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**Comptroller’s Audit Finds Nassau County Undercharged Certain Developers
for Sewer Hookup Fees**

More than \$2 million in fees were not charged due to inconsistent negotiations and lack of formal policy

MINEOLA, NY – The Office of the Nassau County Comptroller today released an audit showing that between 2013 and 2017, the County undercharged certain out-of-district developers \$2.6 million for sewer hookup fees by switching its assessment methods without legislative oversight approving the change.

“We found that there is a clear difference in how developers were treated when they requested to hook into the County’s sewer system,” Schnirman said. “Without any formal policies in place, the Department of Public Works (DPW) was free to wheel and deal as they saw fit.”

The undercharged fees were due to how DPW calculated equalization charges, the fee for properties located outside Nassau’s sewer district to hook into the County’s sewer system.

One project’s equalization charge calculation was based on its anticipated future assessed value while others were only charged based on a lower pre-development (vacant land) value.

The audit found that, due to a disparity in a valuation hidden within the formula, a project with 191 units was charged a total of \$425,000 while another with only 83 units was charged \$969,318. When broken into a per-unit cost, the property with the lower valuation was charged \$2,225 per unit while the other project right across the street that got stuck with the higher valuation was charged almost \$12,000 per unit.

The audit also found that on the same day in 2015, the County Legislature approved two out-of-district sewer agreements that did not disclose the two different formulas used to calculate the respective equalization charges.

In response to the audit’s findings, DPW agreed that it would be beneficial to have both a standardized, legislatively approved process for calculating out-of-district equalization charges and a consistent valuation policy for calculating equalization charges. DPW also agreed that the County website should be consistent with terminology, formulas, calculation, and approved fee ordinances as it relates to out-of-district sewer connections, and that agreements should be drafted in a consistent manner.

“Nassau County needs to have a consistent formula when it comes to these charges. That formula should be debated out in the open and ultimately approved by the County Legislature and County Executive,” Schnirman said. “When the County charges someone a fee, there needs to be a sound policy reason and accountability for how it is implemented backing it up. Our audit found that accountability was lacking due to the decentralized nature of County operations.”

As is standard practice for all audits, the Office of the Nassau County Comptroller’s audit team will follow up in six months to check on the progress of the recommendations, and the findings in the audit will be forwarded to the Nassau County District Attorney’s Office.

A copy of the audit and an easy-to-understand report overview can be found online at: www.nassaucountyny.gov/audits. The report overview and redesigned executive summaries are new features that will accompany every audit to increase accessibility.