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NASSAU COUNTY LEGISLATURE

NORMA GONSALVES, Presiding Officer

FULL LEGISLATURE  
Special Meeting regarding  
2014 Budget Relating to Public Safety

NORMA GONSALVES,  
Chairwoman

1550 Franklin Avenue  
Mineola, New York

Wednesday, October 9, 2013  
1:19 P.M.

1

2 A P P E A R A N C E S:3 NORMA GONSALVES,  
4 Presiding Officer5 RICHARD NICOLELLO,  
6 Deputy Presiding Officer7 HOWARD KOPEL,  
8 Alternate Deputy Presiding Officer

9 MICHAEL VENDITTO

10 DENISE FORD

11 JOSEPH SCANNELL

12 FRANCIS X. BECKER

13 VINCENT MUSCARELLA

14 JUDI BOSWORTH

15 WAYNE WINK

16 ROBERT TROIANO

17 KEVAN ABRAHAMS,  
18 Minority Leader

19 ROSE MARIE WALKER

20 JOSEPH BELESI

21 DENNIS DUNNE

22 JUDITH JACOBS (1:05 p.m.)

23 DAVID DENENBERG

24 DELIA DERIGGI-WHITTON

25 CARRIE SOLAGES

WILLIAM J. MULLER, III  
Clerk of the Legislature

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2 CHAIRWOMAN GONSALVES: We're  
3 ready to begin. I ask that Legislator  
4 Dennis Dunne please lead us in the Pledge of  
5 Allegiance.

6 (Whereupon, the Pledge of  
7 Allegiance was recited.)

8 CHAIRWOMAN GONSALVES: Thank you.  
9 I will ask the clerk to please call the  
10 roll.

11 CLERK MULLER: Deputy Presiding  
12 Officer Nicoletto?

13 LEGISLATOR NICOLELLO: Here.

14 CLERK MULLER: Alternate Deputy  
15 Presiding Officer Kopel?

16 LEGISLATOR KOPEL: Here.

17 CLERK MULLER: Legislator  
18 Troiano?

19 LEGISLATOR TROIANO: Here.

20 CLERK MULLER: Legislator  
21 Solages?

22 LEGISLATOR SOLAGES: Here.

23 CLERK MULLER: Legislator Ford?

24 LEGISLATOR FORD: Here.

25 CLERK MULLER: Legislator

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2 Scannell?

3 LEGISLATOR SCANNELL: Here.

4 CLERK MULLER: Legislator Becker?

5 LEGISLATOR BECKER: Present.

6 CLERK MULLER: Legislator

7 Muscarella?

8 LEGISLATOR MUSCARELLA: Here.

9 CLERK MULLER: Legislator

10 Bosworth?

11 LEGISLATOR BOSWORTH: Here.

12 CLERK MULLER: Legislator Wink?

13 LEGISLATOR WINK: Here.

14 CLERK MULLER: Legislator

15 Venditto?

16 LEGISLATOR VENDITTO: Here.

17 CLERK MULLER: Legislator Belesi?

18 LEGISLATOR BELESI: Here.

19 CLERK MULLER: Legislator Dunne?

20 LEGISLATOR DUNNE: Here.

21 CLERK MULLER: Legislator Jacobs?

22 (No verbal response)

23 CLERK MULLER: Legislator Walker?

24 LEGISLATOR WALKER: Here.

25 CLERK MULLER: Legislator

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2 DeRiggi-Whitton?

3 LEGISLATOR DERIGGI-WHITTON:

4 Here.

5 CLERK MULLER: Legislator

6 Denenberg?

7 LEGISLATOR DENENBERG: Here.

8 CLERK MULLER: Minority Leader

9 Abrahams?

10 LEGISLATOR ABRAHAMS: Here.

11 CLERK MULLER: Presiding Officer

12 Gonsalves?

13 CHAIRWOMAN GONSALVES: Present.

14 CLERK MULLER: We have a quorum.

15 CHAIRWOMAN GONSALVES: Thank you  
16 very much. Before we begin today's budget  
17 presentation, I have a brief statement to  
18 make regarding today's procedures.

19 First of all, welcome, one and  
20 all, to the Nassau County Legislature.

21 Today is the first of three hearings on the  
22 proposed 2014 budget. The proposed budget  
23 put forth by the County Executive, is the  
24 fourth consecutive, no-tax increase budget  
25 keeping a pledge made by County Executive

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2 Mangano, and a Republican legislative  
3 majority to address the issues facing our  
4 county without taxing our residents anymore  
5 than they have already been taxed.

6 Nassau County continues to face  
7 financial challenges as do all governmental  
8 entities. Nassau has chosen a path of  
9 reducing expenses and right sizing  
10 government rather than continually going  
11 back to our residents for more of their  
12 hard-earned money in the form of property  
13 taxes.

14 Nassau County has faced its share  
15 of storms over the past few years, both  
16 fiscal and meteorological. Those storms  
17 have been weathered through the resolve of  
18 our residents and our employees. Despite  
19 having been hit by two hurricanes over the  
20 past two years, the last of which devastated  
21 our south shore, communities, our residents,  
22 and our county, we continue to push forward  
23 with resolve to rebuild without placing any  
24 additional tax burden on our residents.

25 The philosophy of taxing and



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2 spending of the previous administration has  
3 been replaced with cost cutting and holding  
4 the line on taxes. This proposed budget  
5 continues that effort while addressing the  
6 needs of our residents.

7 The hearings we begin today will  
8 help the legislature ensure that the budget  
9 that is adopted is one that just does that,  
10 address the needs of our residents in a  
11 fiscally sound manner.

12 We have worked hard over the past  
13 four years since we assumed the majority on  
14 the legislature to do that job and we look  
15 forward to hearing from those who come  
16 before us at these hearings to allow us to  
17 continue that job and approve a budget that  
18 further improves the fiscal picture in  
19 Nassau County.

20 Now, I'm just going to give you  
21 the order in which the proceeding will take  
22 place: We will begin first with the Deputy  
23 County Executive Tim Sullivan to begin his  
24 presentation which will be followed by  
25 questions from the legislative body.

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2                   Following Mr. Sullivan will be  
3                   Comptroller Maragos. After his  
4                   presentation, we will be addressing  
5                   questions to Mr. Maragos.

6                   And, then, once those questions  
7                   of those two presenters have completed their  
8                   presentation, we will move on with the  
9                   cooperation of the minority to the  
10                  departmental presentations. We're going to  
11                  try to limit those departmental  
12                  presentations to as minimum a time as  
13                  possible. That first department will be the  
14                  correction facility followed by OEM, fire  
15                  marshals, and then the probation department.

16                  Then, finally, we will take up  
17                  the rest of the budget hearing with the  
18                  police department.

19                  Only after all the presentations  
20                  have been made will we solicit public  
21                  comment.

22                  I think in all fairness to each  
23                  of the departments it's important that the  
24                  public that is out there be educated as to  
25                  what each department is presenting.

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2                   So, the public participation will  
3 occur after all the presentations have been  
4 made.

5                   So, without any further ado,  
6 Mr. Sullivan, it is now yours.

7                   LEGISLATOR ABRAHAMS: If I may,  
8 Presiding Officer, just incorporate the  
9 record from the budget voting committee as  
10 part of my statement for this particular  
11 hearing.

12                   CHAIRWOMAN GONSALVES: So noted.

13                   (Whereupon, the following are the  
14 minutes of the Rules Committee, 10-7-13)

15                   LEGISLATOR ABRAHAMS: I do have a  
16 statement that I think Legislator Denenberg  
17 alluded to in the Finance Committee meeting.

18                   We're going to reserve our  
19 questions and answers. I know that it went  
20 into a little bit of a dialogue in the  
21 Finance Committee. But we are going to  
22 reserve our questions for the committee  
23 meeting this coming Wednesday and then  
24 obviously for the Full Legislature. But I  
25 just have a statement in regard to the

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2 budget, and I want to just read it into the  
3 record and then we can act accordingly.

4           Based on our analysis so far,  
5 this is a highly flawed budget which seems  
6 more intended to be a political document  
7 than a serious blueprint for the county's  
8 finances. Anyone can make a budget appear  
9 to be balanced by ignoring expenses and  
10 overstating revenues, but those kinds of  
11 tricks do not make the expenses disappear.  
12 At the end of the day, we all know the bills  
13 come due and will need to be paid.

14           This budget does not begin to  
15 tell us how the county executive plans to  
16 pay those bills. Instead, it simply  
17 disregards as much of half a billion dollars  
18 in projected expenses. For example, it  
19 budgets only \$10 million for tax certiorari  
20 refunds when we know that the real expense  
21 is likely to be \$50 million or more.  
22 Similarly, while the county executive was  
23 very vocal in publicizing his proposed  
24 breakthrough agreement with the PBA, his  
25 budget makes no provision at all for

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2 financing the agreement, despite the fact  
3 that the union members will need to be paid  
4 millions in back salary.

5 We need to know where the money  
6 will come from so we can make sure the  
7 county can live up to its end of the  
8 bargain. And if the county loses the wage  
9 freeze litigation, this budget contains no  
10 plan whatsoever for paying the resulting  
11 judgment, a judgment which will be as high  
12 as \$230 million. The county executive is  
13 just crossing his fingers and hoping for the  
14 best; to put it mildly, that is not  
15 responsible budget practicing.

16 Moreover, parts of this budget  
17 crossed the line from wishful thinking to  
18 pure fantasy. As in the case of the \$12  
19 million in revenue projected for the toilet  
20 tax, revenue the county will never see.  
21 Further, as has been constant practice of  
22 this administration, this is a budget built  
23 on borrowing; to a significant extent is  
24 relies heavily on borrowed funds to pay  
25 operating expenses and thereby perpetuates

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2 the structural deficit which brought on the  
3 NIFA control period. It contained over a  
4 billion dollars in short term debt when  
5 there are no guarantees that FEMA or the  
6 state will fully reimburse us for these  
7 expenses. The unreimbursed amounts will  
8 substantially increase the already enormous  
9 mountain of debt that our grandchildren will  
10 be paying back for decades.

11 Further, we disagree with Mr.  
12 Mangano's priorities. We believe there  
13 should be less money for things like outside  
14 legal contracts for connected firms and more  
15 worthwhile social programs to improve -- and  
16 more, I'm sorry, for worthwhile social  
17 programs to improve mental health and reduce  
18 addiction to substance abuse. We all have  
19 too frequently seen the high price we pay as  
20 a society when these programs are not  
21 adequately addressed.

22 Finally, we note we are being  
23 asked to vote on a budget today and to  
24 conduct a budget hearing on Wednesday  
25 without and budgetary analysis from the

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2 county comptroller. All of the legislators  
3 are entitled to have this analysis from the  
4 county's financial watchdog well in advance  
5 of the consideration of the budget.

6 In short, while we will listen  
7 carefully to what is said during the hearing  
8 process and will certainly keep an open  
9 mind, based on what we have seen so far, we  
10 cannot support the county executive's budget  
11 today.

12 (Whereupon, the following is the  
13 continuation of the minutes of the Full  
14 Legislature, 10-9-13.)

15 LEGISLATOR ABRAHAMS: Thank you.

16 MR. SULLIVAN: Good afternoon,  
17 Presiding Officer Gonsalves, Minority Leader  
18 Abrahams, and distinguished members of the  
19 Nassau County Legislature. Thank you for  
20 allowing me to represent the county's 2014  
21 proposed budget to this body.

22 The 2014 proposed budget totals  
23 \$2.79 billion. It is the fourth consecutive  
24 budget by the Mangano Administration that  
25 contains no property tax increases and is

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2 the second consecutive budget that reduces  
3 spending from the prior year.

4 Before I start, I would like to  
5 introduce our budget director, Roseanne  
6 D'Allewa, and, to my left, is Randy Ghisone  
7 who is assistant deputy county executive.

8 CHAIRWOMAN GONSALVES: Thank you  
9 very much.

10 MR. SULLIVAN: At this time I  
11 will request that I be able to make a brief  
12 Power Point presentation to the members of  
13 this legislature to highlight some of the  
14 major budget elements.

15 I just want to first talk about  
16 some of the recent accomplishments and slide  
17 one discusses one of the most recent  
18 accomplishments which is the selection of  
19 the Nassau Events Center team from Forest  
20 City Ratner to redevelop the Nassau Veterans  
21 Memorial Coliseum. I'm proud to say that  
22 this transaction was unanimously approved by  
23 the legislature. This transaction keeps  
24 Nassau County as a destination for world  
25 class sporting events, concerts and family



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2 entertainment with no cost to the county.  
3 It will serve to redevelop the Coliseum and  
4 generate significant economic activity  
5 including jobs, increased sales tax  
6 revenues, and guaranteed rent payments. NEC  
7 has full responsibility for capital  
8 expenditures throughout the term of the  
9 lease. NEC assumes sole responsibility for  
10 all costs, including insurance, utilities,  
11 operation, maintenance, repair and  
12 management of the premises.

13 We turn to slide two, some of the  
14 other accomplishments. One of the major  
15 talking points that I presented to this body  
16 before is the workforce reduction. To date,  
17 its 20.4 percent below the authorized 2009  
18 levels.

19 In addition to that, a public  
20 private partnership was created for the  
21 delivery of bus service producing annual  
22 savings of \$33 million.

23 Another public partnership was  
24 created for the delivery of health care  
25 services at the correctional center saving

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2 \$7 million annually.

3 Turning to slide three, and this  
4 is I think an important talking point here.  
5 We can see that there are significant risks  
6 that were identified by the fiscal monitors  
7 in the 2011 and 2012 proposed budget. We  
8 are proud that the 2013 budget, that level  
9 of risk was greatly reduced to the 50 to \$60  
10 million range, and we can see now that the  
11 comptroller and legislative budget office  
12 has released their numbers.

13 OLBR is risking \$31 million and  
14 the comptroller has a risk of \$17 million.  
15 I think these are historic lows, and NIFA is  
16 releasing their report tonight is my  
17 understanding. They have a meeting  
18 scheduled at five o'clock, and we look  
19 forward to their report at that time.

20 If we look at the OLBR report,  
21 we'll see that a lot of the risk in the \$31  
22 million, \$17 million of that is risk related  
23 to financing judgments and settlements,  
24 which we obviously just went through with  
25 this body and we just did it. So it's

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2 really a continuation of the NIFA plan that  
3 was set forth back for the 2012 adopted  
4 budget which was in the fall of 2011.

5 So the 17 million, that \$17  
6 million of risk should this body authorize  
7 us to finance that, which is consistent with  
8 the plan that NIFA approved, that would  
9 reduce the risk to \$14 million from the  
10 legislative budget review office and put  
11 them both at the table and the comptroller's  
12 table very much on par.

13 Turning to slide four, it's just  
14 an overview of the expenses of the county.  
15 You can see that nearly half, 47 percent of  
16 the pie chart relates to salary wages and  
17 fringe benefits. It's something that,  
18 again, the head count reduction -- we went  
19 back several years, this number would be  
20 greater than 50 percent. It's something  
21 over time that the county has controlled the  
22 cost here, expense reductions have been a  
23 feature of the Mangano Administration, and  
24 it's something that we feel we are operating  
25 at a good level. It's put a lot of stress

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2 on our workers and things like that, but we  
3 feel we have come through the tunnel at this  
4 point and operations are going well. And,  
5 basically, we had a budgetary surplus of \$41  
6 million in 2012 which was \$28 million on the  
7 Gap basis, and right now as of our September  
8 report, we are going to be projecting in the  
9 \$15 million range as the budget surplus for  
10 the current year.

11 The other areas of the budget you  
12 can see, entitlements would be the next  
13 largest categories at \$575 million or 21  
14 percent of the budget. That relates to  
15 entitlements such as Medicaid, early  
16 intervention, day care program which is \$57  
17 million, your TANF, Safety Net programs  
18 which are both combined, over \$50 million as  
19 well.

20 The next largest category after  
21 that would be your OTPS. OTPS takes into  
22 account all your contracts, your local  
23 government assistance, which right now is  
24 totaling nearly \$70 million, \$69.5 million  
25 which goes to the towns, cities, and

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2 villages. It also accounts for your utility  
3 costs which is approximately \$40 million.  
4 That is the third largest expense category  
5 in the expense budget.

6 After that, we have the county's  
7 debt which is 13 percent, and the smallest  
8 slice there is mass transportation which is  
9 six percent of our budget and largely  
10 contained in the Veolia contract. A good  
11 point to know about that, that most of that  
12 is federally and state funded, that  
13 contract.

14 Going to the next slide, slide  
15 five, we show one of the things that has  
16 stressed the budget over the last several  
17 years. Slide five depicts the enormous  
18 growth in employee pension costs which  
19 resulted in the decline in the investments  
20 in the New York City pension pool, and is  
21 largely attributable to the recent great  
22 recession that began in December of 2007 and  
23 took a particularly sharp downward turn in  
24 September of 2008.

25 County pension contributions have

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2 risen 115 percent over the past four years  
3 placing tremendous fiscal stress on the  
4 county.

5 The good news here is that we  
6 have seen our markets begin to recover over  
7 the past several years and currently the New  
8 York State retirement system is projecting  
9 employee pension contribution costs to begin  
10 declining in 2016.

11 We turn to slide six. Slide six  
12 shows another area of fringe benefits, the  
13 second largest after that which would be  
14 health insurance costs. At \$274 million,  
15 you can see over the past seven years this  
16 has risen \$64 million. So, again, something  
17 in seven years, \$64 million, that's a lot of  
18 money and, you can see, year over year, from  
19 our current year, is projected to increase  
20 \$11 million. So that's a second item in  
21 addition to our pension contributions that  
22 place enormous fiscal stress on our budget.

23 Slide seven harkens back to what  
24 I was talking about previously, the county's  
25 workforce. It gives the county's recent

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2 head count trends, which, you can see, have  
3 dropped dramatically. The county has  
4 managed with a budgeted head count of 7,395  
5 positions since 2012 and will continue to do  
6 so.

7 Our current head count is 7,301  
8 positions, and the county has room to fill  
9 many vacancies, and I believe the police  
10 commissioner, when they come up to speak to  
11 that, they will be talking about a class  
12 they are looking to bring in at the end of  
13 the year.

14 Slide eight is an overview of the  
15 \$2.79 billion budget from a revenue  
16 perspective. You can see that sales tax and  
17 property taxes in total combine over 70  
18 percent of the revenue budget so those are  
19 the real central two drivers of the revenue  
20 budget.

21 After that is your state and  
22 federal matching programs, departmental  
23 revenue is six percent, and other revenue  
24 comprises ten percent, and that's largely  
25 made up of fines, forfeits, special taxes

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2 and interest penalty on taxes which we  
3 collect to the tune of \$29 million.

4 Slide nine is a slide that I have  
5 used before to show the impact on Nassau  
6 County from the previously referenced great  
7 recession.

8 The chart shows that had Nassau  
9 County continued to grow at a reasonable  
10 rate of three and a half percent, it would  
11 have realized an additional \$916 million  
12 over the seven year period shown here on the  
13 chart.

14 The good news is that the gap is  
15 narrowing. This gap reached its apex in  
16 2010 at \$152 million and is projected to be  
17 at \$123 million this year.

18 So what's happening here, just to  
19 pause for a second, you can see the yellow  
20 line running up, from our 2007 levels, if we  
21 continued to realize growth at three and a  
22 half percent, which again, was the  
23 multi-year plan back in 2007 which was a  
24 reasonable assumption. Obviously the great  
25 recession drove us down. You can see 2009



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2 as the floor here and you can see that that  
3 2010, as I mentioned previously, was the  
4 largest gap at \$152 million off of what we  
5 would have achieved and, right now, for  
6 2013, we are only projecting that gap to be  
7 123. So the recent growth rates have really  
8 helped the county. Year to date, right now,  
9 we're at 8.8 percent over budget. You can  
10 recall back when I spoke to this body  
11 probably in the summer we were at 11  
12 percent, so, again, it's more normalizing,  
13 but we are still expecting a good year for  
14 sales tax in 2013.

15 As noted by Moodys analytics,  
16 some of the downstate growth, and this is a  
17 quote, resulted from rebuilding activity  
18 following Super Storm Sandy last October,  
19 but it also reflects a return to long term  
20 economic trends in the economic strength of  
21 the New York City area.

22 So I think what we are seeing  
23 there in that quote from Moodys, which I  
24 agree with 100 percent, is there are two  
25 forces here for the tremendous growth we've

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2 had in 2013. It's a normalizing of the  
3 economy from the lingering impacts of the  
4 great recession, and it's also the demand  
5 buying that had to come from things that  
6 were lost, purchase of autos, durable goods,  
7 washers, dryers, furniture, due to the  
8 devastation wrought by Hurricane Sandy.

9           Again, it would be overly  
10 optimistic to forecast growth from our 2013  
11 projection and, myself, Roseanne and Randy,  
12 and the whole OLB unit we are extremely  
13 conservative on not doing this and we  
14 believe our projection is very defensible,  
15 and is something very well received by the  
16 fiscal monitors, and by the rating agencies.

17           Finally, on our last slide, slide  
18 ten, it shows our recent history of actuals  
19 versus budget for sales tax revenues.  
20 Historically, the administration has been  
21 appropriately conservative on our sales tax  
22 forecast and we have achieved all targets in  
23 this area.

24           I would like to note to the  
25 extent that sales tax continues to perform

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2 at higher than anticipated levels, this  
3 would give optionality to the 2014 budget  
4 and provide enhanced funding options on  
5 various issues.

6 So I want to thank you for  
7 allowing me to present a brief summary of  
8 the 2013 budget. Myself, Roseanne, and  
9 Randy and other finance staff are here and  
10 available to answer any questions that you  
11 may have. Thank you.

