

NASSAU COUNTY LEGISLATURE

NORMA GONSALVES,
PRESIDING OFFICER

FULL LEGISLATURE

NORMA GONSALVES,
CHAIRWOMAN

1550 Franklin Avenue
Mineola, New York

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

NORMA GONSALVES
Chair

KEVAN ABRAHAMS
Minority Leader

ROBERT TROIANO

CARRIÉ SOLAGES

DELIA DERIGGI-WHITTON

JOSEPH SCANNELL

FRANCIS X. BECKER

HOWARD KOPEL

VINCENT MUSCARELLA

RICHARD J. NICOLELLO

JUDI BOSWORTH

WAYNE WINK

MICHAEL VENDITTO

JOSEPH BELESI

DENNIS DUNNE, SR.

DENISE FORD

JUDITH JACOBS

ROSE MARIE WALKER

DAVID DENENBERG

WILLIAM MULLER
Clerk of the Legislature

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2 CHAIRWOMAN GONSALVES: Legislator Dunne,
3 please lead us in the Pledge of Allegiance.

4 (Whereupon, the Pledge of Allegiance was
5 recited.)

6 CHAIRWOMAN GONSALVES: Will Clerk Muller
7 please call the roll?

8 CLERK MULLER: Deputy Presiding Officer
9 Nicolello?

10 LEGISLATOR NICOLELLO: Here.

11 CLERK MULLER: Alternate Deputy
12 Presiding Officer Kopel?

13 LEGISLATOR KOPEL: Here.

14 CLERK MULLER: Legislator Troiano?
15 (No verbal response.)

16 CLERK MULLER: Legislator Solages?

17 LEGISLATOR SOLAGES: Here.

18 CLERK MULLER: Legislator Ford?

19 LEGISLATOR FORD: Here.

20 CLERK MULLER: Legislator Scannell?

21 LEGISLATOR SCANNELL: Here.

22 CLERK MULLER: Legislator Becker?

23 LEGISLATOR BECKER: Present.

2 CLERK MULLER: Legislator Muscarella?

3 LEGISLATOR MUSCARELLA: Here.

4 CLERK MULLER: Legislator Bosworth?

5 LEGISLATOR BOSWORTH: Here.

6 CLERK MULLER: Legislator Wink?

7 LEGISLATOR WINK: Here.

8 CLERK MULLER: Legislator Venditto?

9 LEGISLATOR VENDITTO: Here.

10 CLERK MULLER: Legislator Belesi?

11 LEGISLATOR BELESI: Here.

12 CLERK MULLER: Legislator Dunne?

13 LEGISLATOR DUNNE: Here.

14 CLERK MULLER: Legislator Jacobs? She's

15 here.

16 CLERK MULLER: Legislator Walker?

17 LEGISLATOR WALKER: Here.

18 CLERK MULLER: Legislator DeRiggi-

19 Whitton?

20 LEGISLATOR DeRIGGI-WHITTON: Here.

21 CLERK MULLER: Legislator Denenberg?

22 He's here.

23 CLERK MULLER: Minority Leader Abrahams?

24 (No verbal response.)

25 CLERK MULLER: Presiding Officer

2 Gonsalves?

3 CHAIRWOMAN GONSALVES: Present.

4 CLERK MULLER: And Minority Leader
5 Abrahams is here, as well.

6 CHAIRWOMAN GONSALVES: At this time --

7 CLERK MULLER: Legislator Troiano is
8 here, as well. I'm sorry. I didn't see you,
9 Sir.

10 CHAIRWOMAN GONSALVES: At this time it
11 would be in order to have public comment on
12 anything other than the budgetary items. Is
13 there anyone here who wants to speak on anything
14 other than the budget?

15 (No verbal response.)

16 I guess not. Okay. That's a good thing.
17 Then we will proceed with the public comment on
18 the budget. Before we do, we need a motion to
19 open the hearing.

20 LEGISLATOR MUSCARELLA: So moved.

21 LEGISLATOR DUNNE: Second.

22 CHAIRWOMAN GONSALVES: Moved by
23 Legislator Muscarella, seconded by Legislator
24 Dunne.

25 All those in favor of opening the hearing

2 signify by saying aye.

3 (Aye.)

4 Any opposed?

5 (No verbal response.)

6 Okay. The hearing is now opened.

7 I have a few speakers here. And I'm
8 going to begin with Eric Alexander.

9 MR. ALEXANDER: Good afternoon,
10 Presiding Officer, Members of the Legislature.
11 My name is Eric Alexander. I am Executive
12 Director of Vision Long Island. We are actually
13 here on two items today that certainly impact the
14 budget. The first item I want to speak to is in
15 reference to NICE Bus.

16 Our Organization is part of a coalition
17 with many others that care deeply about the bus
18 system. Clearly, there is an amendment that has
19 come forward for \$4 million that the Democrats
20 have put forward and we certainly would like to
21 see that move forward today. But if it cannot
22 move forward today, we want to ensure that there
23 is a bipartisan effort to plug some of the holes
24 in the budget.

25 We recognize that NICE Bus is doing - is

2 continuing to run the lines. Having said that,
3 there are some areas of the County that are
4 undeserved, under serviced, and we recognize that
5 they've got a methodology that's tied to
6 profitable routes. We also recognize with a lot
7 of state money in the budget and also some county
8 money, there needs to be more, that we need to
9 make sure that all areas of the county, where
10 feasible, are covered, and that's a public
11 interest role. So we want to make sure that the
12 routes continue and strengthen existing service.

13 We also want to say that when we're
14 lobbying the state on bus service, we constantly
15 hear that the county is getting too much
16 comparatively. And Suffolk County is frustrated
17 that they're not getting the resources on the
18 state level that they are, it is incumbent upon
19 the county here to make their match and make sure
20 that resources are adequately set aside.

21 So we look forward to a bipartisan
22 agreement on that. So that's item one.

23 Item two. I just want to praise this
24 body and the Nassau County Executive, quite
25 frankly, for the recent announcement in -- it

2 actually wasn't in *Newsday* much, really couldn't
3 find it -- on the Bay Park Sewage Treatment
4 Plant. From our understanding, the largest
5 public infrastructure allowance on a federal or
6 state level coming to the Bay Park Sewage
7 Treatment Plant. Many of you, we were on a tour
8 of that facility, and clearly there are needs.

9 So I just wanted to take this opportunity
10 to praise you guys for the work that you are
11 doing. We do hope, in a bipartisan fashion,
12 post-election, that there will be agreements to
13 move forward with that money. I know there were
14 questions about reimbursement. But again, our
15 understanding is that this is the largest public
16 infrastructure grant ever on Long Island. Again,
17 I'd like to find what project hasn't come
18 forward.

19 So, we hope that that gets the publicity
20 it needs and also that we get more resources to
21 match because there are other things that need to
22 happen at that facility.

23 With that, I just wanted to make a couple
24 of comments. Thank you.

25 CHAIRWOMAN GONSALVES: Thank you, Eric.

2 Legislator Jacobs.

3 LEGISLATOR JACOBS: Hi, Eric. How are
4 you?

5 MR. ALEXANDER: Hi.

6 LEGISLATOR JACOBS: I put forth that
7 amendment --

8 MR. ALEXANDER: Yes.

9 LEGISLATOR JACOBS: because I'm really
10 very concerned. I realize that there are certain
11 -- obviously the county has boasted that having
12 this new operator is saving money. But it also
13 has a reverse side, and that is when you hear the
14 percentages of dissatisfaction --

15 MR. ALEXANDER: Yep.

16 LEGISLATOR JACOBS: the dramatic
17 ridership reductions, it has to make you sit up
18 and take notice that we do have a responsibility
19 here, obviously going forward.

20 I don't live in a dream world; I've been
21 here too long to do that. But I think I live in
22 a real world where I think this has a lot to do
23 with social service, it has a lot to do with the
24 economy, with people working.

25 Look. I'm speaking just personally. I

represented, until this coming January, the whole northeast quadrant, which not only does not have bus service but doesn't have Able Ride service. Now, I'm not living in some kind of a dream that that's going to all of a sudden be restored through this \$4 million. But it bothered me when I read in the paper that a lot of the money that's coming in now is just going to be improve the fleet of Able Ride buses. I think that's important, don't get me wrong. I don't want to see any of these buses break down. But it's not really helping the ridership or whatever. So I really feel that a commitment by us to have more money put in, even though it's not enough and I'm the first one to admit it, is at least something that keeps it on the budget cycle. Who knows? As things improve in the general economy, maybe we'll see something better happening as we go forward.

MR. ALEXANDER: I agree with you a hundred percent. I think that -- first off, I think that the Able Ride money is tied to a specific federal grant so that there might be conditions and restrictions on that. But making

2 sure that the county puts its fair share of
3 resources in the hopper, and I think that's what
4 you're putting out there, and your legislation
5 does that. We've had conversations with members
6 on the other side of the aisle expressing that,
7 and I think we've heard some positive feedback on
8 their side. Obviously, maybe today can't, you
9 know, may or may not be able to address those
10 things.

11 But I think there should be a commitment
12 to ensure bus service. And I'm glad you're
13 raising those issues, Legislator Jacobs.

14 LEGISLATOR JACOBS: Because if it's not
15 discussed today and if it doesn't have a line,
16 then we're talking about waiting a year.

17 MR. ALEXANDER: Well, there have been
18 precedence -- from our understanding there has
19 been precedence that other issues get tackled
20 with amendments and offsets post budget, and we
21 hope that that would continue.

22 You also raised some specific questions,
23 as far as ridership numbers. And I know Charlene
24 Obenauer from Jobs with Justice -- and I don't
25 want to steal Ryan's thunder, from Tri-State

1 Transportation Campaign, they've got some data
2 that will help make you guys think through this
3 issues a little bit, if not today in immediate
4 terms, right away.
5

6 Again, thank you for your concern. We
7 know this to be a bipartisan concern. And we
8 hope --

9 LEGISLATOR JACOBS: It is.

10 MR. ALEXANDER: these things can move
11 forward in short order. So, good work.

12 LEGISLATOR JACOBS: I hope so.

13 MR. ALEXANDER: Thank you.

14 CHAIRWOMAN GONSALVES: Eric, you can be
15 assured that it will be a bipartisan effort.

16 MR. ALEXANDER: Okay. Thank you.

17 CHAIRWOMAN GONSALVES: Legislator Ford.

18 LEGISLATOR FORD: Thank you, Eric, for
19 coming down.

20 I share the concern and the interest of
21 everybody, even with the NICE Bus System and
22 especially the Able Ride System. And while I
23 would have liked to have seen all the money right
24 now put into the budget for the bus system,
25 unfortunately it's not there. But, we had the

2 same situation last year with our youth services
3 where we needed to increase the funding for them
4 and restore a lot, and at that time I got a
5 commitment from the Presiding Officer, Norma
6 Gonsalves, soon after the budget vote we met and
7 we started working on this. She followed through
8 on her commitment to make sure that we would get
9 this funding.

10 I believe Presiding Officer Norma
11 Gonsalves also, we will be meeting soon after
12 this budget vote. She and I are going to talk
13 about different ways to look at where we can and
14 if we can get additional funding for NICE Bus.

15 MR. ALEXANDER: Great.

16 LEGISLATOR FORD: Okay.

17 MR. ALEXANDER: Thank you. Anything you
18 need from our organization, certainly the
19 coalition, you'll hear from other folks today.
20 I'm glad to hear. Thank you.

21 CHAIRWOMAN GONSALVES: Legislator
22 Becker.

23 LEGISLATOR BECKER: I, too, wanted to
24 add my voice to the concerns about the NICE Bus
25 System. I think there has been some great

1 progress along the way, as far as the bus service
2 has been. But we know now after, it's been,
3 what, two years, that there be an operation --
4 and after the surveys, that we need to be --
5 there are some areas that we need to work on to
6 improve the bus service.
7

8 I, together with my colleagues on this
9 side of the aisle, as I said, as was mentioned,
10 it seems it's sort of a long term project. So
11 just talking about the four million, whatever
12 amount of money is put on the table today,
13 whether it happens or not, I think it's important
14 for everybody to know that I, too, with my other
15 colleagues, have a commitment to this and fixing
16 it.

17 Ryan Lynch has been a great, great help
18 and yourself and others in making us aware of the
19 needs. We appreciate your and his advocacy and
20 others, bringing this to our attention.

21 I think it's a long term project. Some
22 great suggestions were made to me. For example,
23 to reach out to NICE Bus to see -- to give us
24 some figures as to where a million dollars, \$2
25 million, or \$4 million might be used and could be

2 discussed so you could actually improve,
3 especially in those areas that need the ridership
4 that it's not there. We know the people are in
5 need of transportation to get to work, and if
6 they can't get to work, even if there is a job
7 available, they're not going to be able to do it,
8 and I think everybody on this body is concerned
9 about that.

10 I, too, just want to express my view.
11 Whether we're able to get this done today, the
12 long term commitment is there. And I think we
13 are committed to making those improvements.

14 Thank you very much for your comments
15 today.

16 CHAIRWOMAN GONSALVES: Legislator
17 Jacobs.

18 LEGISLATOR JACOBS: I don't mean to take
19 up time but I think this is so important that it
20 really boggles my mind.

21 I just want to remind everybody that when
22 I held that first hearing over at the hospital, I
23 only held it at the hospital because I couldn't
24 get the chamber, on bus service, there were many,
25 many people who got up and broke everyone's

1 heart, which is good to happen to us every once
2 and a while, about the fact - students, who had
3 no use of their limbs and actually couldn't see
4 but were in college and finishing a degree, they
5 could not get there without bus service, and
6 seniors who were blind but who are an absolute
7 integral part of our workforce. I could go on
8 and on. The people that spoke would just take
9 your breath away, the fact that they were so able
10 to be a functioning, important part of society.

12 I'll be honest with you; I did speak to
13 Ryan Lynch last week, and I told him that the one
14 thing that's dropped out of this picture, I don't
15 know where those people are from the northeast
16 quadrant. I know they live there and I know that
17 they have nowhere to go. I know they can't be
18 going to college if they don't have this. And I
19 know that the seniors are not getting to their
20 dialysis because at one point Rotary Rides did
21 pick it up, but it reached a point economically
22 where Rotary Rides couldn't continue.

23 If we absolutely reach a dead end, this
24 might be something -- I think I see -- Ms.
25 Murphy's in the audience? I'm actually thinking,

1 seriously, out of the box right now, I'm just
2 saying this. It might be something we have to
3 discuss within social services because obviously
4 there's a whole segment of the population that
5 spoke from their hearts, touched ours, and to
6 this moment in time have not been helped.

8 MR. ALEXANDER: I agree with you,
9 Legislator Jacobs. I think the human service
10 community and the service professionals have been
11 largely silent on this advocacy and on the
12 solution side of this, and I think we need to
13 involve them in the conversation.

14 LEGISLATOR JACOBS: I think so.

15 MR. ALEXANDER: Having said that -- I
16 know we've reached out to them many times. But
17 having said that, again, we encourage you to act
18 today, if possible; if you can't, my
19 understanding is in short order you're going to
20 move until we hear a commitment from the other
21 side of the aisle to find the money.

22 If you want us to go through the budget
23 and come up with ideas on offsets, we'll be glad
24 to do that too. But there clearly -- you should
25 be able to find \$4 million.

LEGISLATOR JACOBS: Eric, you know that we don't just put out a figure to spend without offsets.

MR. ALEXANDER: Yep. Understood. Understood. I respect that.

CHAIRWOMAN GONSALVES: Legislator Denenberg.

LEGISLATOR DENENBERG: Eric, thanks for coming down. Legislator Jacobs has really taken the lead in seeking the four million because of the services that aren't being provided. And I think it's good that going forward, after the budget is passed there is a commitment to look and meet about it. Unfortunately, each day that goes by, we have complaints from real people that really can't get to work, really can't get to school, so that's why Judy Jacobs had stepped forward with this and that's why you're here, because you need it today.

MR. ALEXANDER: And the coalition. I'm just one member of a coalition, I happened to put my card in first. There's a whole coalition of folks here who have different things to share with you.

LEGISLATOR DENENBERG: I understand.

And I'm looking at a friend of mine who wanted to be here, who was here last week and didn't get an opportunity to speak, and that's because people - the bus service isn't there now. And it's going to remain a problem.

Thanks.

MR. ALEXANDER: Thank you.

CHAIRWOMAN GONSALVES: We're going to move on to the next speaker. I believe the next speaker is Angela Davis.

MS. DAVIS: Yes.

CHAIRWOMAN GONSALVES: And there is someone to assist you?

MS. DAVIS: Yes.

CHAIRWOMAN GONSALVES: Thank you.

MS. DAVIS: Good afternoon. I'm Angela Davis. I'm a proud member of NYCC and a rider of Able Ride. I'm here to implore you to approve the increase to NICE Bus and Able Ride.

I mostly take Able Ride but I also take fixed bus routes. The service on both have gotten worse over the last two years. Buses are falling apart. I was put on an Able Ride Bus

2 which just wasn't working. I had to be followed
3 home by a car with two mechanics who had to crank
4 the lift to get me off. This was not a good
5 experience.

6 On another occasion, I was waiting for a
7 bus on a fixed route when the bus driver informed
8 me that his lift wasn't working. I had to wait
9 another half an hour for the next bus. NICE Bus
10 and Able Ride need new buses. New buses are not
11 free. The money you are voting on will help
12 tremendously.

13 Thank you.

14 CHAIRWOMAN GONSALVES: Thank you,
15 Angela.

16 Legislator Bosworth.

17 LEGISLATOR BOSWORTH: Angela thanks for
18 your comments.

19 The thing that strikes me as being a
20 great concern is when you are waiting for the
21 bus, where are you waiting?

22 MS. DAVIS: Out in the open.

23 LEGISLATOR BOSWORTH: Okay. So as we're
24 getting closer to the start of winter it becomes
25 even more imperative that these buses are

2 actually functioning. The idea of someone
3 waiting for as long as you had to wait, then have
4 a bus that didn't have a lift, and then you had
5 to wait an additional half hour is something that
6 just can't be tolerated.

7 I appreciate, as I know we all do, your
8 taking the time to come here and speak about it.
9 You can read about things, but it's very
10 different when someone comes and actually talks
11 about the experience that they actually had. So
12 thank you very much.

13 MS. DAVIS: Thank you.

14 CHAIRWOMAN GONSALVES: Once again, thank
15 you Angela.

16 MS. DAVIS: Thank you.

17 CHAIRWOMAN GONSALVES: Next speaker is
18 Chris Gavin.

19 MR. GAVIN: Hi. My name is Chris
20 Gavin. I represent the drivers and mechanics at
21 NICE Bus.

22 CHAIRWOMAN GONSALVES: Welcome.

23 MR. GAVIN: It's been like two years
24 since I've addressed this legislature. I have to
25 agree, at the last minute we were all forced to

1 take NICE as the low bidder or whatever. But now
2 I think it's all of our responsibility to do
3 something about it.
4

5 After a year and eight months they
6 finally got rid of the CEO and they put in a new
7 fellow. And I had a second meeting with him, and
8 he's agreeing that the service is broken, the
9 whole system is broken, and he wants to fix it;
10 those were his words. And he asked me to extend
11 the pick that goes into effect in January to the
12 middle of January, which is against the
13 collective bargaining. But I'm on your side; I
14 want to work with you to fix it. In order to do
15 that, we need to get the money to fix the
16 existing system. Not only the drivers and
17 mechanics and losing, but the ridership out there
18 is waiting, just like Angela, an hour for the bus
19 that doesn't come. So it needs to be fixed.
20 They're admitting that it's broken, but, I don't
21 know, it's all hearsay.

22 They are a profit fueled organization.
23 And we have other private companies on Long
24 Island -- Suffolk Bus, Courtesy Bus -- and nobody
25 is profit driven like these guys. They don't

care. When they make a profit and it's on the backs of the riders and the people that work at NICE Bus, they don't care. But now they're making a commitment to fix it, and I'm hoping that it's not just hearsay. I'm on the --

I want to help. I'll be the first to tell you anything that goes on at these meetings to see if it's fixed or not fixed.

We need to put more money into the system to help it. Thank you.

CHAIRWOMAN GONSALVES: Thank you, Chris. Legislator Dunne.

LEGISLATOR DUNNE: Chris, during the year you'll come back maybe every few months and give us an update?

MR. GAVIN: I'll give you an update at any time. I want you to know what I know.

LEGISLATOR DUNNE: Thank you, Chris.

CHAIRWOMAN GONSALVES: Ryan Lynch.

MR. LYNCH: Good afternoon. Ryan Lynch, Tri-State Transportation Campaign. Thank you for the opportunity to testify. Today we are here to speak about NICE Bus, as well. Thank you for Eric, Chris, and Angela to come up and share

2 their experiences, working to improve bus service
3 in Nassau County. And I wanted to thank all of
4 the legislators that we've met with over the past
5 few months and weeks, listening and hearing what
6 the experiences are of bus riders is incredibly
7 important. We appreciate your advocacy. And
8 we're here to testify in support of Legislator
9 Jacobs's \$4 million amendment to the bus system,
10 but also recognize that if this can't happen
11 today, we warmly welcome the conversation that
12 will happen over the next weeks and months as a
13 way to improve the system in Nassau County.

14 As you all know, the system right now is
15 supported with a \$2.6 million line item from the
16 county that makes up less than one-tenth of one
17 percent of Nassau County's \$2.79 billion budget.
18 One thing that we haven't heard much about lately
19 is the incredibly economic impact that this
20 system has in Nassau County. We are releasing a
21 report today that finds that in 2012 alone -- we
22 didn't do this, these are actual economists that
23 did this from the Rudin Center for Transportation
24 and Apple Seed Economics. They found that in
25 2012 alone the NICE Bus System, and it's the

2 multiplier and indirect effects of the system,
3 created almost \$200 million in economic
4 development that supported almost 1500 jobs.
5 This is a huge, huge economic boon for the
6 county. For every county dollar that's invested
7 in the bus system, \$73 of economic development is
8 generated. So there's a lot of bang for your
9 buck in investing in transit and bus transit in
10 the County. We hope that whether it's through
11 this \$4 million amendment or through anything
12 else that comes through in the new couple of
13 weeks and months, we look forward to that
14 conversation and forward to supporting increased
15 support for the bus service.

16 Thank you.

17 CHAIRWOMAN GONSALVES: Ryan, you know
18 you have a commitment, as we expressed just a
19 little while ago, that we will continue the
20 dialogue to make the NICE system better.

21 MR. LYNCH: Great. Thank you, Presiding
22 Officer.

23 CHAIRWOMAN GONSALVES: For people like
24 Angela.

25 MR. LYNCH: Absolutely. Thank you.

2 CHAIRWOMAN GONSALVES: Charlene
3 Obernauer.

4 MS. OBERNAUER: Hi. Good afternoon,
5 Presiding Officer and other legislators. I want
6 to just say thank you initially from the
7 forefront for voicing your bipartisan support for
8 increased funding. I'm here to speak on support
9 of the amendment for the increase of the bus --
10 funding of the bus system by \$4 million.

11 I think the question that we really have
12 to ask ourselves when we're looking for
13 improvements for the bus system, right, we can
14 ask ourselves how many million dollars can we
15 afford, how many million dollars will make how
16 big of a difference. I also think we have to ask
17 what kind of a bus system is acceptable for our
18 residents. What is the line of what we can
19 accept versus what we can't accept? So I want to
20 just highlight a couple of recommendations that
21 we have.

22 The first is improving the Metro Card
23 glitches that are a huge issue for riders. I
24 know most people probably know, because we've
25 gotten a lot of *Newsday* coverage and News 12 and

1 everything. But there are glitches with the
2 Metro Card where you swipe your card and you get
3 a read error. Most bus riders have, at one point
4 or another, experienced some kind of glitch.
5 After the glitch occurs, it wipes the card of
6 money. So that's one huge issue that we hope can
7 be solved. Maybe it can be solved within the
8 current budget. Maybe we don't need additional
9 funding for that specifically. But either way,
10 we want to highlight that as an improvement.
11

12 The second piece that I'll say is just on
13 time performance of buses. I know Angela just
14 spoke to that for Able Ride. But on time
15 performance for buses is huge, whether it's fixed
16 route buses or Able Ride.

17 We're going to release a report tomorrow,
18 actually, on the Able Ride Bus System and on
19 service for people with disabilities. And I'll
20 just highlight, prior to the release, a few key
21 findings.

22 One is that we surveyed one of our
23 members who relies on Able Ride for a year,
24 basically just monitored what time the buses
25 came, what time they were supposed to come. He

1 takes the bus between two to three times every
2 week, so, you know, every year that means he
3 takes the bus 100 to 150 times. I'll get to the
4 point. In that year his bus was late 13 times
5 out of between 100 and 150 times. So that means
6 his bus was late between 8 to 12 percent of the
7 time, and that an average of his Able Ride Bus
8 when it was late, it was an average of 32.4
9 minutes late. And so when I say a bus was late I
10 just don't mean -- because for Able Ride
11 passengers, they have to take the bus between a
12 30 minute window, so say between 12:00 and 12:30.
13 So when I say it was late, if he ordered the bus
14 for 12 o'clock, it didn't come until 1:02, under
15 the buses being an average of 32.4 minute late
16 for Able Ride. So those are the kinds of
17 problems that we're seeing.

