the county executive is  
10 ultimately responsible for the failures that  
11 occurs within the administration.

12 So, I guess it would be fair to say  
13 that this is the county executive's fault  
14 because she's the overall top administrator.

15 MR. MILES: I don't think it's  
16 the county executive's fault.

17 LEGISLATOR GAYLOR: Who can we  
18 hold responsible for the continued errors in  
19 the Department of Assessment?

20 MR. MILES: I've stated it  
21 before, the exemption was applied correctly.

22 LEGISLATOR GAYLOR: I'm asking a  
23 very specific question. Who is stepping up to  
24 take responsibility for these such errors?

25 MR. MILES: It's not errors.

1 Veterans and Finance - 1-25-21

2 It's a singular issue that occurred.

3 LEGISLATOR GAYLOR: Who is taking  
4 responsibility -- you're not answering the  
5 question or you don't want to answer the  
6 question. Who is responsible for the error of  
7 4,000 veterans. I'm a veteran. If I don't  
8 stand up for veterans then shame on me. It's  
9 our responsibility as elected representatives  
10 to our constituents to stand up for them and  
11 ask what they're all asking. Who is  
12 responsible?

13 MR. MILES: Some of us are  
14 veterans. Some of us have family members who  
15 are veterans and we stand on the shoulders of  
16 our veterans. That's how we're here. So, I  
17 don't think it's fair to say that only this  
18 body is representing veterans and cares about  
19 veterans. We are veterans here. We support  
20 veterans here. We have a good relationship  
21 with veterans affairs and I think it's an  
22 unfortunate computer error. We are veterans.  
23 We appreciate veterans. Our family members  
24 are veterans.

25 LEGISLATOR GAYLOR: The error is

1       Veterans and Finance - 1-25-21  
2       computer error. The computer lies within the  
3       Department of Assessment. The Department of  
4       Assessment, by your own testimony today,  
5       doesn't want to take or admit they made a  
6       mistake and I can understand that. But  
7       somebody has to be held accountable.

8                   MR. MILES:     I don't want to put  
9       blame on staff members who did the right  
10      thing.

11                   LEGISLATOR GAYLOR:     Then I blame  
12      you. You're in a leadership position,  
13      correct? Obviously you're not the first in  
14      charge, maybe not even the second in charge  
15      but you're close to the top in a leadership  
16      position. Why doesn't anybody from the  
17      Department of Assessment in a leadership take  
18      responsibility for the actions of the  
19      department? We've got a \$5 million mistake  
20      that the rest of the taxpayers have to pay  
21      for. Who is responsible for the \$5 million  
22      error?

23                   MR. MILES:     I think we're  
24      discussed this ad nauseam.

25                   LEGISLATOR GAYLOR:     You don't

1       Veterans and Finance - 1-25-21  
2       think it's the Department of Assessment, you  
3       think it's the computer. Somebody's got to  
4       pay \$5 million. Hang on for a sec. The \$5  
5       million should come out of the Department of  
6       Assessment's budget in my opinion. But where  
7       do you propose the responsibility lies for the  
8       \$5 million mistake that the Department of  
9       Assessment's made?

10               MR. MILES:       Legislator, I've  
11       talked about this ad nauseam.

12               LEGISLATOR GAYLOR:       We will admit  
13       you don't want to answer the question. That  
14       nobody from the Department of Assessment wants  
15       to take responsibility for its own actions.

16               MR. MILES:       Legislator, like I  
17       said, I talked about this ad nauseam.

18               LEGISLATOR GAYLOR:       So, in  
19       effect, your statement that assessment is  
20       based on a case-by-case basis isn't  
21       necessarily true. Assessment is based on what  
22       the computer spits out; is that correct?

23               MR. MILES:       No. It's a complex  
24       system utilizing market sales.

25               LEGISLATOR GAYLOR:       And

1       Veterans and Finance - 1-25-21

2       ultimately the computer spits out a value, is  
3       that correct?

4               MR. MILES:       We develop a value  
5       and then the Adapt system produces taxable  
6       value and tax information. But we produce the  
7       assessments and, as I stated before, the  
8       assessments are highly accurate.

9               LEGISLATOR GAYLOR:       Except for  
10       4,000 errors that went out.

11              MR. MILES:       That's not an  
12       assessment issue. That's a taxing issue.

13              LEGISLATOR GAYLOR:       We mentioned  
14       that veterans were going to get a refund by  
15       legislation you were going to introduce or a  
16       resolution; is that correct?

17              MR. MILES:       That there will be  
18       correction of error resolutions coming  
19       shortly.

20              LEGISLATOR GAYLOR:       For those  
21       veterans that couldn't afford to pay their  
22       taxes the administration will waive the fees  
23       or penalties that may be imposed?

24              MR. MILES:       I think that's  
25       something to be discussed with the treasurer's

1       Veterans and Finance - 1-25-21

2       office. I'm not sure of the laws surrounding  
3       waving penalties and fees. That might also go  
4       to the towns as well. I'm not fully aware of  
5       that body of law.

6                   LEGISLATOR GAYLOR:       If you find  
7       out an answer to that could you let us know?

8                   MR. MILES:       Yes. Thank you.

9                   LEGISLATOR GAYLOR:       Because I  
10      don't think there should be any impact to the  
11      veterans at all for an error that we made or  
12      somebody made in the form of fees or penalties  
13      because of, as you call it, a computer error,  
14      would you agree?

15                  MR. MILES:       We're doing  
16      everything we can to make sure there is no  
17      impact to them.