12 CHAIRWOMAN GONSALVES: Any of the  
13 legislators wish to ask Mr. Sullivan some  
14 questions?

15 MR. SULLIVAN: And if there  
16 aren't any questions, I'm fine as well.

17 LEGISLATOR ABRAHAMS: May I,  
18 Norma?

19 CHAIRWOMAN GONSALVES: Yes.

20 LEGISLATOR ABRAHAMS: Just in  
21 fairness, this is more of a comment than a  
22 question. At this time we do not have the  
23 comptroller's report which, in many cases,  
24 we would use as a contrast and backdrop to  
25 what we are hearing from the Office of

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2 Management and Budget. It is very difficult  
3 for us to ask certain questions because, in  
4 the past, we've always seen -- there may be  
5 parts of the report that are similar but  
6 many parts that are not.

7 So we will say at this time,  
8 Mr. Sullivan, being that we do not have that  
9 report we definitely do not think that the  
10 questions that we ask today, we would like  
11 to revisit many of them once that report is  
12 issued.

13 MR. SULLIVAN: Certainly.

14 LEGISLATOR ABRAHAMS: Counsel  
15 just advised me, Mr. Sullivan, that you made  
16 reference to the report. Do you have a copy  
17 of the report?

18 MR. SULLIVAN: No, I do not, sir.  
19 I called the comptroller's office and asked  
20 them what their level of risk was because I  
21 wanted to do a chart, and I called them  
22 earlier this morning and they were able to  
23 give me the bottom line number but I have  
24 not received a copy of the report and I  
25 don't believe it's complete, to my

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2 knowledge.

3 LEGISLATOR ABRAHAMS: So you have  
4 some bottom line numbers --

5 MR. SULLIVAN: I have asked what  
6 the level of risk was.

7 LEGISLATOR ABRAHAMS: Can you  
8 provide that to us?

9 MR. SULLIVAN: I have the number,  
10 which is there, which is \$17 million.

11 LEGISLATOR ABRAHAMS: Okay.

12 CHAIRWOMAN GONSALVES: Legislator  
13 Wink.

14 LEGISLATOR WINK: Mr. Sullivan,  
15 good afternoon. Let me ask you, what is the  
16 fiscal, the 2014 budgetary impact of the  
17 Forest City Ratner Development?

18 MR. SULLIVAN: The deal is, they  
19 are taking over the premises on August 1st,  
20 2015.

21 LEGISLATOR WINK: Exactly. I'm  
22 wondering why you decided to devote the  
23 first part of your presentation to something  
24 that has no fiscal impact in 2014.

25 MR. SULLIVAN: Well, I think we

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2 are talking about the multiyear plan. It  
3 does have impact on the multiyear plan, sir.  
4 So it's the budget and the multiyear plan.

5 LEGISLATOR WINK: Be that as it  
6 may, for 2014, certainly there is no fiscal  
7 impact.

8 MR. SULLIVAN: I don't think  
9 anyone can redevelop and build a coliseum in  
10 six months.

11 LEGISLATOR WINK: I can't imagine  
12 they would. You discussed the  
13 accomplishments of the 20.4 percent  
14 reduction in workforce in the county since  
15 the budgeted 2009 levels, right?

16 MR. SULLIVAN: Yes.

17 LEGISLATOR WINK: Have we ever  
18 had a head count as high as the budgeted  
19 amount in 2009?

20 MR. SULLIVAN: I believe it was  
21 300 head short of that.

22 LEGISLATOR WINK: Does that  
23 change your calculation on your reduction  
24 number?

25 MR. SULLIVAN: Well, I was going

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2 from budget to budget.

3 LEGISLATOR WINK: Budget to  
4 budget, not from actual to anything?

5 MR. SULLIVAN: Well, our actual  
6 below were 94 positions below our budget  
7 right now.

8 LEGISLATOR WINK: And we were  
9 about 300 below in 2009?

10 MR. SULLIVAN: Right. Which I  
11 think was too many vacancies at that point.

12 LEGISLATOR WINK: The page about  
13 state mandated pension bill. At the bottom  
14 it indicates, includes all funds net of  
15 amortization of prior year deferrals. What  
16 does that mean?

17 MR. SULLIVAN: Well, similar to  
18 what happened in 2003 and 2004, resulting  
19 from the stock market crash back then which  
20 was the tech bubble burst, I know the state  
21 went into a program there to amortize, and I  
22 know the county availed itself of that, and  
23 for 2004 actually did not make a pension  
24 payment and was able to defer it to 2005. A  
25 similar program has been offered by New York

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2 State in which we have participated in.

3 LEGISLATOR WINK: In the last  
4 three years, we have deferred almost \$168  
5 million?

6 MR. SULLIVAN: We've paid back I  
7 think 16 or 17 of it, so right now the  
8 outstanding deferral would be 151, that's  
9 correct, sir.

10 LEGISLATOR WINK: This year we  
11 are anticipating amortizing \$71.5 million?

12 MR. SULLIVAN: Yes.

13 LEGISLATOR WINK: Which is  
14 obviously a hefty change. Wouldn't that in  
15 fact, if the actual number were there,  
16 wouldn't that in fact significantly increase  
17 our structural deficit?

18 MR. SULLIVAN: I wouldn't look at  
19 it that way. I think when you get spikes  
20 like that, when you have market declines, I  
21 think the reason why the New York State  
22 comptroller went to a five year smoothing  
23 average and why they came up with these  
24 amortization programs back in 2003 and 2004  
25 and 2011 and 2012, I think they're very



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2 similar situations, and both programs that  
3 were intended to relieve fiscal stress on  
4 all localities throughout New York State.

5 And when you get a spike like  
6 that that goes through the roof, you would  
7 be faced with Draconian options without  
8 doing something which is wise, which I think  
9 is the amortization program.

10 LEGISLATOR WINK: Well, that is  
11 something we'd still continue to do years  
12 out, right?

13 MR. SULLIVAN: Well, it hasn't  
14 come down, sir. As I mentioned before, it's  
15 forecasted to decline starting in 2016 and,  
16 I think at that point, the county would like  
17 to revisit it, and as pensions decline,  
18 should the market stay where it is, or grow  
19 gradually from where we are today, it would  
20 offer opportunities to do more Pay Go and  
21 less amortization.

22 LEGISLATOR WINK: Until that  
23 happens, we continue to defer, that's the  
24 concern about that.

25 You had mentioned that the

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2 comptroller offered this. I thought in fact  
3 it was actually the governor's office, if I  
4 remember correctly, I thought the  
5 comptroller's office actually opposed this.

6 MR. SULLIVAN: No. I said the  
7 New York State amortization which was the  
8 five year smooth look, that was --

9 LEGISLATOR WINK: Right. The  
10 governor's proposal, not the --

11 MR. SULLIVAN: The governor's  
12 proposal was the amortization, that's  
13 correct. This most recent one, sir.

14 LEGISLATOR WINK: Okay. That's  
15 all the questions I have for now. Given the  
16 fact that we don't have all the information  
17 in front of us from the comptroller's report  
18 and things of that nature and we just did  
19 receive the OLBR report, I suspect you will  
20 be with us again and again during this  
21 process. So I thank you very much for that.

22 MR. SULLIVAN: You didn't like  
23 our report?

24 LEGISLATOR WINK: I just got your  
25 report.

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2 MR. SULLIVAN: No, no. The  
3 budget report, the proposed book that came  
4 out September 15th. Light reading, good for  
5 bedtime. It works for me.

6 LEGISLATOR WINK: Exactly. So, I  
7 have had my opportunity to go through it but  
8 I would also like to get the experts to  
9 weigh in as well.

10 CHAIRWOMAN GONSALVES: Thank you,  
11 Mr. Wink. Legislator Denenberg.

12 LEGISLATOR DENENBERG: Good  
13 afternoon.

14 MR. SULLIVAN: Good afternoon,  
15 legislator.

16 LEGISLATOR DENENBERG: Can you  
17 bring up page three of your budget risk,  
18 lowest amount in four years?

19 MR. SULLIVAN: Yes.

20 LEGISLATOR DENENBERG: First  
21 question, 2014, you're showing a pike or a  
22 bar for the comptroller.

23 MR. SULLIVAN: Yes.

24 LEGISLATOR DENENBERG: Have you  
25 seen that report?

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2 MR. SULLIVAN: No, sir.

3 LEGISLATOR DENENBERG: How do you  
4 know how much he's putting at risk?

5 MR. SULLIVAN: Because I called  
6 him and he relayed it to me because I was  
7 trying to do the chart about an hour ago.

8 LEGISLATOR DENENBERG: Because I  
9 think we are all interested in seeing the  
10 comptroller's report about what the budget  
11 risk is and it just seems strange that you  
12 had a number that's not available to --

13 MR. SULLIVAN: He's coming in  
14 after me, so I would hope that he would have  
15 the report at that time available for this  
16 body.

17 LEGISLATOR DENENBERG: But you do  
18 have the OLBR report, correct?

19 MR. SULLIVAN: I received it as  
20 I walked in the door and I had spoke to  
21 them. I got the report about an hour ago,  
22 sir.

23 LEGISLATOR DENENBERG: Now, an  
24 item that's not being put in the risk is tax  
25 cert exposure. Even if it's \$70 million as

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2 opposed to \$100 million, why is that not  
3 part of our budget risk?

4 MR. SULLIVAN: You are asking me  
5 why other people would not risk it, sir?

6 LEGISLATOR DENENBERG: I'm sorry?

7 MR. SULLIVAN: You're asking me  
8 why other people would not risk something?

9 LEGISLATOR DENENBERG: Why did  
10 you not include our tax cert exposure as a  
11 risk?

12 MR. SULLIVAN: That's not, from  
13 the people I spoke to, this is the  
14 comptroller's risk and OLBR's risk. I did  
15 not see it as a bottom line risk.

16 LEGISLATOR DENENBERG: Well, it  
17 is in OLBR's report, maybe you just missed  
18 it. On page 11, other components, OLBR has  
19 a tax cert exposure of \$70 million.

20 MR. SULLIVAN: I think that is  
21 but they also have a budgetary risk of \$31  
22 million and I think they were able to  
23 differentiate out legislative risk from what  
24 is a budget risk. Because this is something  
25 that is totally in control of our

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2 legislative body here which we obviously  
3 settled in 2013.

4           LEGISLATOR DENENBERG: I don't  
5 know what that means. OLBR, just like NIFA,  
6 just like our traditional budgeting, would  
7 include the person in debt from tax certs as  
8 an exposure. If we have \$70 million worth  
9 of tax cert exposure in 2014, I think OLBR  
10 is quite correct in listing it as other  
11 components of a risk.

12           MR. SULLIVAN: But I'm looking at  
13 the report which says their net risk is  
14 \$31.1 million.

15           LEGISLATOR DENENBERG: So what  
16 does it say right under that?

17           MR. SULLIVAN: You would have to  
18 ask to Office of Legislative Budget Review.

19           LEGISLATOR DENENBERG: You just  
20 read something. You can't read the line  
21 right under it?

22           MR. SULLIVAN: It says other  
23 components. That's not part of their net  
24 risk, which clearly states, which is bolded  
25 there --

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2                   LEGISLATOR DENENBERG: Are you  
3 able to read the line --

4                   MR. SULLIVAN: Are you able to  
5 see the bolding, sir?

6                   LEGISLATOR DENENBERG: It's my  
7 question.

8                   MR. SULLIVAN: I'm asking one  
9 back.

10                   LEGISLATOR DENENBERG: I  
11 understand you want to answer a question  
12 with a question but, right under net, 31.1,  
13 what does the next two lines say?

14                   MR. SULLIVAN: I think if you  
15 read further on --

16                   LEGISLATOR DENENBERG: I guess I  
17 can't get an answer.

18                   MR. SULLIVAN: I think if you  
19 read the report --

20                   LEGISLATOR DENENBERG: Please  
21 just read the next two lines.

22                   MR. SULLIVAN: You're cherry  
23 picking, sir. You can read it for the  
24 record. If you read below the line, they  
25 talk about, we have identified \$31 million

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2 of risk, and then they talk about that there  
3 is an offset that can be done later on, sir.

4 LEGISLATOR DENENBERG: Do you  
5 think anyone, including any of the people up  
6 here think you just answered my questions?  
7 What does the next two lines say?

8 MR. SULLIVAN: If you want to  
9 read something into the record --

10 LEGISLATOR DENENBERG: Legislator  
11 most likely to go off on a partisan snit.

12 LEGISLATOR BECKER: Don't tell  
13 him to read it.

14 LEGISLATOR DENENBERG: Can you  
15 read the next two lines?

16 MR. SULLIVAN: Sir, I don't have  
17 to read things. My job here is to testify.  
18 I'm not at our beck and call to read  
19 political points that you would like to  
20 make.

21 LEGISLATOR DENENBERG: Wow.

22 MR. SULLIVAN: The risk,  
23 according to me, is a net risk of \$31.1  
24 million.

25 LEGISLATOR DENENBERG: Wow. So



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2 you chose to tax certiorari exposure of \$70  
3 million that's right at the next line?

4 MR. SULLIVAN: Other components,  
5 which is basically something again that  
6 would be in your control, sir. This body  
7 just voted for \$35 million to fund tax certs  
8 two weeks ago. Two weeks ago.

9 LEGISLATOR DENENBERG: What does  
10 that got to do with the fact that OLBR --

11 MR. SULLIVAN: So obviously the  
12 NIFA plan --

13 LEGISLATOR DENENBERG: Sites \$70  
14 million that you just ignored in your  
15 program.

16 MR. SULLIVAN: I'm not ignoring  
17 it, sir. It's not part of their net risk.

18 LEGISLATOR DENENBERG: The  
19 taxpayers of Nassau County are going to have  
20 to pay that money.

21 MR. SULLIVAN: I think you have  
22 an option as we did in previous year.

23 LEGISLATOR DENENBERG: I know you  
24 want it to be later but they're going to  
25 have to pay it.

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2                   MR. SULLIVAN: I hope, sir, that  
3 the body would act in the fashion that it  
4 acted over the past three months that both  
5 sides of the aisle could work together to  
6 bring together the financing that was  
7 determined by NIFA to be transitional  
8 borrowing.

9                   LEGISLATOR DENENBERG: So how  
10 much money is in the budget for Pay Go for  
11 tax certs?

12                   MR. SULLIVAN: \$10 million.

13                   LEGISLATOR DENENBERG: How much  
14 money do you believe as head of our Office  
15 of Management and Budget, Deputy County  
16 Executive, do you believe there will be next  
17 year for tax certs as our liability?

18                   MR. SULLIVAN: You would talk  
19 probably liability I think now somewhere in  
20 the 50 to \$60 million range.

21                   LEGISLATOR DENENBERG: So you  
22 would expect to borrow 50?

23                   MR. SULLIVAN: I think we can  
24 borrow more because there is a backlog, sir,  
25 and I think that would be up to this body.

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2                   LEGISLATOR DENENBERG:    So the  
3 plan is to pay \$10 million as you go and  
4 borrow everything else?

5                   MR. SULLIVAN:    And I did mention  
6 earlier in my comments --

7                   LEGISLATOR DENENBERG:    It's a  
8 question.  The plan is to pay \$10 million as  
9 you go and to borrow everything else.

10                  LEGISLATOR NICOLELLO:   If you let  
11 him finish his answer before interrupting  
12 him --

13                  LEGISLATOR DENENBERG:    He wasn't  
14 answering and you know he wasn't.

15                  CHAIRWOMAN GONSALVES:   And I  
16 don't think that was the form of the  
17 question.

18                  LEGISLATOR NICOLELLO:    You don't  
19 get to determine what an appropriate answer  
20 is.

21                  CHAIRWOMAN GONSALVES:    Hold on,  
22 Mr. Denenberg.

23                  LEGISLATOR DENENBERG:    I  
24 appreciate that you are all going to tag  
25 team, but I think the audience would like an

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2 answer.

3 LEGISLATOR NICOLELLO: Would like  
4 an answer without you interrupting.

5 CHAIRWOMAN GONSALVES: Not put in  
6 the form of a question.

7 LEGISLATOR NICOLELLO: He started  
8 answering the question when you started  
9 interrupting him.

10 LEGISLATOR DENENBERG: The  
11 question was pretty easy, even though you  
12 talked over it, aside from Pay As You Go,  
13 \$10 million, we're going to borrow for the  
14 rest of our tax cert exposure?

15 MR. SULLIVAN: Not necessarily,  
16 sir. I, also, if you listened to my  
17 presentation, spoke about conservative sales  
18 tax projections that offer optionality. I  
19 would like, during the course of the year,  
20 should we be running a surplus like we did  
21 in 2012 and 2013, to have the option to, at  
22 that point, move more dollars into Pay Go.  
23 That is an option that I would request.

24 LEGISLATOR DENENBERG: The  
25 multiyear financial plan has a borrowing

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2 schedule for tax certs of \$230 million.

3 MR. SULLIVAN: That is correct,  
4 sir.

5 LEGISLATOR DENENBERG: Doesn't  
6 sound like we're paying more than \$10  
7 million out of Pay As You Go.

8 MR. SULLIVAN: My statement is  
9 clear. Its extremely clear, sir.

10 LEGISLATOR DENENBERG: So did I  
11 read that right, \$230 million for borrowing?

12 MR. SULLIVAN: Again, our budget  
13 is a forecast, sir, which is 305 minus the  
14 75 --

15 LEGISLATOR DENENBERG: It would  
16 just be a yes or no. Did I read that  
17 correct?

18 MR. SULLIVAN: I'm not going to  
19 be badgered here, sir. I think it's  
20 ridiculous.

21 CHAIRWOMAN GONSALVES: He has a  
22 right to clarify --

23 LEGISLATOR DENENBERG: I'm asking.

24 CHAIRWOMAN GONSALVES: No. You  
25 want the answer that you want him to get.

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2                   LEGISLATOR DENENBERG:   Am I  
3   reading this right, does it say \$230  
4   million?   Where it says \$230 million, am I  
5   reading that correctly?

6                   MR. SULLIVAN:   It's a plan.   That  
7   doesn't mean you have to borrow that, sir.  
8   It's a plan which means we are  
9   conservatively forecasting the debt service  
10  necessarily to cover that level.   That's  
11  what it means.

12                   LEGISLATOR DENENBERG:   So you're  
13  conservatively that we're going to borrow  
14  \$230 million?

15                   MR. SULLIVAN:   I didn't say that.  
16  You're misconstruing the words.   I said the  
17  debt service would be there to give you that  
18  optionality should sales tax and other  
19  things perform as well, right now our fund  
20  balance is 27 percent higher than when we  
21  came into office, and it's going to increase  
22  at the end of this year, and I think if  
23  there's a surplus projected next year, I  
24  think we would have options what to do with  
25  that surplus.

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2                   LEGISLATOR DENENBERG:  Are we  
3     paying down anything from this year's  
4     surplus to tax certs?

5                   MR. SULLIVAN:  Yes.  We are using  
6     Pay Go, sir.

7                   LEGISLATOR DENENBERG:  Really?  
8     Of?

9                   MR. SULLIVAN:  Operating funds.  
10    In addition to the 75 that was authorized by  
11    this body.

12                   LEGISLATOR DENENBERG:  That was  
13    part of our negotiation to use \$20 million  
14    of operating funds.

15                   MR. SULLIVAN:  Yes, sir.

16                   LEGISLATOR DENENBERG:  That's  
17    different than -- you're projecting a \$15  
18    million surplus, correct?

19                   MR. SULLIVAN:  Conservatively  
20    projecting, yes.

21                   LEGISLATOR DENENBERG:  
22    Conservatively.  Are we going to use that to  
23    reduce tax certs?

24                   MR. SULLIVAN:  I think it would  
25    be an option at that time we can discuss it.

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2                   LEGISLATOR DENENBERG: We don't  
3 know yet?

4                   MR. SULLIVAN: No. I have  
5 options. We don't have to make a move right  
6 now.

7                   LEGISLATOR DENENBERG: Now, this  
8 chart doesn't show, and we are talking about  
9 a public safety hearing, this chart doesn't  
10 show as part of the budget risk or consider,  
11 and I don't see it in OLBR, I can't talk  
12 about a comptroller's report I don't have,  
13 but what about a risk? Because I keep  
14 reviewing this budget and all I see is the  
15 pay freeze still in place.

16                   So if there is a negotiated  
17 settlement or if there is a decision such  
18 that particularly when it comes to public  
19 safety, that police officers as well as  
20 other people under contract with the county  
21 are receiving increases, where is that  
22 coming in the budget? Why is that not a  
23 budget risk?

24                   MR. SULLIVAN: Well, I think, as  
25 you are aware, most recently we received a



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2 favorable opinion from the court on the wage  
3 freeze litigation in consult with the Nassau  
4 Interim Finance Authority and their  
5 officials, they are extremely confident in  
6 our position there, and obviously I know the  
7 administration is negotiating to reach  
8 settlements because we want to reach  
9 settlements, but right now we are confident  
10 in our position that we will succeed in that  
11 litigation.

12 LEGISLATOR DENENBERG: So right  
13 now we are not including any increase in  
14 salaries for 2014?

15 MR. SULLIVAN: No, sir.

16 LEGISLATOR DENENBERG: I received  
17 something that relates to public safety, I'm  
18 talking specifically with police. I read  
19 something, maybe it was inaccurate, that  
20 should any proposed settlements be ratified  
21 and adopted, they would fall within the  
22 proposed budget.

23 So I'm looking where in this  
24 proposed budget a risk, or it might not be a  
25 risk, it might be a good deal to work

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2 something out and not rely on a court case  
3 that I don't think, even if we were, as a  
4 county, victorious, I don't know what we'd  
5 win, personally, but let's say we work out a  
6 settlement. I'm reading in one case from a  
7 Newsday quote which I guess maybe could be  
8 wrong, that increases would fall within the  
9 budget. I don't see anything in this  
10 budget, and I don't even see as part of a  
11 budget risk, a risk, amounts to pay for  
12 increases, salary increases.

13 MR. SULLIVAN: Sir, I think, as  
14 you are aware, New York City has a similar  
15 situation where they have had four zeros for  
16 the last four years and I know Mayor  
17 Bloomberg has discussed about funding  
18 internally which is something that can be  
19 done. You can have corresponding offsets,  
20 you reduce vacation leave benefits,  
21 contributions to health care, shift  
22 differential changes, there are enormous  
23 opportunities I think for restructuring  
24 labor contracts that will provide for a COLA  
25 and still have offsetting savings.