18
19 I think, again, we have to come back to
20 that question: What kind of a bus system is
21 acceptable in Nassau County? What kind of a bus
22 system do we want to create?

23 I applaud the efforts, particularly
24 bipartisan efforts, you know. For those of us
25 who work for non-profits, right before election

time is crazy because we are a nonpartisan and we like to operate in such a way where, you know, our issues can have support on both sides of the aisle. So this is great. I know it might not get done today --

CLERK MULLER: Your three minutes have expired, ma'am. Please wrap it up.

MS. OBERNAUER: Thank you. But anything that can happen after the budget does come to pass, we would appreciate. And we appreciate all of your support. Thank you.

CHAIRWOMAN GONSALVES: You're welcome, Charlene.

Next speaker is Aaron Watkins-Lopez.

MR. WATKINS-LOPEZ: Good afternoon. Thank you very much for letting me testify today. I was here last week --

CHAIRWOMAN GONSALVES: Yes, I remember.

MR. WATKINS-LOPEZ: speaking on the same thing, you know, money in the budget to increase funding for the buses. I spoke to the fact that a lot of riders are deemed unreliable and that they miss employment opportunities because they cannot rely on the bus system itself.

2 I know that with increased funding we
3 would be able to increase the service hours that
4 the buses run, we could add more routes to the
5 northeast quadrant which are so barren in their
6 services, we could fix the Metro Card machines,
7 and we could really make NICE Bus a system that
8 people would not only rely on but want to rely
9 on.

10 Though I am a member of the Bus Riders
11 Union, I am a bus rider through and through. I
12 do not drive; it makes me very anxious and
13 uncomfortable so I stay away from cars as much as
14 I can. But that being said.

15 I do have a constant fear that I'm going
16 to be labeled as unreliable when I have to call my
17 bus every couple of days, I'm sorry, I'm running
18 late, I missed my bus. I'm sorry, I missed my
19 transfer because my first bus was 20 minutes
20 late, my second bus was 30 minutes late. And I
21 love my job. So the fact that I might be one day
22 deemed unreliable makes me very upset.

23 As I spoke to you last time, I did say
24 that this was not a democratic problem this was
25 not a republican problem, this was a people

1 problem. And it makes me very, very happy to see
2 that there is this non-bipartisan -- this
3 bipartisan support from all of you to really show
4 that you do care about the buses and you want to
5 make it a system that we can all rely on, making
6 Nassau County a better place.
7

8 So I do want to thank you so much for
9 your support. And thank you for letting me speak
10 today.

11 CHAIRWOMAN GONSALVES: You're welcome,
12 Aaron.

13 Next we have the democratic candidate for
14 comptroller, Howard Weitzman.

15 MR. WEITZMAN: Good afternoon everyone,
16 and especially Presiding Officer Gonsalves, for
17 this unexpected opportunity to speak before this
18 assembled group. I apologize for not having a
19 written testimony, but I did not expect to
20 testify today so I wasn't able to take the time.
21 However, having said that, I would like to
22 comment on the budget and specifically the
23 comptroller's comments with respect to that
24 budget.

25 First thing I wanted to say is this is

1 not really the comptroller's comments on the
2 Nassau County 2014 budget; this is the
3 comptroller's comments on the comptroller's 2014
4 budget, which is a unique document never before
5 seen in Nassau County history. The Nassau County
6 comptroller re-wrote the budget to make the
7 numbers fit a little bit better into the fancy
8 charts that he shows, and disregarded totally the
9 budget that was submitted by the county
10 executive.
11

12 For example, he starts off by commending
13 the administration for reducing expenditures by
14 \$1 million compared to the previous budget and
15 commending him for that. The people who should
16 be commended is NIFA because the only reason
17 expenses went down was because NIFA froze wages.
18 It had nothing to do with the administration and
19 certainly had nothing to do with the comptroller.

20 He then talked about real estate refunds
21 which, as you know, is a major problem for Nassau
22 County and has been for a very long time. He
23 first points out that there is not enough money
24 in the budget to cover the annual payout over the
25 last four years of \$63 million. What he fails to

disclose is that payout is artificially low because the county has paid or settled cases in over two years. The fact of the matter is the county has been artificially deflating the number of refunds payable, literally kicking the can down the road, which is an expression we all hear from Washington these days. Well, that's how they do it in Nassau County.

He also talks about the savings in payroll which, as I said earlier, was related to NIFA. He doesn't even look to the county payroll; he looks to the current onboard, December 31. But as we all know, the county executive's budget contains additional hiring, which the comptroller conveniently left out because it wasn't convenient for the numbers that he was projecting. But my favorite is the borrowing.

The comptroller took the county executive's multi-year plan, with \$230 million, and lopped off \$180 million because it would have made the deficits look worse in the out years. He then recommended that the county pay on a pay-go basis, \$50,000, in effect admitting that the

2 first action taken by the administration of
3 eliminating the payment of \$50 million in the
4 budget was incorrect in 2010. So now he's
5 recommending that it be done again. Where does
6 the money come from? So the comptroller is now
7 recommending additional areas where there are
8 savings. Low and behold, he's figured out a way
9 to balance the budget.

10 CLERK MULLER: Your three minutes have
11 expired, sir.

12 MR. WEITZMAN: Excuse me?

13 CLERK MULLER: Your three minutes have
14 expired.

15 MR. WEITZMAN: Okay. I think you'll let
16 -- You did let other people speak much longer.

17 CLERK MULLER: Not more than three
18 minutes.

19 MR. WEITZMAN: I don't think it's fair.

20 CLERK MULLER: Not more than three
21 minutes.

22 MR. WEITZMAN: This document is a hoax.
23 This document was not what the Charter calls for
24 in terms of reviewing the budget. This is the
25 comptroller's idea of what a budget might look

1 like if he was the county executive. As I said
2 in our debate, if he wanted to be the county
3 executive, he should have run for the county
4 executive.
5

6 Thank you all very much.

7 CHAIRWOMAN GONSALVES: Thank you, Mr.
8 Weitzman.

9 I have no other speakers regarding the
10 budget at this time. I believe the next order of
11 business will be questions from the legislators.
12 However, I think we need a few minutes to wait
13 for Comptroller Maragos to appear. It was
14 promised at the last meeting that he will be here
15 to address any questions that the legislators
16 have. And so I'm going to ask you to be patient,
17 and we'll take a five, ten minute recess until he
18 approaches.

19 Thank you very much.

20 (Whereupon, the Full Legislature recessed
21 at 1:50 p.m.)

22 (Whereupon, the Full Legislature
23 reconvened at 2:05 p.m.)

24 CHAIRWOMAN GONSALVES: As we recalled
25 at the last budget hearing that this would be

2 another opportunity for you to address those
3 questions that you did not have an opportunity to
4 address at the last meeting. Comptroller Maragos
5 and his staff are here to answer those questions.

6 In addition, we have the Deputy
7 Commissioner of Finance in the room, Tim
8 Sullivan, who will also be here to address any
9 questions that you may have of him. Mr.
10 Sullivan, you are there, correct? All right.

11 Now, so the floor is open for questions
12 from the legislators. Yes you may, Mr. Minority
13 Leader.

14 LEGISLATOR ABRAHAMS: How are you, Mr.
15 Maragos?

16 COMPTROLLER MARAGOS: Good afternoon.

17 LEGISLATOR ABRAHAMS: Thank you for
18 coming back today, I appreciate that. And since
19 that time the legislators, as well as our staff,
20 had an opportunity to digest your report which
21 came out a couple of weeks ago. I want to jump
22 right into it and ask you a couple of questions
23 regarding some of your analyses, specifically as
24 it pertains to some of the contracts and things
25 that we're seeing between NIFA.

2 In calculating the county's financial
3 results on NIFA's prescribed gapped basis, your
4 report assumes there will be only a 50 million
5 borrowing for tax cert refunds in 2014. If I'm
6 understanding this correctly, is that the case?

7 COMPTROLLER MARAGOS: That is the
8 comptroller's recommendation, to move the county
9 in a more --

10 LEGISLATOR ABRAHAMS: I'm sorry. Could
11 you just move the microphone a little bit closer?
12 Maybe it's not even on. It sounds on. Maybe
13 just move it a little bit closer. They're not
14 the best microphones.

15 COMPTROLLER MARAGOS: That is our
16 recommendation, to move the county in a better
17 fiscal direction.

18 LEGISLATOR ABRAHAMS: If I'm
19 understanding your report, on page 13, I'm just
20 going to quote it: "Although the administration
21 had originally projected borrowing \$230 million
22 to pay off a portion of the long-term liability,
23 at the urging of the comptroller," which you've
24 just indicated, "had to continue with the
25 county's improving financial trends, the

2 administration has agreed to reduce the 2014
3 borrowing to \$50 million." So if that is the
4 case, and based off of your urging, is it your
5 understanding that the administration has in fact
6 agreed to reduce this projected borrowing or?

7 COMPROLLER MARAGOS: No. Our
8 understanding, we don't have such an
9 understanding. We're not aware of what the
10 administration is planning on doing, whether they
11 plan to adopt our recommendation or not.

12 LEGISLATOR ABRAHAMS: So how were you
13 able to put that together?

14 COMPROLLER MARAGOS: That is a
15 recommendation. What we're saying -- that's what
16 we're urging the legislature and the
17 administration to do to move the county in a much
18 more fiscally responsible position.

19 LEGISLATOR ABRAHAMS: I'm sorry. Maybe
20 I'm quoting your report mistakenly. But it says
21 here that the administration has agreed to reduce
22 the 2014 borrowing to \$50 million. That gives me
23 the sense that they agreed to what you are
24 saying; is that typo?

25 COMPROLLER MARAGOS: That is a typo,

correct.

LEGISLATOR ABRAHAMS: Okay.

COMPTROLLER MARAGOS: That was not reflected in the executive summary.

LEGISLATOR ABRAHAMS: I understand.

Your report also says that the administration is believed -- will revise its projected borrowing, which is also on page 13 of your report. Why does your report say the word believed when it later says that the administration has also agreed -- has already agreed to reducing the borrowing? That kind of piggybacks on what we just talked about.

COMPTROLLER MARAGOS: Yeah. The administration has not agreed. That is a typo in the report. We are urging both the administration and the legislature to reduce the amount of borrowing from 230 down to 50 million.

LEGISLATOR ABRAHAMS: So there is no understanding that the administration believes to reduced or has agreed to reduce or is -- there is nothing like that.

COMPTROLLER MARAGOS: We are urging the legislature and the administration that it would

be more fiscally prudent to reduce significantly the amount of planned borrowing.

LEGISLATOR ABRAHAMS: No. I'm getting to the point where the report also indicates that the administration has agreed or the administration is believed that it will revise its projected borrowings; that, to me, that part is inaccurate, I'm saying.

COMPTROLLER MARAGOS: That is a typo.

LEGISLATOR ABRAHAMS: Typo. Okay.

So your schedule that I'm looking at, which is on page four of your report, Exhibit 2, which indicates \$50 million for borrowed funds to pay property taxes which indicates 50 million, that's based off your recommendation not based off of what the county plans to do?

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR ABRAHAMS: So if I'm understanding your report correctly, where it gets down to where NIFA's prescribed presentations basis, in essence, if they do not assume your recommendation the number is going to be significantly higher.

COMPTROLLER MARAGOS: That is correct.

2 We've noted that in the executive summary as
3 well, of the report, page 2, second paragraph.

4 LEGISLATOR ABRAHAMS: Excuse me one
5 second.

6 It was our understanding that this
7 report, I know on the front cover it indicates
8 comments and recommendations on the proposed
9 Nassau County 2014 budget. It has always been
10 our understanding that we would see a report that
11 actually tells us or gives us a snapshot of where
12 we are. Is it safe to say, being that where we
13 are, this is your recommendation and this would
14 be great but if the county doesn't adopt it then
15 we're nowhere. If the county doesn't assume
16 that, then I don't see how -- shouldn't there be
17 another chart that indicates what the county
18 would do, that would indicate the numbers to be a
19 little bit higher?

20 COMPTROLLER MARAGOS: My posture or the
21 comptroller's responsibility has always been, to
22 my understanding, to try to steer the county in a
23 better financial direction, and that's what I'm
24 urging this legislature to do, unlike past
25 comptrollers that may or may not taken a more

passive attitude towards the fiscal management of this county.

LEGISLATOR ABRAHAMS: And we -- I appreciate you doing that. But also, we want to be able to get the truth the way it states. The reality is that the administration hasn't agreed to or is not believed to adopt any of the recommendations. So we need to understand also the course that this administration is taking us, which if based off of this projected exhibit, if I'm doing the math correctly, we're going to be adding hundreds of millions of dollars to this bottom line number, which would present a much more negative outlook.

COMPTROLLER MARAGOS: That's correct. And I presume the legislature would want to not move in that direction.

LEGISLATOR ABRAHAMS: That's the point I was making. Let's see if we can move on.

Basically, as I said before, we have the recommendation from your office but we don't have the analysis of the county executive's budget from your office, assuming that's to be correct.

COMPTROLLER MARAGOS: No. You have

both. And you have very strong recommendations to move in a better fiscal direction, at least move the county in a more responsible fiscal direction.

LEGISLATOR ABRAHAMS: This is, in essence, this is a document that you are putting together, which, great, it's your recommendations but it's not resembling what the county budget is actually --

COMPTROLLER MARAGOS: It is because it shows the consequences and you can derive the consequences of not adopting these recommendations.

LEGISLATOR ABRAHAMS: Show me the exhibit that indicates if we do not adopt the --

COMPTROLLER MARAGOS: Well, you can clearly see it in Exhibit 2, for example, page four.

LEGISLATOR ABRAHAMS: That's the exhibit I'm looking at.

COMPTROLLER MARAGOS: That if you remove that \$50 million then the bottom line is going to increase or decrease.

LEGISLATOR ABRAHAMS: But I'm saying

that's conclusionary based. Wouldn't it be more beneficial to have a document that actually has that?

COMPTROLLER MARAGOS: It's very analytic and numeric. It's not conclusionary.

LEGISLATOR ABRAHAMS: It's conclusionary that I have to remove the \$50 million to be able to do that, and I don't know where else in this report indicates things based off of your recommendation versus what actually the administration is believed to be doing.

COMPTROLLER MARAGOS: I believe you can clearly see it in dollars and cents what the consequence would be.

LEGISLATOR ABRAHAMS: Say, for example, assuming that we have the possibility of a projected \$230 million in borrowing, show me the chart in your report that indicates that, if it does exist.

COMPTROLLER MARAGOS: Then go over to the borrowing chart --

LEGISLATOR ABRAHAMS: Give me the page and exhibit number if you have it.

COMPTROLLER MARAGOS: Sure.

LEGISLATOR ABRAHAMS: Why you look for that Mr. Maragos, what we were looking for, and I don't know if you're familiar with this. The Nassau County Office of Legislative Budget Review, on page 33 of their report which indicates debt service, indicates a planned 2014 issuing of borrowing of \$230 million.

COMPTROLLER MARAGOS: Correct.

LEGISLATOR ABRAHAMS: For tax certioraris, which it sounds like, to me, this is the snapshot that we were looking to have validated by your office, which is in the proposed multi-year plan report. Does your report reflect something similar to that?

COMPTROLLER MARAGOS: On Exhibit 19 --

LEGISLATOR ABRAHAMS: Exhibit 19.

COMPTROLLER MARAGOS: Page 21 --

LEGISLATOR ABRAHAMS: Page 21.

COMPTROLLER MARAGOS: we show the new money borrowing, which includes, for 2014, the 50 million proposed. So if you want to increase that by another 180 million, you can see what the consequence is.

LEGISLATOR ABRAHAMS: I'm sorry, Mr.

Maragos. I'm not following your report here.

Let's focus on 2014. Am I on the right exhibit, Exhibit 19, Page 21?

COMPTROLLER MARAGOS: Yes. Yes, you are.

LEGISLATOR ABRAHAMS: For 2014 it indicates 219.1 million.

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR ABRAHAMS: I thought you had said the borrowing was 230.

COMPTROLLER MARAGOS: What I'm saying is under the recommendation that we're strongly making to this body is that by reducing the borrowing from 230 to \$50 million, that will result in new money borrowing of 219 million, which we are strongly urging you to adopt as a method of moving the county to a much more prudent financial provision.

LEGISLATOR ABRAHAMS: I want to move on. Basically, if I could just say this. It sounds like, to me, if the administration and this legislature do not adopt your, your, your recommendations, then it sounds like to me then, the way this report was drafted, it would come to

1 a conclusionary basis in terms of how we're going
2 as a county. That's pretty much where my
3 understanding is.

4
5 COMPTROLLER MARAGOS: As we state in the
6 executive summary in bold type, sustaining these
7 positive trends will not be possible, then we'll
8 actually be reversed with higher level of
9 property tax refund borrowing. We've also kind
10 of underlined the financials of the county have
11 sufficiently improved not to have to rely on a
12 high level of borrowing to pay for property tax
13 refunds, and up to \$50 million we believe can be
14 paid through recurring revenues.

15 LEGISLATOR ABRAHAMS: Before I
16 relinquish I just want to quickly ask the
17 comptroller about page three of his report which
18 has additional risks of lifting the wage freeze
19 and the disposition of the wage freeze lawsuit at
20 this time has undermined this. I don't know if
21 you are familiar with the Office of Legislative
22 Budget Review report, Mr. Maragos, but it's our
23 understanding that that report's position that
24 the 230 million -- I'm sorry -- \$230 million in
25 2013, what are your numbers for 2014 and how

2 could that be quantified or not be quantified as
3 a risk?

4 COMPROLLER MARAGOS: First of all, that
5 is our number, 230 --

6 LEGISLATOR ABRAHAMS: Your number is
7 230 million as well?

8 COMPROLLER MARAGOS: Right. It
9 originally originated from our office.

10 LEGISLATOR ABRAHAMS: And have you
11 identified that as a risk?

12 COMPROLLER MARAGOS: Yes, we have.

13 LEGISLATOR ABRAHAMS: Is there an
14 analysis?

15 COMPROLLER MARAGOS: But it's not a
16 quantifiable risk because we don't know -- we're
17 indicating that as a maximum risk given the wage
18 freeze. But we do not know what the actual
19 amount will be given that there is no settlement
20 or proposed settlement that we have seen.

21 LEGISLATOR ABRAHAMS: Obviously, if the
22 county went forward even with a settlement, from
23 our understanding there is no allotment of money
24 in there.

25 COMPROLLER MARAGOS: Well --

LEGISLATOR ABRAHAMS: What's the number that you would put down for any type of agreement?

COMPTROLLER MARAGOS: Well, if the settlement, as we've recommended previously, is not retroactive, then there is no risk.

LEGISLATOR ABRAHAMS: So what exactly is your number for 2014?

COMPTROLLER MARAGOS: As of right now there is a risk, a potential risk that cannot be quantified. There is an estimated maximum. But the actual cannot be quantified because we do not know what the nature of a settlement will be or whether there will be a settlement at all.

LEGISLATOR ABRAHAMS: It's not in the county's best interest to budget for the worst can scenario or budget for some type of scenario?

COMPTROLLER MARAGOS: Absolutely not.

LEGISLATOR ABRAHAMS: Why?

COMPTROLLER MARAGOS: You budget on a reasonable basis, both your revenues and expenditures. And I believe that this budget, on both those scores, is reasonable.

LEGISLATOR ABRAHAMS: I would tend to

2 disagree. I think it would be more accurate to
3 actually budget the risk. You have identified a
4 risk in other parts of the budget, and this is
5 something that we all know is on the minds of
6 folks all throughout the county, and NIFA has
7 discussed it. I'd be shocked if they haven't
8 identified it as a risk when their report comes
9 out after this budget is --

10 COMPROLLER MARAGOS: But you cannot
11 quantify without any nearing of an agreement so
12 that you can quantify a number to put in the
13 budget.

14 LEGISLATOR ABRAHAMS: But you can't
15 quantify the fact that if the County was to lose
16 any particular lawsuit, you could quantify the
17 number as it would be a retro-pay going back --

18 COMPROLLER MARAGOS: And we've
19 identified that in our notes, indicating that the
20 maximum liability could be up to \$230 million.
21 Yes.

22 LEGISLATOR ABRAHAMS: But again --

23 COMPROLLER MARAGOS: But you don't put
24 that in a budget.

25 LEGISLATOR ABRAHAMS: But you don't

even deem that as a risk.

COMPTROLLER MARAGOS: We've identified it as a risk.

LEGISLATOR ABRAHAMS: You have?

COMPTROLLER MARAGOS: Of course.

LEGISLATOR ABRAHAMS: I'm sorry. Can you reflect that?

COMPTROLLER MARAGOS: If you look at the footnote on page three, also the last paragraph.

LEGISLATOR ABRAHAMS: The cliff note on page three. Am I looking at your report correctly? Oh, the footnote, you mean at the bottom.

COMPTROLLER MARAGOS: Yes.

LEGISLATOR ABRAHAMS: But wouldn't -- Mr. Maragos, you have this big chart -- let me make sure I'm understanding this correctly. Mr. Maragos, you've got this chart here of proposed Nassau County 2014 budget major funds summary of risk and opportunities. I would think it would be somewhere in this chart. Wouldn't it be somewhere in these numbers?

COMPTROLLER MARAGOS: No. What you see in the chart is the variance analysis with

regards to the proposed budget.

LEGISLATOR ABRAHAMS: Yes. But this is a risk. This could be a part of the budget. It could very well take place in 2014.

COMPTROLLER MARAGOS: It's not reasonable to assume that it will. It didn't take place in '13. It didn't take place in '12. Why would you reasonably assume, given NIFA's authority, that I will occur in 2014?

LEGISLATOR ABRAHAMS: I guess we'll have to agree to disagree, Mr. Maragos. I don't want to take too much time with everyone here.

Let me ask you. The additional risks and opportunities, why is it that additional property tax refund expense and those other items, why are those below the line? Is that just the way you are categorizing it?

COMPTROLLER MARAGOS: Right. Exactly. We're recommending an additional \$40 million, which is a risk. We're not sure that either the legislature or the administration will adopt it. We strongly urge you to do so.

LEGISLATOR ABRAHAMS: Thank you.

CHAIRWOMAN GONSALVES: Legislator

2 Denenberg.

3 LEGISLATOR DENENBERG: Good afternoon,
4 Mr. Maragos.

5 COMPTROLLER MARAGOS: Good afternoon.

6 LEGISLATOR DENENBERG: I'm trying -- let
7 me just understand what you said to Mr. Abrahams.
8 You make recommendations in your -- comments and
9 recommendations on the proposed 2014 budget and
10 multi-year financial plan, correct?

11 COMPTROLLER MARAGOS: Analysis and
12 recommendations, yes.

13 LEGISLATOR DENENBERG: So, among other
14 things, you're making some recommendations,
15 correct?

16 COMPTROLLER MARAGOS: Absolutely. I
17 think it's incumbent upon the comptroller to make
18 recommendations to steer the county in a better
19 financial direction.

20 LEGISLATOR DENENBERG: And you said that
21 -- okay. What you just said, these
22 recommendations are made to move us in a better
23 fiscal direction.

24 COMPTROLLER MARAGOS: That's correct.

25 LEGISLATOR DENENBERG: One of the

recommendations that Mr. Abrahams just spoke to you on is that we don't incur \$230 million more of borrowing for tax certs, but instead extend the amount of tax certs that are backlogged and pay 50 million a year as-you-go, correct?

COMPTROLLER MARAGOS: Fifty million dollars from recurring revenues and an additional 50 million from borrowing, down from 230 to reduce the backlog.

LEGISLATOR DENENBERG: So instead of borrowing 230, you would recommend borrowing 50 million and paying, out of operating expenses, 50 million, correct?

COMPTROLLER MARAGOS: That's correct. And I've said that the budget, the financial condition of the county has improved substantially to allow us now to pay a higher amount from recurring revenue.

LEGISLATOR DENENBERG: But there was -- and I'm reading this report. It says that the administration agreed --

COMPTROLLER MARAGOS: That's a typo.

LEGISLATOR DENENBERG: That's a typo.

COMPTROLLER MARAGOS: We admitted that.

LEGISLATOR DENENBERG: It's not a matter of admitting. So the administration has not agreed to 50 million pay-as-you-go and reducing the 230 million, correct?

COMPTROLLER MARAGOS: We are recommending that that would be a better course to follow.

LEGISLATOR DENENBERG: So to move us in a better fiscal direction we should amend the budget to have 50 million pay-as-you-go in it?

COMPTROLLER MARAGOS: That's our recommendation, yes. And reduce the borrowing.