18                  LEGISLATOR GAYLOR:       I thank you  
19      for your testimony. That's all I have.

20                  LEGISLATOR FERRETTI:       Thank you  
21      Legislator Gaylor. Legislators Birnbaum.

22                  LEGISLATOR BIRNBAUM:       I'm just  
23      looking forward now to the 2022-2023 roll and  
24      I know the letters have started to go out to  
25      all homeowners with their property taxes and

1       Veterans and Finance - 1-25-21  
2       their valuations. So, if there was a separate  
3       letter from the county executive saying that  
4       everything was being held flat, there were  
5       going to be no changes to that roll; is that  
6       correct?

7                   MR. MILES:       There's no tax  
8       information on it but there is valuation  
9       information. I believe you're correct that  
10      there's something stating language about the  
11      paused roll.

12                   LEGISLATOR BIRNBAUM:     Right. The  
13      pause in the roll. So, would that translate  
14      into being that whatever we determine is the  
15      roll now and the valuations they are going to  
16      stay flat for one more year?

17                   MR. MILES:       Yeah. The market  
18      values are going to remain flat.

19                   LEGISLATOR BIRNBAUM:     Will that  
20      greatly decrease the amount of challenges  
21      given that most people have challenged this  
22      year and if nothing changes between this year  
23      and next year would you surmise that it would  
24      greatly decrease?

25                   MR. MILES:       It may. I'm just not

1 Veterans and Finance - 1-25-21

2 sure.

3 LEGISLATOR BIRNBAUM: Then in  
4 terms of the five year phase-in, if people are  
5 now getting the first of the five years 20  
6 percent and there will be no changes it should  
7 just be 20 percent more of what their change  
8 was, is that how you interpret it?

9 MR. MILES: The '21-'22 is the  
10 trended roll. So they'll see changes in the  
11 upcoming roll. You're right, the following  
12 roll after that the market values are paused.

13 LEGISLATOR BIRNBAUM: But if  
14 people are now trying to figure out and plan  
15 for the next five years is there a way they  
16 can tell now what their taxes will be in five  
17 years?

18 MR. MILES: Pretty difficult to  
19 estimate at this point because we haven't even  
20 received the '21-'22 budgets and '22 and '23  
21 is after that. It would be tough to  
22 estimate. More likely than not tax rates will  
23 be going down because the assessed values are  
24 going.

25 LEGISLATOR BIRNBAUM: What you



1 Veterans and Finance - 1-25-21

2 were saying before was just because your  
3 assessment changed that doesn't necessarily  
4 mean your taxes are increasing?

5 MR. MILES: Yes, that's correct.

6 LEGISLATOR BIRNBAUM: So, people  
7 who are seeing the five year phase-in and are  
8 getting nervous that in five years their taxes  
9 will be five times what they're paying now  
10 that's not necessarily true?

11 MR. MILES: That is correct.

12 LEGISLATOR BIRNBAUM: I think  
13 that is a very hard concept for people to  
14 understand with the phase-in.

15 MR. MILES: I understand. It's a  
16 very complex system. I think this is a common  
17 problem throughout the state is the  
18 explanation of assessment and market values as  
19 compared to your levies and your level of  
20 assessment. It's tough to understand. What  
21 we always try to say here is it's a comparison  
22 of your value to others in your districts.

23 LEGISLATOR BIRNBAUM: Right.  
24 Thank you.

25 LEGISLATOR FERRETTI: Are there

1 Veterans and Finance - 1-25-21

2 any other legislators that have any questions  
3 at this time? Any online? I know there are  
4 some on Zoom that haven't spoke.

5 Mr. Miles, just a follow-up. As we  
6 were going around asking you questions, just  
7 so you know, numerous legislators up here have  
8 been receiving text messages from receivers of  
9 taxes in Nassau County who are claiming as we  
10 speak there are residents calling saying they  
11 just got off the phone with the Department of  
12 Assessment and they are directing them to the  
13 receivers of taxes as it has been their error  
14 in this.

15 You have acknowledged that that's  
16 not the case. I would ask that you circulate  
17 a memo or do some actually tangible step to  
18 inform your staff of what we've discussed  
19 today and ask that they please acknowledge to  
20 the residents the truth, which is that this is  
21 a Department of Assessment computer error, not  
22 a receiver of taxes error and please stop  
23 sending them to the receiver of taxes office.  
24 Not just for the protection of the numerous  
25 receiver of taxes but this is causing a load

1       Veterans and Finance - 1-25-21  
2       of frustration on residents who are being sent  
3       all over the place. Can you do that? Can you  
4       send a letter to your staff or memo?

5                   MR. MILES:       Yes. I will follow  
6       up with the staff.

7                   LEGISLATOR FERRETTI:       We have  
8       numerous public comments today. I was going  
9       to read them into the record. For the sake of  
10      time I'm not going to do that. But they will  
11      be made available to anyone who does want a  
12      copy.

13                   I would finally just ask Mr. Miles,  
14      I had asked a question earlier about the bill  
15      which puts the phase-in exemption back on the  
16      website. I asked who made the decision or who  
17      gave the order to remove that initially from  
18      the website. You indicated you didn't know.  
19      I would ask if you could please try to find  
20      out and let me know. I would like to know the  
21      answer to that.

22                   MR. MILES:       Thank you.

23                   LEGISLATOR FERRETTI:       Thanks.  
24      From the Veterans Committee I will put the  
25      committee in recess.

1       Veterans and Finance - 1-25-21

2                   LEGISLATOR KOPEL:     I will do the  
3     same as well for Budget Review.  I can't  
4     really thank an empty room.  But thank you  
5     everybody who participated and anyone who is  
6     listening on remote.

7                   (Committees were recessed at 12:30  
8     p.m.)

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Veterans and Finance - 1-25-21

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 31st day of  
January 2021

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FRANK GRAY