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2                   LEGISLATOR DENENBERG:    But we  
3    don't have it there right now?

4                   MR. SULLIVAN:    Well, if there are  
5    offsetting savings to account for increases  
6    then it wouldn't be reflected in a dollar  
7    value.

8                   LEGISLATOR DENENBERG:    Let me  
9    just read from OLBR.    Let me finish the  
10   question before you start to answer, I guess  
11   you typically answer whatever you want to  
12   answer -- no, I'm joking.

13                   "Given the current attempts to  
14   settle the wage freeze, this budget should  
15   have included some provisions for a possible  
16   retroactive pay and the impact of the base  
17   pay increase.   Neither was included."   This  
18   comes from OLBR report.

19                   I'm sure you will say that is the  
20   opinion of what a budget should or should  
21   not have included is OLBR's opinion and I  
22   guess you disagree with that opinion.

23                   MR. SULLIVAN:    Don't put words  
24   in my mouth, sir, I didn't speak.

25                   LEGISLATOR DENENBERG:    Okay.

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2 Well, would you agree that neither was  
3 included meaning no provision for a possible  
4 retroactive pay and the impact of the base  
5 pay increase, neither of those were included  
6 in the budget?

7 MR. SULLIVAN: The budget assumes  
8 continuation of the wage freeze, that is  
9 correct.

10 LEGISLATOR DENENBERG: And OLBR  
11 says that should have been included in the  
12 budget, but you didn't include it so I guess  
13 you would disagree with what should have  
14 been included in the budget based on what  
15 OLBR says?

16 MR. SULLIVAN: We can disagree  
17 on lots of things, I think, and if you're  
18 going to make a recommendation then they  
19 should offer a funding source as well.

20 LEGISLATOR DENENBERG: My  
21 personal opinion is that budget risk lowest  
22 amount in four years not including some  
23 provisions for a possible retroactive -- I'm  
24 sorry, not including some provisions for a  
25 possible retroactive pay and the impact of

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2 the base pay increase, not including either  
3 of those in budget risk, to me, I would  
4 agree with OLBR that should have been  
5 included, and I always believe that our tax  
6 cert exposure should be included.

7 MR. SULLIVAN: We've never  
8 included it in the past, sir.

9 LEGISLATOR DENENBERG: We will  
10 disagree because you didn't include that in  
11 budget risk.

12 MR. SULLIVAN: Actually, I took  
13 their numbers, OLBR's numbers, and the  
14 comptroller's numbers, so it's not my risk.

15 LEGISLATOR DENENBERG: No. You  
16 took one of their numbers.

17 MR. SULLIVAN: No, sir. The net  
18 number is the number you would include.  
19 It's called the net and it's bolded and  
20 highlighted.

21 LEGISLATOR DENENBERG: I'll read.

22 MR. SULLIVAN: I can see the blue  
23 highlight from here, sir.

24 LEGISLATOR DENENBERG: Debt is  
25 31.1, right under that was 70, and then if

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2 you continue to read, the multiyear plan and  
3 the current exposure, there's the line given  
4 the current attempts to settle the wage  
5 freeze. This budget should have included  
6 some provisions for a possible retroactive  
7 pay, and the impact of the base pay increase  
8 and neither was included. They should have  
9 been.

10 So I can cherry pick one number  
11 on the page and ignore the 70 million right  
12 below and then have Legislator Becker yell  
13 at me if I ask you to read it.

14 MR. SULLIVAN: Or alternatively  
15 you can ask the director of the legislative  
16 office of budget review what his one risk  
17 number is. You can ask him. It's his  
18 report. That would be an alternative.

19 LEGISLATOR DENENBERG: He didn't  
20 say one risk number.

21 MR. SULLIVAN: You can ask him.  
22 He's here in the audience.

23 LEGISLATOR DENENBERG: But of all  
24 the risks --

25 MR. SULLIVAN: But, sir, he's

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2 here to testify. You can ask him. You're  
3 reading a report. You can ask the person  
4 who wrote it what they meant.

5 LEGISLATOR DENENBERG: I will ask  
6 him.

7 MR. SULLIVAN: I'll look forward  
8 to the answer.

9 LEGISLATOR DENENBERG: Thank you.

10 MR. SULLIVAN: Thank you, sir.

11 CHAIRWOMAN GONSALVES: Legislator  
12 Nicolello.

13 LEGISLATOR NICOLELLO:  
14 Mr. Sullivan, with respect to the pension  
15 increases and the amortization that is  
16 allowed by the state, it's my understanding  
17 because the way the market fluctuated over  
18 the last few years, you have had years where  
19 local governments has contributed zero.

20 MR. SULLIVAN: Yes.

21 LEGISLATOR NICOLELLO: Zero  
22 percent increase?

23 MR. SULLIVAN: Not even zero  
24 percent increase, zero contribution.

25 LEGISLATOR NICOLELLO: And then

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2 bad years you were up to 20 percent for  
3 every dollar spent goes to a pension cost,  
4 right, and we're talking tens of millions of  
5 dollars for the county, but it's every  
6 government that is dealing with the same  
7 fluctuation?

8 MR. SULLIVAN: Yes, sir.

9 LEGISLATOR NICOLELLO: So the  
10 idea which makes for extremely difficult  
11 budgeting because you may have zero percent  
12 this year increase, and zero percent  
13 contribution, and several years down the  
14 road it's 20 percent of the dollar. So  
15 extreme fluctuations it's difficult to  
16 budget, but the idea is to spread that out  
17 over several years so that local  
18 municipalities can appropriately budget the  
19 right amount of money for the pension costs.

20 MR. SULLIVAN: Absolutely  
21 correct, sir, and that's why the governor  
22 offered it.

23 LEGISLATOR NICOLELLO: There's  
24 peaks and valleys; is that right?

25 MR. SULLIVAN: Yes, sir.



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2                   LEGISLATOR NICOLELLO:   Now,  
3   Legislator Denenberg had reacted negatively  
4   to the potential for raising -- for  
5   borrowing 50 to \$60 million this year for  
6   certioraris, I think I just heard that, did  
7   you hear that?

8                   MR. SULLIVAN:   Yes, sir.

9                   LEGISLATOR NICOLELLO:   Now, for  
10   the years from 2002 to 2009, do you know how  
11   much on average was borrowed for tax certs?

12                   MR. SULLIVAN:   Yes, sir.   It was  
13   approximately \$100 million a year.

14                   LEGISLATOR NICOLELLO:   So for  
15   those years we were borrowing \$100 million  
16   and it was acceptable.   So now we have a  
17   possible exposure of 50 to 60 million and  
18   it's negative, a huge risk, and it's a big  
19   brouhaha over it.

20                   MR. SULLIVAN:   Yes, sir.

21                   LEGISLATOR DENENBERG:   Legislator  
22   Nicolello, it's the one year we borrowed  
23   \$230 million, read the multiyear plan.

24                   CHAIRWOMAN GONSALVES:   Excuse me,  
25   you are not recognized.   You know what, I

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2 can easily mute you.

3 LEGISLATOR NICOLELLO: At least  
4 you're being consistent. Not only are you  
5 interrupting witnesses, you're interrupting  
6 us as well. Anyway, I made my point, thank  
7 you, Mr. Sullivan.

8 MR. SULLIVAN: Thank you.

9 CHAIRWOMAN GONSALVES: Legislator  
10 DeRiggi-Whitton.

11 LEGISLATOR DERIGGI-WHITTON: I  
12 just had a quick question with slide number  
13 eight where state and federal aid of 13  
14 percent is listed.

15 MR. SULLIVAN: Yes.

16 LEGISLATOR DERIGGI-WHITTON: What  
17 does that entail?

18 MR. SULLIVAN: These are a lot of  
19 your reimbursable programs that are  
20 typically in the Department of Social  
21 Services. Some of the programs I have  
22 referenced before, TANF, Safety Net, day  
23 care, Early Intervention. All of these  
24 programs have formulaic relationships which  
25 receive state and federal aid reimbursement.

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2                   LEGISLATOR DERIGGI-WHITTON:   Has  
3   there been any account where we're  
4   discussing the fact that out of the \$145  
5   million that was spent on Sandy we have  
6   about 40 percent to date, so that's  
7   approximately \$100 million that is still  
8   outstanding from FEMA.

9                   Has there been any discussion as  
10   to what we are going to do now, now that  
11   it's almost a year past that time should  
12   that not come to fruition?

13                  MR. SULLIVAN:   No, absolutely  
14   not.   We have received 90 percent  
15   reimbursement on every program the federal  
16   government has considered.   The number of  
17   projects approved and considered by the  
18   federal government relating to the storm is  
19   \$109,968,000, obligated to the county,  
20   \$98,971,000.

21                  So they have obligated 90 percent  
22   of every single project that they have  
23   reviewed and gone through and received all  
24   the invoices.

25                  LEGISLATOR DERIGGI-WHITTON:   Do

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2 you have that in writing, the obligation?

3 MR. SULLIVAN: Yes.

4 LEGISLATOR DERIGGI-WHITTON: Do  
5 you have letters?

6 MR. SULLIVAN: It's all the  
7 project worksheets that you already have,  
8 ma'am.

9 LEGISLATOR DERIGGI-WHITTON:  
10 Right. But there's nothing -- basically  
11 right now we have only been paid 40 percent.

12 MR. SULLIVAN: If you're saying  
13 that the federal government, from the  
14 president's offering is going to obligate  
15 something and not deliver on it, then I  
16 think you should write to the senators.

17 LEGISLATOR DERIGGI-WHITTON:  
18 Well, to date, we haven't gotten it.

19 MR. SULLIVAN: It's a process.

20 LEGISLATOR DERIGGI-WHITTON: It's  
21 almost a year past. It's unusual compared  
22 to some of the other reimbursements.

23 MR. SULLIVAN: Actually, I don't  
24 think it's unusual at all.

25 LEGISLATOR DERIGGI-WHITTON: I

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2 do, because even when you look at just  
3 Irene, it --

4 MR. SULLIVAN: Irene was 18  
5 months.

6 LEGISLATOR DERIGGI-WHITTON: Yes,  
7 but that year past and we were well over 40  
8 percent. I have been told that there is  
9 some investigation on the federal level.

10 MR. SULLIVAN: I don't obviously  
11 deal on that level, ma'am, and I would  
12 suggest that if you think the payments are  
13 slow that, as a body, we write to our  
14 congressmen and senators and impress that  
15 they be expedited.

16 LEGISLATOR DERIGGI-WHITTON: I  
17 think 40 percent a year later is a concern,  
18 and if you are -- I mean, we'll see. I know  
19 you are considering that it's a done deal,  
20 but, to me, it's a real question and for us  
21 to not be concerned with the budget is  
22 pretty amazing.

23 MR. SULLIVAN: The president did  
24 sign the order.

25 LEGISLATOR DERIGGI-WHITTON:

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2 Well, you know what, on page -- let's see  
3 what happens, to have 40 percent at this  
4 point is pretty bad. It's \$100 million  
5 discrepancy that we're talking about.

6 MR. SULLIVAN: It's not a  
7 discrepancy, ma'am.

8 LEGISLATOR DERIGGI-WHITTON: That  
9 we haven't received.

10 MR. SULLIVAN: Right. Well, I  
11 would say that you call Senator Schumer,  
12 Senator Gillibrand and ask why -- it's a  
13 laborious process and you have seen some of  
14 the project worksheets.

15 LEGISLATOR DERIGGI-WHITTON: But  
16 you're the ones -- and I have been going  
17 through them, but I also think there is an  
18 obligation to see what happens because we  
19 will have to fund that money somehow.

20 MR. SULLIVAN: I'm willing to  
21 wait, ma'am.

22 LEGISLATOR DERIGGI-WHITTON: On  
23 page two with Veolia, and this is page two  
24 of the OLBR report.

25 MR. SULLIVAN: I haven't had a

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2 chance to review the report. I just got the  
3 risk numbers but I'll hear the question.

4 LEGISLATOR DERIGGI-WHITTON: Just  
5 basically it says in 2012 the cost for the  
6 county was \$5.9 million or \$3.4 million over  
7 the budget subsidy of \$2.5 million. What do  
8 you think is going to happen going forward  
9 with this?

10 MR. SULLIVAN: First of all, you  
11 have to remember we were paying \$9 million  
12 to the MTA. So it's still substantially  
13 less.

14 LEGISLATOR DERIGGI-WHITTON: Yes,  
15 but we owned it and it was ours.

16 MR. SULLIVAN: We still own it.

17 LEGISLATOR DERIGGI-WHITTON: I  
18 know we still own it.

19 MR. SULLIVAN: So what is the --

20 LEGISLATOR DERIGGI-WHITTON: The  
21 bottom line is, the savings, which I have  
22 always heard was so high, forget what the  
23 quote was in your --

24 MR. SULLIVAN: 33.

25 LEGISLATOR DERIGGI-WHITTON: So

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2 is that -- if we're paying --

3 MR. SULLIVAN: The MTA wanted us  
4 to pay \$35 million. We were in negotiations  
5 with the MTA, they refused anything but a  
6 \$35 million subsidy.

7 LEGISLATOR DERIGGI-WHITTON: So  
8 is it fair that the county is paying this  
9 much and they're showing a profit, Veolia?

10 MR. SULLIVAN: Actually, I think  
11 if it's a lower cost to our residents and  
12 it's saving \$33 million, what Veolia does  
13 with their business is fine, they can do  
14 that.

15 LEGISLATOR DERIGGI-WHITTON: It  
16 bothers me that this private company is  
17 making I believe it was over \$6 million and  
18 taxpayers are funding it. It's not exactly  
19 the way it was --

20 MR. SULLIVAN: If it's cheaper  
21 than the MTA, it's a better cost deal for  
22 the county.

23 LEGISLATOR DERIGGI-WHITTON: What  
24 do you think the projection is for the  
25 county's cost to fund Veolia is for this



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2 year?

3 MR. SULLIVAN: I think it's --  
4 right now it's 2.6.

5 LEGISLATOR DERIGGI-WHITTON: 2.6  
6 is in our budget even though this year it  
7 was 5.9?

8 MS. D'ALLEVA: Every year the  
9 structure of the routes -- every year the  
10 transit committee votes on the level of  
11 service for the buses and, within the  
12 current budget, we will only be funding them  
13 2.6 million which is the required federal  
14 match.

15 LEGISLATOR DERIGGI-WHITTON: So  
16 how much is the level of service going to be  
17 reduced to fit that?

18 MS. D'ALLEVA: I don't think the  
19 level of service is going to be reduced. I  
20 actually think they added what is what they  
21 call picks.

22 LEGISLATOR DERIGGI-WHITTON:  
23 Didn't you just say each year the level of  
24 service is what determines --

25 MS. D'ALLEVA: Well, the budget

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2 was voted on at the transit committee and we  
3 will be working within the confines of that  
4 budget which is a \$2.6 million federal  
5 match.

6 LEGISLATOR DERIGGI-WHITTON: So  
7 you're saying for this year we're only going  
8 to pay \$2.6 million even though 5.9 million  
9 was paid last year?

10 MS. D'ALLEVA: We have actually  
11 submitted that budget to the state this  
12 week.

13 LEGISLATOR DERIGGI-WHITTON:  
14 Because the condition was with Veolia is to  
15 not cut the services as one of the options.

16 MS. D'ALLEVA: That's correct.

17 LEGISLATOR DERIGGI-WHITTON: So I  
18 can't see how we are going to get from \$5.9  
19 million to \$2.6 million without cutting some  
20 types of services which we have been  
21 concerned about especially with the  
22 different areas.

23 MS. D'ALLEVA: Currently there is  
24 nothing on the table to cut service.

25 LEGISLATOR DERIGGI-WHITTON: I'm

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2 just going to reiterate to consider -- to  
3 not have a line item in here for the police.  
4 It's a concern. I would feel much better  
5 having seen it. The savings that are  
6 projected, like including the contributions  
7 to the health, to say that that's going to  
8 make up for all the back pay and everything  
9 and the class hasn't even started yet.

10 I just think -- I don't really  
11 see how we are going to come up with the \$50  
12 million savings based on that. I would  
13 definitely like a clearer explanation of  
14 that.

15 MR. SULLIVAN: I don't think  
16 there is an agreement right now before this  
17 body and obviously if there was an agreement  
18 submitted to this body, we would have to go  
19 through that in its totality.

20 LEGISLATOR DERIGGI-WHITTON: So  
21 right now we are not prepared to have an  
22 agreement?

23 MR. SULLIVAN: I didn't say that.  
24 I said there's not an agreement before this  
25 body for consideration currently.

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2                   LEGISLATOR DERIGGI-WHITTON:  
3     There is no agreement being considered with  
4     the PBA?

5                   MR. SULLIVAN:    There is no  
6     agreement submitted before this body.

7                   LEGISLATOR DERIGGI-WHITTON:    So  
8     we are not prepared for it should we reach  
9     an agreement?

10                  MR. SULLIVAN:    I didn't say that.

11                  CHAIRWOMAN GONSALVES:   Legislator  
12     DeRiggi-Whitton, when it comes before this  
13     body, that will be the opportunity for us to  
14     question all of the concerns that we may  
15     have, and of course the potential risks to  
16     the 2014.   Right now that item is not before  
17     this legislature.

18                  LEGISLATOR DERIGGI-WHITTON:    It's  
19     not but the budget is.

20                  CHAIRWOMAN GONSALVES:    It has not  
21     been filed.   And, until that happens, we  
22     really and truly cannot discuss something  
23     that we don't have in hand.

24                  LEGISLATOR DERIGGI-WHITTON:  
25     Well, the budget is what -- the money we are

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2 going to have for 2014 and, the budget, for  
3 us to be in good faith and even discussing  
4 any kind of settlement I feel like we should  
5 be prepared on our end to enter into that  
6 budget.

7 MR. SULLIVAN: I believe we will  
8 be.

9 LEGISLATOR DERIGGI-WHITTON: Into  
10 that agreement. I mean, for us to even  
11 discuss it and not have a way to pay for it  
12 is --

13 MR. SULLIVAN: I'm not discussing  
14 it, ma'am, but I do think there are options.

15 LEGISLATOR DERIGGI-WHITTON:  
16 Well, we're not discussing an agreement?

17 MR. SULLIVAN: Not before this  
18 body. I don't believe you have a copy of it  
19 so I don't know how fruitful it would be to  
20 discuss.

21 LEGISLATOR DERIGGI-WHITTON: I  
22 don't have a copy of?

23 MR. SULLIVAN: If there is an  
24 agreement before this body, I would like to  
25 see it.

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2 CHAIRWOMAN GONSALVES: There  
3 isn't, Mr. Sullivan.

4 MR. SULLIVAN: Thank you.

5 CHAIRWOMAN GONSALVES: Has not  
6 been filed in the clerk's office and it has  
7 not come before this body.

8 LEGISLATOR DERIGGI-WHITTON: I'm  
9 just saying that it's not making us look  
10 like we are prepared to enter into one and  
11 that just concerns me and the other concern  
12 is also that there is no increase at all for  
13 any labor salaries in the budget. I'm going  
14 to stop there.

15 MR. SULLIVAN: Thank you.

16 CHAIRWOMAN GONSALVES: Any other  
17 questions of Mr. Sullivan? There being  
18 none, Mr. Sullivan, thank you very much.

19 MR. SULLIVAN: Thank you,  
20 Presiding Officer and Minority Leader.

21 CHAIRWOMAN GONSALVES: You're  
22 most welcome. I'm going to request about a  
23 10, 15 minute recess.

24 LEGISLATOR BECKER: Can I make  
25 one comment to Mr. Sullivan? It's not a

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2 question. I just wanted to compliment him.  
3 It's been very tough over the last four  
4 years to do the budgeting that he's done and  
5 I think, Mr. Sullivan, you and your staff  
6 have done an amazing job and we appreciate  
7 it very much.

8 MR. SULLIVAN: We sincerely  
9 appreciate that comment and thank you very  
10 much to all the members and thank you  
11 Legislator Mr. Becker.

12 CHAIRWOMAN GONSALVES: I guess  
13 this will give everybody an opportunity to  
14 stretch a little bit.

15 (Whereupon, the Full Legislative  
16 Committee recessed at 2:12 p.m. and  
17 reconvened at 2:33 p.m.)

18 CHAIRWOMAN GONSALVES: Good  
19 afternoon, Comptroller Maragos.

20 COMPTROLLER MARAGOS: Good  
21 afternoon.

22 CHAIRWOMAN GONSALVES: I know  
23 that you have two of your staff members.  
24 Would you like to introduce them to us?

25 COMPTROLLER MARAGOS: To my right

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2 is Chief Deputy Comptroller Steve Labriola,  
3 and to my left Lisa Tacouris, director of  
4 accounting. Can you hear me?

5 CHAIRWOMAN GONSALVES: Yes, we  
6 can. Do you have a presentation to make, a  
7 report? I think I just received something  
8 in front of me.

9 COMPTROLLER MARAGOS: Yes, I do.  
10 I would like to start with some remarks.

11 CHAIRWOMAN GONSALVES: Go ahead.  
12 It's your time.

13 COMPTROLLER MARAGOS: Good  
14 afternoon. The county's economy appears to  
15 have weathered one of the west recessions  
16 and the devastation from Super Storm Sandy.  
17 The county's employment rate has dropped to  
18 5.9 percent, one of the lowest in the state,  
19 while the biggest source of county revenues,  
20 sales tax, is projected to increase by 7.2  
21 percent in fiscal 2013.

22 Further economic and sales tax  
23 revenue growth is anticipated during 2014  
24 and beyond. The Mangano Administration  
25 should be commended for its proposed \$2.8



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2 billion budget for fiscal 2014. The budget  
3 contains, for the fourth consecutive year, a  
4 no property tax increase, and reduces  
5 spending by approximately \$1 million  
6 compared with the 2013 adopted budget.