LEGISLATOR DENENBERG: So if we vote on a budget that doesn't -- that does not reduce the borrowing and does not put in 50 million pay-as-you-go, you're recommending that we don't vote on that.

COMPTROLLER MARAGOS: I'm saying it would be problematic and be detrimental to the fiscal condition of the county.

LEGISLATOR DENENBERG: Now, the \$230 million in borrowing would be -- it's in the budget, and how much of the backlog does that represent, the current backlog.

COMPTROLLER MARAGOS: Let me refer you to a table that we have that -- if you can turn to figure 14 on page 14.

LEGISLATOR DENENBERG: What page? I'm sorry.

COMPTROLLER MARAGOS: Page 14. It shows given the recommendation on paying 50 million or paying 100 million --

LEGISLATOR DENENBERG: So let me understand this. This is the long-term tax refund liability of the county, correct?

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR DENENBERG: In 2009 it was 139. In 2010 it's 164. This is the balance at the beginning of the year, so 2013 it was 297. I don't know why that's an estimate if it's a balance at the beginning of the year.

COMPTROLLER MARAGOS: It's from the prior year ending balance, so you would carry that forward.

LEGISLATOR DENENBERG: The beginning of the year, 2013 --

COMPTROLLER MARAGOS: These are all estimates.

1 LEGISLATOR DENENBERG: We actually
2
3 should know the number for the balance in tax
4 refund liability at the beginning of 2013, right?
5 So it is 297?

6 COMPTROLLER MARAGOS: That's our
7 estimate, yes. Remember, these are -- these
8 liabilities have not been adjudicated yet, they
9 have not been settled, and it's our best
10 estimate.

11 LEGISLATOR DENENBERG: Okay. So the
12 balance at the end of 2014 -- I'm sorry. The
13 balance at the beginning of 2014 from the
14 beginning of 2013 actually goes down by 18
15 million. How is that possible if you're trying
16 to factor in what hasn't been settled yet? Are
17 you assuming -- and there hasn't been a
18 settlement all year, that's what we were told.

19 COMPTROLLER MARAGOS: We're assuming if
20 you see the amount of payments exceed the
21 addition, the estimated additions by \$18 million,
22 which account for the differential.

23 LEGISLATOR DENENBERG: So the additions
24 in 2013, which is an estimate, is 70, correct?
25 Correct?

2 COMPTRROLLER MARAGOS: Is 70.

3 LEGISLATOR DENENBERG: The payments are
4 88 and that would be with the borrowings and with
5 whatever was paid as we go?

6 COMPTRROLLER MARAGOS: Correct.

7 LEGISLATOR DENENBERG: That's the \$88
8 million worth of prior judgments that we agreed
9 to pay or were ordered to pay?

10 COMPTRROLLER MARAGOS: That's correct.

11 LEGISLATOR DENENBERG: Okay. So our
12 total liability right now has risen from 139 to -
13 - you believe it will be 280 at the end of this
14 year, 279.2?

15 COMPTRROLLER MARAGOS: That's correct.

16 LEGISLATOR DENENBERG: And that's the
17 liability that you're saying to move us in a
18 better fiscal direction in this budget we should
19 pay 50 as you go and only borrow 50.

20 COMPTRROLLER MARAGOS: That's correct.

21 LEGISLATOR DENENBERG: Okay. Now, your
22 number on your page two for the deficit.

23 Sustaining these positive trends will not be
24 possible and will be reversed with the higher
25 level of property tax refund borrowing contained

in the 2014 proposed budget, correct?

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR DENENBERG: That's your statement, right?

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR DENENBERG: And you agree with that statement?

COMPTROLLER MARAGOS: I've made it, yes.

LEGISLATOR DENENBERG: So the year end negative balance, 84.3 under gap that's being projected would actually rise if we borrowed the 230 million, correct?

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR DENENBERG: And you're assuming with 84.3 million, 50 million in borrowing for tax certs, correct?

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR DENENBERG: So if we actually borrowed 230 that would be 180 more, so you'd have to change that 84.3 to 164.3 negative.

COMPTROLLER MARAGOS: That's correct.

And why we're urging that you should not do it.

LEGISLATOR DENENBERG: So we shouldn't do it. Okay. Thank you.

2 No other questions.

3 CHAIRWOMAN GONSALVES: Legislator
4 Troiano.

5 LEGISLATOR TROIANO: Good afternoon.

6 COMPTROLLER MARAGOS: Good afternoon.

7 LEGISLATOR TROIANO: I'm sitting here
8 absolutely flabbergasted that my colleagues to
9 the right are giving you a pass on what you've
10 characterized as a simple typo in regard to your
11 comment that the administration has agreed to
12 reduce their borrowing plan by \$180 million, and
13 my colleagues to the right didn't get upset about
14 that. I am upset. Can you please tell me what
15 that sentence should have said? It's not just a
16 matter of a missing stroke, a misspelled word.
17 The whole sentence is structured to suggest that
18 the administration has agreed to reduce their
19 entire budget for \$180 million. And you come
20 here before this legislature and tell us that we
21 have to expose to you that you have a typo in
22 this very public document. So what should that
23 send -- what should it have said? Because I
24 can't accept that it's just a typo.

25 COMPTROLLER MARAGOS: Legislator, I've

already indicated that it's a typo.

LEGISLATOR TROIANO: I understand that.
But what should it have said?

COMPTROLLER MARAGOS: The administration
has not agreed --

LEGISLATOR TROIANO: I understand. But
what should it have said? I don't see where
there's a typo. The whole sentence --

COMPTROLLER MARAGOS: It should have
said that it is the comptroller's recommendation.

LEGISLATOR TROIANO: Mr. Maragos, you
are the watchdog over the county's finances. And
it took coming to the Leg for you to realize that
you had that major typo here? You call it a
typo; I don't accept it as a typo.

COMPTROLLER MARAGOS: It's not major.
It doesn't affect any of the results. It --

LEGISLATOR TROIANO: It affects the
charts on page 17.

COMPTROLLER MARAGOS: Maybe you're
finding it major. I don't believe it is. It
doesn't --

LEGISLATOR TROIANO: Mr. Maragos, you
referenced to the chart -- just give me a moment

to find the chart, okay.

In reference to the chart on page 19, where you said that the county has historically used the structural gap as a metric to illustrate fiscal health. I'll give you a moment to find that as well.

COMPTROLLER MARAGOS: Yes.

LEGISLATOR TROIANO: See that on the top of page 19. Do you see where you say that?

COMPTROLLER MARAGOS: That's --

LEGISLATOR TROIANO: Unless that's a typo.

COMPTROLLER MARAGOS: What is your point? What's your question?

LEGISLATOR TROIANO: Okay. You say, not me, you say the county has historically used the structural gap as a metric to illustrate fiscal health; is that accurate?

COMPTROLLER MARAGOS: That is accurate.

LEGISLATOR TROIANO: Okay. Then you've got a chart that shows the structural gap going down. Correct?

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR TROIANO: Until you get to

2 the year 2014, the year that we're discussing the
3 budget for, it gets all the way down to \$80
4 million. Correct?

5 COMPROLLER MARAGOS: That's correct.

6 LEGISLATOR TROIANO: And what if you
7 make the comparison between 2009, when it's shown
8 at 251 million, and it comes down to 2014, your
9 projection of 80 million. Correct?

10 COMPROLLER MARAGOS: Yes, sir.

11 LEGISLATOR TROIANO: Okay. But because
12 of your typo, that should not be stated as 80
13 million, it should be stated at 260 million.

14 COMPROLLER MARAGOS: No. The typo has
15 nothing to do with it.

16 LEGISLATOR TROIANO: Well, you'd have to
17 add up another \$180 million of debt.

18 COMPROLLER MARAGOS: No. The typo is -
19 -

20 LEGISLATOR TROIANO: Which would expand
21 the structure of gap.

22 COMPROLLER MARAGOS: The recommendation
23 is --

24 LEGISLATOR TROIANO: I beg your pardon?

25 COMPROLLER MARAGOS: The recommendation

is very clear, that we are stating and urging this body to reduce the amount of borrowing proposed --

LEGISLATOR TROIANO: Understood. But you've got a chart --

COMPTROLLER MARAGOS: from 230 to 50.

LEGISLATOR TROIANO: You've got a chart that suggests that the number is 80 million because the administration has agreed to reduce their borrowing level.

COMPTROLLER MARAGOS: No. I have not indicated that the administration has agreed.

LEGISLATOR TROIANO: Well you did indicate that.

COMPTROLLER MARAGOS: No. I admitted that that is a typo in the report --

LEGISLATOR TROIANO: Okay. Then you'll accept --

COMPTROLLER MARAGOS: and doesn't

LEGISLATOR TROIANO: Fine. Okay. But you do say that the structural gap is a metric of fiscal health.

COMPTROLLER MARAGOS: That's correct. And if you follow the recommendations that I'm

2 making here --

3 LEGISLATOR TROIANO: Okay. But if you
4 don't follow -- if the legislature doesn't follow
5 it --

6 COMPTROLLER MARAGOS: Right.

7 LEGISLATOR TROIANO: and apparently the
8 administration hasn't followed it because they
9 haven't agreed, then you have to add another \$180
10 million to the structural gap.

11 COMPTROLLER MARAGOS: Then you can
12 easily determine what the consequences are.

13 LEGISLATOR TROIANO: Yeah. The
14 consequence -- the result is that the structural
15 gap has increased over the last four years of the
16 Mangano administration.

17 COMPTROLLER MARAGOS: No. The gap -- if
18 you do not adopt the recommendations, then you
19 will be moving in a worse fiscal --

20 LEGISLATOR TROIANO: Mr. Maragos, let's
21 just do some simple math here, okay? If you are
22 projecting \$80 million with your suggested
23 revision and the amount of borrowing we do, but
24 the administration doesn't accept that, and
25 apparently they haven't, and this legislature

2 does not revise the budget, we have to add
3 another \$180 million to the structural gap we
4 project for 2014.

5 COMPROLLER MARAGOS: And that's why I'm
6 urging this body --

7 LEGISLATOR TROIANO: That would bring
8 the structural gap from 80 million to 260
9 million.

10 COMPROLLER MARAGOS: If you elect to
11 adopt the budget as it stands. That will be your
12 decision.

13 LEGISLATOR TROIANO: It will bring us
14 from 80 to 260; you agree with that?

15 COMPROLLER MARAGOS: If that's --

16 LEGISLATOR TROIANO: So you agree that
17 will bring it to 260.

18 COMPROLLER MARAGOS: If that's what you
19 decide to do, which I recommend --

20 LEGISLATOR TROIANO: Thank you. Which
21 is higher --

22 COMPROLLER MARAGOS: against.

23 LEGISLATOR TROIANO: Which is higher
24 than what we started out with in 2009.

25 COMPROLLER MARAGOS: That's your choice

at that point.

LEGISLATOR TROIANO: But that would be the conclusion, right? That's what the Mangano Administration has proposed in their budget.

COMPTROLLER MARAGOS: And what's why I'm urging both the administration and --

LEGISLATOR TROIANO: I understand. Mr. Maragos, let's do this simply. The Mangano Administration has proposed \$230 million in borrowing for tax certs. If they do that, the projected structural gap -- if you were to adjust your report to reflect the fact that the administration said, no, we're not going to do that, that would cause a structural gap to go to 260.

COMPTROLLER MARAGOS: If this body agrees, yes.

LEGISLATOR TROIANO: This is very simple, Mr. Maragos. I've asked a very simple and direct question. If you add -- if they don't accept your recommendation it brings the structural gap to 260; yes or no?

COMPTROLLER MARAGOS: Will this body accept that recommendation or not?

LEGISLATOR TROIANO: Presiding Officer,
can we direct him to answer the questions, it's a
simple yes or no.

CHAIRWOMAN GONSALVES: I'm not going
there, Mr. Troiano.

LEGISLATOR TROIANO: All right. Then I
will conclude that you are agreeing that it would
bring it to 260, which would indicate that the
structural gap, by your words, a metric
illustrating fiscal health, that the structural
gap has gotten worse.

COMPTROLLER MARAGOS: And that is why
I'm recommending very strongly --

LEGISLATOR TROIANO: So you admit that
it's getting worse, though.

COMPTROLLER MARAGOS: and the
administration --

LEGISLATOR TROIANO: So I take that as a
yes, you admit that it's getting worse.

Now, can you characterize --

COMPTROLLER MARAGOS: I've said that in
my executive summary.

LEGISLATOR TROIANO: That it is getting
worse.

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2 COMPTRROLLER MARAGOS: The fiscal
3 improving trends would be reversed.

4 LEGISLATOR TROIANO: Would be reversed.
5 So the improvement that you think you've had the
6 last four years will be reversed if we don't
7 follow your recommendations.

8 COMPTRROLLER MARAGOS: And I'm saying
9 that this body should not take that course of
10 action.

11 LEGISLATOR TROIANO: Can you
12 characterize your discussions with the
13 administration regarding your recommendation?

14 COMPTRROLLER MARAGOS: I've urged them in
15 the same way that I'm urging you not to follow
16 that path.

17 LEGISLATOR TROIANO: And what has been
18 their response to that?

19 COMPTRROLLER MARAGOS: They have remained
20 open. They have not given me a decision.

21 LEGISLATOR TROIANO: They've said
22 nothing to you?

23 COMPTRROLLER MARAGOS: They have not
24 given me a decision. They've heard my case and
25 they have not given me a decision.

LEGISLATOR TROIANO: I'm sorry. I couldn't hear that.

COMPTROLLER MARAGOS: They've heard my case. I've made my case to them and they have not decided which way to go, as far as I know.

LEGISLATOR TROIANO: Oh, we're going to vote this afternoon, I believe. I think the decision is clear because we haven't gotten any revised budget.

COMPTROLLER MARAGOS: That would be their decision.

LEGISLATOR TROIANO: I know. It seems to me that they've made the decision clear because we have not gotten a revision to the budget to reflect that change.

COMPTROLLER MARAGOS: And I'm continuing to urge that that's not the direction --

LEGISLATOR TROIANO: So you continue to be concerned --

COMPTROLLER MARAGOS: Very much so. Yes.

LEGISLATOR TROIANO: You are concerned with this budget.

COMPTROLLER MARAGOS: With the

borrowing, yes.

LEGISLATOR TROIANO: Okay. I just want to make sure I understood that you are concerned.

COMPTROLLER MARAGOS: Absolutely. There should be no doubt there.

LEGISLATOR TROIANO: Last year -- and maybe you don't share the same fear mongering we heard last year. But last year we heard that if this legislature, and the democratic caucus in particular, didn't approve borrowing for tax certs, that we would find that our bank accounts would be attached, the world would fall apart, no one would get paid, if the democratic caucus didn't approve tax cert borrowing. Do you remember that?

COMPTROLLER MARAGOS: I'm not sure what was said. But there were concerns expressed, yes.

LEGISLATOR TROIANO: Did you have that concern?

COMPTROLLER MARAGOS: I did not have that concern, no.

LEGISLATOR TROIANO: You didn't have that concern. So when the Mangano Administration

2 was saying that -- in fact, when Rob Walker, I
3 believe, came here himself to tell the democratic
4 caucus that we were going to cause the world to
5 crumble in Nassau County, that you didn't share
6 that same conclusion.

7 COMPROLLER MARAGOS: Legislator, my job
8 as a financial expert is not to panic. The worst
9 thing you can do --

10 LEGISLATOR TROIANO: I disagree. I
11 disagree. It is your job to panic when there is
12 cause to panic. And just as you are, I think,
13 just now you are telling us that you are panicked
14 about the viability of this budget, in terms of
15 restoring the county's fiscal health. By no
16 means is it your job not to panic. You cannot
17 sit there and just be neutral.

18 I rely on you, as a taxpayer and
19 legislator, to raise your hand when you see a
20 problem or a mistruth being said about the
21 county's finances.

22 COMPROLLER MARAGOS: And I believe I
23 have much more so than any prior comptroller.
24 And that's why I'm making the recommendations
25 that I'm making here, to move the county in a

better financial direction, which was never done before.

LEGISLATOR TROIANO: As I hear you and I really listen to you - and I apologize. I really shouldn't be getting angry with you; I should be applauding you for stepping up and acknowledging that the budget we've been presented with by the administration is faulty.

COMPTROLLER MARAGOS: Thank you.

LEGISLATOR TROIANO: Thank you. Thank you for your agreement to that statement, and acceptance of my congratulations.

COMPTROLLER MARAGOS: I'm a reasonable person.

LEGISLATOR TROIANO: But let me just ask you then. If, in fact, the administration and the legislature were to accept your recommendation that we not pay \$180 million in tax certs, do you have a concern that all those tax attorneys would attach the assets of the county?

COMPTROLLER MARAGOS: Not in the same way that I did not have that panic or fear concern last year, because there are always

2 options and solutions that can be found, as was
3 found.

4 LEGISLATOR TROIANO: I must say that I
5 do appreciate that. And should we hear the same
6 type of fear mongering later this year when we
7 are asked to borrow money, more money, \$180
8 million for tax certs and charges start coming
9 perhaps at the democratic caucus that we are
10 endangering the county's fiscal health, I hope
11 you will come back and testify on our behalf
12 that, in fact, we are preserving the county's
13 fiscal health by not borrowing for that purpose.

14 COMPTROLLER MARAGOS: I'll be happy,
15 Legislator, to come back. And I would urge you,
16 as a matter of policy and good sense, never do
17 anything out of fear.

18 LEGISLATOR TROIANO: Thank you. And so
19 you will understand if I vote no on this budget
20 today.

21 COMPTROLLER MARAGOS: That's your
22 prerogative.

23 LEGISLATOR TROIANO: You'll understand
24 it. I know it's my prerogative. But you'll
25 understand it if I do.

2 COMPROLLER MARAGOS: I'm hoping that
3 some of our recommendations will be adopted and
4 we will end up with a more fiscally responsible -
5 -

6 LEGISLATOR TROIANO: Thank you. Since
7 we're on this topic now, and I know that Mr.
8 Sullivan is here, can we ask Mr. Sullivan to come
9 and talk about -- respond to the comptroller's
10 recommendation?

11 CHAIRWOMAN GONSALVES: I think
12 Legislator Bosworth, Legislator DeRiggi-Whitton,
13 and --

14 LEGISLATOR TROIANO: Well, we're on the
15 topic now. Why don't we just do it now? He's
16 half way down here.

17 CHAIRWOMAN GONSALVES: Mr. Troiano, we
18 have Mr. Maragos here. And I believe that there
19 are three other legislators who wish to ask Mr.
20 Maragos questions. After that is done --

21 LEGISLATOR TROIANO: But the public --

22 CHAIRWOMAN GONSALVES: You can hold that
23 question again.

24 LEGISLATOR TROIANO: But the public
25 understanding would be improved if we had them

both here. These are two top financial executives in Nassau County. If they were here simultaneously to discuss it back and forth, rather than Mr. Maragos making a comment now, Mr. Sullivan making a comment later, then we can't put the two together.

CHAIRWOMAN GONSALVES: Let me tell you something. I believe --

LEGISLATOR TROIANO: Aren't we interested in finding out the truth?

CHAIRWOMAN GONSALVES: I believe that we're capable of putting two and two together.

LEGISLATOR TROIANO: It's harder when you have one person --

CHAIRWOMAN GONSALVES: It may be harder, Mr. Troiano --

LEGISLATOR TROIANO: Can we ask Mr. Maragos to stay while Mr. Sullivan testifies?

CHAIRWOMAN GONSALVES: No. I'm asking Mr. Maragos -- Legislator Bosworth has questions of Mr. Maragos, Legislator DeRiggi-Whitton, and I believe, who is the other one, Legislator Wink. Please hold your questions.

LEGISLATOR TROIANO: Thank you. I will.

2 Thank you.

3 Mr. Maragos, would you be willing to stay
4 until Mr. Sullivan testifies?

5 COMPTROLLER MARAGOS: I'm at the
6 disposal of the legislature.

7 CHAIRWOMAN GONSALVES: I'm going to make
8 the decision. If Mr. Maragos has the time to
9 stay to address the questions that you are asking
10 him and looking to see if Mr. Sullivan, what his
11 response to it would be, fine. But that's his
12 prerogative.

13 LEGISLATOR TROIANO: I understand. I
14 was just asking if he would mind staying.
15 Apparently he said he's willing to stay.

16 CHAIRWOMAN GONSALVES: I will tell you
17 right now, he is back here today because you
18 asked him to come back today, and that was fair.
19 Now, to continue to prolong his testimony
20 primarily because you have questions of Mr.
21 Sullivan and you want to know where Mr. Sullivan
22 and Mr. Maragos stand on the same issue. I think
23 right now it's important that Legislator
24 Bosworth, Legislator DeRiggi-Whitton, and
25 Legislator Wink address their questions to Mr.

2 Maragos.

3 LEGISLATOR TROIANO: Thank you. Thank
4 you, Mr. Maragos.

5 CHAIRWOMAN GONSALVES: Legislator
6 Bosworth.

7 LEGISLATOR BOSWORTH: Thank you,
8 Presiding Officer. I will say that my questions
9 really are more along the lines of what
10 Legislator Troiano was asking. And it was really
11 that the calculations on the schedules on pages
12 18, 19, 20, and page 4, based on the fact that
13 it's on the revised borrowing projection from 230
14 million to 50 million. The way this is stated
15 misrepresents the fiscal state of the county. On
16 page 18 it says the chart below illustrates the
17 profits achieved by the Mangano Administration.

18 So I am perfectly willing to -- would go
19 my questions, in hopes that Mr. Sullivan will, in
20 fact, be able to be here while the comptroller is
21 here as well.

22 Thank you.

23 COMPTROLLER MARAGOS: Let me just --

24 CHAIRWOMAN GONSALVES: Legislator
25 DeRiggi-Whitton.

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2 LEGISLATOR DeRIGGI-WHITTON: Hi,
3 Comptroller Maragos. I have just two subjects I
4 just wanted to ask about.

5 First, our favorite one. I was just
6 curious if there was any possibility - I was just
7 speaking to one of your deputies and I was
8 requesting that we have any type of report on the
9 Sandy cleanup pertaining to our vendors or
10 anything like that. Is there any progress with
11 that report?

12 COMPTROLLER MARAGOS: There is progress,
13 but it's not complete yet.

14 LEGISLATOR DeRIGGI-WHITTON: If there a
15 possibility you could give us your preliminary
16 report regarding that?

17 COMPTROLLER MARAGOS: Not right now.
18 When the report is complete and gone through QC,
19 I'd be happy to discuss it with you. As or right
20 now, it's preliminary.

21 LEGISLATOR DeRIGGI-WHITTON: Who does it
22 go to committee with?

23 COMPTROLLER MARAGOS: I'm sorry?

24 LEGISLATOR DeRIGGI-WHITTON: It goes to
25 committee, you said.

COMPTROLLER MARAGOS: Once we release the report it is sent to everyone in this room.

LEGISLATOR DeRIGGI-WHITTON: Can you give me an idea of what you're --

COMPTROLLER MARAGOS: I really can't. Because sometimes things take longer than expected when errors are found in the report. So I cannot commit to a date.

LEGISLATOR DeRIGGI-WHITTON: Have you been able to obtain a list of the subcontractors, by any chance?

COMPTROLLER MARAGOS: We've obtained --

LEGISLATOR DeRIGGI-WHITTON: Especially with Looks Great Service.

COMPTROLLER MARAGOS: Most of them, some of them were provided under a confidentiality agreement.

LEGISLATOR DeRIGGI-WHITTON: Well some of them I have from the first report that requested from OLBR, but that was in April. So we haven't had an update. Do you know if there have been any additional ones from that list?

COMPTROLLER MARAGOS: There have been some additional ones and that will be part of the

report, yes.

LEGISLATOR DeRIGGI-WHITTON: Some of
this information --

COMPTROLLER MARAGOS: Because what we've
tried to do is not only matched what we received
from the vendors themselves but cross reference
it to some of the payments.

LEGISLATOR DeRIGGI-WHITTON: That's what
I wanted to talk to you about.

Going from such sources as *Newsday*, I'm
sure you read it as well. We heard that the
office of Looks Great Service was, in fact,
entered into by the Suffolk County DA and records
were obtained.

CHAIRWOMAN GONSALVES: Legislator
DeRiggi-Whitton --

LEGISLATOR DeRIGGI-WHITTON: There's
\$100 million --

CHAIRWOMAN GONSALVES: Tie it up.

LEGISLATOR DeRIGGI-WHITTON: No.
There's \$100 million discrepancy from what we've
paid out and what's been reimbursed to date by
FEMA. Now, there's a possibility that, I
understand sometimes it takes a certain amount to

2 get some time to get reimbursed. However, what I
3 think could possibly be happening is, from what
4 I've been actually told on this from different
5 sources, there's the possibility that there's
6 been investigations that might, in some way --

7 CHAIRWOMAN GONSALVES: Legislator
8 DeRiggi-Whitton, if you are indicated sources,
9 you have not, at any time, given us one source
10 that has indicated it.

11 LEGISLATOR DeRIGGI-WHITTON: Well the
12 Suffolk County DA has raided the office and has
13 taken in all of their records. I hear your
14 comments. It's really quite obnoxious, to be
15 honest.

16 This is the thing. If there's a
17 possibility -- I understand right now that
18 Suffolk County is investigating it, Nassau County
19 is investigating, we have the attorney general.
20 Do you know that subpoenas were issued last week
21 or a week before to a number of our Nassau County
22 employees in departments?

23 COMPTROLLER MARAGOS: I'm not aware of
24 the subpoenas. I'm aware that Looks Great and
25 some other vendors are being investigated by the

2 district attorney, as well as --

3 LEGISLATOR DeRIGGI-WHITTON: I think you
4 should ask around about Nassau County departments
5 being handed subpoenas about last week or the
6 week before.

7 COMPTROLLER MARAGOS: What is your
8 question, Legislator?

9 LEGISLATOR DeRIGGI-WHITTON: My concern
10 is this. We didn't bond for this \$100 million
11 that's still outstanding that's from the
12 operational.

13 COMPTROLLER MARAGOS: That's incorrect.
14 Where are you getting your source of information?

15 LEGISLATOR DeRIGGI-WHITTON: Because I
16 know.

17 COMPTROLLER MARAGOS: You don't know.

18 LEGISLATOR DeRIGGI-WHITTON: We didn't
19 bond for the -- we had \$200 million allocated;
20 where did that money come from?

21 COMPTROLLER MARAGOS: Well, when you
22 bond it, you --

23 LEGISLATOR DeRIGGI-WHITTON: We didn't
24 bond it. No, no, no. Not for Looks Great
25 Service and everything else. No, no, no. That

2 was not bonding. \$200 million was taken out of
3 our budget last year in operational to cover
4 Looks Great --

5 COMPROLLER MARAGOS: No.

6 LEGISLATOR DeRIGGI-WHITTON: Yes. That
7 was definitely not a bond.

8 CHAIRWOMAN GONSALVES: In all due
9 respect to you and Mr. Maragos, confine your
10 questions that he is well aware of and he should
11 be aware of.

12 LEGISLATOR DeRIGGI-WHITTON: I would
13 think he would know, if he is handling the
14 budget, that you would realize that \$200 million
15 was not bonded, it came out of operational.
16 That's completely budget right there. It is
17 true. We all voted on it. If you're going to
18 comment, you can't speak so loudly.

19 So there's \$200 million that we allocated
20 out of operational budget, which is money we
21 depend on to operate the county, correct?

22 COMPROLLER MARAGOS: What is the
23 question?

24 LEGISLATOR DeRIGGI-WHITTON: Remember
25 when we voted it was -- when we voted to cover

2 the Sandy expenses we took it out of operational
3 and it was not bonded. That was to cover Looks
4 Great Service and all the other emergency
5 cleanup.

6 COMPROLLER MARAGOS: Correct. Go
7 ahead.

8 LEGISLATOR DeRIGGI-WHITTON: So 200
9 million was allocated. What we have here is I
10 know approximately 140 million to 150 million was
11 paid, from what I've seen, and approximately --

12 COMPROLLER MARAGOS: Paid or
13 encumbered.

14 LEGISLATOR DeRIGGI-WHITTON: It has been
15 paid by --

16 COMPROLLER MARAGOS: No. Paid or
17 encumbered?

18 LEGISLATOR DeRIGGI-WHITTON: Well, the
19 expenses -- all right, let's say encumbered. But
20 I believe it was paid. Actually it was paid. I
21 have copies of it. And we were reimbursed 50
22 million. We encumbered I believe it was -- I
23 have it here. I can give you a copy of it.

24 It says the total budget was 213 million
25 that we allocated. 114 million is our current

2 obligation. We were reimbursed supposedly 50
3 million, which would leave approximately --
4 supposedly, from what I've been told, \$100
5 million, close to \$100 million that has not been
6 reimbursed to date from our operational budget of
7 2013. I think Steve knows. Right, Steven? Is
8 that correct? Yes. He just said yes. So we
9 have a 100 million gap from our operational
10 budget that has not yet been reimbursed from
11 FEMA. I can give you a copy of this, if you
12 want.

13 CHAIRWOMAN GONSALVES: I'm going to
14 interject for a minute.

15 LEGISLATOR DeRIGGI-WHITTON: Why? He's
16 coming up with an answer to the questions.

17 CHAIRWOMAN GONSALVES: Comptroller
18 Maragos, isn't it so that that \$100 million that
19 she's speaking of will be reimbursed to a degree?

20 COMPTROLLER MARAGOS: To the extent of
21 90 percent.

22 CHAIRWOMAN GONSALVES: Ninety percent,
23 am I right?

24 COMPTROLLER MARAGOS: Of eligible
25 expense, correct.

2 CHAIRWOMAN GONSALVES: Okay. Ninety
3 percent of the 100 million.

4 LEGISLATOR DeRIGGI-WHITTON: Has there
5 been a commitment in writing for that?

6 COMPTROLLER MARAGOS: Not all of it.
7 Not yet.

8 LEGISLATOR DeRIGGI-WHITTON: This is
9 what I want to know. Let's say, okay, that the
10 federal government, Nassau DA, Suffolk DA, and
11 the attorney general are all investigating these
12 agencies. Subpoenas were just issued. We're
13 still \$100 million in operational expenses, from
14 what I understand, is a discrepancy. Do you have
15 any plan or anything in your recommendations as
16 to where we will find this money should we not be
17 reimbursed? Federal government reimburses, but
18 if they find that possibly our worksheets and our
19 invoices might have discrepancies, which are a
20 possibility, in my opinion, they might not
21 reimburse us 90 percent.

22 COMPTROLLER MARAGOS: And why is that a
23 possibility? So far they've reimbursed us 100
24 percent for what we have submitted.

25 LEGISLATOR DeRIGGI-WHITTON: We didn't

2 have all these investigations going on with that.

3 This is --

4 COMPTRROLLER MARAGOS: Is there merit
5 behind these investigations?

6 LEGISLATOR DeRIGGI-WHITTON: I believe
7 so. I absolutely believe so. Even from the
8 preliminary reviews --

9 COMPTRROLLER MARAGOS: We've seen no
10 evidence. And actually, before making
11 substantial payments we sent letters to both the
12 district attorney and the attorney general, if it
13 was appropriate, if they had any reason for us to
14 withhold payment, and they had none.

15 LEGISLATOR DeRIGGI-WHITTON: I don't
16 know if they had none. But the investigation is
17 going on. They just subpoenaed -- the attorney,
18 just last week --

19 COMPTRROLLER MARAGOS: You're saying you
20 don't know. I'm telling you what they told us.

21 LEGISLATOR DeRIGGI-WHITTON: Well, it's
22 still ongoing. The attorney general just
23 subpoenaed the --

24 COMPTRROLLER MARAGOS: But as of the time
25 we made the payments they had no reason to give

us to withhold those payments.

LEGISLATOR DeRIGGI-WHITTON: Can I see the letters that you received from them?

COMPTROLLER MARAGOS: Absolutely.

LEGISLATOR DeRIGGI-WHITTON: See, with you not doing a report you're putting me in a little bit of a disadvantage. I have no idea what you know and I don't know. But this is the other thing.

If it's \$100 million that's still outstanding -- and it's a year anniversary yesterday that -- I'm sorry, tomorrow that the storm hit. What are we going -- are we going to address it in any way, as far as -- do you have any concerns, should we not be reimbursed? Or are you just going on the fact that there are no problems?

COMPTROLLER MARAGOS: I'm always prudent in watching out that every expenditure and every invoice that is submitted is accurate and with appropriate supporting information. And so far there has not been a single incident or a single amount that has been questioned or rejected --

LEGISLATOR DeRIGGI-WHITTON: By your

2 office.

3 COMPROLLER MARAGOS: No. By FEMA.

4 Because we take great care in making sure that
5 our paperwork is complete, otherwise we'll reject
6 it back to the department.

7 LEGISLATOR DeRIGGI-WHITTON: Okay. When
8 you received, I believe -- I received a letter
9 saying I was sued. I forget. Were you actually
10 sued by Looks Great Service or you just received
11 a letter?

12 COMPROLLER MARAGOS: I think they sued
13 us, yes.

14 LEGISLATOR DeRIGGI-WHITTON: They did
15 sue you. And that was because you were holding
16 money back?

17 COMPROLLER MARAGOS: That's correct.
18 Which is I think the prudent thing to protect the
19 taxpayers' money in this County --

20 CHAIRWOMAN GONSALVES: I think we're
21 going astray.

22 LEGISLATOR DeRIGGI-WHITTON: Why were
23 you holding back the --

24 CHAIRWOMAN GONSALVES: Legislator
25 DeRiggi-Whitton, this is in litigation and I

don't think this is the forum for it. Okay. You want to go into executive session, be my guest.

LEGISLATOR DeRIGGI-WHITTON: I just want to state one more thing.

CHAIRWOMAN GONSALVES: Relate it to the budget.

LEGISLATOR DeRIGGI-WHITTON: Yes. I FOILED all this information and I haven't received a response, especially regarding the contractors.

COMPTROLLER MARAGOS: You've gotten thousands of pages --

LEGISLATOR DeRIGGI-WHITTON: I have. But pertaining to the list of the --

COMPTROLLER MARAGOS: And let me say you were always welcome and had free access to --

LEGISLATOR DeRIGGI-WHITTON: I've come to your office.

COMPTROLLER MARAGOS: all the records, and you rejected that.

LEGISLATOR DeRIGGI-WHITTON: No. I came to your office.

COMPTROLLER MARAGOS: Just once.

LEGISLATOR DeRIGGI-WHITTON: Yeah. But

2 I was there for about three hours. Then I was
3 told that the report would be coming.

4 COMPTRROLLER MARAGOS: You can come and
5 stay there as long as you would like.

6 LEGISLATOR DeRIGGI-WHITTON: You know
7 what? I was told your report was premature but
8 you were going to be finishing it shortly. I
9 gave you some time. I didn't want to become
10 annoying.

11 COMPTRROLLER MARAGOS: What does that
12 have to do with the FOIL?

13 LEGISLATOR DeRIGGI-WHITTON: Well,
14 because I didn't receive the full list of the
15 subcontractors, which I would like to get.

16 COMPTRROLLER MARAGOS: You'll be getting
17 that --

18 LEGISLATOR DeRIGGI-WHITTON: I just have
19 one other last question.

20 I read in *Newsday* that one of the reasons
21 why you withheld payment was regarding the
22 insurance, the liability insurance.

23 CHAIRWOMAN GONSALVES: Legislator
24 DeRiggi-Whitton, it's not a budget item.

25 LEGISLATOR DeRIGGI-WHITTON: Of course

it is. Who is going to pay for it?

CHAIRWOMAN GONSALVES: No, it's not. It's in litigation, Legislator DeRiggi-Whitton.

I think we should leave it at that.

This is a budget hearing.

LEGISLATOR DeRIGGI-WHITTON: All right. Well this has a lot to do with budget. There's no insurance and the county would be liable. So we need to know if there's any -- do you feel any concern as a person that takes quite -- I see you take a lot of respect for your -- you have a lot of respect for your job. Do you feel that there's any, with our budget, shouldn't we budgeting for any expense like that?

COMPTROLLER MARAGOS: No. Because that is the reason why we withheld the final payment, to allow us to meet any risk obligations that we may have.

LEGISLATOR DeRIGGI-WHITTON: Because they might not have --

CHAIRWOMAN GONSALVES: You know what? I really think you're going astray here. It's not appropriate for this particular session.

LEGISLATOR DeRIGGI-WHITTON: No. It's

2 talking about the budget.

3 CHAIRWOMAN GONSALVES: It's not. It's a
4 litigation matter.

5 LEGISLATOR DeRIGGI-WHITTON: How much
6 did you withhold from the budget?

7 CHAIRWOMAN GONSALVES: Excuse me.
8 Aren't you going to listen, Legislator DeRiggi-
9 Whitton. I'm going to have to cut you off.

10 LEGISLATOR DeRIGGI-WHITTON: Just one
11 last final question then. Should --

12 CHAIRWOMAN GONSALVES: Is it on the
13 budget?

14 LEGISLATOR DeRIGGI-WHITTON: Absolutely,
15 as all my other questions are.

16 Should we only be reimbursed partially,
17 should there be some type of question with,
18 especially with the worksheets and the invoices,
19 do you have anything - any feeling that we should
20 reserve money to cover that or do you know where
21 that money would come from?

22 COMPTROLLER MARAGOS: There's a \$10
23 million contingency I believe in the budget.

24 LEGISLATOR DeRIGGI-WHITTON: There is.
25 Is that going to be allocated for the police

overtime or anything?

COMPTROLLER MARAGOS: It could be allocated for various reasons.

LEGISLATOR DeRIGGI-WHITTON: Only \$10 million? Because last time we transferred more than that for the police overtime.

COMPTROLLER MARAGOS: That's what's in there now.

LEGISLATOR DeRIGGI-WHITTON: So you feel that a \$10 million contingency line is enough for both this and the possible police overtime?

COMPTROLLER MARAGOS: I believe so. I think some of the revenue items are going to come in, as I've indicated, better than forecast.

LEGISLATOR DeRIGGI-WHITTON: And I have one other quick question, this is on another subject.

CHAIRWOMAN GONSALVES: Is it on the budget?

LEGISLATOR DeRIGGI-WHITTON: It's all on the budget.

CHAIRWOMAN GONSALVES: I don't believe it is.

LEGISLATOR DeRIGGI-WHITTON: It all is.

It all is.

CHAIRWOMAN GONSALVES: No. It wasn't. You were talking about litigation.

LEGISLATOR DeRIGGI-WHITTON: You're talking about allocating money for expenses, I believe that that's clearly what our budget pertains to.

When I saw the early intervention, the childhood care was cut, it was approximately \$30 million, I mentioned it was in the OLBR report. Were you able to follow up on that at all? Remember, we discussed this at our last meeting, when you came the last time.

COMPTROLLER MARAGOS: I'm sorry. I don't recall that issue.

LEGISLATOR DeRIGGI-WHITTON: All right. I asked for a clarification. Maurice mentions it in his report. It's early intervention/special education. In 2013 the budget was 160 million; it's now down to 130 million. I just wanted to make sure -- actually, it says the budget has decreased by 37.3 million or 6.1 percent, when it's pertaining to early intervention, special education, and different services for the

2 Department of Social Services. Are you familiar
3 with this at all?

4 COMPTRROLLER MARAGOS: Our analysis of
5 that budget item was that there's been
6 substantial reduction in caseload.

7 LEGISLATOR DeRIGGI-WHITTON: Oh, you
8 think it's from substantial reduction in
9 caseload.

10 COMPTRROLLER MARAGOS: That's correct.

11 LEGISLATOR DeRIGGI-WHITTON: Meaning
12 less people are using the services?

13 COMPTRROLLER MARAGOS: That's correct.

14 LEGISLATOR DeRIGGI-WHITTON: And so
15 there is a \$37 million decrease.

16 COMPTRROLLER MARAGOS: Right. Which also
17 is a result of lower reimbursements from state
18 and federal sources.

19 LEGISLATOR DeRIGGI-WHITTON: Lower
20 reimbursements?

21 COMPTRROLLER MARAGOS: Yes. Lower cases
22 means lower reimbursements.

23 LEGISLATOR DeRIGGI-WHITTON: I'm sorry
24 you don't remember because that was one of my
25 requests at our last meeting, was just a

clarification. This is a lot of money to be cutting from a program.

COMPTROLLER MARAGOS: I believe we made a note of the request and we responded to that.

LEGISLATOR DeRIGGI-WHITTON: From every indication I've had is --

COMPTROLLER MARAGOS: We'd be happy to get back to you.

LEGISLATOR DeRIGGI-WHITTON: That's what I asked for.

COMPTROLLER MARAGOS: What is the nature of the request?

LEGISLATOR DeRIGGI-WHITTON: I would like to know how early intervention and special education is going from 169 million in 2013 to 139 million in 2014, the difference being \$30 million. From everything I've read and I believe some of the testimony we've had, the caseloads have gone up.

COMPTROLLER MARAGOS: No. They've gone down. But we'll clarify that for you.

LEGISLATOR DeRIGGI-WHITTON: We're supposed to vote on it today, that's why I did mention it in our last meeting. If you could

just -- if there is any way we could just find out what's going on with that.

COMPTROLLER MARAGOS: I'll try to get back to you.

LEGISLATOR DeRIGGI-WHITTON: Thank you.

CHAIRWOMAN GONSALVES: I'm going with Legislator Nicoletto.

LEGISLATOR NICOLELLO: On that last point. On that last point, the county is not cutting a dime out of special education/early intervention, it is a state program. There are state requirements. The state has changed their methodology, and as a result the county is paying less. The county could not unilaterally cut these items anyway because they are required to be spent by the state. We've been looking for this over the course of many, many years.

Again, so there's no misunderstanding, there's no new story out there. The county is cutting early intervention/special education services not a dime. We are doing exactly what the state is requiring us to do.

On FEMA reimbursement, Mr. Maragos, with regard to the FEMA reimbursement, Nassau County

2 spending, does the FEMA reimbursement constitute
3 a risk to the 2014 budget? In your opinion.

4 COMPROLLER MARAGOS: In our opinion it
5 does not. As I indicated, we've been very
6 methodical in looking at the expenditures and
7 making sure we have legal -- an attorney
8 dedicated to making sure that all the payments
9 are complying with the FEMA reimbursement rules
10 before they are submitted. And so far, to my
11 knowledge, all of the PWs that have been
12 submitted, they have been approved.

13 LEGISLATOR NICOLELLO: Have you heard
14 any information from any source that would
15 indicate that the 90 percent will not be
16 reimbursed?

17 COMPROLLER MARAGOS: No, I have not.

18 LEGISLATOR NICOLELLO: In fact, from the
19 highest levels of the administration, I believe
20 the President, himself, has guaranteed that 90
21 percent reimbursement will occur with respect to
22 Hurricane or Super Storm Sandy.

23 COMPROLLER MARAGOS: That is correct.
24 That was a presidential order.

25 LEGISLATOR NICOLELLO: You have Senator

2 Schumer, who is out virtually every week,
3 promising funds will be coming to Nassau County,
4 to the region itself.

5 COMPTRROLLER MARAGOS: Correct. And
6 there's still talk that they're aiming possibly
7 for 100 percent reimbursement.

8 LEGISLATOR NICOLELLO: You have a new
9 czar for Sandy recovery. He indicated that the
10 \$33 billion that are going to be spent in New
11 York State from FEMA funds, from federal
12 government funds.

13 COMPTRROLLER MARAGOS: That is correct.

14 LEGISLATOR NICOLELLO: Actually, they
15 asked Mr. Kaiman why is it taking so long? He
16 said, how do you distribute \$33 billion -- this
17 is in *The Long Island Press*. Someone calls, you
18 send them a check; that's not realistic and you
19 need to do the proper analysis.

20 So the bottom line is that this is a
21 process that has gone on in response to every
22 storm that this country has faced in recent
23 years. And it takes some time to get through all
24 of the paperwork; we're talking billions of
25 dollars. But every indication from the

administration and from every source is that the county will get 90 percent reimbursed.

COMPTROLLER MARAGOS: That is correct.

LEGISLATOR NICOLELLO: So it's not a risk in the budget.

COMPTROLLER MARAGOS: None.

LEGISLATOR NICOLELLO: Thank you.

CHAIRWOMAN GONSALVES: Legislator Ford.
Legislator Wink.

LEGISLATOR WINK: I'm sorry. Was that blank check delivered to you, Mr. Maragos, or was it delivered to Mr. Nicolello? Because I'm a little confused here.

It seemed to me that what's been discussed here is that there needs to be proper analysis of all of the different requests for funding. If there are questions, significant questions, they seem to be going on in the attorney general's office and the district attorney's office and in other levels of government as well, even the federal level, it seems to me that you can't guarantee that that money is coming.

Now, Mr. Maragos --

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2 COMPROLLER MARAGOS: What is the
3 question? I'm sorry.

4 LEGISLATOR WINK: That wasn't a
5 question. You can answer it if you want, but
6 that was certainly rhetorical. But it certainly
7 seemed to me that you were indicating that
8 everything is coming and I have yet to see that.
9 And what we're hearing today is that not
10 everything is coming. And there seems to be
11 legitimate concern as to whether or not money is
12 going to be coming.

13 COMPROLLER MARAGOS: I don't think,
14 Legislator, you want to send that message out to
15 the devastated homeowners who are still waiting
16 for reimbursement.

17 LEGISLATOR WINK: That Nassau County may
18 not be able to have its act together enough to
19 get reimbursed?

20 COMPROLLER MARAGOS: No. That they
21 will not be --

22 LEGISLATOR WINK: That's a message that
23 would concern me too --

24 COMPROLLER MARAGOS: getting money from
25 the federal government.

LEGISLATOR WINK: if I were you, Mr. Maragos.

COMPTROLLER MARAGOS: I'm sorry. I disagree with you.

LEGISLATOR WINK: You can disagree all you like, Mr. Maragos.

COMPTROLLER MARAGOS: Well, we talked about spreading fear and I don't think that's reasonable or appropriate.

LEGISLATOR WINK: I think it's an apt commentary on where we are right now, Mr. Maragos.

Mr. Maragos, you presented your comments and recommendations on October 9 to this legislature; is that accurate? I'm holding up your document that was --

COMPTROLLER MARAGOS: I believe it's accurate.

LEGISLATOR WINK: It was dated October 9. You said that subsequent to that date you've had conversations with the administration with respect to the reduction of the requested borrowing from 230 million to 50 million.

COMPTROLLER MARAGOS: I didn't say

subsequent.

LEGISLATOR WINK: I'm sorry. Was it before October 9 you had those discussions?

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR WINK: And somehow based on those discussions you received the impression or, more to the point, you made the acknowledgment that the administration was reducing their borrowing from 230 to 50 million.

COMPTROLLER MARAGOS: I believe I addressed that before; that is a typo in the report.

LEGISLATOR WINK: It's a typo on page four. It's a typo on page 13. It's a typo on page 18, page 19, page 20, and page 21, Mr. Maragos.

COMPTROLLER MARAGOS: Absolutely not. There's only one typo.

LEGISLATOR WINK: That was repeated six times throughout the text. Every one of your charts has a little asterisk at the bottom. And I know it's fine print, but it's your fine print, indicated that it is based upon -- let's see -- includes the revised proposed borrowing for

property tax refunds of 50 million and not the originally reported 230 million. I know it's fine print, but it's your fine print, Mr. Maragos.

COMPTROLLER MARAGOS: Is that inaccurate?

LEGISLATOR WINK: Apparently it is. Because have you seen this reduction take place in anything so far?

COMPTROLLER MARAGOS: Is the statement inaccurate? I don't believe it is. I believe it's extremely accurate.

LEGISLATOR WINK: Includes.

COMPTROLLER MARAGOS: That's what the chart includes.

LEGISLATOR WINK: It doesn't even say based upon. It says includes.

COMPTROLLER MARAGOS: That's what the chart --

LEGISLATOR WINK: Which is a statement of fact. Mr. Maragos, it just seems to me here that some time before October 9 you were given the impression that this was going to take place and you submitted this with that impression in

place.

COMPTROLLER MARAGOS: There were discussions and urgings, and the administration decided not to make a commitment at that time.

LEGISLATOR WINK: When did that happen? When did that happen?

COMPTROLLER MARAGOS: Prior to --

LEGISLATOR WINK: Prior to October 9? Because otherwise that would make this grossly inaccurate and make you grossly negligent for providing this legislature that information. Was it before October 9 or after October 9 the administration reneged on this?

COMPTROLLER MARAGOS: I indicated to you that that report was issued on October 9 and the discussions had taken prior not subsequent.

LEGISLATOR WINK: I'm sorry. Prior to October 9 they told you that?

COMPTROLLER MARAGOS: Prior to October -
- it was our urging.

LEGISLATOR WINK: And yet you went ahead --

COMPTROLLER MARAGOS: It was our urging.

LEGISLATOR WINK: And yet you went ahead

and issued a report saying they had adopted your recommendation of reducing the borrowing.

COMPTROLLER MARAGOS: I think this is a cyclic argument. I indicated to you --

LEGISLATOR WINK: I think this is a question of what did you know and when did you know it, Mr. Maragos.

COMPTROLLER MARAGOS: No, it's not.

LEGISLATOR WINK: If you knew it before October 9, why did you issue a fraudulent report? If you knew it after October 9, why are you coming here 19 days after you issued this report and now changing your opinion of this report?

COMPTROLLER MARAGOS: No, no. Legislator, I was here on October 9 to address your questions, with this report on the same day.

LEGISLATOR WINK: On the same day, right. We received this the same day.

COMPTROLLER MARAGOS: Yes, I was here.