7 The comptroller's analysis of the  
8 proposed budget projects a budgetary surplus  
9 of \$28 million. The \$28 million surplus is  
10 due in most part to increased sales tax  
11 revenues and lower payroll expense assuming  
12 current on board head count.

13 We are concerned, however, that  
14 only \$10 million has been budgeted for  
15 property tax refunds when the average payout  
16 over the last four years was approximately  
17 \$63 million annually.

18 We have urged the administration  
19 to return to paying at least \$50 million  
20 annually of refunds with recurring revenues.  
21 This amount, less than the annual running  
22 average payout, should be adequate giving  
23 the ongoing improvements resulting from the  
24 four year cyclical assessment system, and  
25 efforts to resolve most residential

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2 grievances prior to the roll becoming final.

3           Consequentially, we recommend the  
4 administration forego the proposed borrowing  
5 of \$230 million to pay down the estimated  
6 long-term liability and reduce this  
7 borrowing to about \$50 million annually, not  
8 to exceed \$230 million in aggregate  
9 borrowing allowed by NIFA as part of the  
10 longer term plan to wind down the  
11 outstanding liability and move to 100  
12 percent Pay Go.

13           Furthermore, since the county  
14 fund balance is approaching the threshold  
15 established by the legislature, we urge that  
16 future budget surpluses be set aside to pay  
17 down the long term property tax liability in  
18 lieu of borrowing and ensure continued  
19 funding of non-profits in youth boards.

20           The additional \$40 million for  
21 property tax refunds recommended to be paid  
22 from operating revenues as well as  
23 approximately \$26 million in estimated  
24 employee hiring over attrition costs  
25 represents a risk to the budget of

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2 approximately \$66 million.

3 This risk may be mitigated by the  
4 potential for higher sales tax revenues  
5 above the conservatively budgeted amount,  
6 that's reducing the additional budget risk  
7 to \$45 million leaving a gap of  
8 approximately \$17 million.

9 We recommend that additional  
10 expense reduction opportunities be  
11 identified in areas such as worker's  
12 compensation expenditures in order to  
13 eliminate the potential \$17 million  
14 budgetary gap.

15 Reducing the annual borrowing to  
16 \$50 million for property tax refunds would  
17 continue the improvements in our fiscal  
18 fundamentals. On a NIFA presentation basis,  
19 the projected year end result would improve  
20 to negative \$84 million or a 30 percent  
21 improvement over our 2013 midyear report  
22 projection and would be a 54 percent  
23 improvement from 2009.

24 This structural gap will continue  
25 its year over year improvement by

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2 approximately 68 percent from the prior  
3 administration's 2009 peak of about \$252  
4 million.

5 The established borrowing  
6 discipline will be maintained and confined  
7 to primarily borrowing for capital  
8 improvements and for judgments and  
9 settlements. The \$526 million for Super  
10 Storm Sandy related recovery should be  
11 carefully considered without prior  
12 reasonable assurance that it will meet the  
13 FEMA requirements for reimbursement.

14 Sustaining these positive trends  
15 will not be possible and will actually be  
16 reversed with a higher level of property tax  
17 refund borrowing contained in the 2014  
18 proposed budget.

19 The out-year or the out-years in  
20 the multiyear plan beginning with 2015  
21 includes partially unaccounted risk related  
22 to the wage freeze. The multiyear plan  
23 assumes the wage freeze will end in 2015  
24 with step increases in the last two years.  
25 The disposition of the wage freeze

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2 litigation and its timing could  
3 significantly impact the multiyear plan.

4           Offsetting these multiyear plan  
5 risks are also opportunities for higher  
6 sales tax revenues due to the ongoing  
7 recovering economy, lower labor costs, from  
8 productivity improvements, redeployment in  
9 new technology, additional expense, savings  
10 and possible additional revenue  
11 opportunities.

12           I'm happy to take your questions.

13           CHAIRWOMAN GONSALVES:

14           Mr. Maragos, are you ready for questions?

15           COMPTROLLER MARAGOS: Yes.

16           LEGISLATOR ABRAHAMS: How are  
17 you, Mr. Maragos? I think from our  
18 standpoint we were eagerly anticipating  
19 getting your report and the fact that we  
20 have it now, at some point, hopefully, I  
21 believe we are doing another vertical  
22 hearing next Wednesday, we would like the  
23 opportunity to study the report and be able  
24 to ask Mr. Sullivan, I don't know if Mr.  
25 Sullivan left, okay, he is here, we would

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2 like the opportunity to ask him some  
3 questions, if it's okay with you, Madam  
4 Presiding Officer. We prepared for today's  
5 hearing based strictly off of the notion  
6 that it was tied to public safety and being  
7 that there is some additional questions that  
8 I believe Mr. Maragos brought up regarding  
9 the overall budget, we would like the  
10 opportunity to study his report and then,  
11 over the next week, hopefully Mr. Sullivan  
12 is coming back for that vertical, be able to  
13 ask him questions based off the comptroller  
14 report.

15 CHAIRWOMAN GONSALVES: May I just  
16 let you know that today is the day that we  
17 had planned to address all the questions to  
18 Mr. Sullivan and, of course, to Mr. Maragos,  
19 and we've had the budget since September  
20 15th, and it's not part of the procedure  
21 that we are going forward with and agreed  
22 upon because October 16th we have other  
23 departments that we are looking to address.

24 So I think at this point, if you  
25 need time to review what Mr. Maragos has

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2 presented to us, fine, but to delay it to  
3 next week would really interfere with the  
4 rest of this.

5 LEGISLATOR ABRAHAMS: We can ask  
6 our questions to Mr. Maragos today as much  
7 as we can, being that we just got the  
8 report, and based off his presentation. I'm  
9 guessing, is Mr. Sullivan coming back for  
10 the 16th hearing?

11 CHAIRWOMAN GONSALVES: No, he's  
12 not. It was not planned for Mr. Sullivan to  
13 come back.

14 LEGISLATOR ABRAHAMS: Does he  
15 plan to come back to any more hearings?

16 CHAIRWOMAN GONSALVES: Well, he's  
17 here now. So ask Mr. Maragos the questions  
18 you wish to ask Mr. Maragos and we will  
19 proceed from there. We are following  
20 procedure that we followed in the past and  
21 we have all had copies of the budget since  
22 September 15th.

23 I think we have had ample time to  
24 review the budget and be prepared to address  
25 our concerns to Mr. Maragos.

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2                   LEGISLATOR ABRAHAMS: Madam  
3 Presiding Officer, again, and I'm reading  
4 from the public notice that was issued by  
5 Mr. Muller and, if I read it correctly, I'm  
6 not going to go through all the dates and  
7 the building and everything like that, but  
8 it clearly indicates that on Friday, at  
9 which time the Legislature will hold a  
10 public hearing regarding the 2014 Nassau  
11 County Budget as it relates to public  
12 safety. That's clearly what this is  
13 demonstrating. We want to include that as  
14 part of the record. We had no knowledge  
15 that you were diving into the entire budget.

16                   CHAIRWOMAN GONSALVES: Your staff  
17 has asked. Yes, you did.

18                   LEGISLATOR ABRAHAMS: But the  
19 staff is --

20                   CHAIRWOMAN GONSALVES: Don't  
21 interrupt me. I'm sorry. I am sorry.

22                   LEGISLATOR ABRAHAMS: It's  
23 different than what it indicates on the  
24 document. How can we refute what Mr. Muller  
25 has put out?



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2                   CHAIRWOMAN GONSALVES: Let me say  
3 something to you. I have discussed this  
4 with you and let you know that Tim Sullivan  
5 and the comptroller were going to make their  
6 presentations. The only department that  
7 really would have the bulk of today's  
8 hearing would be public safety. That does  
9 not preclude the fact that there are other  
10 public safety departments here to mention or  
11 testify on behalf of their departments what  
12 their budget is.

13                   This is procedure that we  
14 followed in the past. I have spoken to you  
15 about this procedure and we have had Tim  
16 Sullivan come before us and, of course, now  
17 we have Comptroller Maragos.

18                   There is absolutely no reason to  
19 stray from it primarily because you need  
20 additional time to review the documents.

21                   LEGISLATOR ABRAHAMS: No, no.  
22 The additional time, and I don't know if  
23 Mr. Sullivan, I don't think it's a question  
24 of him being available or not, but what I'm  
25 saying is, the comptroller just released his

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2 report today. It's dated October 9th.

3 From our standpoint, we feel it's  
4 beneficial for the taxpayers of Nassau  
5 County to hear the contrast between the  
6 comptroller's report and the Office of  
7 Management and Budget.

8 We're asking, is Mr. Sullivan  
9 going to be available in the future? So,  
10 Mr. Sullivan is not going to be available at  
11 any point between now and the time of the  
12 budget --

13 CHAIRWOMAN GONSALVES: I'm going  
14 to say to you, if you have additional  
15 questions of Mr. Sullivan, you can put them  
16 in writing and address them to him. And the  
17 other thing is --

18 LEGISLATOR ABRAHAMS: So Mr.  
19 Sullivan will not be available between now  
20 and when this budget is due on October 30th?  
21 The head fiscal chief operative of this  
22 county will not be available for the next 20  
23 days to answer questions to this body?

24 CHAIRWOMAN GONSALVES: Yes, he  
25 does have the opportunity, if you put them

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2 in writing.

3 LEGISLATOR ABRAHAMS: Put what in  
4 writing?

5 CHAIRWOMAN GONSALVES: Any  
6 questions you may have of Mr. Sullivan.

7 LEGISLATOR ABRAHAMS: But will he  
8 be here to testify?

9 CHAIRWOMAN GONSALVES: No.  
10 Listen. No.

11 LEGISLATOR ABRAHAMS: So he's not  
12 coming back, so it's a one time thing?

13 CHAIRWOMAN GONSALVES: That's  
14 right. And this is the way we have done it  
15 in the past and we'll continue to do it.

16 LEGISLATOR ABRAHAMS: I can't  
17 remember a time --

18 CHAIRWOMAN GONSALVES: No. We  
19 always do it, Mr. Abrahams.

20 LEGISLATOR ABRAHAMS: No, no.  
21 Madam Presiding Officer, I cannot remember a  
22 time that we had only one opportunity to ask  
23 questions to the Deputy County Executive For  
24 Finance. I cannot remember that time. We  
25 are going to submit to you, we're going to

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2 take a look into the previous records  
3 because I do not remember that being the  
4 case.

5 Mr. Sullivan, if I remember it  
6 correctly, you always made yourself  
7 available whether it be during the Full  
8 Legislative vote or committee hearings or at  
9 least Mrs. D'Allewa, one of the two should  
10 be available to answer our questions.

11 CHAIRWOMAN GONSALVES: I'm going  
12 to continue to follow the procedure that was  
13 in place for how many years? 18 years.

14 I think that Mr. Sullivan is  
15 certainly capable of responding to your  
16 questions if put in writing, and those  
17 questions can be part of the record as well,  
18 and the answers that you receive from Mr.  
19 Sullivan. As far as Mr. Maragos, the same  
20 is true.

21 But to continue to call these  
22 people back which was not part of the  
23 procedure in previous years is really  
24 prolonging the budget process so that when  
25 we do have to vote on it October 28th, then

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2 I believe we are not going to get all of our  
3 concerns addressed.

4 LEGISLATOR ABRAHAMS: Madam  
5 Presiding Officer, we don't want to engage  
6 in a --

7 CHAIRWOMAN GONSALVES: Neither do  
8 I.

9 LEGISLATOR ABRAHAMS: I will just  
10 say this. I can have our fiscal person, our  
11 finance person, go through the comptroller  
12 report, go through what Mr. Sullivan has  
13 told us, go in the back and come up with  
14 questions, and then we can bring back  
15 Mr. Sullivan and we can be here until  
16 midnight. We can do that too.

17 CHAIRWOMAN GONSALVES: That's  
18 your choice.

19 LEGISLATOR ABRAHAMS: Sure. You  
20 got it.

21 CHAIRWOMAN GONSALVES: We're here  
22 now. Are there questions of Mr. Maragos?

23 LEGISLATOR DENENBERG: I just  
24 have a question to the chair.

25 CHAIRWOMAN GONSALVES: You are

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2 not recognized and I'm going to right now  
3 ask this body, if you have any questions  
4 regarding the report that is presented to us  
5 today from Mr. Maragos, please feel free to  
6 ask your questions.

7 LEGISLATOR ABRAHAMS: Madam  
8 Presiding Officer, we go back to the same  
9 point. We are making this process a  
10 mockery. Mr. Maragos, even by his own  
11 indication, just gave us the report two  
12 seconds before he actually gave his  
13 testimony. It would be very difficult for  
14 us to ask questions of him without having  
15 that information in advance.

16 From our standpoint, I mean, I  
17 haven't even begun to read his 21 page  
18 report. I just literally got through pages  
19 two and three. I think it would be fair for  
20 this body to have Mr. Maragos at some other  
21 time to be available to answer our questions  
22 in the body and in the fashion of coming to  
23 the hearing.

24 CHAIRWOMAN GONSALVES: Right now  
25 I believe this is a budget presentation.

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2 This is not solely Mr. Maragos' report that  
3 we are going to be talking about. It's the  
4 budget itself.

5 Mr. Maragos is here to discuss  
6 those items that may be of concern to each  
7 and every one of us regarding that budget.  
8 All right? That's where we stand at this  
9 particular time.

10 LEGISLATOR ABRAHAMS: So  
11 Mr. Maragos is prepared to answer questions,  
12 we can ask questions of any topic but we  
13 prepared documents today for public safety  
14 as per the public notice that I'm sure you  
15 were --

16 CHAIRWOMAN GONSALVES: But you  
17 also knew Mr. Maragos was going to be here  
18 today and Mr. Sullivan?

19 LEGISLATOR ABRAHAMS: Yes. To  
20 talk about public safety. Exactly.

21 CHAIRWOMAN GONSALVES: No, no,  
22 no. They're here to talk about the entire  
23 budget.

24 LEGISLATOR ABRAHAMS: The public  
25 notice that came out from October 4th

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2 clearly indicates public safety. Why would  
3 we think you were going to deviate from  
4 that?

5 CHAIRWOMAN GONSALVES: Listen,  
6 when I spoke to you, and I'm not going to  
7 put this on the record.

8 We didn't communicate as clearly  
9 as you would have liked us to have  
10 communicated. That is procedure that we  
11 have followed for, God only knows, 18 years.  
12 It's a budget presentation. We do take  
13 various departments.

14 We could have, we could have very  
15 easily, in the interest of saving time, just  
16 had committee meetings. And it's not just  
17 the committee meetings. That's why the Full  
18 Legislature was advised that this would be a  
19 budget presentation by Mr. Sullivan and  
20 Mr. Maragos and that's where we are at at  
21 the present time.

22 So, if you like, Mr. Maragos, to  
23 discuss the budget in its entirety and you  
24 ask your questions, fine. He will give his  
25 point of view regarding the budget as he



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2 sees it.

3 CHAIRWOMAN GONSALVES: I'm going  
4 to ask Mr. Maragos to be patient so you have  
5 an opportunity to put some questions  
6 together but, in the meantime, there are  
7 representatives from four other departments.  
8 We have corrections.

9 It's all public safety, but their  
10 budgets I don't believe are contentious. I  
11 believe, for the most part, their  
12 presentation would be about five minutes a  
13 piece hopefully, and go with corrections for  
14 the sheriff's presentation, and then, of  
15 course, the fire marshals, and I believe is  
16 there someone from probation here? I think  
17 is there anyone from OEM?

18 So we can do them and, after  
19 that, I will take a recess. How is that?

20 LEGISLATOR DENENBERG: Can I ask  
21 a point of order to the chair, and I think  
22 both counsel should look. The public notice  
23 says that it's public safety. We clearly  
24 have heads of departments that are public  
25 safety. But if members of the public wanted

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2 to talk about the overall budget and comment  
3 on the comptroller, a countywide elected  
4 official's report, as well as OMB's report  
5 on the budget in total, they really didn't  
6 have notice to be here and comment on it.  
7 That's my point of order.

8 CHAIRWOMAN GONSALVES: No. I'm  
9 going to say to you --

10 LEGISLATOR DENENBERG: Why is  
11 that not a point of order?

12 CHAIRWOMAN GONSALVES: Stop and  
13 listen for a minute. We have another  
14 meeting October 28th at which time the  
15 public will be notified properly and they  
16 can come here and ask their questions and  
17 it's already been published. So that's the  
18 day, that's the day when we --

19 LEGISLATOR DENENBERG: But it's  
20 not just the public that needed to be  
21 notified. So, for example, if someone  
22 wanted to comment on Comptroller Maragos'  
23 report or on Tim Sullivan's report, even  
24 legislators, they really have no chance to  
25 do it because we got the report as we were

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2 being given the --

3 CHAIRWOMAN GONSALVES: I just  
4 said to you, and I'm going to interrupt you,  
5 I just said to you we have four other  
6 departments here. They can make their  
7 presentation and then we can take a recess  
8 so you can formulate some questions, how's  
9 that?

10 LEGISLATOR DENENBERG: But that's  
11 not --

12 CHAIRWOMAN GONSALVES: Then,  
13 listen, then we are going to proceed with  
14 the comptroller.

15 LEGISLATOR DENENBERG: But then  
16 we have done something, my point of order is  
17 we have done something that we didn't give  
18 proper public notice for.

19 CHAIRWOMAN GONSALVES: No, no. I  
20 don't believe --

21 LEGISLATOR DENENBERG: You can't  
22 have a hearing on a subject matter that we  
23 didn't notice.

24 CHAIRWOMAN GONSALVES: We are  
25 here to discuss the budget.

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2                   LEGISLATOR JACOBS:   May I say  
3 something to you, Madam Presiding Officer?

4                   CHAIRWOMAN GONSALVES:   Guess  
5 what?   Then we will just have them present  
6 what they have to present and then we can  
7 come back and send them questions in writing  
8 and have them answer us in writing.   Then  
9 you can come back on the 28th and discuss  
10 them.

11                  LEGISLATOR DENENBERG:   The  
12 constitutional requirement is a public  
13 hearing.

14                  CHAIRWOMAN GONSALVES:   Well, we  
15 do have a public hearing scheduled for  
16 October 28th.   That is a public hearing on  
17 the 28th.

18                  LEGISLATOR ABRAHAMS:   I think  
19 what Norma just said, are you saying that  
20 Mr. Maragos and Mr. Sullivan will be  
21 available on the 28th?

22                  CHAIRWOMAN GONSALVES:   At the  
23 final hearing?

24                  LEGISLATOR ABRAHAMS:   Yes.

25                  CHAIRWOMAN GONSALVES:   It's a

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2 possibility. Hold on. You know what? I'm  
3 sitting in this chair right now. I was just  
4 asked whether or not the comptroller and  
5 Mr. Sullivan could be back here on the 28th  
6 and I'm going to say to you yes. Okay? Can  
7 we proceed?

8 LEGISLATOR ABRAHAMS: Yes.

9 CHAIRWOMAN GONSALVES: Thank you  
10 very much. Without any further ado, would  
11 you like him to make his report? After all  
12 this, are you ready?

13 COMPTROLLER MARAGOS: I'm  
14 finished with it.

15 CHAIRWOMAN GONSALVES: Do you  
16 have questions to ask of Mr. Maragos now?  
17 Do you?

18 LEGISLATOR ABRAHAMS: Yes.

19 CHAIRWOMAN GONSALVES: Ask them.

20 LEGISLATOR DENENBERG: I'm going  
21 to try to ask based on about ten seconds of  
22 reading and listening to you. You went  
23 through what you thought or what you believe  
24 are budget risks, correct?

25 COMPTROLLER MARAGOS: Correct.

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2                   LEGISLATOR DENENBERG:   What is  
3 the total amount that you believe is at  
4 risk?

5                   COMPTROLLER MARAGOS:   According  
6 to the budget, if you look at Table 1, our  
7 analysis, we are indicating \$28 million  
8 surplus.

9                   LEGISLATOR DENENBERG:   How much  
10 is at risk is my question?

11                  COMPTROLLER MARAGOS:   Again, if  
12 you look at Table 1, can you bring that up?  
13 All the variances can be considered either  
14 risks or opportunities, but these are  
15 reasonable assumptions as to what we think  
16 these major line items in the budget will  
17 end up with.

18                  LEGISLATOR DENENBERG:   So is the  
19 total number in your page three, I'm sorry,  
20 28 million at risk?

21                  COMPTROLLER MARAGOS:   Net of  
22 opportunities, right.   That is the  
23 projected -- after risks and opportunities  
24 which are identified above, our best  
25 estimate is that the budget will end with a

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2 \$28 million, as presented, surplus.

3 LEGISLATOR DENENBERG: If I read  
4 at the bottom, it says budget risk after  
5 additional risks and opportunities, now I  
6 see a deficit of \$17 million, if I read your  
7 table three.

8 COMPTROLLER MARAGOS: Correct.  
9 And, as my testimony indicated, we feel that  
10 the budget, as presented, and given the  
11 economic conditions are strong enough to  
12 warrant us paying \$40 million additional  
13 from recurring revenues for property tax  
14 refunds. So we are showing the additional  
15 risks and opportunities the \$40 million.  
16 Then we are taking out the net effect from  
17 the employee hiring and attrition which is  
18 being planned, and the two percent increased  
19 sales tax opportunity over the very  
20 conservative two percent growth revenue  
21 projections.

22 LEGISLATOR DENENBERG: Let me  
23 just get it straight. The budget risk after  
24 additional risks and opportunities of  
25 negative \$17 million includes these three

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2 lines, one of which is your suggestion that  
3 we pay \$40 million more as you go, Pay As  
4 You Go, for property refunds?

5           COMPTROLLER MARAGOS: Yes, for a  
6 total of \$50 million.

7           LEGISLATOR DENENBERG: So the  
8 policy that you would like or the fiscal  
9 policy that you are urging is to pay \$50  
10 million as you go for property tax refunds,  
11 correct?

12           COMPTROLLER MARAGOS: That's  
13 right. And an additional \$50 million from  
14 borrowing.

15           LEGISLATOR DENENBERG: When was  
16 the last time we paid \$50 million out of  
17 operating expenses on an annual basis?