LEGISLATOR WINK: And everything was rosy on October 9, according to you, because the administration agreed to do this.

COMPTROLLER MARAGOS: No. Everything was as indicated in the report.

2 LEGISLATOR WINK: Everything is
3 indicated in the report --

4 COMPTROLLER MARAGOS: Absolutely.

5 LEGISLATOR WINK: except the fact that
6 the administration has reneged on reducing the
7 borrowing.

8 COMPTROLLER MARAGOS: That is your fact,
9 your perception.

10 LEGISLATOR WINK: Mr. Maragos, on page
11 18, 7.1 Revenues, Expenses, Divergence, you
12 indicate the chart below illustrates the progress
13 achieved by the Mangano Administration in
14 bringing expenses in line with revenues.

15 COMPTROLLER MARAGOS: Where are you?

16 LEGISLATOR WINK: And it indicates that
17 -- let's see, is this by percentage? Yeah, by
18 percentage. That, in fact, the percentage of
19 spending over recurring revenues is less than
20 four percent, appears to be somewhere around
21 three percent, according to your chart. Do you
22 want to revise this chart? Because this chart
23 indicates that you included the revised reduction
24 in borrowing down to 50 million. Do you want to
25 revise this chart?

1 COMPTROLLER MARAGOS: No. We're not
2
3 going to revise it. This is why we're urging you
4 to do, and this would be the consequence if you
5 were to follow fiscally prudent recommendations.
6 Now, if you want to --

7 LEGISLATOR WINK: So if this --

8 COMPTROLLER MARAGOS: Excuse me. If you
9 want to go ahead and do something else, which is
10 not prudent, that's your prerogative.

11 LEGISLATOR WINK: And you're not going
12 to give an opinion, knowing the administration is
13 not following --

14 COMPTROLLER MARAGOS: I'm giving you an
15 opinion, a very strong recommendation as to what
16 is the correct course of action fiscally for this
17 county. That's what this report is all about.

18 LEGISLATOR WINK: And yet you knew at
19 the time of this report that the administration
20 was not going to follow it and you indicated as
21 though they were following it.

22 COMPTROLLER MARAGOS: No, no. All I
23 said is I'm urging you, I urged the
24 administration to follow this course and reduce
25 the amount of borrowing.

LEGISLATOR WINK: That's not what chart after chart after chart here indicates.

COMPTROLLER MARAGOS: That's exactly what it indicates.

LEGISLATOR WINK: And you are walking around telling people that the county is in great fiscal shape based on the charts and the information you provide here when, in fact, you know them to be wrong.

COMPTROLLER MARAGOS: No. The County --

LEGISLATOR WINK: In fact, if you look at page --

COMPTROLLER MARAGOS: Look. Can I answer that?

LEGISLATOR WINK: 21.

COMPTROLLER MARAGOS: Can I answer that?

CHAIRWOMAN GONSALVES: Legislator Wink let him respond.

LEGISLATOR WINK: I was continuing my question.

CHAIRWOMAN GONSALVES: Let him respond.

COMPTROLLER MARAGOS: On the basis of the audited results projected out to 2013, that's the current fiscal condition of the county, which

2 has progressively improved year after year. What
3 we're talking about here is projecting out into
4 year and next year. Depending on the decisions
5 and actions that you take here today will
6 determine what that future outlook is going to
7 be, whether it's going to be better or worse.
8 And I'm urging you to follow these
9 recommendations so that the outlook continues to
10 be much better next year and continues year end,
11 year over year improvement. And that is what I'm
12 urging.

13 LEGISLATOR WINK: Mr. Maragos, for at
14 least 19 days you knew the information in this
15 was inaccurate. For at least 19 days.

16 COMPTROLLER MARAGOS: No, that's
17 incorrect.

18 LEGISLATOR WINK: No. Mr. Maragos --

19 COMPTROLLER MARAGOS: That's a
20 misstatement.

21 LEGISLATOR WINK: on October 9 you
22 presented this saying that the administration had
23 included these reductions.

24 COMPTROLLER MARAGOS: No, I did not. I
25 did not.

LEGISLATOR WINK: You indicated page after page here. Mr. Maragos, I refer you to page 19, Exhibit 17.

COMPTROLLER MARAGOS: No. I refer you to --

LEGISLATOR WINK: The structural gap, the structural gap, Mr. Maragos, if you factored in the full borrowing the administration is seeking you would have a bigger structural gap in 2014 than you've had since 2001, when this chart was created. You would have the biggest structural gap. Now what do you think that would look like, Mr. Maragos, if you were in fact up front about that? But in point of fact, you continued the myth that the administration was going to be pursuing this reduction in borrowing.

Mr. Maragos, I've got to tell you, the only thing this document is good for at this point is reaffirming my position that we have to vote against this budget. Because this document means nothing now, and apparently it never even meant anything on October 9 when you presented it to us.

I have no more questions.

2 COMPTROLLER MARAGOS: Legislator, that
3 is your opinion and it's wrong, it's a myth, and
4 it's incorrect. I would hope that you would make
5 your decision based on the facts and sound
6 recommendations.

7 LEGISLATOR WINK: I have every intention
8 of making decisions based on the facts, not the
9 facts that you're mythologizing here, but the
10 facts that you presented today, finally.

11 COMPTROLLER MARAGOS: My facts are
12 accurate.

13 CHAIRWOMAN GONSALVES: Legislator
14 Becker.

15 LEGISLATOR BECKER: Hello, Comptroller
16 Maragos. Fran Becker, over here.

17 They say the days before an election are
18 the silly season, and I think that's being
19 clearly exhibited today. Truly, the silly season
20 is in place right now by my colleagues on the
21 other side of the aisle who are trying to grasp
22 at anything they possibly can, in your report, to
23 make the county executive and yourself look bad.

24 Let me ask you something. Comptroller
25 Maragos, what was the deficit left by the prior

2 administration? What was the deficit left by the
3 prior administration? Was it in the vicinity of
4 \$378 million that you, together with the county
5 executive have tried to fix by the colleagues on
6 the other side of the aisle?

7 COMPROLLER MARAGOS: The structural --

8 LEGISLATOR BECKER: I'm reading a report
9 here that says closing is \$378 million inherited
10 from the prior administration.

11 CHAIRWOMAN GONSALVES: Stay on topic,
12 please.

13 LEGISLATOR BECKER: It's topic. This is
14 the -- it's on topic, definitely on topic.
15 Forget that for a moment. We all know what it
16 is. I'm just being rhetorical. They know what
17 it is. I know what it is. Everybody in the
18 county knows the immense problem that was left
19 with yourself and the county executive prior to
20 coming on board. Not to say they have resolved
21 many of those problems without raising taxes for
22 the last four years, last four budgets.

23 Let me ask you something. Just a
24 question, Comptroller.

25 Under your leadership and that of County

Executive Mangano, how many budget surpluses have we had in the last three or four years?

COMPTROLLER MARAGOS: We've had two.

LEGISLATOR BECKER: Okay. And what were they? Could you just explain to them, to me what they are?

COMPTROLLER MARAGOS: In 2010 we had a \$26.6 million surplus. In 2012 we had a \$41.5 million surplus, and in 2011 we had a \$50 million --

LEGISLATOR BECKER: And that's without taking any more money out of the taxpayers' pockets.

COMPTROLLER MARAGOS: That's correct.

LEGISLATOR BECKER: Congratulations.

COMPTROLLER MARAGOS: Thank you.

LEGISLATOR BECKER: Just, also, let me ask you something. In your opinion, as comptroller, do you think that the fact that the Nassau Veteran's Memorial Coliseum which has recently -- recently a deal was made with Bruce Ratner and his company, do you think that's going to have a positive economic impact on Nassau County?

COMPTROLLER MARAGOS: I think it's going to have a huge positive --

LEGISLATOR BECKER: A huge, positive. Under your leadership and the county executive's.

COMPTROLLER MARAGOS: and double the amount of revenue to the county.

LEGISLATOR BECKER: I'm here 18 years. We've been trying to do something with the Coliseum. And because of you and the county executive that's been accomplished.

Will that have a positive impact on the budget? Overall.

COMPTROLLER MARAGOS: When it's built --

LEGISLATOR BECKER: And we start getting lease payment as soon as the closing -- it's 215. That's going to be within the next four years. Is that going to be in the next four years?

COMPTROLLER MARAGOS: Yes.

LEGISLATOR BECKER: Okay. One other question. Just give me a moment. I just had one other question for you.

The one thing that I'm hearing from my side of the aisle that they are really, really picking on and trying to make it look as if your

1 report is valueless is this one item where \$50
2 million of borrowing -- and I have to add also
3 that we always work with the other side of the
4 aisle when it came to these tax cert things.
5 There was no question. We just bonded that money
6 because we believe it was owed to the taxpayer.
7 We just gave it to them. By the way, that money
8 going back to those taxpayers and business
9 owners, in your opinion, wouldn't that help the
10 economy if these refunds were cleared up, in
11 other words, money going back to the people who
12 had overpaid?
13

14 COMPTROLLER MARAGOS: Well, it would but
15 it would have to be done in a fiscally
16 conservative manner.

17 LEGISLATOR BECKER: Of course. We agree
18 to that. But if it was done in such a way don't
19 you think -- you're a businessman. Do you think
20 that that would have any --

21 COMPTROLLER MARAGOS: Absolutely. And
22 that's exactly what I've recommended in here --

23 LEGISLATOR BECKER: Final question,
24 Presiding Officer.

25 Let me ask you something. The \$50

1 million -- we all say that a budget is somewhat
2 fluid; don't we often say that? In other words,
3 so many different things that can -- like, we can
4 get lucky, like Mr. Suozzi got, and get 172
5 million from Albany to help us resolve any issues
6 here in Nassau County, as Albany, the governor,
7 and Senator Schumer are helping us with the FEMA
8 money. And if we can't trust them --

9
10 CHAIRWOMAN GONSALVES: Is there a
11 question in there?

12 LEGISLATOR BECKER: Just one point.
13 Don't you think --

14 CHAIRWOMAN GONSALVES: Is there a
15 question in there, Mr. Becker?

16 LEGISLATOR BECKER: it's possible if
17 sales tax improves and things of that nature
18 improve, as they have all along, that we could,
19 in fact, even if it's not in the budget at this
20 very moment, then trying to pick on it and make
21 it look like the whole county's going to fall
22 apart. Don't you think that working with
23 yourself, the county executive, and this
24 legislature, if we work together that we could
25 have an even rosier budget moving into the future

1 as we become more and more fiscally responsible,
2 as you have, Comptroller Maragos, the last --
3 that's it -- the last four years?

4
5 COMPTRROLLER MARAGOS: Absolutely.

6 LEGISLATOR BECKER: I'm just asking. Do
7 you agree?

8 COMPTRROLLER MARAGOS: And our
9 recommendations are based on steering the county
10 in that direction.

11 LEGISLATOR BECKER: And you're doing
12 your job. And I commend you for doing your job.
13 But it's a great partnership between you and the
14 --

15 CHAIRWOMAN GONSALVES: I don't believe -
16 -

17 LEGISLATOR BECKER: I'm finishing. I
18 just want to say I think you're doing a great job
19 and we just got to keep moving in this direction.
20 I commend you for the great job you've done the
21 last four years.

22 COMPTRROLLER MARAGOS: Thank you.

23 CHAIRWOMAN GONSALVES: Whatever the case
24 maybe. Mr. Maragos, thank you very much for your
25 cooperation in this hearing. And I believe a

2 question wanted to be asked of Mr. Sullivan; am I
3 correct? Robert, you had a question of Mr.
4 Sullivan. Would you like to come up Mr.
5 Sullivan? Thank you very much.

6 LEGISLATOR TROIANO: Mr. Maragos, you're
7 going to stay, right?

8 COMPTROLLER MARAGOS: I can stay till
9 five.

10 LEGISLATOR TROIANO: Thank you.

11 CHAIRWOMAN GONSALVES: Do you have a
12 presentation to make?

13 DEPUTY COUNTY EXECUTIVE SULLIVAN: No
14 ma'am.

15 CHAIRWOMAN GONSALVES: Okay. Thank you.
16 Mr. Troiano, Mr. Sullivan is here for your
17 question.

18 LEGISLATOR TROIANO: Good afternoon.

19 DEPUTY COUNTY EXECUTIVE SULLIVAN: Good
20 afternoon.

21 LEGISLATOR TROIANO: Just for the -- I
22 think you already know the question, but just for
23 the sake of the record.

24 There was a great deal of discussion from
25 the legislature -- I'll wait until you're ready.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I'm ready, Sir.

LEGISLATOR TROIANO: There was a great deal of discussion from the legislature with Mr. Maragos about his recommendation that the administration revise its proposed budget to reduce borrowing from 230 million for tax certs down to 50 million. And so I just wanted to hear a comment from you about what your thoughts were about that recommendation.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Thank you, Legislator.

Back when we adopted a 2012 multi-year plan there was a recommendation that was voted on here, passed, and it was for \$450 million of transitional financing. That was approved by NIFA. It was a four-year plan. To date, this year we've signed on for \$70 million of transitional borrowing -- 75, to be actual -- which leaves us with \$230 million. That was something that I put the debt service in the budget for so the budget could fund \$230 million. It is not a requirement. I've had conversations with the comptroller.

1 The key element here would be NIFA. If
2
3 NIFA would agree to transition that finance
4 longer. But NIFA was the one that said all
5 borrowing for this, the backlog, has to cease in
6 2014.

7 LEGISLATOR TROIANO: I understand that
8 you want to take shots at NIFA, but what I was
9 asking is --

10 DEPUTY COUNTY EXECUTIVE SULLIVAN: It's
11 not a shot, sir.

12 LEGISLATOR TROIANO: I didn't ask you
13 about NIFA. I just want to make sure I got into
14 the discussion. What I asked about was your
15 thoughts or your comments about the comptroller's
16 recommendation, not NIFA, the comptroller's
17 recommendation that the administration should
18 reduce its borrowing by \$180 million for tax
19 certs in the 2014 budget.

20 DEPUTY COUNTY EXECUTIVE SULLIVAN: And I
21 think I answered that. What I said was that
22 there was \$230 million of the backlog that was
23 agreed to be financed, whether we do it all next
24 year or it is portioned out over several years,
25 that is something that was agreed to by this

1 legislature, was agreed to by NIFA. As a matter
2 of fact, on April 20 both candidates for county
3 executive on the democratic side said they would
4 bond the backlog as well.

5
6 LEGISLATOR TROIANO: Right. But again -

7 -

8 DEPUTY COUNTY EXECUTIVE SULLIVAN: So
9 it's on the record, and we have copies of that
10 here if you would like it.

11 LEGISLATOR TROIANO: That's fine. But
12 I'm asking the question -- I'm not asking about
13 Mr. Suozzi. I'm asking about the comptroller's
14 recommendation, the current comptroller's
15 recommendation that the county should not - in
16 fact, he urged very strongly that the county not
17 engage in an additional \$180 million of borrowing
18 to pay down tax certioraris. He was very clear
19 about that. And I don't know why you're talking
20 about Mr. Suozzi and what he said or NIFA. My
21 question is strictly about, solely about Mr.
22 Maragos' comment.

23 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
24 think what we're talking about here was I think
25 articulated previously. There is \$297 million of

1 a backlog. To the extent that we can come up
2 with other methods to pay for it, besides
3 financing, I would be open and agreeable to
4 discussing that.
5

6 I think if you look at the budget, we
7 have an incredibly conservative projection for
8 sales tax. We're running way ahead this year.
9 Should that --

10 LEGISLATOR TROIANO: I'm sorry.
11 Presiding Officer, I'm sorry. I've asked a
12 question about Mr. Maragos, about borrowing, and
13 he's answering about sales tax.

14 LEGISLATOR NICOLELLO: Would you let the
15 witness finish? We'd like to hear from him.

16 CHAIRWOMAN GONSALVES: He's going to get
17 to your point. I know he will.

18 LEGISLATOR TROIANO: He's going to get
19 to it?

20 CHAIRWOMAN GONSALVES: Give him a
21 chance.

22 LEGISLATOR TROIANO: Okay.

23 DEPUTY COUNTY EXECUTIVE SULLIVAN: As I
24 was stating. We're very conservatively
25 positioned for sales tax. We may be in a

position where we don't need any growth from the current year. Should additional dollars come in in sales tax, that is something I think could open up to discussion during the year. That is not something I'm willing to commit to now.

LEGISLATOR TROIANO: So you're not willing to follow through with the comptroller's recommendation, that's what I'd like to hear. That's what it sounds like.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Not at this point, sir. No.

LEGISLATOR TROIANO: You're not willing. Okay.

And you heard him say that if I choose not to vote for this budget for that reason, that it has too much borrowing in it, he would be understanding about that as the county's official watchdog.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Again, it was a multi-year plan that was agreed to by this body, by NIFA, and recommended by both --

LEGISLATOR TROIANO: Mr. Sullivan, we're

--

DEPUTY COUNTY EXECUTIVE SULLIVAN:

democratic candidates and the county executive.

LEGISLATOR TROIANO: getting ready to

vote on the 2014 budget. We're not talking about
prior years' agreements on multi-year budgets.

All I'm focused on -- and you've heard the

discussion the last -- how long Judy Jacobs,

because I know you're watching the clock? Mr.

Maragos said that he would be understanding if I

chose not to vote for this budget simply because

it's got \$180 million of borrowing that he's

recommending that we not do. You heard him say

that.

DEPUTY COUNTY EXECUTIVE SULLIVAN: It

has the debt service to account for --

LEGISLATOR TROIANO: That's not what I

asked.

DEPUTY COUNTY EXECUTIVE SULLIVAN: But

that's what it does, sir. That's what it has.

It has the capacity to finance \$230 million.

Should you not do that, you'd have additional

funds in the budget.

LEGISLATOR TROIANO: You did hear that

comment?

DEPUTY COUNTY EXECUTIVE SULLIVAN: His
comment? Yeah.

LEGISLATOR TROIANO: And you have a
disagreement about that?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I
think my statement is clear.

LEGISLATOR TROIANO: Let me -- I didn't
hear it. I didn't understand it. I apologize.

DEPUTY COUNTY EXECUTIVE SULLIVAN: The
budget has sufficient resources and debt service
to accommodate up to 230. Should this body
decide not to fund that -- we've got to remember,
we come to this body and we need 13 votes to even
do it. Should this body not give us that
authorization to do that there would be surplus
funds in the budget. It's not a bad thing.

LEGISLATOR TROIANO: So either way it's
a positive thing, either way this goes.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes.

LEGISLATOR TROIANO: But your
recommendation still is that the county engage in
an additional \$130 million of borrowing.

DEPUTY COUNTY EXECUTIVE SULLIVAN: My
recommendation is at some time you'll have to

1 deal with the backlog, as stated by this body, by
2 NIFA, and by both democratic candidates for
3 county executive.
4

5 LEGISLATOR TROIANO: So if, in fact, we
6 do do this borrowing -- I'm sorry. If, in fact,
7 we approve the budget as you've recommended that
8 we do, as you proposed to us, that would cause
9 the county's structural gap, which Mr. Maragos
10 cites as an indication of fiscal health, to rise
11 to \$260 million, per his chart, which is higher
12 than it was in 2009. This would suggest to me,
13 based on his logic, that, in fact, the county's
14 financial shape is getting worse and not better.

15 DEPUTY COUNTY EXECUTIVE SULLIVAN: You
16 would have to authorize the financing, sir.
17 Again, we would have to come to this body for 13
18 votes to do the financing.

19 LEGISLATOR TROIANO: Mr. Sullivan, let's
20 approach it this way. Mr. Maragos has in his
21 financial, in his wrong financial report, which I
22 guess he will revise because it has a major typo
23 in it -- do you have a copy of this?

24 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes,
25 sir.

LEGISLATOR TROIANO: You may want to pull it out.

On page 19 of his report --

DEPUTY COUNTY EXECUTIVE SULLIVAN: Does anyone have a copy up there? I'm not sure if we have it on us.

LEGISLATOR TROIANO: I can probably talk you through it.

On page 19 he has a chart of the structural gap, and he takes us from 2001 through to 2014. There are a couple of highlights. The low point in that structural gap was 2009, when it got to 252 million. Then, in successive years the chart shows the number getting lower, and lower, and lower, until in 2014, based on Mr. Maragos' chart, it gets down to \$80 million. That doesn't go include the \$180 million in additional borrowing that you're proposing. If we were to put that back into this chart, that number would grow from \$80 million to \$260 million.

DEPUTY COUNTY EXECUTIVE SULLIVAN: If this body agreed to do that financing.

LEGISLATOR TROIANO: Right. But based

on your budget, forget about whether or not we agree to do the financing at a later date. Based on your budget, on a *pro forma* basis, 2014 structural gap grows to \$260 million.

DEPUTY COUNTY EXECUTIVE SULLIVAN: But again, sir, I think things are going to materialize during the year. I anticipate --

LEGISLATOR TROIANO: Right. But we're being asked to vote today. So on a *pro forma* basis, the 2014 structural gap grows to \$260 million.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Again, I don't think financing at this time -- the debt service budget accounts for that. You're not doing the borrowing today.

LEGISLATOR TROIANO: We're not voting on the borrowing today --

DEPUTY COUNTY EXECUTIVE SULLIVAN: Right.

LEGISLATOR TROIANO: We're voting on the budget.

DEPUTY COUNTY EXECUTIVE SULLIVAN: And that is your prerogative.

LEGISLATOR TROIANO: Based on your

1 budget the *pro forma* structural gap, *pro forma*,
2 based on a lot of things that can happen through
3 the course of the year, but today we're being
4 asked to vote. Based on your budget the *pro*
5 *forma* structural gap would grow to \$260 million
6 in 2014.

8 DEPUTY COUNTY EXECUTIVE SULLIVAN: If
9 the financing was approved by this body.

10 LEGISLATOR TROIANO: So you agree with
11 me that --

12 DEPUTY COUNTY EXECUTIVE SULLIVAN: If
13 the financing was approved.

14 LEGISLATOR TROIANO: Aside from the
15 financing being approved --

16 DEPUTY COUNTY EXECUTIVE SULLIVAN: No.
17 Without the financing being approved, it
18 wouldn't.

19 LEGISLATOR TROIANO: I know. But that's
20 not my question.

21 DEPUTY COUNTY EXECUTIVE SULLIVAN: But
22 that's the answer.

23 LEGISLATOR TROIANO: My question is
24 based on if you had to do a *pro forma* chart of
25 the structural gap today, based on this budget

what would it be?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Sir, you know, I prefer to look at the actual budget, the actual dollars. We've had a surplus. We took over the budget, it was a \$64 million fund balance, right now it's 82 and I expect it to grow by at least 20 million. I think we're going to break \$100 million, in terms of fund balance. On a gap basis it's improved as well. So I prefer to deal in those.

LEGISLATOR TROIANO: I'm glad Mr. Maragos is here because based on his -- he's the comptroller of Nassau County, right? And he has a responsibility for reviewing our financial statements. He's got a schedule in his report that shows the pro forma structural gap was \$80 million.

Mr. Maragos is not a lightweight. Mr. Maragos is a heavyweight financial analysis, by virtue of his position. And so he has a chart that shows \$80 million, pro forma. But it doesn't include \$180 million in borrowing in your budget. If we add that back, just simple math Mr. Sullivan, gets you to \$260 million.

2 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
3 don't think anywhere in the audited financials
4 you're going to see any reference to structural
5 gaps in any sort of charts.

6 LEGISLATOR TROIANO: I'm just going by
7 the comptroller's report.

8 DEPUTY COUNTY EXECUTIVE SULLIVAN: It's
9 a report.

10 LEGISLATOR TROIANO: I'm glad he's still
11 here. He says the county has historically used
12 the structural gap as a method to illustrate
13 fiscal health; that's the Comptroller of Nassau
14 County's comment. Do you dispute that comment?

15 DEPUTY COUNTY EXECUTIVE SULLIVAN: I'm
16 presenting a budget.

17 LEGISLATOR TROIANO: I know. But I'm
18 asking you the question.

19 DEPUTY COUNTY EXECUTIVE SULLIVAN: It's
20 not for me to opine on the comptroller's
21 comments, sir.

22 LEGISLATOR TROIANO: Why not?

23 DEPUTY COUNTY EXECUTIVE SULLIVAN: Why?

24 LEGISLATOR TROIANO: Yes.

25 DEPUTY COUNTY EXECUTIVE SULLIVAN: Why?

2 LEGISLATOR TROIANO: This is the
3 legislature, Mr. Sullivan. I'm sorry. Mr.
4 Sullivan, you are the Deputy County Executive for
5 Finance?

6 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes,
7 sir.

8 LEGISLATOR TROIANO: And you don't --
9 and the Comptroller of Nassau County says that
10 that's a -- says it's a metric used to illustrate
11 fiscal health, and you don't feel -- do you use
12 that as a metric of fiscal health?

13 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
14 think I just walked through the metrics that I
15 use.

16 LEGISLATOR TROIANO: Do you use that
17 one?

18 DEPUTY COUNTY EXECUTIVE SULLIVAN: Not
19 in particular.

20 LEGISLATOR TROIANO: So you don't agree
21 with the comptroller?

22 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
23 didn't say I disagree.

24 LEGISLATOR TROIANO: Do you agree?

25 DEPUTY COUNTY EXECUTIVE SULLIVAN: It's

not my position here to opine on the
comptroller's --

LEGISLATOR TROIANO: I'm asking you
that.

DEPUTY COUNTY EXECUTIVE SULLIVAN: It's
not my position to opine.

LEGISLATOR TROIANO: You can't opine on
your colleague in government? Really? Okay.
Let me ask you this then.

If the structural gap projected to occur
from the 2014 budget were to go higher than any
other level in this Century, would that be an
indication of fiscal health to you?

DEPUTY COUNTY EXECUTIVE SULLIVAN:
Again, I think I look at audited financials, I
look at results, I look at numbers in a budgetary
basis and a gap basis; that determines the fiscal
health and I think that is really where I drive
my metrics.

LEGISLATOR TROIANO: So having the
structural gap rise to a quarter of billion
dollars -- quarter of a billion dollars, Mr.
Sullivan -- excuse me, let me finish my question.
Thank you.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I
didn't say anything, sir.

LEGISLATOR TROIANO: Having the
structural gap rise to a quarter of a billion
dollars wouldn't be of any concern to you?

DEPUTY COUNTY EXECUTIVE SULLIVAN: First
of all, I don't think it will ever rise to that
level.

LEGISLATOR TROIANO: The comptroller --

DEPUTY COUNTY EXECUTIVE SULLIVAN: I
think there are lots of upsides to this budget.
I think it's a conservatively based budget.
Again, the budget could have zero growth in sales
tax, should you get three to four million. There
are lots of upsides to this budget.

LEGISLATOR TROIANO: You don't accept
the comptroller's conclusion that it will get to
260.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Every
year we come up here --

LEGISLATOR TROIANO: Let me ask you. If
it were to get to 260, the highest point this
Century --

LEGISLATOR BECKER: Let him finish.

2 LEGISLATOR TROIANO: He's not answering
3 my question. If he was answering my question --
4 if the gap were to get to \$260 million, would
5 that be a concern to you?

6 DEPUTY COUNTY EXECUTIVE SULLIVAN: Every
7 year we sit here, we debate OLBR, we debate NIFA,
8 we debate the comptroller's risk estimates. What
9 matters is the end of the year, the CAFR the
10 audited results. Personally, if someone has a
11 risk, they risk everything. They risk \$3 million
12 in land sales; that's probably the lowest land
13 sale this budget has ever had. Everything gets
14 risk. At some point in time you have to look
15 most of the risk is actually controllable from
16 this year from all three monitors. It's a
17 controllable item. It's in the hands of this
18 legislative body.

19 So at some point in time, if you went
20 back and did a historic -- and we've done that in
21 our office, we could get you that analysis -- you
22 saw the risk each year that each of the three
23 monitors forecasted and what the actual reserve
24 turned out to be, they wouldn't be close.

25 LEGISLATOR TROIANO: But that wasn't my

question. Thank you for that answer, but that wasn't my question.

DEPUTY COUNTY EXECUTIVE SULLIVAN: You manage risk, that's how you write a budget.

LEGISLATOR TROIANO: Give me some advice then --

DEPUTY COUNTY EXECUTIVE SULLIVAN: Sure.

LEGISLATOR TROIANO: as a Nassau County Legislator. Just tell me, if the -- let me ask you differently then.

In 2009, according to the comptroller's chart, which I assume is not a typo, that the structural gap was \$252 million, was that a concern to you?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Again, I come in, sir, and the first thing I hear is look at the budget, look at the revenues, look at the expenses and try to do fixes to make things work, to drive the CAFR numbers, which are the end results, and that is what the financial community looks at.

LEGISLATOR TROIANO: Oh, does the financial community -- S&P, debt investors -- do they look at our structural gap?

2 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
3 think they look at recurring revenues and
4 recurring expenses. And I think to the extent
5 that we don't deal with the backlog, I think
6 that's a concern to them. And the fact that
7 we've talked about dealing with the backlog,
8 they're actually -- they've been positive to the
9 fact that we've been with this body to get \$75
10 million of the backlog paid this year.

11 LEGISLATOR TROIANO: Mr. Sullivan, I am
12 quite certain and you are too, that all
13 independent financial analysts would be concerned
14 about a quarter of a billion dollar structural
15 gap, and you know that that's the case. You
16 don't have to respond, but you know that's the
17 case. I will tell you that the comptroller's pro
18 forma projection, adding back in the borrowing of
19 \$180 million, would bring you to an excess of
20 that amount. And that's a simple fact.

21 Now let me just move to this one other
22 area. The comptroller also mentions --

23 DEPUTY COUNTY EXECUTIVE SULLIVAN: Just
24 one point on that point, sir.

25 You're really talking -- again, you could

1 have three or four years of that borrowing which
2 would phase it in over time. It really is up to
3 this legislative body and up to NIFA. And I've
4 been having conversations with them and I think
5 that that is something we have to explore. At
6 some point in time, if sales tax continues to
7 grow over those three or four years, you're never
8 going to get to that level of structural
9 imbalance, as you call it.

10
11 LEGISLATOR TROIANO: There is a -- you
12 may want to read this. It may take a second to
13 get through this. In Mr. Maragos' report on page
14 19 -- you have it?

15 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes.

16 LEGISLATOR TROIANO: If you would look
17 to Section 7.2, page 19, the second paragraph,
18 Mr. Maragos indicates that the 2000 forecasted
19 structural gap -- 2013 forecasted structural gap
20 assumes that the 2012 forbearance of the \$88
21 million in property tax refunds will be paid in
22 2013. Will those -- will the amount that there
23 was a forbearance for be paid in 2013?

24 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes.

25 LEGISLATOR TROIANO: When is that going

2 to happen?

3 DEPUTY COUNTY EXECUTIVE SULLIVAN: We're
4 doing it right now. I think we could ask the
5 treasurer. I believe over \$40 million has
6 already been paid.

7 LEGISLATOR TROIANO: That's good. What
8 have you been waiting for?

9 DEPUTY COUNTY EXECUTIVE SULLIVAN: What
10 have we been waiting for? Well, to bond. We
11 just got your second approval. We just got your
12 second approval weeks ago for the other \$35
13 million.

14 LEGISLATOR TROIANO: This goes back to
15 2012, according to his report.

16 DEPUTY COUNTY EXECUTIVE SULLIVAN: No.
17 You said forbearance. Forbearance means you're
18 deferring to 2013.

19 LEGISLATOR TROIANO: Right.

20 DEPUTY COUNTY EXECUTIVE SULLIVAN:
21 Right. So it wouldn't be paid in '12 if it was
22 forbearance until '13.

23 LEGISLATOR TROIANO: So you've done the
24 borrowing for it now?

25 DEPUTY COUNTY EXECUTIVE SULLIVAN: We've

done the first 40 million. Yes, sir.

LEGISLATOR TROIANO: And who is being paid?

DEPUTY COUNTY EXECUTIVE SULLIVAN: The people on the Judge Adams' list.

LEGISLATOR TROIANO: On the Judge Adams' list?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yeah.

LEGISLATOR TROIANO: Okay. Thank you.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Thank you.

CHAIRWOMAN GONSALVES: Legislator Nicoletto.

LEGISLATOR NICOLELLO: I'm pretty sure within 24 hours we're going to see an ad from our comptroller in which he quotes Mr. Troiano calling him a heavyweight financial analyst, and I'm pretty sure I saw Mr. Weitzman shaking his head, but that's just me.

When was the last time we had a quarter of a million dollar deficit.

LEGISLATOR TROIANO: No doubt that that ad is going to say --

LEGISLATOR NICOLELLO: What?

2 LEGISLATOR TROIANO: No doubt that ad
3 will say that he agrees that it's okay not to
4 vote for this budget.

5 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
6 don't recall the county ever having that size
7 deficit, sir.

8 LEGISLATOR NICOLELLO: Structural
9 deficit? \$250 million structural deficit?

10 DEPUTY COUNTY EXECUTIVE SULLIVAN: That
11 was in '09.

12 LEGISLATOR NICOLELLO: The end of the
13 Suozzi Administration. Okay.

14 The comptroller's report contains
15 recommendations, and the administration is free
16 to accept or reject it. Right? Then apparently
17 you have \$230 million in the budget that you
18 could borrow for tax cert liability. Is that a
19 realistic number? Let me back up. You said this
20 before but just repeat it again. The reason you
21 put it in is because NIFA set a deadline for 2014
22 for that amount.

23 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes,
24 sir.

25 LEGISLATOR NICOLELLO: And that's the

reason it's in the budget.

DEPUTY COUNTY EXECUTIVE SULLIVAN:

Correct.

LEGISLATOR NICOLELLO: Realistically, is this county going to borrow \$230 million for tax cert liability?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think it would be better served to stretch it out over several years since, again, I think the county executive has stated that this year really was year one, when it was supposed to be 2011 so it's been delayed.

LEGISLATOR NICOLELLO: Even if we wanted to borrow that much for tax cert liability in one year, are those cases all in a posture that they can be settled that quickly?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think it would be a heck of a challenge, sir.

LEGISLATOR NICOLELLO: And do you foresee getting 13 votes out of this legislature to borrow \$230 million next year for bonding for tax certs?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I'll leave that to this body.

LEGISLATOR NICOLELLO: So it's not a realistic number.

DEPUTY COUNTY EXECUTIVE SULLIVAN: The dollars are there to fund that. Should that body decide that way, we would have the capacity to fund it.

LEGISLATOR NICOLELLO: Let me get back to the point. You did not put that in the budget because you believed you were going to get approval of \$230 million for tax cert liability next year. You put it in a budget because NIFA said it has to be done by 2014.

DEPUTY COUNTY EXECUTIVE SULLIVAN: NIFA has told us that they would do not want any transitional financing past 2014.

LEGISLATOR NICOLELLO: You're hopeful that you can negotiate with NIFA and the parties get together and stretch that out over a number of years.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes, sir.

LEGISLATOR NICOLELLO: So this number that's been ponied up here and thrown around and made a big deal is not a realistic number. The

fact, really, if we got \$100 million next year to borrow for tax cert liability it would be a lot of money.

DEPUTY COUNTY EXECUTIVE SULLIVAN: It would be a great start, sir. Yes.

LEGISLATOR NICOLELLO: Thank you.

CHAIRWOMAN GONSALVES: Legislator Becker.

LEGISLATOR BECKER: Mr. Sullivan, thank you for being here today.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Good afternoon, sir.

LEGISLATOR BECKER: Could you do me a favor? There's a lot of criticism, of course, in this budget and that may be the thing to do, especially during the silly season. But let me ask you something. Could you just highlight for me, in this particular budget, some of the things -- let me ask you -- first of all, how long have you been -- you were here at one point -- you were the budget director. How long have you been dealing with budgets here in Nassau County?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I was the legislative budget review director from '96

1 to 2000, and then I was re-hired as Deputy County
2 Executive for Finance in January 2010.
3

4 LEGISLATOR BECKER: You know Nassau
5 pretty well, don't you?

6 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
7 believe I have a good understanding.

8 LEGISLATOR BECKER: In your opinion, of
9 all the budgets you've dealt -- once again, I've
10 been here a lot, a lot of years. I, personally,
11 have felt the stresses of the county finances, as
12 you did maybe back on those early years, and had
13 to do a lot of things to make it right and to
14 make sure the county stayed afloat. I,
15 personally, just feel, and have for the last four
16 years, that we're really heading in the right
17 direction, in a lot of different ways, but in
18 particular with the budget.

19 When you talk about the smoke and mirrors
20 of some of the budgets of prior administrations -
21 - give me some highlights of this particular
22 budget, why you'd be proud of it and why you feel
23 it is a terrific budget as a platform moving
24 forward, especially in the overall financial
25 plan, the five year plan. Could you just give me

2 some highlights?

3 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
4 think if you look at the risk factors that have
5 been put out there, I think the lion's share of
6 the risk factors really are things that the risk
7 can go away, and that usually revolves around the
8 transitional financing.

9 LEGISLATOR BECKER: Repeat that.

10 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
11 think this is -- if you look at -- NIFA said 104
12 million of risk of which \$82 million is really
13 something that can be addressed by this
14 legislative body. In fact, NIFA broke it out in
15 their report. You take that away you'd have \$22
16 million in real risk, and I think on a --

17 LEGISLATOR BECKER: I don't think I've
18 heard that in 18, 19 years I've been here, that
19 the risk has been so minimized. And I think that
20 you have a firm hold on it.

21 What else?

22 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
23 think the conservative sales tax base, I think
24 the --

25 LEGISLATOR BECKER: In other words, the

sales tax could be even more.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I would be shocked if it wasn't, sir.

LEGISLATOR BECKER: Okay. And the other thing too is I know that I've read in the newspapers it's the county executive's goal and vision, as well as you and the administration, to really end all borrowing. People have talked about it. People who are in control for eight and ten years always talked about it; but it was always \$100 million. My opinion, talk is cheap. In reality, what you're talking about is an actual focus on finally, finally reducing the assessment mess and of course the continuing carousel of tax grievances. That is, in fact, the vision and the goal of the administration; I've read it in many different places.

DEPUTY COUNTY EXECUTIVE SULLIVAN: That is correct, sir.

LEGISLATOR BECKER: So your hope's at some point in the very, very near future, and you'd consider it a great goal, is to finally have us not do any borrowing whatsoever for tax grievances.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think, yeah. We've eliminated the residential liability there, and I think it's something that has to be rolled out into the commercial sector, and I think it is --

LEGISLATOR BECKER: Now, I recall when I was on this legislature, we bonded or paid \$62 million to have this assessment system fixed. You recall that, don't you?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes.

LEGISLATOR BECKER: It's been a stated fact. \$62 million under a prior administration to have the assessment system fixed; is that not correct?

DEPUTY COUNTY EXECUTIVE SULLIVAN: That is an estimate I've heard from --

LEGISLATOR BECKER: In your opinion, some of the reforms that our county executive and this administration has done in regards to the tax certiorari, in your professional opinion, a person who has looked at many budgets, are we heading in the right direction? Do you think it is a realistic goal for this county exec, for this administration, and for the taxpayers of

1 Nassau County to really be one day in a position
2 where we're not paying any more -- people tell me
3 there's always going to be a ten percent, so
4 maybe \$10 million. Is it a realistic goal for an
5 administration and individuals who really have
6 the passion and vision to do that?
7

8 DEPUTY COUNTY EXECUTIVE SULLIVAN: There
9 are always going to be errors in the system. And
10 I think what we have to do is obviously push
11 forward like we have done with settling a lot of
12 them before the role comes final. Also, I think
13 it would be helpful at one point if we had some
14 state legislation and things like that to benefit
15 us.

16 LEGISLATOR BECKER: Now, much of this
17 focus, it seems like my colleagues on the other
18 side of the aisle, has been this \$50 million. In
19 other words, like that 50 million is going to
20 compound itself, which if you don't do anything
21 about it, right, if you don't do anything about
22 it you could fail. I mean, the bottom -- the
23 premise is, of course, that this is sort of a
24 platform in which to work from. And we're going
25 to address those issues as we go along, as our

2 finances continues to improve.

3 Apparently, I'm looking at some reports
4 that the -- is it accurate to say that the --
5 that we have cut, the county executive and
6 legislature, like \$330 million in wasteful
7 spending out of Nassau's budget? Is that an
8 accurate figure?

9 DEPUTY COUNTY EXECUTIVE SULLIVAN: The
10 biggest -- obviously the biggest reduction here,
11 obviously I think everyone is aware of how much
12 we've cut the workforce and things like that, and
13 there is tremendous savings along with that.

14 LEGISLATOR BECKER: Those are real
15 numbers, right Mr. Sullivan? Those aren't fake
16 smoke and mirror numbers. Those are real
17 numbers, right?

18 DEPUTY COUNTY EXECUTIVE SULLIVAN:
19 That's right.

20 LEGISLATOR BECKER: Could you just give
21 me one other thing that you feel is very, very
22 important in this budget that the county -- that
23 this county and its taxpayers can be proud of, in
24 feeling that this county is, in fact, moving in
25 the right direction? In your professional

opinion.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think it's to maintain going forward to provide services with the reduced workforce. Obviously it's a challenge. It's something we live and do every day, and I think we're proud of the record.

LEGISLATOR BECKER: Are we also managing the future pension costs, which have decreased dramatically, and even health costs? We have a plan for all of those expenses as well; is that correct?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes, sir.

LEGISLATOR BECKER: Thank you, Mr. Sullivan.

CHAIRWOMAN GONSALVES: Do you have questions of Mr. Sullivan, Legislator Denenberg?

LEGISLATOR DENENBERG: Yes.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Good afternoon, Legislator.

LEGISLATOR DENENBERG: Good afternoon, Mr. Sullivan. I note that Mr. Maragos is still here. And there was just discussion from Mr. Troiano, Mr. Nicolello, and -- I don't know if it

2 was discussion, but comments from Mr. Becker
3 regarding reducing borrowing to 50 million
4 instead of \$230 million, which is in the budget
5 for 2014, correct?

6 DEPUTY COUNTY EXECUTIVE SULLIVAN: The
7 capacity to finance 230 is, yes.

8 LEGISLATOR DENENBERG: And that's
9 scheduled for 2014, correct?

10 DEPUTY COUNTY EXECUTIVE SULLIVAN: That
11 is correct.

12 LEGISLATOR DENENBERG: In the budget?

13 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes.

14 LEGISLATOR DENENBERG: But Mr. Nicolello
15 says that that's an unrealistic number, correct?

16 DEPUTY COUNTY EXECUTIVE SULLIVAN:
17 Again, it's a number that the debt service
18 dollars are there to fund that.

19 LEGISLATOR DENENBERG: Okay. I'm not
20 sure that I'm happy voting for anything that's an
21 unrealistic number. But I guess what we're
22 trying to say is that maybe we won't borrow it
23 all next year because the cases won't be settled
24 next year.

25 DEPUTY COUNTY EXECUTIVE SULLIVAN: That

1 was a point that was raised. Again, I think it's
2 something we've obviously started it this year,
3 where \$75 million has been financed and there is
4 a backlog, as you sort of solve this backlog and
5 to try to get it behind us.

7 LEGISLATOR DENENBERG: Now I would agree
8 with some of the comments that Mr. Nicolello made
9 if what we were doing was spreading out the debt.
10 But I don't think Mr. Maragos was necessarily
11 saying spread out the debt. He had two
12 recommendations -- and he is still here and he
13 can correct me if I'm wrong. My question to him
14 was unless 50 million is moved into pay-as-you-go
15 and borrowing for tax certs is reduced to 50
16 million, then it's your recommendation not to
17 vote for this budget. And that was what he said
18 to my questions, and he can correct it if he
19 wants. But that's what was said to my question.

20 Now, what we missed in the discussion of
21 230 being borrowed, only 50 million a year, is
22 that Mr. Maragos is not recommending that 230 be
23 spread out with borrowing of 50, 50, 50, 50. He
24 is recommending that we start reducing that
25 number by paying 50 million as you go and borrow

50 million a year. So it 50 million pay-as-you-go in this budget?

DEPUTY COUNTY EXECUTIVE SULLIVAN: It is not currently in the budget, sir. But again, as I mentioned previously, that I think there are certain elements in the budget that are conservatively projected that could result in some pay-go materializing during the year.

LEGISLATOR DENENBERG: So it's not currently in the budget?

DEPUTY COUNTY EXECUTIVE SULLIVAN: No. But I could say just like this year we have a projected surplus.

LEGISLATOR DENENBERG: I think I heard that the answer was no. Fifty million borrowing is not in the budget either. 230 million borrowing is in the budget, correct?

DEPUTY COUNTY EXECUTIVE SULLIVAN: The debt service is there to accommodate that.

LEGISLATOR DENENBERG: So according to Mr. Maragos' testimony, if we reduce borrowing to 50 million and paid 50 as you go this year, then he would recommend supporting this budget and he also would say it was only a negative \$84.3

1 million budget versus gap. But if we have \$180
2 million borrowing in the budget -- I'm sorry. If
3 we have \$230 million borrowing in the budget,
4 which is 180 million more than he's recommending,
5 that 84.3 million has to be raised by 160
6 million, and he agreed, and that would take us to
7 243 -- I'm sorry, \$244.3 million negative number.
8 Now you don't believe that's problematic because
9 we're not going to borrow that much and other
10 things are going to come in?
11

12 DEPUTY COUNTY EXECUTIVE SULLIVAN: Again
13 sir, if you're going to finance it, whether you
14 will finance it in one year or over three or four
15 years, at some point in time you are exacerbating
16 a perceived structural gap in the first year and
17 then obviously that gap would fall dramatically
18 in years two, three, and four, so it would just
19 go away, as opposed to if you did 50 a year over
20 four years, then you'd have a more modest
21 structural gap that would persist over four
22 years. It's similar to what happened in 2005
23 when this body, we borrowed \$250 million. So
24 that year the structural gap we blew off the
25 chart. But I think the following year they

borrowed zero. So you're going to get these blips in structural gaps that when you do all this financing it's going to hit down here, but the following year it goes away.

LEGISLATOR DENENBERG: Well, let's -- okay. Let's talk. You talk about borrowing I think 250 million on '05. What was the backlog in 2002? You were in NIFA at that time?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes. I was, sir.

LEGISLATOR DENENBERG: I'm looking a report that was issued by NIFA. I don't know what part you had as to what the backlog was in 2002. Do you know what it was?

DEPUTY COUNTY EXECUTIVE SULLIVAN: No, sir. I don't have the last 20 years of financials memorized in my head.

LEGISLATOR DENENBERG: This report from NIFA, it has your name on it but it has other peoples so it might not come from you, says \$550 million --

DEPUTY COUNTY EXECUTIVE SULLIVAN: Again, that's a number that --

LEGISLATOR DENENBERG: In 2002.

DEPUTY COUNTY EXECUTIVE SULLIVAN: NIFA never estimated the backlog; that was a number provided by the county to NIFA.

LEGISLATOR DENENBERG: It would have been provided by the Gulotta Administration because it's based on a report at the end of 2001.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Right. That would actually be -- no, it would be --

LEGISLATOR DENENBERG: According to the Gulotta Administration there was a \$550 million backlog, and I don't know how that could have possibly been addressed.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Let me correct the record, sir. If it's a 2001 financial that would be issued in June or July of 2002, so it would not be the Gulotta Administration, it would be the ensuing administration.

LEGISLATOR DENENBERG: But it was based on the end of the Gulotta term.

DEPUTY COUNTY EXECUTIVE SULLIVAN: That's correct.

2 LEGISLATOR DENENBERG: Okay. So, funny,
3 in this budget, I see \$230 million -- again, the
4 comptroller is still here, I want to thank him
5 for being here, but I don't see 50 being moved
6 into pay-go and I don't see borrowing reduced to
7 50 million, and I heard his recommendation that
8 that be done, otherwise this budget shouldn't be
9 supported. So I'm going with that. He's here to
10 correct it if he wants.

11 The \$230 million is very interesting to
12 me though, because 230 in borrowing looks at an
13 overall liability right now, a backlog, if you
14 will, of \$297 million.

15 DEPUTY COUNTY EXECUTIVE SULLIVAN: That
16 is the current backlog, the estimate of the
17 current backlog.

18 LEGISLATOR DENENBERG: The rest we
19 believe we will pay either from the 88 million of
20 settlements and additional payments as well?

21 DEPUTY COUNTY EXECUTIVE SULLIVAN:
22 Payments are being made this year.

23 LEGISLATOR DENENBERG: How does tax
24 certiorari go to zero, zero in 2015? Because
25 near as I could tell, the 230 -- hear me through.

1 I know for sure this 230 is based on the current
2 backlog. So if the 230 doesn't increase and
3 there is no money for pay-go we're somehow
4 assuming that tax cert liability for 2014 will be
5 zero and 2015 will be zero. Are we still
6 assuming we're going to win the county guarantee
7 lawsuit?
8

9 DEPUTY COUNTY EXECUTIVE SULLIVAN: The
10 multi-year plan has \$30 million a year in pay-go.

11 LEGISLATOR DENENBERG: So we're reducing
12 what's been 70 to \$100 million a year to 30.

13 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes,
14 sir. After the backlog is eliminated.

15 LEGISLATOR DENENBERG: Based on what?

16 DEPUTY COUNTY EXECUTIVE SULLIVAN: Based
17 on I think there's been an aggressive settlement
18 program with residential. I think that is
19 something the county attorney's office is looking
20 to do on the commercial side, and I think also
21 there'll be a state legislative package this year
22 hopefully to get some changes to some of the laws
23 that are on the books right now.