18           COMPTROLLER MARAGOS: This is  
19 what I was suggesting.

20           LEGISLATOR DENENBERG: When was  
21 the last time we did that?

22           COMPTROLLER MARAGOS: In 2009 I  
23 believe.

24           LEGISLATOR DENENBERG: In 2009.  
25 What did we borrow in 2009?



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2                   COMPTROLLER MARAGOS:     \$65  
3 million, approximately.

4                   LEGISLATOR DENENBERG:    In 2010 we  
5 borrowed 50, correct?

6                   COMPTROLLER MARAGOS:    I don't  
7 remember what the exact number is.

8                   LEGISLATOR DENENBERG:    The  
9 positive variances are contingent on the  
10 following, and I'm looking on page 11, and  
11 you weren't here when I was asking  
12 Mr. Sullivan these questions, but the wage  
13 and step freeze implemented by NIFA is  
14 scheduled to expire in March of 2014. This  
15 is from your report.

16                   So are you identifying that  
17 there's a risk in the budget because there  
18 is no budgeted wage and step increase?

19                   COMPTROLLER MARAGOS:    What is the  
20 question again?

21                   LEGISLATOR DENENBERG:    I hope I  
22 can remember it. Regarding page 11, what I  
23 was asking is, you weren't here when I asked  
24 Mr. Sullivan this question, but I believe  
25 from reading your report, now that you've

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2 had a chance to read your report, my  
3 question is, and I believe you're calling  
4 this a risk in the budget, that the budget  
5 for 2014 that you have reviewed and issued a  
6 report on does not have, does not budget  
7 wage or step increases.

8                   COMPTROLLER MARAGOS: That's  
9 correct.

10                   LEGISLATOR DENENBERG: So, it  
11 assumes, if we look at the budget, and I'm  
12 reading your page 11, that the wage and step  
13 freeze implemented by NIFA that's scheduled  
14 to expire in March 2014 would continue  
15 throughout the year?

16                   COMPTROLLER MARAGOS: That's  
17 correct, as it's been renewed every year.

18                   LEGISLATOR DENENBERG: So you're  
19 identifying that as a risk because it  
20 assumes that the NIFA board would continue  
21 this wage and step freeze and NIFA hasn't  
22 indicated that it would, correct?

23                   COMPTROLLER MARAGOS: Well, they  
24 have done historically, annually, and they  
25 haven't indicated to the contrary. We are

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2 identifying the wage freeze as a major risk  
3 that is unquantifiable.

4 LEGISLATOR DENENBERG: How much  
5 money is that risk? Can you quantify, as  
6 the comptroller of Nassau County, can you  
7 give me a number on that risk?

8 COMPTROLLER MARAGOS: As per our  
9 last report, it was \$230 million through to  
10 the end of 2013.

11 LEGISLATOR DENENBERG: And that  
12 \$230 million is not included on page three  
13 when we look at the summary of risks and  
14 opportunity, correct?

15 COMPTROLLER MARAGOS: No.  
16 Because NIFA has clearly indicated that they  
17 are confident that they will prevail.

18 LEGISLATOR DENENBERG: But if  
19 we're going to lift, let's say there is a  
20 negotiated settlement, you and I both read  
21 and hear the same thing, we've talked about  
22 the negotiated settlement, we don't know  
23 what it's going to be yet, if there is a  
24 negotiated settlement which lifts the wage  
25 and step freezes, is there any money in the

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2 budget right now for that?

3           COMPTROLLER MARAGOS: No, there  
4 isn't. And when there is a settlement then  
5 we will consider that and reflect that  
6 accordingly in the books and records.

7           LEGISLATOR DENENBERG: What would  
8 we do at that point?

9           COMPTROLLER MARAGOS: That's up  
10 to the legislature to decide, if they  
11 approve the settlement.

12           LEGISLATOR DENENBERG: Someone  
13 just said we're going to fit it within the  
14 budget that we pass so we're either going to  
15 have a deficit or we're going to have to  
16 find money elsewhere in the budget, correct?

17           COMPTROLLER MARAGOS: Or not  
18 settle.

19           LEGISLATOR DENENBERG: Or not  
20 settle.

21           COMPTROLLER MARAGOS: Reject  
22 whatever -- if the agreement that is  
23 proposed, the settlement that is not  
24 affordable, then you shouldn't accept it.

25           LEGISLATOR DENENBERG: Have you

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2 looked at the memorandum of agreement and  
3 stipulation of settlement that was signed by  
4 the county executive as well as the PBA  
5 president?

6 COMPTRROLLER MARAGOS: No, I have  
7 not seen it.

8 LEGISLATOR DENENBERG: I'm not  
9 sure how we do a budget analysis without  
10 looking at this.

11 COMPTRROLLER MARAGOS: Do you have  
12 it? I don't know how you got it because  
13 we've asked for it and --

14 LEGISLATOR DENENBERG: I'm the  
15 last one on the totem pole that gets  
16 anything.

17 COMPTRROLLER MARAGOS: Apparently  
18 I'm below you.

19 LEGISLATOR DENENBERG: I think  
20 everyone has it.

21 COMPTRROLLER MARAGOS: Maybe you'd  
22 like to share it.

23 LEGISLATOR DENENBERG: September  
24 5, 2013.

25 COMPTRROLLER MARAGOS: Right. And

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2 maybe once I see it maybe I'll advise you  
3 not to accept it.

4 LEGISLATOR DENENBERG: I will  
5 submit it on the record and make it as part  
6 of your report. I guarantee you that I  
7 don't have any better funneling of  
8 information that anyone else up here.

9 COMPTROLLER MARAGOS: But did you  
10 hear what I said? That once we have an  
11 opportunity to review it, we may decide to  
12 recommend --

13 LEGISLATOR DENENBERG: Can you  
14 review it as soon as you get it and give me  
15 your analysis of it?

16 COMPTROLLER MARAGOS: Be happy  
17 to.

18 LEGISLATOR DENENBERG: So I'm  
19 going to hand it to you. I'll give you ten  
20 minutes after I hand it to you to give me  
21 your analysis of it because I'm being told  
22 to do that with your report.

23 COMPTROLLER MARAGOS: Let me ask  
24 this, is that a legitimate copy?

25 CHAIRWOMAN GONSALVES: Legislator

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2 Denenberg, how did you come by a copy of the  
3 settlement?

4 LEGISLATOR DENENBERG: It was  
5 given to us.

6 CHAIRWOMAN GONSALVES: By whom?  
7 We haven't seen a copy of the settlement and  
8 that has not been brought to us as of yet  
9 and we are discussing a settlement that we  
10 had no opportunity to -- it's not on file in  
11 the clerk's office.

12 LEGISLATOR DENENBERG: It's been  
13 written about in Newsday and signed by the  
14 county executive.

15 CHAIRWOMAN GONSALVES: Listen, it  
16 has not been filed in the county clerk's  
17 office. The legislative clerk's office.  
18 Okay? Therefore, it has not come before us  
19 and we are discussing a document that we  
20 really have no idea about and this document  
21 will become part of the legislative calendar  
22 when the time comes. But right now it has  
23 not been filed.

24 LEGISLATOR DENENBERG: My concern  
25 is that we are pretending it doesn't exist.

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2 CHAIRWOMAN GONSALVES: Well, it  
3 doesn't exist as far as I'm concerned. It  
4 was not filed in the clerk's office.

5 LEGISLATOR DENENBERG: For  
6 budgetary purposes, the comptroller is  
7 identifying as at risk the wage and step  
8 freeze, am I reading your report wrong?

9 COMPTROLLER MARAGOS: It's a  
10 potential risk because we don't know what  
11 the outcome is going to be. Whatever the  
12 resulting risk, it cannot be quantified.

13 LEGISLATOR WINK: Madam Presiding  
14 Officer, if I can intervene for a moment  
15 here. The fact of the matter is, what we  
16 are basing our analysis on is what the  
17 county executive's office chose to put out  
18 in a press release about a proposed deal and  
19 the deputy county executive for budget is  
20 here, perhaps he can address some of the  
21 finances of it and determine whether or not  
22 this should be, in fact, part of the 2014  
23 budget.

24 We can't put blinders on when the  
25 county executive's office is running around



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2 with press releases saying they are going to  
3 save all this money and then they don't even  
4 quantify it in the budget that will, in  
5 fact, be impacted by this agreement. That's  
6 the fundamental problem here.

7 CHAIRWOMAN GONSALVES: There is  
8 no agreement, Mr. Wink.

9 LEGISLATOR MUSCARELLA: The  
10 agreement was not attached to any press  
11 release, so you can talk about the press  
12 release all you want, but until this body  
13 has an agreement that's been submitted to  
14 the clerk's office in front of us, I don't  
15 know what that document is, I don't know  
16 whose it is --

17 LEGISLATOR WINK: Well, the  
18 county executive quantified all kinds of  
19 savings that were coming out as a result of  
20 this agreement. Where are they? Where are  
21 they in the 2014 budget?

22 Let's be real about this. If  
23 you're going to govern by press release, as  
24 the county executive has been doing, then he  
25 needs to be held accountable for that. This

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2 document does not account for it.

3 LEGISLATOR MUSCARELLA: We have  
4 haven't even seen that document. We don't  
5 know that it exists.

6 LEGISLATOR WINK: The 2014 budget  
7 does not account for the press release his  
8 office has been putting out claiming all  
9 these savings.

10 LEGISLATOR MUSCARELLA: You don't  
11 budget off a press release.

12 LEGISLATOR WINK: Apparently this  
13 administration does exactly that.

14 CHAIRWOMAN GONSALVES: But this  
15 body is not the county executive. We have  
16 an obligation to look at this document when  
17 it's presented to us. It's not filed in the  
18 clerk's office. Until it is, we are not --

19 LEGISLATOR DENENBERG: First of  
20 all, I was asking questions and let me read  
21 from the report. It says, the 2014 proposed  
22 budget does not include any costs related to  
23 the settlement of litigation between the  
24 county and it's bargaining units regarding  
25 the wage freeze. It says, have reached a

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2 tentative settlement agreement.

3 I'm holding up his report. His  
4 report referred to a tentative settlement  
5 agreement. My only point is that it's not  
6 in the budget.

7 CHAIRWOMAN GONSALVES: Let me  
8 interrupt you. You said according to the  
9 settlement; you didn't say according to  
10 Mr. Maragos' report.

11 LEGISLATOR DENENBERG: Okay.

12 CHAIRWOMAN GONSALVES: And I  
13 would like to know how you got a copy of the  
14 settlement.

15 LEGISLATOR DENENBERG: I will  
16 withdraw it because apparently I don't have  
17 it.

18 CHAIRWOMAN GONSALVES: It would  
19 be against the law if you did have it.

20 LEGISLATOR DENENBERG: I don't  
21 think so. That, I don't think so. But I  
22 will withdraw making it part of the record  
23 since it's in settlement, all right?

24 CHAIRWOMAN GONSALVES: Can we  
25 move on, please, Mr. Denenberg?

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2                   LEGISLATOR DENENBERG: My point  
3 is, we don't have money in the budget for it  
4 right now, correct?

5                   COMPTROLLER MARAGOS: My point is  
6 and what I'm saying is, we do not have a  
7 settlement that I'm aware of in order to  
8 reflect it in the budget. So a settlement  
9 to my knowledge, does not exist.

10                  LEGISLATOR DENENBERG: The  
11 continuation of the wage and step freeze  
12 would be a risk, correct?

13                  COMPTROLLER MARAGOS: Whatever  
14 the outcome is it represents a risk, yes.

15                  LEGISLATOR DENENBERG: And that  
16 risk could be up to \$232 million?

17                  COMPTROLLER MARAGOS: That's  
18 correct. Or nothing. If NIFA prevails, it  
19 will be nothing.

20                  LEGISLATOR DENENBERG: What about  
21 other costs? You said that the proposed  
22 budget also doesn't include any other costs  
23 related to any settlements of litigation.

24                  COMPTROLLER MARAGOS: Where are  
25 you referring?

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2                   LEGISLATOR DENENBERG: The next  
3 paragraph. Or is that the same issue?

4                   COMPTROLLER MARAGOS: It's the  
5 same issue. We are not aware of any other  
6 settlements.

7                   LEGISLATOR DENENBERG: Getting  
8 back to the tax certs, \$230 million is  
9 projected as being borrowed for tax certs  
10 next year?

11                  COMPTROLLER MARAGOS: As the  
12 proposed budget, yes.

13                  LEGISLATOR DENENBERG: So the  
14 proposed budget would have \$230 million  
15 borrowed in 2014?

16                  COMPTROLLER MARAGOS: That's what  
17 the budget indicates.

18                  LEGISLATOR DENENBERG: What is  
19 your opinion on that?

20                  COMPTROLLER MARAGOS: I'm urging  
21 against it.

22                  LEGISLATOR DENENBERG: What is  
23 our backlog right in tax certs?

24                  COMPTROLLER MARAGOS: About \$300  
25 million estimated at the high end.

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2 LEGISLATOR DENENBERG: Say it  
3 again.

4 COMPTROLLER MARAGOS:  
5 Approximately \$300 million.

6 LEGISLATOR DENENBERG: So the  
7 backlog is \$300 million?

8 COMPTROLLER MARAGOS: Estimated  
9 at the high end.

10 LEGISLATOR DENENBERG: We are  
11 projecting to borrow \$230 million?

12 COMPTROLLER MARAGOS: What is the  
13 question, what the relationship between the  
14 two?

15 LEGISLATOR DENENBERG: What are  
16 you suggesting, how are we supposed to pay  
17 down that backlog?

18 COMPTROLLER MARAGOS: I'm  
19 suggesting that we start paying \$50 million  
20 from the operating revenues and another \$50  
21 million annually for a total of \$100 million  
22 to draw down on the long term property tax  
23 liability over a period of years.

24 LEGISLATOR DENENBERG: What do we  
25 do with the \$300 million backlog that we

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2 have now?

3 COMPTRROLLER MARAGOS: You draw  
4 down on it approximately \$50 million a year.

5 LEGISLATOR DENENBERG: So it  
6 stays a backlog, next year it would be 250,  
7 and the year after it would be 200?

8 COMPTRROLLER MARAGOS: That's  
9 correct. And continue to litigate them and  
10 hopefully settle them for significantly  
11 lower amounts. I'm not suggesting that we  
12 go out and write checks for \$300 million.

13 LEGISLATOR DENENBERG: Let's talk  
14 about overtime. The budget has police  
15 overtime at \$50 million, correct? I believe  
16 you have that in your report as well.

17 COMPTRROLLER MARAGOS: That's  
18 correct.

19 LEGISLATOR DENENBERG: What do we  
20 have in the budget, \$50 million?

21 COMPTRROLLER MARAGOS: Yes.

22 LEGISLATOR DENENBERG: Have you  
23 seen reports that this year's overtime would  
24 be about \$63 million?

25 COMPTRROLLER MARAGOS: That's

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2 correct, but they are projecting to hire  
3 additional officers and reduce the overtime.

4 LEGISLATOR DENENBERG: I'm sorry?

5 COMPTROLLER MARAGOS: They're  
6 projecting to hire additional officers and  
7 consequently reduce the overtime.

8 LEGISLATOR DENENBERG: How many  
9 additional officers do you believe we need  
10 to reduce the overtime to keep it at \$50  
11 million?

12 COMPTROLLER MARAGOS: I don't  
13 have that number. I will get you that  
14 number. I don't have it handy.

15 LEGISLATOR DENENBERG: So do you  
16 believe that that's an at risk amount \$50  
17 million instead of 63?

18 COMPTROLLER MARAGOS: I think  
19 it's a more realistic number than we've had  
20 in previous years.

21 LEGISLATOR DENENBERG: \$50  
22 million is more realistic than the 44?

23 COMPTROLLER MARAGOS: Yes.

24 LEGISLATOR DENENBERG: Or what  
25 was it last year?



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2                   COMPTROLLER MARAGOS:   Less than  
3   that.

4                   LEGISLATOR DENENBERG:   Okay.  
5   Hold on.

6                   CHAIRWOMAN GONSALVES:   Anyone  
7   else have questions of Mr. Maragos?  
8   Legislator DeRiggi-Whitton.

9                   LEGISLATOR DERIGGI-WHITTON:   I  
10   only got up to page seven as quick as I can  
11   read, and I'm glad you're coming back to  
12   testify because there is a question with  
13   this early intervention special education  
14   difference.

15                   I understand that it's being  
16   dropped by \$30 million and part of it is  
17   because the caregivers are going to be paid  
18   directly and part it might be getting less  
19   from the state.   But it's a significant  
20   change.   I just also noticed that when you  
21   -- I really think that a lot of -- we should  
22   have the youth bureaus come down and be  
23   aware of that.

24                   But when you summarize it, it  
25   says there is a decrease of \$9.2 million in

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2 health department, is due to change of New  
3 York State procedure of early intervention  
4 program which is a different number than  
5 what you have in your report.

6 COMPTRROLLER MARAGOS: What page  
7 are you on?

8 LEGISLATOR DERIGGI-WHITTON: I  
9 got up to page seven. I haven't read the  
10 rest of your report yet.

11 COMPTRROLLER MARAGOS: What  
12 specific section in the report are you  
13 referring to?

14 LEGISLATOR DERIGGI-WHITTON: In  
15 the early intervention, special education.

16 COMPTRROLLER MARAGOS: Are you  
17 talking about a report? We can't seem to  
18 find it in the report.

19 LEGISLATOR DERIGGI-WHITTON: It's  
20 actually in the executive summary it just  
21 mentions it but I just wanted to compare it  
22 to your report.

23 In the executive summary it  
24 mentions that the early intervention, the  
25 special education is being reduced by \$30

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2 million.

3 Did you address any of this in  
4 your report? It was one of my main  
5 concerns.

6 COMPTROLLER MARAGOS: We didn't  
7 see it as a risk. But I can make a comment  
8 that the experience level in terms of number  
9 of cases is down approximately ten percent  
10 from a year ago. And social service cases  
11 are down about four percent.

12 LEGISLATOR DERIGGI-WHITTON: On  
13 page ten you're showing that social service  
14 is going down, correct?

15 COMPTROLLER MARAGOS: Is it down?

16 LEGISLATOR DERIGGI-WHITTON: We  
17 are getting a number of reports in one day  
18 but what is that based on?

19 COMPTROLLER MARAGOS: That's the  
20 projected budget for 2014.

21 LEGISLATOR DERIGGI-WHITTON: But  
22 it's down how much?

23 COMPTROLLER MARAGOS: That would  
24 be in the budget. We think that amount of  
25 expenditures is reasonable given the number

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2 of cases so we didn't risk it and highlight  
3 it as having a variance.

4 LEGISLATOR DERIGGI-WHITTON: Have  
5 you had a chance to look at -- do you look  
6 at this other report, the executive budget  
7 report?

8 COMPTROLLER MARAGOS: I haven't  
9 seen that report.

10 LEGISLATOR DERIGGI-WHITTON: So  
11 we really need to collaborate a little here  
12 I think because that's a major change for  
13 some of this.

14 COMPTROLLER MARAGOS: There are  
15 two reports that we reviewed. These two.  
16 We issued our comptroller's report.

17 LEGISLATOR DERIGGI-WHITTON: Do  
18 you understand why there is such a decrease  
19 in the after school.

20 COMPTROLLER MARAGOS: The early  
21 intervention case experience is down  
22 approximately ten percent.

23 LEGISLATOR DERIGGI-WHITTON: It  
24 says more than that here. It's a little bit  
25 more. Why is that?

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2                   COMPTROLLER MARAGOS: I have no  
3 idea. Sorry.

4                   LEGISLATOR DERIGGI-WHITTON: I'm  
5 glad you're coming back because I really  
6 want to have time to read these reports.

7                   COMPTROLLER MARAGOS: I'd be  
8 happy to.

9                   LEGISLATOR DERIGGI-WHITTON: This  
10 is like speed reading, Dale Carnegie will  
11 not get us through in the time allotted.

12                   I also have another question  
13 while you're here since I haven't had a  
14 chance, but I know we are also waiting on  
15 the other report regarding Sandy cleanup,  
16 and especially the list of contractors, do  
17 you have any idea when that is going to be  
18 prepared?

19                   COMPTROLLER MARAGOS: It's in  
20 draft form and it's going through various  
21 reviews so I cannot give you -- hopefully in  
22 the next month.

23                   LEGISLATOR DERIGGI-WHITTON: Do  
24 you think you can -- I would like to just  
25 see it, just pertaining to the budget for

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2 next year. It's a year --

3           COMPTROLLER MARAGOS: We cannot  
4 release it until I'm happy with it that it's  
5 gone through quality control to make sure  
6 it's accurate. Because if it's inaccurate  
7 then I'm responsible for it.

8           LEGISLATOR DERIGGI-WHITTON:  
9 Because I think it would be helpful for  
10 budgeting next year to know what we are  
11 going to be reimbursed. I'm hearing numbers  
12 like \$100 million might be outstanding plus  
13 I have never heard if the insurance issue  
14 has been adjust --

15           COMPTROLLER MARAGOS: I'm sorry.  
16 There's a number of issues you are trying to  
17 mingle together.

18           LEGISLATOR DERIGGI-WHITTON: Only  
19 because I think they all are related when  
20 we're talking about the budget. We need to  
21 account for any gaps.

22           COMPTROLLER MARAGOS: All  
23 incurred expenditures have either been  
24 qualified, paid by the county or either  
25 declared to FEMA for reimbursement. Then

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2 those that have been approved for  
3 reimbursement, we have noted as such.

4 LEGISLATOR DERIGGI-WHITTON:

5 True. But we have only received about 40  
6 percent like we just said before and I know  
7 that the insurance issue was still  
8 supposedly an issue. I haven't even gotten  
9 a list of all the subcontractors. So we  
10 really need that report.

11 I tried to be patient with you.  
12 I understand we really didn't bother you for  
13 a couple of months to give you time. But  
14 now I'm hoping we have this before the  
15 budget because I think the two go hand in  
16 hand.

17 COMPTROLLER MARAGOS: Well, we  
18 gave you the report on the trees and that  
19 work was diligent and it was done.

20 LEGISLATOR DERIGGI-WHITTON: That  
21 was your opinion.

22 COMPTROLLER MARAGOS: It wasn't  
23 an opinion. It was a professional civil  
24 service auditing staff that went out, and --

25 LEGISLATOR DERIGGI-WHITTON: You

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2 know what, I'm glad that you were able to  
3 tell me that every tree that was cut down  
4 should have been cut down. I really am  
5 amazed at that, but that's -- in my opinion,  
6 you're not an arborist and I don't know how  
7 that happened.

8                   COMPTROLLER MARAGOS: I'm not.  
9 That's why we hired -- we have professionals  
10 do it. And neither are you.

11                   LEGISLATOR DERIGGI-WHITTON: That  
12 report is whatever you want to call it.

13                   COMPTROLLER MARAGOS: It's a  
14 professional, well-researched report.

15                   LEGISLATOR DERIGGI-WHITTON: I  
16 don't know. I don't consider it that.

17                   COMPTROLLER MARAGOS: You should  
18 try to find out.

19                   LEGISLATOR DERIGGI-WHITTON: I  
20 would like to see what I requested. We're  
21 coming up on a year anniversary. I know you  
22 have a number of people on your staff that  
23 can help you with this. I know you have  
24 some new hires.

25                   COMPTROLLER MARAGOS: And they



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2 are working diligently.

3 LEGISLATOR DERIGGI-WHITTON: I  
4 really hope so. Because, you know what,  
5 it's a mockery to have a year afterwards and  
6 the legislature, myself, all --

7 COMPTROLLER MARAGOS: I think you  
8 have been provided with loads of  
9 information.

10 LEGISLATOR DERIGGI-WHITTON: No,  
11 we have not. I have never gotten a list of  
12 the subcontractors and we have never gotten  
13 a list of your opinion as to what --

14 CHAIRWOMAN GONSALVES: Okay, I  
15 believe, Mr. Maragos, and I'm going to  
16 interrupt, how many times did you offer your  
17 office for them to come and review the  
18 claims?

19 LEGISLATOR DERIGGI-WHITTON: I  
20 did.

21 COMPTROLLER MARAGOS: And they've  
22 come. My office has always been open to  
23 them.

24 LEGISLATOR DERIGGI-WHITTON: He  
25 was there for a few minutes and I met with

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2 his staff. But I was told that a report was  
3 forthcoming any moment and I did try to be  
4 patient.

5 CHAIRWOMAN GONSALVES: Do you  
6 realize how many claims --

7 LEGISLATOR DERIGGI-WHITTON: No.  
8 I need a report from the comptroller.

9 CHAIRWOMAN GONSALVES: Guess  
10 what, he's not finished doing what he has to  
11 do. Can you relate this to the budget?

12 LEGISLATOR DERIGGI-WHITTON: Yes.  
13 Because if there is a \$100 million gap which  
14 I've kind of been told that there is --

15 CHAIRWOMAN GONSALVES: And we  
16 have reassurances --

17 LEGISLATOR DERIGGI-WHITTON: No.  
18 We never got the subcontractors. We never  
19 found out the insurance with the car  
20 accident or anything else.

21 CHAIRWOMAN GONSALVES: I don't  
22 know if Mr. Sullivan left, but I think  
23 Mr. Sullivan said that he was confident that  
24 we would be able to achieve what we have  
25 asked for.

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2                   LEGISLATOR DERIGGI-WHITTON: I'm  
3 not confident and I'm a legislator and I  
4 have the right to ask for a report if I'm  
5 not confident in a \$100 million -- you might  
6 call it a deficit.

7                   CHAIRWOMAN GONSALVES: As the  
8 deputy county executive said, if you're not  
9 confident, then you should be calling  
10 Senator Schumer and Senator Gillibrand.

11                   LEGISLATOR DERIGGI-WHITTON: No.  
12 I want my own comptroller, who is an  
13 independent party, although he didn't meet  
14 with us prior to this meeting, I would like  
15 to have him give me his opinion, which is  
16 what his job is, on a specific matter that  
17 I, as a legislator, have a question on.

18                   Mr. Maragos, you understood my  
19 question I'm sure, my request? I see you  
20 all over, I know you are very busy.

21                   COMPTROLLER MARAGOS: I don't  
22 know what your question is.

23                   LEGISLATOR DERIGGI-WHITTON: My  
24 question is, when is the report going to be  
25 due and you said in about a month or so?

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2                   COMPTROLLER MARAGOS:   And I said  
3   it --

4                   LEGISLATOR DERIGGI-WHITTON:   And  
5   I would request that it be prior to that.  I  
6   would like to have it in conjunction with  
7   voting on this budget.

8                   COMPTROLLER MARAGOS:   It's not  
9   ready.  It's not going to be ready.

10                  LEGISLATOR DERIGGI-WHITTON:  
11   Well, it's pertaining to what we are  
12   estimating for next year.  And if we're not  
13   reimbursed, I'm sure that even if your staff  
14   could help with something as far as a  
15   preliminary report --

16                  COMPTROLLER MARAGOS:   It has  
17   nothing to do with the budget.

18                  LEGISLATOR DERIGGI-WHITTON:   Yes,  
19   there is.  If there is a discrepancy and  
20   this was cash that we spent out of our  
21   operating money, then we need to know how we  
22   are going to make up for that.

23                  COMPTROLLER MARAGOS:   I'm sorry.  
24   There is no provision in the budget.  The  
25   amounts that have been included in the

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2 budget for both 2013 and 2014 are only items  
3 that have been approved by FEMA for  
4 reimbursement.

5 LEGISLATOR DERIGGI-WHITTON:

6 Well, again, I think I have been more than  
7 patient and I sent numerous correspondence.  
8 I did meet with your office and I did get  
9 some information but we do expect this  
10 report. And, Mr. Maragos, as a comptroller,  
11 I really do think it's part of your  
12 obligation.

13 CHAIRWOMAN GONSALVES: Carrie  
14 Solages.

15 LEGISLATOR SOLAGES: Mr. Maragos,  
16 your job as comptroller, isn't it your job  
17 to server the checks and balances with the  
18 legislative branch and also the executive  
19 branch?

20 COMPTROLLER MARAGOS: Yes, it is.

21 LEGISLATOR SOLAGES: Have you  
22 reviewed this report?

23 COMPTROLLER MARAGOS: I have  
24 never seen that report.

25 LEGISLATOR SOLAGES: You have

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2 never seen that before?

3 COMPTRROLLER MARAGOS: Correct.

4 LEGISLATOR SOLAGES: So is it  
5 safe to say that as of today you could not  
6 serve as a checks and balances?

7 COMPTRROLLER MARAGOS: You're  
8 asking me a question about that report and I  
9 said I haven't seen that report. What does  
10 that have to do with the checks and  
11 balances?

12 CHAIRWOMAN GONSALVES: Legislator  
13 Carrie Solages, this is an independent  
14 report from the Office of Legislative Budget  
15 Review, all right, and his commission is to  
16 report to us. That's why it's called the  
17 Office of Legislative Budget Review.  
18 Correct? Yes.

19 So that's why Mr. Maragos would  
20 not have a copy of this.

21 LEGISLATOR SOLAGES: Isn't it  
22 fair to say that he should know what the  
23 Office of Legislative Budget Review is  
24 saying?

25 CHAIRWOMAN GONSALVES: He doesn't

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2 report to the comptroller. He reports to  
3 us.

4 LEGISLATOR SOLAGES: It's not  
5 about reporting. It's about being aware of  
6 what that report says.

7 CHAIRWOMAN GONSALVES: His  
8 obligation, I'm talking about Mr. Maragos,  
9 is to review the budget and give us his  
10 comments regarding that budget. That's his  
11 obligation. His obligation is not to report  
12 on this report.

13 LEGISLATOR NICOLELLO: In my  
14 opinion, it's actually better that they  
15 don't look at the other report before he  
16 submits this report, this way you know it's  
17 his independent, non-biased, he doesn't use  
18 information of somebody else's opinions, so  
19 you have his opinion, the Independent Budget  
20 Review Office, and then we ask the  
21 questions.

22 They get submitted to us and  
23 they're not responsible for comparing their  
24 own reports and coming up with a consensus.  
25 It's better to have two separate opinions.

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2                   LEGISLATOR SOLAGES: That's why  
3 it's also better to receive it beforehand so  
4 that we can have an informed discussion on  
5 it and not for him to hand it on the spot.

6                   LEGISLATOR NICOLELLO: As far as  
7 my recollection, this is always how we have  
8 gotten the comptroller's report. They come  
9 in, make their presentation, give us the  
10 report.

11                   LEGISLATOR SOLAGES: I wasn't  
12 here before. I'm here now. And that's not  
13 the way business should be done. Thank you.

14                   CHAIRWOMAN GONSALVES: Legislator  
15 Jacobs.

16                   LEGISLATOR JACOBS: Mr. Maragos,  
17 you know, I'm listening to everything going  
18 on. You have to understand something. What  
19 I see, and I consider myself a layperson. I  
20 never considered myself an expert finance  
21 person, as you are supposed to be.

22                   The problem I see here is many  
23 loose ends with an enormous price tag at the  
24 end of them. I think the bottom line is  
25 that the concerns are that if any of these



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2 drop through the holes in a safety net, then  
3 any report you do, any budget that's been  
4 handed to us, could be so out of whack --  
5 it's almost not even worth having a hearing  
6 on.

7                   When you're talking about  
8 contracts which our contracts, aren't a  
9 contract, might be a contract, or Newsday is  
10 a contract, may not exist as a contract,  
11 then you're talking about something for  
12 early intervention for children that we have  
13 always been uppermost in our minds, having a  
14 percentage decrease, the monies for it.

15                   Now we're talking about Sandy,  
16 which we all know, we did not take it out of  
17 operating. We agreed to bond for it, a lot  
18 of money because we felt we didn't want to  
19 emulate what was going on in the federal  
20 government where they had disasters and,  
21 while they were fighting, people were  
22 starving. That's not what we wanted to see  
23 happen. So everyone gave their vote for the  
24 bonding. Well, we did. I'm sorry, I was  
25 here on rules, most of the money for the

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2 cleanup.

3                   Now, if we're reimbursed, that  
4 would be phenomenal. But you have to  
5 understand there is frustration here.  
6 Because I was presiding officer for eight  
7 years. When we called a hearing on public  
8 safety for the budget, it was public safety.  
9 We called a hearing on health and human  
10 services, it was health and human services.

11                   I don't remember a time where  
12 either OMB or the comptroller could not talk  
13 to each one of those things. When we are  
14 asked to come to a public safety meeting,  
15 why in the world, seriously, would we be  
16 ready, in a professional way, which you  
17 deserve, to discuss your report which deals  
18 with the whole county?

19                   Bottom line is, I don't know how  
20 you are going to deal with these tremendous  
21 holes if they happen.

22                   COMPTROLLER MARAGOS: The way you  
23 deal with finance and accounting items is  
24 using generally accepted accounting rules.  
25 Not on speculation, not on fear, but on

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2 reasonable assumptions of what the facts  
3 are. That's what I try to do and the staff  
4 in the comptroller's office tries to do in a  
5 very professional, independent and  
6 transparent manner and that's what we have  
7 been reporting on, very consistently and  
8 very professionally.

9 LEGISLATOR JACOBS: Do you  
10 believe though there should have been in the  
11 contingency line the realization of what  
12 might happen here?

13 COMPTROLLER MARAGOS: A lot of  
14 things can happen. You can never deal in  
15 hypotheticals. You have to deal with  
16 reasonable assumptions on what you expect to  
17 happen and what you expect to have a  
18 liability for, in the same sense that you  
19 try to anticipate reasonably what your sales  
20 tax revenues, property tax revenues are  
21 going to be. Those are all reasonable  
22 assumptions that you make given past history  
23 and reasonable expectations.

24 LEGISLATOR JACOBS: But do you  
25 think it's hypothetical to talk about a

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2 possibility of an agreement with the police,  
3 do you think it's hypothetical to talk about  
4 the hope that we have that FEMA will  
5 reimburse? By the way, I want to correct  
6 something.

7                   COMPTROLLER MARAGOS: Absolutely.  
8 Let me take one at a time, absolutely.

9                   The detailed project work sheets  
10 that conform to FEMA reimbursement rules  
11 have been submitted. FEMA has signed off on  
12 the level of reimbursement and the balance  
13 of the expenditures has been recorded as  
14 current expenditures in the 2013 budget.  
15 That's exactly the way it should be done and  
16 the process all along was under the purview  
17 of our outside auditors.

18                   So it is being done correctly  
19 according to generally accepted accounting  
20 principals with total expectation as  
21 confirmed by NIFA formally that the county  
22 will be reimbursed for 95 percent of the  
23 expenditures

24                   LEGISLATOR JACOBS: That's a  
25 definite?

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2                   COMPTROLLER MARAGOS: 90 percent.

3                   LEGISLATOR JACOBS: 95 percent?

4                   COMPTROLLER MARAGOS: 90 percent,  
5                   sorry.

6                   LEGISLATOR JACOBS: That's  
7                   definite?

8                   COMPTROLLER MARAGOS: Yes. As  
9                   per approved worksheets.

10                  LEGISLATOR JACOBS: I think the  
11                  missing tie-in here is just the recognition  
12                  of how many things are standing aside out  
13                  there that may not come to fruition and  
14                  where that money is going to come from in  
15                  the middle of the year --

16                  COMPTROLLER MARAGOS: The biggest  
17                  risk is what happens with the wage freeze.  
18                  That is under litigation. And how that is  
19                  resolved, whether it's settled or it's  
20                  litigated and what the outcome is, and we  
21                  cannot predict that. We can only identify  
22                  what is potentially the worst case in  
23                  liability to the county. But it cannot be  
24                  quantified in an accounting sense.

25                  LEGISLATOR JACOBS: And you're

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2 pretty confident about the 90 percent  
3 payback from FEMA being solid?

4           COMPTROLLER MARAGOS: Yes.  
5 They've approved the worksheets.

6           LEGISLATOR JACOBS: Look, I want  
7 to clear one thing up on the record. The  
8 cleanup I believe was done out of operating.  
9 Everything else was done from bonding on  
10 Sandy. I'm not saying either one is great,  
11 I'm just saying that hopefully we get  
12 everything back. I'm on your side with  
13 that. I would like it to be 100 percent.

14           But I just wanted to express my  
15 concern to you and why I think everybody is  
16 a little -- the nerves are frayed because we  
17 came here for one thing and we are being put  
18 into a position where we are hearing  
19 everything. We're hearing from you on the  
20 whole budget and Tim and everybody else, and  
21 that that is -- I never, in eight years, I  
22 never remember that happening.

23           CHAIRWOMAN GONSALVES: I have to  
24 interject, Judy. I did discuss it with  
25 minority leader and he was well aware of the

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2 fact that we would have Mr. Sullivan and  
3 Mr. Maragos and only one committee which  
4 would be public safety. That's where it was  
5 at. It's not his fault, your fault, my  
6 fault, but it was conveyed to Mr. Abrahams  
7 regarding how we would proceed. It was not  
8 done in a vacuum.

9 LEGISLATOR JACOBS: Well, since  
10 he's not here, I can't speak to that. But I  
11 can tell you from now on, I think it would  
12 be good for the public to know what we're  
13 doing instead of just thinking it's a public  
14 safety hearing. That's all.

15 I'm just saying, if you're  
16 putting out a notice, it should be not only  
17 the notice of public safety hearing, but  
18 including a notice that the entire budget is  
19 being presented.

20 CHAIRWOMAN GONSALVES: Next week  
21 we already know, and I think, where ever the  
22 clerk is, that we will have two departments  
23 and that's human services and DSS.

24 LEGISLATOR JACOBS: And there  
25 won't be an anybody from here to ask until

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2 the 28th? The hearing is awfully late.  
3 Very close to the 30th.

4 CHAIRWOMAN GONSALVES: As long as  
5 we have sufficient time to do it.

6 CHAIRWOMAN GONSALVES:  
7 Legislator Nicoletto.

8 LEGISLATOR NICOLELLO: Thank you.  
9 I just wanted to comment a little on  
10 Legislator Jacobs' references to how we did  
11 things in the past. This is not an exact  
12 science and we're never going to get it  
13 perfect, but we used to have hearings with  
14 the different committees, for example,  
15 Public Safety Committee would meet and  
16 consider the public safety elements of the  
17 budget, but if you weren't on that  
18 committee, you didn't get a chance to ask  
19 any questions.

20 So the benefit to doing it as a  
21 whole is that every legislator has an  
22 opportunity to ask questions and on every  
23 area. I think the reason why it's called  
24 the public safety hearing at this time, it  
25 was simply a carryover from the way it used



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2 to be. We attempted to keep some of the  
3 structure in place. That's number one.

4 Number two, again, I remember  
5 getting the reports as the comptroller and  
6 as the individuals sat down. I think we  
7 knew at that point because we had the  
8 budget, at least our staff had prepared us  
9 well enough that we could intelligently ask  
10 questions. And, as shown here, because  
11 there was some half hour questioning of  
12 Mr. Maragos, even despite just handing up  
13 his report, so I don't really believe that  
14 that is as big an issue as it is, but, in  
15 any event, the presiding officer has agreed  
16 that Mr. Maragos and Mr. Sullivan will be  
17 back to answer questions. Thank you.

18 CHAIRWOMAN GONSALVES: Anyone  
19 else? Mr. Maragos, thank you.

20 COMPTROLLER MARAGOS: Thank you  
21 very much.

22 CHAIRWOMAN GONSALVES: Thank you  
23 to your staff. We have four other  
24 departments of public safety and I will  
25 begin with the correctional center. We have

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2 I believe Sheriff Sposato.

3 Good afternoon, sheriff. And you  
4 have with you?

5 CAPTAIN SATHER: Captain Keith  
6 Sather.

7 CHAIRWOMAN GONSALVES: Just give  
8 us an overview of the budget for the  
9 correctional center, please.

10 SHERIFF SPOSATO: Presiding  
11 Officer Gonsalves, Minority Leader Abrahams,  
12 legislators, thank you for having me here  
13 today.

14 The office of the sheriff is  
15 committed to maintaining a safe and secure  
16 environment for staff and inmates alike  
17 through the implementation of management  
18 strategies that are cost effective to  
19 promote safety at the same time as well as  
20 through the efficient utilization of  
21 resources.

22 The department's 2014 budget  
23 remains relatively flat as compared to 2013.  
24 The department's 2014 expenses have been  
25 budgeted at \$146.2 million as compared to

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2 2013, 146.9 which represents a .7 percent  
3 decrease as compared to last year.

4 The budget includes a uniform  
5 head count reduction of 22 while maintaining  
6 it's 2013 overtime budget of 16.2 million.

7 The 2014 budget includes a slight  
8 increase in our equipment and food lines due  
9 to an anticipated increase in the food  
10 costs.

11 On the revenue side, the  
12 department has budgeted \$14.6 million  
13 through fines and forfeitures, federal  
14 inmates, Suffolk inmates, and state aid  
15 reimbursement.

16 The SCAP reimbursement has  
17 remained flat at \$2.6 million while the  
18 department has budgeted \$500,000 for Suffolk  
19 inmates and \$5.2 million for federal  
20 inmates.

21 At this time I would like to  
22 thank you for your attention and answer any  
23 questions you might have.

24 CHAIRWOMAN GONSALVES: Any  
25 questions of the sheriff? Legislator Wink.

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2                   LEGISLATOR WINK: Good afternoon,  
3 Sheriff Sposato. Let me ask you, I've  
4 gotten words about the fleet of vehicles  
5 that the correction center has available to  
6 it. Can you tell me how many vehicles were  
7 purchased in 2012? I'm not going to hold  
8 you to a specific number but was it more  
9 than a couple?

10                   SHERIFF SPOSATO: Let me just  
11 state that our -- we do have an aging fleet  
12 of vehicles in the prior administration's  
13 last four years. We didn't order one  
14 vehicle. We started ordering vehicles again  
15 in 2010. We have ordered them every year  
16 since. We have about \$1.3 million that we  
17 put in for for vehicles for this year, but  
18 for the number for exact for 2012 --

19                   LEGISLATOR WINK: I'm not asking  
20 what was budgeted for in 2012. I'm asking,  
21 how many were actually obtained in 2012?

22                   SHERIFF SPOSATO: Roughly 25.

23                   LEGISLATOR WINK: 25. What  
24 nature were those vehicles?

25                   SHERIFF SPOSATO: What do you

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2 mean?

3 LEGISLATOR WINK: What were they  
4 used for? For example, were any of them  
5 inmate transport vehicles?

6 SHERIFF SPOSATO: They're Crown  
7 Victorias. We ordered two buses.

8 LEGISLATOR WINK: Are the buses  
9 for inmate transport?

10 SHERIFF SPOSATO: Yes.

11 LEGISLATOR WINK: But the Crown  
12 Vics are for, I imagine, under sheriffs and  
13 things like that?

14 SHERIFF SPOSATO: We have deputy  
15 sheriffs that use any supervisor of a unit  
16 get a Crown Vic. The deputy sheriff all  
17 have Crown Vics and our civil division some  
18 of the units do use Crown Vics.

19 LEGISLATOR WINK: But the Crown  
20 Vics aren't used for inmate transport?

21 SHERIFF SPOSATO: Some are. If  
22 they are going over to the hospital. Some  
23 are.

24 LEGISLATOR WINK: There's  
25 passenger vehicles like that?

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2 SHERIFF SPOSATO: Yes.

3 LEGISLATOR WINK: How about in  
4 2013?

5 SHERIFF SPOSATO: We have nothing  
6 -- we have \$1.3 million we put in for for  
7 2013. We haven't received any vehicles at  
8 this point.