24 LEGISLATOR DENENBERG: Such as what?

25 DEPUTY COUNTY EXECUTIVE SULLIVAN: Such

as INE, as you are familiar with. I know you know this subject matter very well.

LEGISLATOR DENENBERG: Thank you.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think there are things such as bandwidth that other states do. There's a lot of things that can be done.

LEGISLATOR DENENBERG: But to date we haven't seen any of it. This year alone and last year -- all three years of this administration we've averaged 70 million a year, mostly commercial, obviously. But that's the historic number anyway. The historic number could be as low as 60 as high as 100 just on commercial.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think the administration's feeling is that they could knock the commercial down in half off that number.

LEGISLATOR DENENBERG: Three years in a row we haven't knocked it down in half at all.

DEPUTY COUNTY EXECUTIVE SULLIVAN:
Again, I think it's --

LEGISLATOR DENENBERG: This year we didn't pay any out, we didn't settle anything. I

understand that. In 2013 --

DEPUTY COUNTY EXECUTIVE SULLIVAN: We are paying out, sir. We're paying out 88 this year.

LEGISLATOR DENENBERG: Nothing's been settled this year, right? What we're paying out was really from 2012. What we borrowed for was for 2012.

DEPUTY COUNTY EXECUTIVE SULLIVAN: That is correct.

LEGISLATOR DENENBERG: So this year, 2013, there hasn't been a settlement. In fact, that's what you told me.

DEPUTY COUNTY EXECUTIVE SULLIVAN: The payments are going to Judge Adams' order. That is correct, sir.

LEGISLATOR DENENBERG: So this year there's been no settlements, correct?

DEPUTY COUNTY EXECUTIVE SULLIVAN: To my knowledge.

LEGISLATOR DENENBERG: So I don't know how we can assume that our liability is going down when having no settlements in a year, unless we've won cases, it's just liability being pushed

1 out because the challenges file every single
2 year. And since our last -- since our last
3 discussion, I looked and there have been no
4 victories this year. Nothing recorded in
5 anything I can get on Pacer or any of the BNA. I
6 could not find a single case where it shows that
7 we won a tax cert case.
8

9 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
10 think the plan, sir, would be, as you are aware,
11 we've successfully been able to eliminate the
12 residential backlog. And what we're looking to
13 do here, the commercial backlog often is driven
14 by sometimes some very small, in terms of
15 numbers, but some very large settlements. We
16 will put together a task force and attack that,
17 such as Simon Malls, things like that, that
18 generate very large refunds.

19 LEGISLATOR DENENBERG: I'll just say
20 this then. Our tax cert liability went from,
21 just in two years, 150 million to 297, and now
22 it's at 280 this year, mostly because no case has
23 been decided or settlement. Borrowing's going to
24 go to zero and pay-as-you-go will come up to \$30
25 million starting 2015.

DEPUTY COUNTY EXECUTIVE SULLIVAN: That is correct, sir.

LEGISLATOR DENENBERG: And that's not smoke and mirrors.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Sir, I believe that we haven't been able to effectuate paying down the backlog which has resulted in a lot of extra costs which adds to the liability. And I think getting rid of the backlog is something that is something that we all should be striving to do.

LEGISLATOR DENENBERG: The backlog nearly tripled, more than doubled. The last time our backlog more than doubled was what year? Do you know?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think the county comptroller is showing the backlog actually decreasing this year.

LEGISLATOR DENENBERG: The backlog has doubled under your watch. It was at 150, according to the comptroller, just two years ago and now it's at 300.

DEPUTY COUNTY EXECUTIVE SULLIVAN: It was 164 when we took over.

2 LEGISLATOR DENENBERG: No. Supposedly
3 it went down to 151.

4 DEPUTY COUNTY EXECUTIVE SULLIVAN: Okay.

5 LEGISLATOR DENENBERG: Which would have
6 been from settlements from the prior
7 administration.

8 DEPUTY COUNTY EXECUTIVE SULLIVAN: As
9 you know, we haven't been --

10 LEGISLATOR DENENBERG: The last time it
11 doubled --

12 DEPUTY COUNTY EXECUTIVE SULLIVAN:
13 Obviously you've been here.

14 LEGISLATOR DENENBERG: The last time it
15 doubled --

16 DEPUTY COUNTY EXECUTIVE SULLIVAN:
17 There's been a lot of settlements brought that
18 you haven't signed off on.

19 LEGISLATOR DENENBERG: Just to answer my
20 own question, the last time it doubled was 1998.
21 But anyway.

22 As far as -- let me ask a bit on police.

23 By the way, the sales tax revenue has
24 grown to record levels.

25 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yeah.

I would say it's up 9.1 percent year to date, which would be I believe the highest on record.

LEGISLATOR DENENBERG: So that's a record amount for sales tax, correct?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes, I believe that would be the county's highest. But you would anticipate over time, it's recovered lots of losses that occurred from the recession of 2008.

LEGISLATOR DENENBERG: And we're counting as savings the wage freeze, correct?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Obviously if you're not spending money that is correct, sir. Yeah.

LEGISLATOR DENENBERG: To date the wage freeze has saved us 230 million?

DEPUTY COUNTY EXECUTIVE SULLIVAN: That is correct.

LEGISLATOR DENENBERG: And sales tax over budget has brought in how much extra?

DEPUTY COUNTY EXECUTIVE SULLIVAN: It's just a forecast right now. We're forecasting somewhere in the realm of 20 to 25 million for this year.

LEGISLATOR DENENBERG: Twenty to 25 million. And yet we still have a deficit.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Oh, no. I'm projecting a surplus this year, sir.

LEGISLATOR DENENBERG: According to Mr. Maragos we are still at negative 84, if you took his recommendations, which was 50 pay-as-you-go and 50 borrowing, without that we are at negative 245 million.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think we're just mixing apples and oranges here. That's a structural gap when we look at a projection. I'm looking at the budgetary basis and on a gap basis. Last year was 41.5 and 27.5.

LEGISLATOR DENENBERG: So you're including borrowing 230 million to get your number.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I'm not really talking about an actual when we're talking about a year that hasn't started yet.

LEGISLATOR DENENBERG: But to get that number you're projecting --

DEPUTY COUNTY EXECUTIVE SULLIVAN: When I say projecting a surplus, we submit a balanced

budget. I'm projecting a surplus in the current year, in 2013.

LEGISLATOR DENENBERG: Police overtime is how much over budget this year?

DEPUTY COUNTY EXECUTIVE SULLIVAN: We're projecting in the realm of 58 to \$60 million, so we're talking approximately 14 to 16 million over budget.

LEGISLATOR DENENBERG: And none of that is reimbursable this year from FEMA, correct?

DEPUTY COUNTY EXECUTIVE SULLIVAN: To the best of my knowledge, if there is it would be very small. That's correct.

LEGISLATOR DENENBERG: And OLBR you know is still predicting 63 million.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Correct.

LEGISLATOR DENENBERG: Police overtime. And the police budget in this year is increasing by how much?

DEPUTY COUNTY EXECUTIVE SULLIVAN: We've increased -- I know we put \$25 million in term pay. I'd have to go back and look at last year. I know it's budgeted but don't have that specific

2 number here.

3 LEGISLATOR DENENBERG: I believe that
4 the police budget is increasing by 33 million,
5 correct?

6 DEPUTY COUNTY EXECUTIVE SULLIVAN: Well
7 those two items right there, I just outlined 25
8 of it and an additional six, so that's 31 of the
9 33.

10 LEGISLATOR DENENBERG: I guess I'm
11 confused as to where we got the 20 million
12 savings from consolidation.

13 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
14 think we're talking about administrative
15 positions that were part of a reduction, sir.

16 LEGISLATOR DENENBERG: All I've seen is
17 that, alone, the overtime being predicted by OLBR
18 alone was approximately equal if not more than
19 any savings from the headcount reduction that was
20 attributed to consolidation. And I feel very,
21 very strongly that that headcount reduction was
22 happening anyway because of the incentive. We
23 were going to lose those officers anyway.
24 Consolidation certainly didn't bring down
25 overtime. We just saw overtime be higher this

1 year than it was last year, and last year we had
2 Super Storm Sandy.

3
4 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
5 believe it's going to come in slightly under last
6 year, sir. Again, the headcount, the sworn
7 workforce is now down around 2204, I believe.

8 LEGISLATOR DENENBERG: I ask you this
9 question every year. But what are we budgeting
10 for overtime this year?

11 DEPUTY COUNTY EXECUTIVE SULLIVAN: Fifty
12 million, sir.

13 LEGISLATOR DENENBERG: Are we adding --
14 do we have any other fund that we're going to use
15 for overtime? Two years ago we had 22 million
16 and we set up --

17 DEPUTY COUNTY EXECUTIVE SULLIVAN: We
18 have a contingency there and we also funded an
19 additional 70 positions or so net. So know the
20 police department is talking about adding 125
21 positions at the end of this year.

22 LEGISLATOR DENENBERG: And you think
23 with that you'll be able to reduce overtime from
24 what OLBR says is going to be 63 million, what
25 you say will be 58 to 60, we'll be able to bring

it down to 50 million?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes.

LEGISLATOR DENENBERG: When are these
125 positions coming in?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I
have been told by the police department that
they're looking to do this at the end of the
year, but obviously a lot of it is they're
looking to potentially do a labor settlement
before any hires will be made. So right now it's
on hold, to my understanding.

LEGISLATOR DENENBERG: Are we coming in
-- so we don't know that we're going to hire 125
at the end of this year?

DEPUTY COUNTY EXECUTIVE SULLIVAN: No.
I believe we're going to hire personnel, yes.

LEGISLATOR DENENBERG: At the end of
this year, 125?

DEPUTY COUNTY EXECUTIVE SULLIVAN: That
was I think Deputy Police Commissioner Krumpter
testified to that, to my knowledge.

LEGISLATOR DENENBERG: So we're going to
do a class that's 125? We've been doing classes
that are -- the last several classes --

DEPUTY COUNTY EXECUTIVE SULLIVAN: Have been a lot smaller.

LEGISLATOR DENENBERG: -- which go back to '07/'08 were a lot smaller.

DEPUTY COUNTY EXECUTIVE SULLIVAN: That's correct. But I know there were times during the previous administration where there were classes up to 150. The headcount is way down so I think we -- the last class that came in in May was 34. I think we're down to 2204 now so we need a larger injection of police force at this time.

LEGISLATOR DENENBERG: And this class, how many new officers were hired this year?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I believe 34, sir.

LEGISLATOR DENENBERG: I've heard that that class has fallen down to even less. Commissioner Krumpter is it lower now? Sorry. He moved up so I thought he was going to answer.

CHAIRWOMAN GONSALVES: I thought he was going to give the answers to Mr. Sullivan. But since you're standing there.

LEGISLATOR DENENBERG: Do you want him

2 to whisper to Mr. Sullivan?

3 CHAIRWOMAN GONSALVES: No. It's quite
4 alright. Since you're standing there, Deputy
5 Commissioner.

6 COMMISSIONER KRUMPTER: Just a couple of
7 notes. First off, the class was started at 34
8 and we're right now at about 33. We only lost
9 one person.

10 Additionally, while we prefer to hire
11 small classes, they're easy to manage, the
12 department has had classes upwards of 200 people
13 at any single time. The way we're currently
14 structured and we're set up to is hire classes at
15 that number and maintain that. So right now we
16 are looking at a class of approximately 150, and
17 those backgrounds are being completed at this
18 time.

19 LEGISLATOR DENENBERG: Of the 33
20 officers that are in the current class that I
21 would assume is about to graduate --

22 COMMISSIONER KRUMPTER: Yeah. They'll
23 be going to field training shortly.

24 LEGISLATOR DENENBERG: Okay. How many
25 of those are for Nassau Police as opposed to a

different village department?

COMMISSIONER KRUMPTER: We do have village police officers in there outside the 33. But all of those police officers are -- when we talk about our classes, we don't add in the village police officers even though we always will have village police officers. We probably have 12 to 15 village police officers in the class.

LEGISLATOR DENENBERG: Last year when I was asking the same questions about overtime, and our overtime was I believe 42 million, was that budgeted?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yeah.

LEGISLATOR DENENBERG: Was it 40 or 42? I can't remember.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think 42, sir. I think you're correct.

LEGISLATOR DENENBERG: Okay. Obviously, we could be as much as 50 percent over, according to OLBR.

DEPUTY COUNTY EXECUTIVE SULLIVAN: I think it's going to come in lower, and I believe that's been -- in our consultations with Deputy

2 Police Commissioner Krumpter as well.

3 LEGISLATOR DENENBERG: Okay. What was
4 stated at that point was the goal was to hire 125
5 officers this year for '13. So why didn't we do
6 it?

7 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
8 believe they're still considering it, sir, for
9 the end of year.

10 LEGISLATOR DENENBERG: You said last
11 year that the 125 officers would come in and have
12 some effect for 2013. We can't possibly hire
13 more than the 33 at this point and have any
14 effect on 2013. And even these 33 I don't think
15 will really have an effect on 2013 because it's
16 the end of October already.

17 DEPUTY COUNTY EXECUTIVE SULLIVAN:
18 That's correct. It's not going to influence this
19 year's number, sir, that's correct.

20 LEGISLATOR DENENBERG: So my concern is
21 I just heard again we're going to hire 125
22 officers that will have an effect on 2014. But I
23 don't want the same answer to the same question
24 that I posed last year that I'm getting this year
25 to mean at the end of the year we're sitting here

1 and we have 32 or 33 officers coming in and I'm
2 told we're still going to hire 125 but it's going
3 to have no effect on this year. What are we
4 doing to make sure this class can come in?
5

6 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
7 think you could ask Deputy Police Commissioner
8 Krumpter. But my understanding is they're really
9 pushing hard to line up this class at the end of
10 the year.

11 COMMISSIONER KRUMPTER: The academy is -
12 - we'll be ready to go. At this point we're
13 holding pending a labor agreement. There is a
14 significant amount of discussion. At 150 people
15 under the framework of the labor agreement that
16 we are working from and the one that would save
17 in excess of \$45 million over eight years. So in
18 the long term it's in the best interest of the
19 county to just try to have a little patience.
20 There is going to come a point in time that we're
21 going to have to hire in order to get those
22 recruits out for next summer, because if we don't
23 then we're going to have some significant issues
24 with staffing next summer. So we are getting to
25 a point to where we are running the line and

1 we're going to have to hire before the end of the
2 year.
3

4 LEGISLATOR DENENBERG: I hope that we,
5 as a body, follow up on this with you and with
6 both budget and police to make sure that these
7 officers come on board. Because I can tell from
8 manpower -- and I work with the First and Seventh
9 where we luckily did not have consolidation --
10 the numbers are still very, very thin, overtime
11 is very, very high and there's no way you can't
12 see it.

13 COMMISSIONER KRUMPTER: Legislator
14 Denenberg, I agree with you. It's at a point
15 where we are at a position where we're not going
16 to be able to wait much longer and we're going to
17 have to hire. We know that we will not be able
18 to get through the summer without some
19 significant issues next summer. So we are very
20 cognizant of that.

21 As a matter of fact, today we had a
22 significant group starting their Phase 2, which
23 is their medical piece of it, and from that point
24 until they're ready to hire is several weeks. So
25 we're right in the timeframe where we will be

1 able to hire and get to where we got to be, if
2 not with one class, with two classes before the
3 end of the year.

4
5 LEGISLATOR DENENBERG: And I'm -- let me
6 say this as well. Since we're talking about
7 budget and we're looking at 125 and we're again
8 predicting overtime to be less than it's coming
9 in for the following year, although it's gone up
10 three years in a row, so I would agree with that.

11 My concern is with overtime being so high
12 in '13, '12, and '11 that officers at the higher
13 end have to retire, they have to look at it and
14 retire.

15 COMMISSIONER KRUMPTER: You're
16 absolutely correct. And I --

17 LEGISLATOR DENENBERG: How many are
18 putting -- let me finish. I didn't ask a
19 question yet.

20 COMMISSIONER KRUMPTER: Okay.

21 LEGISLATOR DENENBERG: How many --

22 COMMISSIONER KRUMPTER: I'm agreeing
23 with you.

24 LEGISLATOR DENENBERG: I want -- that's
25 obviously on the record. I'm never going to let

1 you forget that. Wow. I've had the comptroller
2 agree with me, I've had a commissioner agree with
3 me, and now Legislator Muscarella. I should
4 stop. That's three home runs there.
5

6 But the question is how many officers do
7 we expect to retire, how many have been putting
8 in their papers now, and would 125 hires even
9 keep up?

10 COMMISSIONER KRUMPTER: Legislator
11 Denenberg, we're going to be prepared to hire off
12 the current list as active. That's not the list
13 we gave last December. We will be somewhere in
14 the neighborhood, of ready to hire before the end
15 of the year, 180 people.

16 We are planning to be able to hire 100
17 people in the first quarter. And you hit the
18 nail on the head. What's going to happen is and
19 what we see happening is as we start to flood the
20 precinct with new police officers -- new police
21 officers don't have a lot of time on the books so
22 they work a lot more than experienced police
23 officers. Additionally, they have to make up 90
24 extra hours a year. And what we are going to see
25 is a really -- as we hire, we're going to have to

1 work extra hard and be very diligent to ensure
2 that we outpace the attrition that we're going to
3 experience. So, in essence what we're going to
4 be ready to do is before the end of the first
5 quarter of next year we'll be prepared to hire
6 280 people.
7

8 The academy is getting staffed. They are
9 preparing curriculums. The applicant
10 investigation is staffed a record numbers. We
11 currently have 27 police officers and supervisors
12 assigned to applicant investigation. This is a
13 point that we do expect several hundred people to
14 separate from this police department over the
15 next three to four years, and it's going to be
16 circular, where we're going to be putting people
17 in and we're going to really have to outpace
18 attrition. So you bring up very valid points and
19 that's what we've been preparing for for the last
20 several months.

21 LEGISLATOR DENENBERG: Right now, as we
22 speak, didn't papers have to be put in?

23 COMMISSIONER KRUMPTER: No. They have -
24 - with the current exchange you used to have it
25 for 30 days. You had to put it into the state 30

1 days in advance, so you didn't have a break in
2 your health insurance. That number has been
3 reduced to 15 days. So people are going on
4 January 1, they have until December 15.
5

6 LEGISLATOR DENENBERG: And what number
7 are we expecting?

8 COMMISSIONER KRUMPTER: We're still
9 looking at between -- somewhere in the
10 neighborhood of 125 total separations this year.
11 We have a class of 34 to partially offset that.
12 We'll be putting in a class of approximately 150
13 and we'll be prepared to go up to 180 off the old
14 list.

15 LEGISLATOR DENENBERG: A class of 150
16 we're expecting in January?

17 COMMISSIONER KRUMPTER: No, we're
18 expecting that -- Deputy County Executive
19 Sullivan said 125, it's actually going to be 150.

20 LEGISLATOR DENENBERG: And when we say
21 now we mean November?

22 COMMISSIONER KRUMPTER: Before the end
23 of the year.

24 LEGISLATOR DENENBERG: Because I have an
25 OLBR report that says that the department states

that it plans to hire approximately 80 additional officers in late 2013 and early 2014.

COMMISSIONER KRUMPTER: No. We're going to hire 150 between now and the end of the year and we'll be prepared to hire 100 based on the attrition in the first quarter of next year.

LEGISLATOR DENENBERG: Is that a new change or?

COMMISSIONER KRUMPTER: I've been saying 150 for the last, you know, several months. I've testified to 150 here at the budget hearing and I've been holding to 150.

LEGISLATOR DENENBERG: Mr. Sullivan, everyone just heard him, only said 125. I have OLBR 80. I have you on the record with 150. I'd like to hold you to it because, like I said, and you've been everywhere, we definitely see that it has impacted in many, many ways.

COMMISSIONER KRUMPTER: It is. For the first time ever, we're still, in September we're still ordering people in, which is unprecedented for us.

LEGISLATOR DENENBERG: Mr. Sullivan, then how much is -- how many officers are

budgeted for salaries? How many officers do we have now? How much is budgeted?

DEPUTY COUNTY EXECUTIVE SULLIVAN: I believe right now we're somewhere around 2200, maybe 2202, somewhere around there. We have funding for 2270, which would be sort of a midpoint of that, sir.

LEGISLATOR DENENBERG: So we're at 2202 now and we're funding 2270 for '14?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes.

LEGISLATOR DENENBERG: So if we lose let's say 100, then we can hire 170? And we're at 2202 right now?

DEPUTY COUNTY EXECUTIVE SULLIVAN: Somewhere, I believe it's right in that range. It changes daily.

LEGISLATOR DENENBERG: I thought that's a little high. I thought it's a little bit lower.

COMMISSIONER KRUMPTER: It's right around that. Actually he's pretty close. I think it was just around 2202, maybe one or two off.

LEGISLATOR DENENBERG: I'll just close -
- thank you. I'll just close by saying to have

2 no bonding after -- to have no buildup of the
3 backlog and to think that this problem's just
4 magically going away with 10 million pay-go for
5 '14, 30 million pay-go for '15, '16, '17, and
6 just 230 million borrowing when the backlog is
7 280 now, I just don't think is real at all.

8 I'll also say that I'll stick with the
9 comptroller's recommendation to demand 50 million
10 be put in pay-go and reduce the borrowing before
11 we support the budget.

12 Let me close by asking one last question.
13 How much money do we anticipate in this budget
14 from what I call the toilet tax, you call the
15 sewer fee?

16 DEPUTY COUNTY EXECUTIVE SULLIVAN: From
17 the sewer fee, sir, it is \$12 million.

18 LEGISLATOR DENENBERG: And what's the
19 legal status of that attempt?

20 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
21 believe they're still under an injunction. If
22 you read Comptroller DiNapoli's report today,
23 when he went out there and he spoke about
24 exemptions and he specifically referenced user
25 fees and he specifically referenced water and

1 sewer fees and -- as a matter of fact, I have
2 here bills from North Hempstead where we are
3 charged for parcels for sewer fees for Port
4 Washington Water Pollution Control District in
5 Great Neck. If you are correct, sir, we're going
6 to hire you to go after North Hempstead for us.

7
8 LEGISLATOR DENENBERG: You can't. You
9 don't seem to get it. In North Hempstead, Port
10 Washington Plant, everyone is charged a usage
11 fee, everyone.

12 DEPUTY COUNTY EXECUTIVE SULLIVAN:
13 That's correct. And it's on the property tax
14 bill for North Hempstead.

15 LEGISLATOR DENENBERG: But we don't
16 charge -- you can show whatever you want. Try to
17 listen.

18 DEPUTY COUNTY EXECUTIVE SULLIVAN: I am
19 listening.

20 LEGISLATOR DENENBERG: Everyone in Port
21 Washington is charged a user fee, including
22 residents. Everyone is charged a user fee. Just
23 like in a water district, if everyone is charged
24 a user fee, it's not a tax. The problem you have
25 here in our sewer district is everyone is charged

1 a tax and no one is charged a fee. And what
2 you're trying to do is only impose a fee on other
3 governments, not-for-profits, then you tried to
4 exempt veterans' groups because it was obvious
5 how unfair it was. But you can't just pick a few
6 people to charge a fee and no one else gets a fee
7 because it becomes a tax. That's why there's the
8 injunction. And I'm not going to vote for a
9 budget that has a sewer tax, period. I mean a
10 toilet tax.

12 DEPUTY COUNTY EXECUTIVE SULLIVAN:

13 Again, sir --

14 CHAIRWOMAN GONSALVES: Excuse me, Mr.
15 Denenberg. I think -- Mr. Sullivan, do you have
16 a response?

17 DEPUTY COUNTY EXECUTIVE SULLIVAN: It is
18 -- there are user fees. The people that pay now,
19 the people that are paying into the system now
20 are the people that are obviously not exempt from
21 this. But it is not a tax, it is, again, a user
22 fee. It is based on assessed valuation, but it
23 is still a user fee.

24 LEGISLATOR DENENBERG: Right. We have a
25 sewer tax here in Nassau County.

2 DEPUTY COUNTY EXECUTIVE SULLIVAN: No we
3 don't.

4 LEGISLATOR DENENBERG: No we don't? You
5 don't realize there's a sewer tax in Nassau
6 County?

7 DEPUTY COUNTY EXECUTIVE SULLIVAN: Well,
8 sewer tax. We're transitioning over and we're
9 looking to transition over to --

10 LEGISLATOR DENENBERG: County Executive,
11 you don't realize there's a sewer tax?

12 DEPUTY COUNTY EXECUTIVE SULLIVAN: Let
13 me finish, sir.

14 CHAIRWOMAN GONSALVES: Let him finish.

15 DEPUTY COUNTY EXECUTIVE SULLIVAN: I'm
16 just making the point that --

17 LEGISLATOR DENENBERG: This is three
18 years --

19 CHAIRWOMAN GONSALVES: Legislator
20 Denenberg.

21 DEPUTY COUNTY EXECUTIVE SULLIVAN: North
22 Hempstead charges us, and we can do it.

23 LEGISLATOR DENENBERG: I'm making a
24 point that for three years we've been -- for
25 three years we've been budgeting a toilet tax

1 revenue. We've been told by a court it is a tax
2 on not-for-profits and other government that it's
3 illegal. We're still budgeting 12 million for
4 it. And to make matters worse, we've approved,
5 albeit only four/three, we've approved an outside
6 company to figure out how to impose it, and we
7 spent taxpayer money trying to figure out how to
8 impose it.
9

10 DEPUTY COUNTY EXECUTIVE SULLIVAN: We
11 looked at best practices. And one of the
12 jurisdictions we did look at was North Hempstead.