9 LEGISLATOR WINK: So you haven't  
10 got any to date?

11 SHERIFF SPOSATO: No.

12 LEGISLATOR WINK: Are there any  
13 on order?

14 SHERIFF SPOSATO: As I said, we  
15 submitted \$1.3 million for vehicles.

16 LEGISLATOR WINK: So you have  
17 requested a bunch, but you haven't seen  
18 anything yet?

19 SHERIFF SPOSATO: No.

20 LEGISLATOR WINK: Any reason to  
21 believe that you're going to see anything by  
22 the end of the year?

23 SHERIFF SPOSATO: We're hoping,  
24 but, you know -- keep in mind this is a  
25 fleet that we are playing catch up. We did

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2 not order one vehicle in the prior four  
3 years of this administration. So it's not  
4 like every year we are updating the fleet.  
5 We have an aging fleet.

6 LEGISLATOR WINK: Except this  
7 year?

8 SHERIFF SPOSATO: Yes, we have it  
9 in for this year.

10 LEGISLATOR WINK: I mean, we can  
11 talk about the past all we want.

12 SHERIFF SPOSATO: We haven't  
13 received one vehicle for this year.

14 LEGISLATOR WINK: What is being  
15 projected for 2014, is it still \$1.3  
16 million, for 2014, according to the proposed  
17 budget?

18 SHERIFF SPOSATO: All the  
19 vehicles are out of the capital budget. My  
20 operating budget doesn't have any vehicles  
21 in '13 or '14.

22 LEGISLATOR WINK: What was the  
23 \$1.3 million --

24 SHERIFF SPOSATO: That's what we  
25 submitted for '13.

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2                   LEGISLATOR WINK:    Operating or in  
3 capital?

4                   SHERIFF SPOSATO:    No.    I don't  
5 have any vehicles out of my operating budget  
6 in '13 or '14.    It's a capital plan I submit  
7 but nothing comes out of my personal budget.

8                   LEGISLATOR WINK:    Okay.    And,  
9 yet, you made a request for \$1.3 million as  
10 part of the capital plan for 2013?

11                  SHERIFF SPOSATO:    Correct.

12                  LEGISLATOR WINK:    None of that  
13 has been filled --

14                  SHERIFF SPOSATO:    But my personal  
15 budget, my budget doesn't have that in  
16 there.

17                  LEGISLATOR WINK:    Okay.    I'm  
18 asking you about the existing fleet and your  
19 reference to replenish that fleet, modernize  
20 that fleet.    What I'm hearing is, I  
21 understand it's not directly part of your  
22 budget but it is part of the capital plan --

23                  SHERIFF SPOSATO:    I request the  
24 vehicles into the capital plan.    I'm telling  
25 you what I requested for this year.    But you



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2 are asking me what's in my budget, nothing  
3 is in my budget. I don't have any money in  
4 my budget for vehicles.

5 LEGISLATOR WINK: I'm asking,  
6 what efforts are being made to modernize the  
7 existing fleet you have?

8 SHERIFF SPOSATO: We are updating  
9 the fleet every year, like I stated.

10 LEGISLATOR WINK: Except this  
11 year?

12 SHERIFF SPOSATO: No. Every year  
13 we do it. We submitted \$1.3 million for  
14 this year.

15 LEGISLATOR WINK: And it hasn't  
16 come through yet and you said you're hoping  
17 that --

18 SHERIFF SPOSATO: The difference  
19 between not having come through, we put in  
20 the request for the vehicles. I haven't  
21 received --

22 LEGISLATOR WINK: Sheriff, I'm  
23 asking you what have you received this year  
24 in terms of attempts to update your fleet,  
25 and what you've said is, to date, you have

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2 received nothing and you hope to receive by  
3 the end of the year.

4 SHERIFF SPOSATO: I think you  
5 have to approve the bonding, I believe, but  
6 at the end of the day out of my personal  
7 budget, the vehicles don't come out of.

8 LEGISLATOR WINK: Do you have any  
9 reason to believe that that bonding has been  
10 put before this legislature?

11 SHERIFF SPOSATO: No.

12 LEGISLATOR WINK: Because I have  
13 no reason to believe that at this point.

14 SHERIFF SPOSATO: Okay.

15 LEGISLATOR WINK: Forgive me, I  
16 know you said you added 25 vehicles in 2012.  
17 How many vehicles do you have overall in  
18 your fleet?

19 SHERIFF SPOSATO: About 200.

20 LEGISLATOR WINK: At any given  
21 moment, how many of them are actually out of  
22 service?

23 SHERIFF SPOSATO: I can get you  
24 that, I don't have it right with me.

25 LEGISLATOR WINK: Is it two or

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2 three, is it 20?

3 SHERIFF SPOSATO: I'm not going  
4 to tell you something that I don't have the  
5 answer to. I'll get you the answer. I'll  
6 send it to you. Do you have the answer?

7 LEGISLATOR WINK: I'm asking the  
8 question because people were complaining  
9 about the conditions of the fleet at the  
10 correctional center. It sounds like, based  
11 on your comments, you don't dispute that.

12 SHERIFF SPOSATO: I'm not  
13 disputing that we have an aging fleet,  
14 that's why we're replacing them. But,  
15 again, we're talking about the past also.  
16 We didn't order one vehicle in four years  
17 prior to this administration. So we  
18 wouldn't have an aging fleet if we would  
19 have done that. That's just the reality.

20 LEGISLATOR WINK: Do you know how  
21 many you replaced in 2011?

22 SHERIFF SPOSATO: I will get you  
23 everything we got since 2010, 2011, tell me  
24 what you want.

25 LEGISLATOR WINK: Give me since

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2 2009. That will be fine.

3 SHERIFF SPOSATO: I will get the  
4 prior also.

5 LEGISLATOR WINK: Thank you very  
6 much.

7 CHAIRWOMAN GONSALVES: Any other  
8 questions? Legislator Solages.

9 LEGISLATOR SOLAGES: The OLBR  
10 report highlights two risks in the revenue  
11 of correction service budget. The budget  
12 assumes federal inmates equating \$5.1  
13 million in revenue while the OMBR report  
14 projects a revenue of only 3.9 million  
15 assuming a total of 65 federal prisoners.

16 What is the basis for projecting  
17 federal inmate level of 85?

18 SHERIFF SPOSATO: I'm budgeted  
19 for 85.

20 LEGISLATOR SOLAGES: What is the  
21 basis of that? I'm looking at another  
22 report that has a basis of 65.

23 SHERIFF SPOSATO: I don't know  
24 what report you are looking at.

25 CHAIRWOMAN GONSALVES: Looking at

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2 the Office of Independent Budget Review.

3 LEGISLATOR SOLAGES: OLBR report.

4 SHERIFF SPOSATO: The revenue for  
5 the federal inmates in the Suffolk intakes  
6 is not a number I personally control. We  
7 request inmates. I'm assuming they are  
8 getting that from the average we have had to  
9 date from January of this year. We budgeted  
10 for 85.

11 LEGISLATOR SOLAGES: I  
12 understand. Similarly, the administration  
13 has budgeted \$500,000 in revenue for housing  
14 Suffolk County inmates. This revenue never  
15 materialized in 2013.

16 Why does the administration think  
17 it will be materialized in 2014?

18 SHERIFF SPOSATO: Because for  
19 \$500,000, the answer is, there's ten inmates  
20 per day, and we average, we have like two or  
21 three, but I believe we can get to ten so  
22 that's why I put the \$500,000 in there. Not  
23 a lot of inmates from Suffolk.

24 LEGISLATOR SOLAGES: I  
25 understand. Off record I would like to

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2 schedule a visit to the facility if  
3 possible.

4 SHERIFF SPOSATO: Let me know  
5 when.

6 LEGISLATOR SOLAGES: Thank you  
7 very much.

8 CHAIRWOMAN GONSALVES: Any other  
9 legislators? Legislator Jacobs.

10 LEGISLATOR JACOBS: Hi sheriff.  
11 I just want to ask you one thing. On the  
12 staffing chart that you have here, we were  
13 just discussing that under the uniform staff  
14 you're down 21 people in this budget.

15 SHERIFF SPOSATO: Yes.

16 LEGISLATOR JACOBS: In the  
17 civilian you are down four. Let's see where  
18 we are after that. In your office, uniform  
19 down only one, I guess, and civilian --

20 SHERIFF SPOSATO: That's the  
21 deputy sheriff. That's the front office.

22 LEGISLATOR JACOBS: Okay. Let me  
23 ask you this. Will any of this have an  
24 impact on overtime when you are down that  
25 much?

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2                   SHERIFF SPOSATO: No. It's the  
3 way we manage. When this administration  
4 came in in 2010, we had a 1,061 in the COBA  
5 union, and we have like 933 today, but we  
6 are going to make our budget. I believe we  
7 can reduce that head count, I still believe  
8 I will make the budget again. So I don't  
9 believe it will.

10                   LEGISLATOR JACOBS: With  
11 everyone's safety in place?

12                   SHERIFF SPOSATO: Yes.

13                   LEGISLATOR JACOBS: I consider it  
14 like a question. You know, how low can you  
15 go and ensure --

16                   SHERIFF SPOSATO: We are doing  
17 the best we can. There is consolidation.  
18 Obviously our inmate count is down from  
19 prior years. So there is a million reasons  
20 why if the head count is reduced that we can  
21 still make our overtime budget. We've done  
22 it this year, we're going to make our budget  
23 this year.

24                   LEGISLATOR JACOBS: It's down a  
25 lot. That's the problem.

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2 CHAIRWOMAN GONSALVES: Any other  
3 legislator?

4 (No verbal response.)

5 There being none, thank you,  
6 sheriff.

7 SHERIFF SPOSATO: Thank you.

8 CHAIRWOMAN GONSALVES: The next  
9 department will be fire marshals and we have  
10 chief of the fire marshals, Scott Tusa, here  
11 with us today and I'm sure he's accompanied  
12 by an assistant chief. Welcome. It's been  
13 a long day but, you know what, we get  
14 through it. Who do we have as your  
15 assistant here?

16 CHIEF TUSA: With me this  
17 afternoon is Assistant Chief Fire Marshal  
18 Michael Yataro.

19 CHAIRWOMAN GONSALVES: Welcome,  
20 Michael. An overview of your budget as  
21 well.

22 CHIEF TUSA: Presiding Officer  
23 Gonsalves and members of the legislature,  
24 thank you for this opportunity to testify  
25 today.



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2           The fire marshal's office  
3 continues to provide support services to  
4 Nassau County's 71 fire departments. These  
5 emergency services include fire  
6 investigation, fire inspection, fire  
7 prevention, hazmat response and mitigation  
8 and dispatching of fire departments and  
9 ambulance calls.

10           With a reduced staff, the  
11 department will still generate more revenue  
12 this year than it has ever before. This  
13 years proposed budget, 2014's proposed  
14 budget is slightly higher than this years  
15 budget due mostly to increased operating  
16 expenses of supplies and contractual  
17 obligations.

18           This budget is a budget that I'm  
19 comfortable with and I think I can live with  
20 it.

21           CHAIRWOMAN GONSALVES: Any  
22 questions of Chief Tusa? Legislator Dunne.

23           LEGISLATOR DUNNE: While I have  
24 you here, New York Lizing have you met with  
25 them at all? It's an organization

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2 distributes FEMA money throughout the state  
3 of New York State. They are here in Nassau  
4 County doing a few hearings here and there.  
5 I think they're going to have a hearing here  
6 in this chamber within the next week, on the  
7 19th, I believe it is, so my question is,  
8 during a storm like we had with Sandy, Irene  
9 too, but do we need for evacuation, and  
10 that's under your purview, evacuations, a  
11 couple of more boats for Nassau County Fire  
12 Department, not Nassau County, for our local  
13 volunteer fire departments that you would  
14 suggest, like Wantagh has the biggest area  
15 of water I think out of all the fire  
16 departments, is that something that can be  
17 safely asked for?

18 I think they have like 11, \$13  
19 million that we can get our hands on for  
20 certain things. Evacuation is important in  
21 the shore areas, north and south shore. So  
22 you not knowing about that, do you know  
23 about FEMA money coming to us from the  
24 federal government through the state?

25 CHIEF TUSA: No, I do not.

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2                   LEGISLATOR DUNNE:  So that's not  
3 built in any of your budget at all?

4                   CHIEF TUSA:  No, it's not.

5                   LEGISLATOR DUNNE:  Then no other  
6 questions are necessary.  Thank you.

7                   CHAIRWOMAN GONSALVES:  Any other  
8 legislator?

9                   (No verbal response.)

10                   There being none, chief, thank  
11 you.  Thanks for being here.

12                   We have now I believe probation.

13                   MR. FOWLE:  John Fowle, probation  
14 director.  With us today, Doug Lanceman, our  
15 financial officer.

16                   CHAIRWOMAN GONSALVES:  Thank you,  
17 welcome.  A brief overview.

18                   MR. FOWLE:  I have a brief  
19 statement and we will be happy to answer any  
20 questions.  As you know, probation's budget  
21 now includes probation services and the  
22 juvenile detention center.

23                   In 2013, probation's budget was  
24 \$18.65 million.  We had a head count of 217  
25 including 198 full time and 19 part-time

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2 employees.

3           For 2014, we are budgeted at just  
4 under \$19.25 million, approximately \$600,000  
5 more than 2013. Our 2014 head count remains  
6 at 217 with 200 full time and 17 part-time  
7 employees.

8           Of the \$19.25 million, \$4.1  
9 million covers JDC operations. The 3.2  
10 percent increase in spending from 2013 to  
11 2014 is primarily in the form of ISAs  
12 associated with JDC operating costs.

13           Probation's projected 2014  
14 revenue consisting primarily of state  
15 reimbursement and fees for probation  
16 services is just over \$6.65 million, an  
17 increase of \$56,000 over 2013.

18           Revenue represents nearly 35  
19 percent of the 2014 probation budget  
20 reducing the net local cost of state  
21 mandated probation and juvenile detention  
22 services from 19.25 million to 12.6 million.

23           This is an incredible value by  
24 any measure and especially given the scope  
25 of services we provide. I would be happy to

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2 detail the services in the interest of time.

3 I would like to just conclude by  
4 commenting, in 2014, Nassau County probation  
5 will continue to improve offender outcomes  
6 while preserving system capacity for those  
7 individuals who need our help the most.

8 The 2014 budget provides  
9 probation with the resources to meet or  
10 exceed all New York State Division of  
11 Criminal Justice Services and Office of  
12 Children and Family Services mandates in a  
13 manner that best meets the needs of the  
14 offenders, the employees and the community.  
15 Thank you.

16 CHAIRWOMAN GONSALVES: Any  
17 questions of probation? Legislator Dunne.

18 LEGISLATOR DUNNE: Quick  
19 question. The numbers of, let's say,  
20 clients that you have --

21 MR. FOWLE: Probationers.

22 LEGISLATOR DUNNE: Probationers,  
23 okay. How much of those numbers are  
24 repeated offenders, recidivism?

25 MR. FOWLE: Depending on how many

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2 years out you look, generally Nassau  
3 probation has one of the lowest recidivism  
4 rates in the state. Our outcomes are  
5 significantly higher than state averages.  
6 In the worst case, we are looking at about  
7 20 percent recidivism rate which seems high  
8 but compared to other jurisdictions, we're  
9 actually doing very well.

10 I think it's reflective of both  
11 our probationers and probation officers  
12 having a higher level of accountability now  
13 than they had in past administrations and we  
14 are very proud of that success.

15 LEGISLATOR DUNNE: So you said we  
16 had the highest rate. Now you're saying --  
17 okay, we have the lowest rate. I thought  
18 you said highest.

19 MR. FOWLE: I'm sorry, no, our  
20 rate is really quite low compared to the  
21 other jurisdictions. I'm just saying that  
22 it might seem high to say that one out of  
23 five offenders is coming back into the  
24 system. But compared to other jurisdictions  
25 it's actually a very low rate.

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2                   LEGISLATOR DUNNE:   That's what I  
3 wanted to hear.   Thank you.

4                   CHAIRWOMAN GONSALVES:   Any other  
5 questions?

6                   (No verbal response.)

7                   CHAIRWOMAN GONSALVES:   Thank you  
8 again.   Now we have OEM.   Just commenting on  
9 how well informed OEM keeps us.

10                  LEGISLATOR JACOBS:   It's not on a  
11 monthly basis, it's on a daily basis.  
12 Appreciate it in a bipartisan way because we  
13 were just saying, the two of us, must hear  
14 from you every day, if not every day, every  
15 other day.   It's helpful.

16                  CHAIRWOMAN GONSALVES:   And the  
17 great job you did also with Sandy.   So you  
18 are?

19                  MR. DELANEY:   Thomas Delaney.  
20 Mr. Craig Craft apologizes for not being  
21 here.   Unfortunately he is in Plainview  
22 Hospital, been there for the past couple of  
23 days.   Will be getting out though with some  
24 care in the next few days.

25                  CHAIRWOMAN GONSALVES:   Send him

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2 our regards, please.

3 MR. DELANEY: Will do. Just to  
4 cut to the chase on our budget. It's  
5 unchanged pretty much from 2013 to 2014.  
6 Our head count remains at ten. Although we  
7 do have one part timer this year. Total  
8 salary is 827, a little over \$827,000. Of  
9 that, we get federal aid for \$778,000, a  
10 little over that. So we use our grant funds  
11 very effectively to offset our salary.  
12 Other than personal services line is  
13 \$15,000. Again, we use our grant funds very  
14 effectively to manage the department. Any  
15 questions?

16 LEGISLATOR DUNNE: Just one.

17 CHAIRWOMAN GONSALVES: Legislator  
18 Dunne.

19 LEGISLATOR DUNNE: Craig Craft  
20 was very helpful getting the Safer Grant for  
21 the college. That really doesn't have a lot  
22 to do with OEM, but it does, because it ties  
23 in with firemen and all. Are we going to  
24 get the Safer Grant next year? Did he  
25 mention that at all?



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2 MR. DELANEY: I applied for it  
3 personally, wrote up the grant application.  
4 Put a lot of work into it. Last year I  
5 applied. We were not successful with it.  
6 This year we have to really leverage our  
7 local congressmen, senators, to assist with  
8 making ourselves noticed.

9 CHAIRWOMAN GONSALVES: I think,  
10 Legislator Dunne, you should know that the  
11 college has stepped up to the plate to  
12 continue the program for this year.

13 LEGISLATOR DUNNE: In the event  
14 we get the grant, then they don't have to.

15 CHAIRWOMAN GONSALVES: That's  
16 right. In the meantime, it gives us some  
17 breathing space to get the monies that we  
18 can get from the other municipalities.

19 MR. DELANEY: We are going to  
20 help with that that's why it's going to take  
21 place, because we are going to provide  
22 hardening to the college. We are all  
23 concerned about active shooter incidents,  
24 and that's one of the things we're looking  
25 at, how we can help provide protection to

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2 the college to prevent incidents like that,  
3 mitigate against it.

4 LEGISLATOR DUNNE: My next  
5 question is, during Sandy, the horrible  
6 storm Sandy, the office worked well,  
7 absolutely quite well. I was there quite  
8 often at the OEM headquarters.

9 The response we got every single  
10 day from LIPA was everybody has the same  
11 problem so there's nothing we can do up and  
12 down the East Coast. Are we going to have  
13 different people that will respond  
14 differently or, if we don't get the proper  
15 response, is there anything we can do to  
16 force better responses from the people that  
17 are working at your headquarters or are we  
18 stuck with what they give us?

19 MR. DELANEY: I didn't fully  
20 understand that, I thought you were  
21 referencing as far as the utility companies.

22 LEGISLATOR DUNNE: The companies  
23 that are there. Red Cross was great. There  
24 was a shelter, a few people getting fed, you  
25 talk to a person at the Red Cross, and,

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2 boom, they took care of it. You talk to the  
3 people at LIPA, and their answer is, oh,  
4 there's nothing we can do. We have to have  
5 something, get somebody else over there.

6 MR. DELANEY: I don't know. I  
7 can't answer that question. With the change  
8 right now with PSE&G, I can't tell you  
9 exactly how an event may differ or not  
10 differ.

11 LEGISLATOR DUNNE: It was  
12 extremely frustrating to get no answers but  
13 where else would you get answers, but OEM  
14 headquarters.

15 MR. DELANEY: And there are  
16 expectations that our citizens had too being  
17 on like what they felt were prior lists  
18 because of a need for power, let's say they  
19 have oxygen needs to power that equipment.  
20 There is really no such priority. They are  
21 going to restore utilities in a fashion such  
22 that they get the biggest bang for the buck.

23 LEGISLATOR DUNNE: Generators.  
24 We had a supply of generators. Did we order  
25 more generators?

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2 MR. DELANEY: We just did. We  
3 got them in. We bought three extremely  
4 large generators from HO Penn off of the GSA  
5 contract which hopefully New York State is  
6 going to be continuing to adopt. I believe  
7 it's going to expire some time next year.  
8 The opportunity was there for us to get  
9 these. I believe I presented at a prior  
10 hearing in regards to an emergency PO that  
11 was raised for this. They're going to be  
12 used to assist us with our sheltering,  
13 powering needs at the college. They could  
14 be used over at any of our water treatment  
15 plants if power is lost there to provide  
16 partial total power needs. Total power  
17 needs at the plant is huge, but it will  
18 help.

19 LEGISLATOR DUNNE: My final  
20 question is the trailers. We get loans of  
21 trailers I guess from the feds or do we have  
22 to purchase the trailers for housing or  
23 whatever you decide is necessary when a  
24 storm like that hits?

25 MR. DELANEY: When you say

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2 trailers, what do you mean?

3           LEGISLATOR DUNNE:    During New  
4 Orleans they had hundreds of trailers packed  
5 up and wasted.  So I don't know if there are  
6 trailers still waiting around to be used.

7           MR. DELANEY:    The problem with  
8 that, and I think what you're getting at is,  
9 why didn't FEMA allow us to put trailers on  
10 people's front lawns while their homes were  
11 undergoing renovations is because those  
12 homes were a flood zone and they wouldn't  
13 allow you to do that.  That's what prevented  
14 us from doing that.