13 LEGISLATOR DENENBERG: How much money
14 have we paid on the outside company to figure out
15 how to impose this so far?

16 DEPUTY COUNTY EXECUTIVE SULLIVAN: I
17 think it's been a couple hundred thousand
18 dollars, sir.

19 LEGISLATOR DENENBERG: No. It's over
20 half a million at this point.

21 DEPUTY COUNTY EXECUTIVE SULLIVAN: No.
22 That's not correct. It's wrong.

23 LEGISLATOR DENENBERG: And how much
24 money have we spent in court fighting over this?

25 DEPUTY COUNTY EXECUTIVE SULLIVAN: It's

2 in-house counsel, sir.

3 LEGISLATOR DENENBERG: I don't believe
4 so. I don't believe so.

5 DEPUTY COUNTY EXECUTIVE SULLIVAN: It's
6 Andrew Scott, I believe.

7 CHAIRWOMAN GONSALVES: If there are no
8 other -- I'm sorry. Legislator Bosworth.

9 LEGISLATOR BOSWORTH: Thank you,
10 Presiding Officer. I do have some questions
11 about the police consolidation because that was
12 an issue that was something that I felt very
13 strongly about.

14 I'm hoping that at this point we do have
15 a thorough analysis of the actual savings that
16 were realized from the precinct closures. Is
17 that correct?

18 DEPUTY COUNTY EXECUTIVE SULLIVAN: Yes.
19 I think the Office of Legislative Budget Review
20 put forth an analysis as well.

21 LEGISLATOR BOSWORTH: I'd like to see an
22 analysis of the actual savings. In fact, we were
23 told that we would not lose any patrol cars. And
24 you know what? We didn't. We did not lose
25 patrol cars.

DEPUTY COUNTY EXECUTIVE SULLIVAN: There are still 177.

LEGISLATOR BOSWORTH: Absolutely. Your word -- the commissioner kept his word and that was certainly appreciated.

There were other things that we do sense a loss of, whether it's detectives of undercover officers, a myriad of things. And we have now one precinct -- I'm talking about the Third and the Sixth that was combined into the Third covering an area from Manorhaven and Port Washington all the way down to Nassau University Medical Center on Hempstead Turnpike, a really large area. So it just seems to me that the police budget has gone up, overtime has gone up. I'm not seeing the savings, and I would be very interested in seeing them in actual numbers.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Okay.

LEGISLATOR BOSWORTH: Thank you.

DEPUTY COUNTY EXECUTIVE SULLIVAN: You're very welcome.

CHAIRWOMAN GONSALVES: There being no other questions for Mr. Sullivan, thank you very much.

DEPUTY COUNTY EXECUTIVE SULLIVAN: Thank you. Thank you, Presiding Officer.

CHAIRWOMAN GONSALVES: Hopefully we can proceed with today's agenda and make it possible for some of our colleagues to meet their obligations, including myself.

At this point I would ask for a motion to close the hearing.

LEGISLATOR MUSCARELLA: So moved.

LEGISLATOR NICOLELLO: Second.

CHAIRWOMAN GONSALVES: Moved by Legislator Muscarella, seconded by Legislator Nicolello.

All those in favor of closing the hearing signify by saying aye.

(Aye.)

Any opposed?

(No verbal response.)

The budget hearing is closed.

The next item, and I'm going out of order, we're going to Item 4 on the calendar, Ordinance 165-13 and that's the legislative budget.

Motion, please?

Moved by Legislator Kevan, seconded by myself. Okay. Or opposite. I don't care which way.

Any questions regarding the legislative budget?

(No verbal response.)

Any comments regarding the legislative budget?

The legislative budget was moved and seconded and there are no questions regarding the budget.

(No verbal response.)

All those in favor of the legislative budget signify by saying aye.

(Aye.)

Any opposed?

(No verbal response.)

The legislative budget passes unanimously.

Now for the biggie. Item 3 on the calendar is Ordinance 164-13, regarding the county budget.

Motion, please?

LEGISLATOR BELESI: So moved.

2 LEGISLATOR DUNNE: Second.

3 CHAIRWOMAN GONSALVES: Moved by
4 Legislator Belesi, seconded by Legislator Dunne.

5 Now, I believe at this point we have
6 amendments made by the Minority, and you may want
7 to offer them at this point.

8 LEGISLATOR ABRAHAMS: I move the
9 amendments of the Minority Caucus.

10 LEGISLATOR JACOBS: And I'll second it.

11 LEGISLATOR ABRAHAMS: Seconded by --
12 I'm sorry. Go ahead, Norma.

13 CHAIRWOMAN GONSALVES: Seconded by -

14 LEGISLATOR ABRAHAMS: Legislator
15 Jacobs.

16 CHAIRWOMAN GONSALVES: Legislator
17 Jacobs.

18 Moved by Minority Leader Kevan Abrahams,
19 seconded by Legislator Jacobs.

20 Now for the amendments as proposed by the
21 Minority. I guess you are going to present them,
22 Minority Leader, correct?

23 LEGISLATOR ABRAHAMS: Yes. I think our
24 amendments stand on their own. If you need me to
25 read each one into the record -- what I have is a

1 general statement more to summarize the
2 amendments, if you want me to do that.

4 CHAIRWOMAN GONSALVES: That's fine.

5 LEGISLATOR ABRAHAMS: If we can clock
6 this in as part of our amendments. But I just
7 have a general statement.

8 We, in the Minority Caucus, just to
9 highlight many of our amendments, we feel, as
10 we've always said, that this budget process as
11 well as this budget document that's before us is
12 flawed. Though our amendments go a long way
13 towards addressing it, it's very hard to do that
14 with the process that's been set forth before us.
15 However, just to highlight some of our amendments
16 that we truly believe that this budget does not
17 include.

18 The first would be eliminating the
19 redundant and patronage jobs in the amount of \$5
20 million from the budget, which would create a
21 savings for the county. We also believe that
22 there could be additional savings by repealing.

23 Most importantly, the county executive
24 has demonstrated in campaign ads, one after the
25 other, that basically railing against the fact

1 that his own salary, the salary that was
2 increased in 2007 under County Executive Tom
3 Suozzi, which was done by a Blue Ribbon Panel,
4 but nonetheless has railed against the fact that
5 Mr. Suozzi has raised his own salary by \$65,000.
6 Mr. Mangano has had the opportunity for the last
7 four years to reduce his salary and has not
8 chosen or asked this legislature to do so, so we
9 are putting forth that amendment which would
10 repeal his salary by that amount of \$65,000,
11 which by all standards, if Mr. Mangano is genuine
12 in basically reducing that salary and having a
13 problem with Mr. Suozzi raising his salary, then
14 he would have no problem reducing his salary at
15 this time.

17 Another increase that we would like to
18 see with the budget, which is also included in
19 our amendments, we all understand and have
20 witnessed gang and youth violence that has
21 increased over the past few years in our County.
22 We would like to see a total of \$5 million be
23 restored to health and human services, which
24 would go a long way towards those programs and
25 the necessities -- the things that those programs

would need in order to function.

We also, keep in mind, we would like to see this budget also include a proposed amendment. This amendment would include a pay-go for tax certioraris. We feel for the last couple of years the county has been very irresponsible in putting that amount strictly towards borrowing. Pay-go will be a system that the previous administration adopted, which would be a system that all should adopt, which would basically mean that money that we pay out towards certioraris would come from the operating budget. That amount should be in the total of \$40 million, as per our budget amendments.

Then last, but not least, I think we heard the testimony from the advocates that were here on behalf of NICE Bus as well as Able Ride Bus. We feel from that standpoint we would like to see that budget bumped up to \$4 million and increase funds which would allow routes to be increased in the northeast quadrant of the county. It would also provide an adequate Metro Card system as well.

Also, one of the highlights of our budget

2 document is the elimination of the sewer and
3 storm water usage fee, also phrased by my good
4 friend Dave Denenberg, the toilet tax. We will
5 also be removing that unnecessary tax and burden
6 that has never materialized. Just the thought of
7 it materializing, we would like to see that
8 initiative removed from the budget as well.

9 Our amendments total \$104,665,000 in
10 savings to the County and would be a benefit if
11 they were adopted by this Legislature today.

12 CHAIRWOMAN GONSALVES: Any comments from
13 the legislators regarding the Minority
14 amendments?

15 LEGISLATOR KOPEL: Madam Chairman. I
16 was just wondering, Kevan. I was just keeping
17 track of this. The way I counted it looks like
18 you're adding about 40-something million to the
19 budget not subtracting. I see you're taking --

20 LEGISLATOR ABRAHAMS: Mr. Kopel, that
21 was a summary of this entire document. I don't
22 know if you have the entire document in front of
23 you. The entire document is actually a savings
24 of, total, \$26.65 million. What I was giving was
25 a highlighted summary because I was trying to

abbreviate it, in fairness to the Presiding Officer who said that we could just clock this document in.

LEGISLATOR BECKER: Appreciate it.

LEGISLATOR ABRAHAMS: You're very welcome, Mr. Becker.

LEGISLATOR KOPEL: Okay.

CHAIRWOMAN GONSALVES: Any other comments?

(No verbal response.)

Before I call for a vote, I have a statement regarding the Democratic amendments, and it reads, as follows:

The democratic amendments proposed additional spending increases which they claim to be \$78 million. They fail to put in funding or identify the source of funding to address any of the additional bureaucracy they create with these amendments, which would increase the cost of the amendments above the \$78 million figure.

Clearly, the proposed spending is real money. On the other hand, the democrats propose spending reductions and revenue enhancements that are pure fiction. There is absolutely no backup for any

1 of the alleged revenues or savings claims in
2 their amendments.
3

4 Phantom revenue can't pay real expenses.
5 It didn't when they were in charge in 2009,
6 leaving the County with a \$378 million deficit
7 and it will not with these amendments.

8 The republican majority will not leave
9 our taxpayers holding the bag for more reckless
10 spending, as was done under the Suozzi
11 Administration and the democrat majority. And I
12 urge my colleagues in the majority to vote no on
13 those poorly thought out amendments.

14 LEGISLATOR ABRAHAMS: If I may respond
15 to your response.

16 CHAIRWOMAN GONSALVES: You may respond,
17 and then I may respond as well. Go.

18 LEGISLATOR ABRAHAMS: Thank you, Madame
19 Presiding Officer.

20 I totally disagree with your statement
21 that these amendments are phantom in nature. I
22 think the reduction of outside legal counsel,
23 which this county attorney has run amuck and
24 basically a reduction of \$4.5 million is a true
25 savings to this county. I think the fact that

1 we're talking about reducing the staff and the
2 employees and the reduction in the county
3 executive's office to the tune of -- I'm sorry,
4 that was 65,000. Where was the other reduction?
5 In the constituent affair's office, it would be a
6 reduction of \$2 million, that is a real savings.
7

8 I think across the board our savings are
9 genuine. I think from the standpoint -- if there
10 was any possibility of compromise or any type of
11 ability to work with us, you would go through
12 some of the amendments, maybe the amendments for
13 Health and Human Services or the amendments for
14 NICE Bus and work with us so that we can find the
15 dollars for these programs if we are genuine to
16 what we're telling the people when they come here
17 before us. But there's nothing that's genuine
18 today.

19 And the fact remains that Mr. Mangano,
20 the county executive, has railed against his
21 opponent, Mr. Suozzi, for the last several weeks
22 that basically Mr. Suozzi took a raise, that he
23 raised his own salary. Now, here we are again.
24 Mr. Mangano had the opportunity, this
25 legislature, obviously he does not want the

2 increase. That's okay. Now we have an
3 opportunity to reduce it. Let's reduce his
4 salary by \$65,000. He has said countless times
5 that Mr. Suozzi has raised his own salary by
6 \$65,000. So from that standpoint, it seems to me
7 that he doesn't need it or doesn't want it, which
8 is perfectly fine. That's a \$65,000 savings to
9 the county. We will gladly take it back. So
10 from that standpoint, I couldn't see why we
11 wouldn't do it as a bipartisan fashion, because
12 he has said on multiple occasions Mr. Suozzi
13 raised his own salary and he has cast a negative
14 veil over that increase. So great. Give it back
15 to the county. The taxpayers could use it.

16 I take some umbrage with the fact that
17 you're saying that our increases are phantom. I
18 would say if we can't agree on all of our
19 amendments, I'm sure we can agree that NICE Bus
20 and the increases to health and human services
21 are genuine. We should try to find that
22 allotment of money, that four to \$10 million.
23 Let's find it right now. Let's dig deep and
24 let's find it so we could give these programs and
25 these folks some comfort so they could be able to

2 get to work and sleep at night.

3 But again, leading from the top down, I
4 don't think there's any genuine aspects of this
5 budget or these amendments at all. I truly
6 believe that we're going to see a budget document
7 which has very few amendments, if at all,
8 proposed by the majority that will pass and will
9 not have any impact on helping the people of
10 Nassau County.

11 CHAIRWOMAN GONSALVES: I'm just going to
12 respond very quickly. And my response is before
13 we can spend we need to know where the dollars
14 are coming from to pay for those expenses. We're
15 not clear on that at this particular point in
16 time.

17 The other thing, I think earlier today
18 during the budget hearing the first speaker came
19 up, asked us to work in a bipartisan way for NICE
20 Bus. And I made a commitment together with both
21 sides of the aisle that we will, in the very near
22 future, sit down and talk about ways in which we
23 can help make NICE Bus better. And so that's
24 where we are at this point.

25 I can go point by point regarding the

1 amendments that have been proposed. But in the
2 interest of time I will say to you, before I
3 spend a dollar, I need to know I have money to
4 pay for it. I don't believe that that's the
5 case. The county attorney's office is \$1 million
6 less than it has been in the past. I think we
7 need to go on. I really and truly don't want to
8 go into each and every one amendment because
9 there are answers to your amendments.
10

11 So at this point in time I'm going to
12 stand firm on the fact, unless we know that there
13 is money to pay for those amendments, I am not
14 going to support paying for -- advocating the
15 amendments go forward.

16 Now, if anybody else -- we're going to
17 take a motion on the -- a vote on the minority
18 amendments.

19 All those in favor of the minority
20 amendments signify by saying aye.

21 (Aye.)

22 Any opposed?

23 (Nay.)

24 The amendment fails ten to nine.

25 Now for the next order of business which

2 is the majority amendments, which are really
3 technical in nature. And I will ask for a motion
4 from my colleagues to present those amendments.

5 LEGISLATOR MUSCARELLA: So moved.

6 LEGISLATOR NICOLELLO: Second.

7 CHAIRWOMAN GONSALVES: Moved by
8 Legislator Muscarella, seconded by Legislator
9 Nicolello.

10 Just so that we have -- so we keep the
11 record clear, the proposed budget of County
12 Executive Mangano addresses concerns of the
13 republican majority. Some of these concerns
14 include: ensuring no additional property taxes
15 for our residents. This is the fourth
16 consecutive no tax increase budget of the Mangano
17 Administration and the republican majority.

18 Two. Funding is in place for our youth
19 agencies. And I'm sorry that Mr. Pat Boyle is
20 not here. Funding that the republican majority
21 and the County Executive Mangano were able to
22 restore in 2013 as promised and committed.

23 The inclusion of additional funding in
24 the 2014 operating budget to cover the cost of
25 termination pay.

1 The use of conservative projections,
2 particularly in the calculation of sales tax
3 revenue.
4

5 And last, inclusion of Cornell
6 Cooperative Extension in the budget for the first
7 time since it was removed by the previous
8 administration in 2007. All of us know that
9 Cornell has pleaded to this body to restore them
10 to the budget, and it has happened in this
11 particular 2014 budget.

12 NIFA has indicated that the legislature
13 should not make dramatic changes to the budget
14 proposed by the administration. To that end and
15 in light of the foregoing, the only amendments
16 offers by the majority are the technical
17 amendments sought by the administration. These
18 amendments have no programmatic impact. The next
19 impact of these technical amendments is a
20 reduction of approximately one half million
21 dollars from the original submission.

22 LEGISLATOR WINK: Point of order.
23 Madame Presiding Officer, are you indicating that
24 NIFA has prejudged this budget and said that we
25 can't make changes to it? Is that your

1 testimony?

2 CHAIRWOMAN GONSALVES: It was a
3 suggestion, Mr. Wink.
4

5 LEGISLATOR WINK: Oh, a suggestion.

6 CHAIRWOMAN GONSALVES: Yes. We're going
7 to agree or not agree. It was a suggestion.

8 LEGISLATOR WINK: And yet they haven't
9 signed off on this budget.

10 CHAIRWOMAN GONSALVES: No. It was a
11 suggestion that we do not. And it was on the
12 report from NIFA.

13 LEGISLATOR WINK: I would love to see
14 that.

15 CHAIRWOMAN GONSALVES: And I don't
16 believe that there is anything in these technical
17 amendments that would be objectionable, primarily
18 because all of us are concerned about the
19 inclusion of a termination pay, the fact that
20 Cornell Cooperative Extension is now placed in
21 the budget, and that the youth services have been
22 restored and will remain whole. These were
23 concerns on the part of all of us.

24 Yes, you may. Legislator Jacobs.

25 LEGISLATOR JACOBS: Just a correction,

2 Madame Presiding Officer.

3 Cornell Cooperative was not removed from
4 the budget. It wasn't. I was presiding officer
5 in 2007 and we would not vote for it unless it
6 was in the budget. It was given a line within
7 social services, the Health Department by the
8 present administration. But it was never removed
9 from the budget. Cornell has been in the budget,
10 and that's why they've been able to survive, as
11 little as we have in there for them.

12 CHAIRWOMAN GONSALVES: I really don't
13 want to debate whether or not they were in the
14 budget in 2007. They were in the budget but it
15 was a defined, defined purpose in the budget and
16 I believe it was under social services -- health,
17 excuse me.

18 LEGISLATOR JACOBS: I just said that.

19 CHAIRWOMAN GONSALVES: But this is not.
20 This goes beyond that.

21 LEGISLATOR JACOBS: Good. I'm happy to
22 hear that. But they were never out of the
23 budget, is the point I'm making.

24 CHAIRWOMAN GONSALVES: No. This here is
25 separately designated and is now, as I am sure

1 that the director of Cornell is extremely pleased
2 that it's back in the budget. They will be able
3 to get funding from Cornell University. Without
4 this line in the budget, that would not happen.

6 LEGISLATOR JACOBS: They never did not
7 get the funding because they -- I didn't like
8 when they were in the Health Department. But I'm
9 saying they never did not get the funding because
10 they always had a basis within the county to be
11 able to take the funding from Cornell.

12 CHAIRWOMAN GONSALVES: Judy, the thing
13 here, and this was the plea of the administration
14 of Cornell Cooperative Extension. They had to
15 have a separate line so that they would receive
16 funding from Cornell. That's what they -- I
17 think they visited most of us and they came
18 before us at this legislative body, that this is
19 what they needed to have in the budget. It was
20 not the fact that it was part of health services.

21 LEGISLATOR JACOBS: Don't get me wrong.
22 I'm not arguing the point of them -- I think they
23 are wonderful and I'm glad they're in the budget
24 on a separate line. But I'm just saying to you
25 that even if they are in under the Health

Department, they still could get the money and tap into the money that was available to them.

CHAIRWOMAN GONSALVES: I communicate with them almost on a weekly basis. And I will tell you, unless they had this line, they said they would not be able to get the funding from Cornell.

They did not have a separate line in the budget all of their own. Now that they do, they qualify for funding from Cornell. And not only that, they also, as time goes on during the course of the year -- and you know this and this goes to even with the youth services last year, this year -- they will probably be able to gain more funding because they have a separate line in the budget.

And on that note, I'm going to ask for a vote to accept the -- we have to vote on the majority amendments.

All those in favor of the majority amendments signify by saying aye.

(Aye.)

Any opposed?

(Nay.)

So the majority amendments pass ten to nine.

Now we need to vote on the budget as amended.

LEGISLATOR DUNNE: So moved.

LEGISLATOR BELESI: Second.

CHAIRWOMAN GONSALVES: Moved by Legislator Dunne, seconded by Legislator Belesi.

You have a comment.

LEGISLATOR ABRAHAMS: Yes. I think in light of the fact that our amendments were not adopted, which included enhancements for NICE Bus as well as health and human services, I think what the comptroller testified today and using his testimony that this budget is problematic and detrimental to the fiscal condition of the county if his recommendations were not included in this budget, I think from that standpoint alone, the comptroller, which comes from the majority side of the aisle being a republican, I think from that standpoint, seeing that he has earmarked this budget as problematic, detrimental to the fiscal condition of the county, I think from our position we plan, and I would urge my side of the

2 aisle to vote no.

3 CHAIRWOMAN GONSALVES: Thank you,
4 Minority Leader Abrahams.

5 Before we take the vote I have a
6 statement that I'd like to read into the record.

7 It's been a long time back from fiscal
8 instability we inherited in 2010 from the
9 previous administration and the former democratic
10 majority. Asking our residents to pay more in
11 tax dollars with very little cooperation from
12 those in the current legislative minority who
13 created the mess.

14 This effort has been further complicated
15 by two hurricanes - Hurricane Irene and Super
16 Storm Stan, the last of which devastated some of
17 the county's infrastructure. Despite these
18 events, we have made serious inroads into the
19 financial difficulties the county has faced.
20 This budget -- excuse me. This budget will
21 continue that effort.

22 We have been presented with a 2014 budget
23 by County Executive Mangano which continues the
24 priorities of the republican delegation - no
25 additional taxes, rightsizing government, and

restoring those services that were in jeopardy in the past year.

I am happy to advocate for my colleagues to vote yes on this budget. And so at this point in time it will be in order to take the vote on the county budget 2014.

All those in favor of the budget, 2014, signify by saying aye.

(Aye.)

Any opposed?

(Nay.)

Okay. The budget passes ten to nine.

Thank you very much for all of your indulgence.

Now we move onto the next -- we have two more items to go forward with, and that's Item 2, Ordinance 163-2013, tax levy ordinance.

Motion, please?

LEGISLATOR BECKER: So moved.

LEGISLATOR KOPEL: Second.

CHAIRWOMAN GONSALVES: Moved by Legislator Becker, seconded by Legislator Kopel.

Any comments regarding the tax levy?

I was just advised I need to present an

amendment in the nature of a substitution.

All those in favor of the amendment --
motion. Motion, sorry. Amendment in the nature
of a substitution. Moved by Legislator Dunne,
seconded by Legislator Kopel.

All those in favor of the amendment in
the nature of a substitution signify by saying
aye.

(Aye.)

Any opposed?

(Nay.)

The amendment in the nature of a
substitution passes ten to nine.

Now the item as amended. All those in
favor of Item 2, Ordinance 163 signify by saying
aye.

(Aye.)

All those opposed?

(Nay.)

The item passes ten to nine.

Now we have one final item and that's
Item 5, Resolution 207-13, multi-year plan. And
I believe again that we have an amendment --
motion on the item?

LEGISLATOR DUNNE: So moved.

LEGISLATOR BECKER: Second.

CHAIRWOMAN GONSALVES: Motion by
Legislator Dunne, seconded by Legislator Becker.

Now we have an amendment in the nature of
a substitution.

Motion, please?

LEGISLATOR DUNNE: So moved.

LEGISLATOR BELESI: Second.

CHAIRWOMAN GONSALVES: Moved by
Legislator Dunne, seconded by Legislator Belesi.

All those in favor of the amendment in
the nature of a substitution signify by saying
aye.

(Aye.)

Any opposed?

(Nay.)

Ten/nine.

Now the item as amended. All those in
favor of Item 5, Resolution 207-13 signify by
saying aye.

(Aye.)

Any opposed?

(Nay.)

The item passes ten to nine.

At this point, a motion to adjourn,
please?

LEGISLATOR DUNNE: So moved.

LEGISLATOR BECKER: Second.

CHAIRWOMAN GONSALVES: Moved by
Legislator Dunne, seconded by Legislator Becker.

All those in favor signify by saying aye.

(Aye.)

Any opposed?

(No verbal response.)

We are adjourned.

(Whereupon, the Full Legislature
adjourned at 4:55 p.m.)

C E R T I F I C A T E

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

THAT I attended at the time and place above mentioned and took stenographic record of the proceedings in the above-entitled matter;

THAT the foregoing transcript is a true and accurate transcript of the same and the whole thereof, according to the best of my ability and belief.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of November, 2013.

FRANK GRAY