15                    The other things we looked at to  
16 was, could we use our parks, for example, to  
17 put trailers there.  I think there were  
18 concerns about utilizing the parks for that  
19 purpose.

20           LEGISLATOR DUNNE:    It's not  
21 recreational, so technically --

22           MR. DELANEY:    It was a very  
23 difficult situation on how to utilize them  
24 and also getting them here soon enough.

25                    We had other problems that

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2 existed too. If you recall from Katrina  
3 that some of these trailers had asbestos  
4 problems. There is a multitude of issues.  
5 Nothing is easy.

6 LEGISLATOR DUNNE: Keep up the  
7 good work. Thank you very much.

8 CHAIRWOMAN GONSALVES: Thank you,  
9 Tom. Any other questions?

10 (No verbal response.)

11 CHAIRWOMAN GONSALVES: Have a  
12 pleasant afternoon, what's left of it. The  
13 main attraction of the day, the police  
14 department. Who do we have? Deputy  
15 Commissioner Krumpter. Who is going to be  
16 joining you?

17 COMMISSIONER KRUMPTER: Any  
18 chance there's no questions?

19 CHAIRWOMAN GONSALVES: Possible,  
20 very possible. Are you alone deputy  
21 commissioner?

22 COMMISSIONER KRUMPTER: It's  
23 getting pretty brutal up here.

24 CHAIRWOMAN GONSALVES: You're  
25 going to give us a synopsis of the police

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2 budget?

3 COMMISSIONER KRUMPTER: If I can  
4 just read a brief statement. Good  
5 afternoon, Presiding Officer Gonsalves,  
6 Minority Leader Abrahams, members of the  
7 legislature.

8 The department is currently  
9 staffed at 2,204 sworn members which  
10 includes 34 recruits. As of this morning,  
11 major crime is down .91 percent and total  
12 crime is down 8.45 percent year to day.

13 As of September 30, 2013, the  
14 First Precinct major crime was down 10.2  
15 percent. The Second Precinct major crime is  
16 down .69 percent. Third Precinct major  
17 crime is up .75 percent. Fourth Precinct  
18 major crime is down .34 percent. Seventh  
19 Precinct major crime is up 12.39 percent and  
20 that's primarily driven by grand larcenies.

21 Nassau County Police Department  
22 is the leader in the use of intelligence  
23 lead policing and one implemented strategies  
24 and programs the department uses, an  
25 evidence based approach. The examples of

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2 how we're using intelligence lead policing  
3 today is the CIRRT team and the firearms  
4 initiative in Roosevelt and Uniondale.

5 On March 27th, 2012, the  
6 department established the Criminal  
7 Intelligence Rapid Response Team or CIRRT.  
8 As the task force assigned to the chief  
9 department's office, it was initially  
10 staffed with four detectives and ten police  
11 officers.

12 On May 14th, 2013, the CIRRT team  
13 was made a permanent team and assigned to  
14 the bureau of special operations. The CIRRT  
15 is tasked and based on the intelligence on a  
16 given day. Since the inception, CIRRT has  
17 made 1,575 arrests, that's just over a year  
18 and a half, and recovered 47 firearms.

19 Consistent with the intelligence  
20 lead policing model, the department acquired  
21 and deployed the shot spotter system as part  
22 of the firearms initiative in the Roosevelt  
23 and Uniondale community in 2009.

24 In 2010 the shot spotter system  
25 captured 337 shooting incidents. That could



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2 be one shot or a dozen shots, but there was  
3 337 separate incidents.

4 In 2012, there was a total of 25  
5 incidents in Roosevelt/Uniondale resulting  
6 in a 93 percent reduction in gunshots in  
7 Roosevelt and Uniondale. Definitely the  
8 community has gotten safer. The residents  
9 know it and believe it. The system was  
10 purchased using asset forfeiture funds and  
11 it's an example of how the department is  
12 leveraging technology and fighting crime.

13 An item that's frequently  
14 discussed here is narcotics and marijuana  
15 arrests. During 2012, the department had  
16 made 4,061 drug arrests. This was an  
17 increase of approximately 17 percent over  
18 the 2011 numbers. Year to date, the  
19 department has made 3,606 drug arrests which  
20 will result in a 20 percent increase over  
21 the 2012 drug arrest numbers, and a 37  
22 percent increase over the last two years.

23 The increase in arrest activities  
24 being driven by the bureau of special  
25 operations, CIRRT, and Narcotics Vice

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2 Bureau. It should be noted that there is  
3 indication that there has been any increase  
4 in drug use in the county, and the increase  
5 in arrests is a direct result of increased  
6 enforcement activity by the department.

7 Additionally, the department just  
8 completed an anti-drug video titled  
9 "Impact." You were all provided copies of  
10 the Impact video.

11 To date, we have received very  
12 positive feedback initially. The video will  
13 be provided to schools and other  
14 organizations throughout the county. If you  
15 need any additional copies, please let us  
16 know. This video was actually produced  
17 using asset forfeiture funds and it was the  
18 same organization that produced, the  
19 contract was with the same organization that  
20 produced the biased crimes video that  
21 actually won two major awards.

22 The video is consistent with a  
23 hybrid approach of combatting the drug  
24 problem, wherein, the county department  
25 focuses on education, awareness, and

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2 enforcement, and we're working  
3 collaboratively with the community. The  
4 department continues to fund and support the  
5 Too Good For Drugs Program, which is an  
6 evidence based curriculum and currently 54  
7 school districts have been certified by the  
8 Nassau County Police Department. We fund  
9 using asset forfeiture the curriculum, and  
10 we actually do all the training.

11 It should be noted that the  
12 program was first implemented in 1978 and  
13 currently 3,000 schools across the country  
14 are using the program. The department will  
15 be holding a two day training session on Too  
16 Good For Drugs on November 19th and 20th and  
17 it will be open to all the school districts  
18 in the county.

19 An item of concern that has been  
20 brought up by this body has been the records  
21 management system. The intergraph records  
22 management system was acquired on August  
23 14th, 2006 at a cost of \$3.5 million.  
24 Implementation cost to date is \$1.7 million  
25 for a total cost of \$5.2 million.

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2           The department has had  
3 significant issues with this system since  
4 it's purchased. Two reasons. One, the  
5 software is extremely complex and difficult  
6 to use. The second piece is, it's based on  
7 a Microsoft Foxpro which, as of 2015, will  
8 no longer be supported by Microsoft.

9           With that being said, there is no  
10 objective reason to believe that this system  
11 has driven overtime costs. Year to date  
12 arrest overtime has been flat when compared  
13 to 2012 year to date with approximately  
14 68,000 hours overtime during 2012 and 2013,  
15 year to date, in both years.

16           The department has been working  
17 to improve the system and is moving forward  
18 in the selection of a new system. At this  
19 point, we have looked at a number of records  
20 management systems and established two focus  
21 groups. The first group is comprised of  
22 members of the police department that have  
23 been selected by the unions.

24           Commencing on the week of October  
25 14th, it is anticipated that the group will

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2 be trained on two systems that are currently  
3 finalists and they will be given an  
4 opportunity to process a mock arrest.

5 The second focus group consisting  
6 of members and chiefs of the village police  
7 departments was formed to get their feedback  
8 on different systems they are currently  
9 using.

10 In addition ITU, the Information  
11 Technology Unit in the police department is  
12 vetting all the systems from a technology  
13 standpoint and the executive staff of the  
14 police department has been looking at the  
15 systems from an operations standpoint.

16 We expect to make a  
17 recommendation to the county executive  
18 within the next 30 days where we will  
19 outline a request for a new system and the  
20 capital funding that will be required.

21 The post 2014 budget is  
22 \$781,932,684 of which the district budget  
23 accounts for \$373,451,000 and the  
24 headquarters budget is \$408,481,535.

25 The 2014 budget requests an

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2 increase of \$31,951,000. The total head  
3 count request is 3,052 with a sworn head  
4 count set at 2,275 which is broken down as  
5 follows:

6           There's currently a request for  
7 four ordinance employees, five sworn  
8 ordinance employees, 334 SOA members, 361  
9 DAI members, 1,575 PBA members, and 717 CSEA  
10 members.

11           One item of note, the 2014  
12 budget requests increases the budget of head  
13 count of crossing guards by 60 crossing  
14 guards. The department has hired a class of  
15 crossing guards and is preparing to hire a  
16 second class shortly.

17           The overtime budget request is  
18 \$50 million, an increase of \$6 million over  
19 the 2013 budget. Currently, the 2013  
20 projections range from 58 to \$63 million.

21           The overtime this year was driven  
22 by light work details in investigations. It  
23 is anticipated that the hiring of 150 police  
24 officers and the graduation of 33 recruits  
25 that are currently in training, will provide

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2 significant relief in the overtime area.

3 If you have any questions, I will  
4 be more than happy to answer them.

5 CHAIRWOMAN GONSALVES: Regarding  
6 the crossing guards, how many did you say  
7 the budget includes?

8 COMMISSIONER KRUMPTER: It  
9 increases the total number of 60, I believe  
10 it's about 438 total.

11 CHAIRWOMAN GONSALVES: The 150  
12 new recruits, are they coming off of the  
13 present list or the new list?

14 COMMISSIONER KRUMPTER: The 150  
15 recruits are people that are in progress.  
16 We just received a six month extension in  
17 the last week and a half, two weeks, in the  
18 last week, and, on top of that, within the  
19 last week, we also got sign off by the  
20 Department of Justice on the new exam.

21 So, what will happen is, we will  
22 finish processing the people that are in the  
23 process, we'll hire those 150 people, and we  
24 will not start any new investigations on the  
25 old list. This will give us a little bit of

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2 breathing room where we will be able to get  
3 a new class ready, and we'll be ready to  
4 hire up to 100 people during the first  
5 quarter of 2014, and that will be off the  
6 new list. And that 100 will be based on  
7 attrition and decisions that will be made at  
8 that time.

9 CHAIRWOMAN GONSALVES: Let's put  
10 it this way, I think this question was asked  
11 before, the additional 150 plus the 33, what  
12 impact could that have, would have on  
13 overtime?

14 COMMISSIONER KRUMPTER: It will  
15 have a significant impact. You are going to  
16 see material reductions in overtime once  
17 those cops hit the streets. You are talking  
18 close to 200 people. So you're talking well  
19 over 300,000 hours of additional staffing.

20 The way that the department is  
21 currently staffed, Legislator Gonsalves, is  
22 that any position that's vacant at this  
23 point in time must be filled. Where those  
24 people come from, ultimately, no matter how  
25 it plays out, ultimately they will be taken



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2 off the street.

3 So the vacancies that we have in  
4 the department are in patrol and we're  
5 pretty close to the budgeted amounts in the  
6 other places because the way the department  
7 is currently structured.

8 CHAIRWOMAN GONSALVES: Any other  
9 questions? Legislator Dunne.

10 LEGISLATOR DUNNE: Good  
11 afternoon, Tom. The AEDs we have received  
12 from time to time complaints that all the  
13 cars don't have AEDs and it's -- where do we  
14 stand with them? Are they on order? Are  
15 they in?

16 COMMISSIONER KRUMPTER: The AEDs,  
17 Legislator Dunne, have been regularly  
18 tested. We have received the first order.  
19 There is a three year capital plan and what  
20 is waiting now is the approval of the 2013  
21 capital plan which we will order the next  
22 block of the AEDs. Currently all the marked  
23 PDs have functional AEDs and those items  
24 that are regularly checked by the patrol  
25 division.

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2                   LEGISLATOR DUNNE: I understand  
3 the batteries were dying and we didn't have  
4 replacements, is that correct?

5                   COMMISSIONER KRUMPTER: We have  
6 addressed those issues and, as of today, I'm  
7 not aware of any problems with the  
8 batteries. If you are aware of that  
9 problem, I will check on it and ensure there  
10 isn't a problem with the batteries, but I  
11 believe we have AEDs that are all  
12 functioning at this time.

13                   LEGISLATOR DUNNE: The new cars,  
14 the new fleet cars.

15                   COMMISSIONER KRUMPTER: The  
16 department took delivery, there were  
17 significant delays in the delivery of cars.  
18 They are starting to roll out now. I  
19 believe there was a 90 day delivery and they  
20 came in several months after that. We took  
21 delivery of 100 marked PDs in September and  
22 they're starting to be rolled out now.

23                   We took delivery of 20 unmarked  
24 vehicles, administrative cars, we are going  
25 to hold off on deploying those cars until we

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2 get the marked PDs out because that's the  
3 priority.

4           Additionally, we are ordering  
5 from, using some alternative funds,  
6 specifically asset forfeiture, you'll be  
7 seeing coming forward in the next couple of  
8 months POs for 50, approximately 50  
9 non-descript vehicles. I forget the exact  
10 number.

11           But those vehicles will be  
12 replacing the aging fleet that is assigned  
13 to a unit such as CIRRT and narcotics.

14           LEGISLATOR DUNNE: But the cars  
15 that are really beaten up now, there are  
16 plans for them to be -- going to go to a new  
17 unit or it's going to go to the guys who  
18 replace the cars that are using them every  
19 single day.

20           COMMISSIONER KRUMPTER: Well, the  
21 100 marked PDs are going to go to those  
22 patrol cars. We have a number of cars that  
23 don't have post cars at the moment because  
24 they were totaled. They'll be the first  
25 priority. They were totalled in auto

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2 accidents and we didn't have any additional  
3 marked PDs. Then they'll be a mileage base  
4 and condition base, but predominantly  
5 mileage that the cars with the highest  
6 mileage will be replaced.

7 LEGISLATOR DUNNE: How's the  
8 fleet been, the fleet maintenance?

9 COMMISSIONER KRUMPTER: Fleet is  
10 actually under a significant amount of  
11 stress because it's almost two years since  
12 we have seen any cars. So there is a  
13 significant amount of stress but the fleet  
14 has been keeping the cars on the road and  
15 there hasn't been any situations in the last  
16 several weeks where we've actually not had  
17 cars available for post. So they are doing  
18 a great job and I have to thank them for  
19 that.

20 LEGISLATOR DUNNE: You said  
21 there's a class coming out. You want to  
22 fill in 50 in this next year?

23 COMMISSIONER KRUMPTER: Actually  
24 we have a class of approximately, start with  
25 34, I believe the number is sitting at 33 at

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2 the moment and that class will be graduating  
3 in the next couple of months and then we are  
4 expected to put a class on of approximately  
5 150 before the end of the year.

6 LEGISLATOR DUNNE: Out of that  
7 150, how many graduate?

8 COMMISSIONER KRUMPTER: With the  
9 new agility exam, it's hard to tell, but we  
10 know the attrition is a lot less than it  
11 historically is based on the village, but  
12 that's not a big enough population.

13 So you would say out of that 150  
14 by next summer we should graduate somewhere  
15 in the neighborhood of 135 to 140. That's  
16 just an estimate.

17 LEGISLATOR DUNNE: The villages  
18 take out of that?

19 COMMISSIONER KRUMPTER: Nothing,  
20 zero. Those are 150 Nassau County police  
21 officers. We are in a position where we, in  
22 light of the attrition we were having on the  
23 background investigations, we have a  
24 significant number of people to ensure that  
25 we get that 150.

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2           In the last, in the summer, in  
3 the last class actually in May, when we put  
4 that class of 50 in, that class of 50 was --  
5 what we were supposed to get.  
6 Unfortunately, within days of us hiring that  
7 class, 12 people are rejected conditional  
8 officer employment from Nassau County Police  
9 Department and elected to go to work for the  
10 village police departments.

11           This time we have 150 and we  
12 should have enough extra bodies above that  
13 number to provide the villages with any  
14 people they would need.

15           LEGISLATOR DUNNE: Burglaries  
16 have increased because of drug use, is that  
17 correct?

18           COMMISSIONER KRUMPTER: Burglaries  
19 have increased because of drug use, I would  
20 -- I'm pulling up the numbers for the -- the  
21 last 28 days, burglaries, commercial  
22 burglaries are down 8.16 percent and  
23 residential are up 6.3. That's seven  
24 burglaries in the county.

25           For a year to date in the

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2 counties, burglaries, residential, is 11.73  
3 down, and the burglary other was up 25  
4 percent. We had some big arrests in that  
5 area and that is, as I described to you, has  
6 been down and is trending in the right  
7 direction.

8 We had a pattern of burglaries  
9 that was very significant of Chinese  
10 restaurants and that subject was arrested  
11 and now is currently being held in Nassau  
12 County Correctional facility.

13 LEGISLATOR DUNNE: I've noticed  
14 in the paper in the last few months that  
15 there have been quite a few arrests for  
16 burglars. I understand that the detectives  
17 and the police have done outstanding work  
18 and, that's going after the guys that do the  
19 selling of the drugs, is that it?

20 COMMISSIONER KRUMPTER: As I  
21 stated in my testimony, you're talking the  
22 last two years, narcotics arrests, have been  
23 up 37 percent over the year before that, and  
24 among the highest in a very long time in  
25 this department.

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2                   One of the things we're driving  
3 is in those areas where we're having  
4 burglaries, one of the things we will use is  
5 we will start to make arrests of the drug  
6 dealers to gather intelligence. So it's  
7 having a two-prong approach.

8                   Additionally, we have been  
9 increasing the amount of forensics being  
10 conducted at burglaries and that has paid  
11 huge dividends in the number of arrests.  
12 Every month there's a bunch of people that  
13 are being arrested as a result of forensics  
14 that are gathered at the scene.

15                   Then what can't be stated and  
16 can't be a strong enough statement is just  
17 how great a job the police officers of  
18 Nassau County are doing right now. They have  
19 made a number of burglary arrests on  
20 observation. Those commercial burglaries at  
21 night, where they have made a significant  
22 number of arrests.

23                   Actually, the Chinese restaurant  
24 I talked about earlier was a cop on patrol  
25 that responded in a very timely fashion to a



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2 burglary, and closed out a significant  
3 number of burglaries with a single arrest.  
4 So, like anything else, when you talk about  
5 the crime in Nassau County right now, year  
6 to date, crime is down. And, as things, as  
7 crime patterns emerge and as we get spikes  
8 in specific areas, we react on a daily  
9 basis.

10 That number I gave you of crime  
11 being down just about one percent year to  
12 date, that number was this morning. That  
13 number we get every single morning. We get  
14 the daily crime report and we get the year  
15 to date number on a daily basis. We get a  
16 major crimes report, more detailed, once a  
17 week. Then we have the NaStat which is  
18 based on the ComStat model being conducted  
19 on a monthly basis.

20 So the department is aggressively  
21 managing the crime in this county and,  
22 really, that goes to the police officers,  
23 and detectives, and superior officers.

24 LEGISLATOR DUNNE: Just let me  
25 get something clear in my mind. I agree

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2 with you, the police department is doing an  
3 incredible job. Our cops are second to none  
4 in my eyes.

5 If you catch a burglar and he  
6 admits to five burglaries, does that equate  
7 to your report as one crime, or --

8 COMMISSIONER KRUMPTER: That is  
9 every burglary, that will be one arrest, but  
10 every burglary is its own crime, it's kind  
11 of just one. Each burglary in the county is  
12 counted as one burglary.

13 LEGISLATOR DUNNE: Next question  
14 is Marine division. Where are we with our  
15 Marine division?

16 COMMISSIONER KRUMPTER: Marine  
17 bureau is getting ready to scale down for  
18 the winter. It was up in operation over the  
19 summer and it was within normal standards  
20 that we operate Marine bureau on a yearly  
21 basis.

22 LEGISLATOR DUNNE: There still  
23 being hurricane season, if we have another  
24 storm like Sandy, our Marine division would  
25 have to be used for evacuation, or whatever,

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2 is that --

3 COMMISSIONER KRUMPTER: Last  
4 year, as you are aware, during Sandy, there  
5 was adequate Marine resources available for  
6 Sandy. What you saw with Sandy, you saw the  
7 flooding, but you saw the tides go back very  
8 quickly.

9 Unfortunately, the Marine bureau,  
10 as the US Coast Guard, as all law  
11 enforcement agencies on the water, they  
12 secure during the storm and will not  
13 actually operate under storm conditions once  
14 it gets to a certain point.

15 LEGISLATOR DUNNE: I know you are  
16 in negotiations right now with the union,  
17 and from rumors I hear from here and there,  
18 and I don't want you to discuss it at all,  
19 but I just want us to be fair with the cops  
20 and fair with the taxpayers. I understand  
21 that's the direction you're both going in,  
22 both sides, and I appreciate you continuing  
23 that way and, do it soon, get it done.

24 COMMISSIONER KRUMPTER: I can't  
25 agree with you more. That has been the crux

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2 of this with the unions, all the unions that  
3 we have had discussions with, and continue  
4 to have discussions with and the department.  
5 Everybody recognizes that we have to be fair  
6 to the taxpayers, and, at the same time, we  
7 have to be fair to the unions and it's  
8 trying to find that balance that we have  
9 been working extremely hard over the last  
10 three years to get to a good place.

11 LEGISLATOR DUNNE: The cops have  
12 been patient and they are doing their job  
13 even though they are not happy with what's  
14 been going on, they have been doing their  
15 job terrifically, so a nice pat on the back  
16 and an atta-boy goes a long way.

17 COMMISSIONER KRUMPTER: And I'm  
18 sure they appreciate that, Legislator Dunne,  
19 and you can't say anything more true than  
20 that. The cops have done a great job and  
21 it's -- it's time that we move forward.

22 LEGISLATOR DUNNE: Thank you.

23 CHAIRWOMAN GONSALVES: I just  
24 have to go back to the number of recruits.  
25 What is the present number of officers in

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2 the department now? This has always been  
3 something of concern.

4 COMMISSIONER KRUMPTER: As of  
5 October 1st, the total sworn members in the  
6 police department is 2204 of which 33 are  
7 recruits, 34 recruits. 2204 and we are  
8 gearing up to hire 150.

9 CHAIRWOMAN GONSALVES: Suppose we  
10 are successful in getting those 150, what  
11 are the chances that that number will  
12 accelerate and attrition will not really  
13 diminish the number?

14 COMMISSIONER KRUMPTER: You are  
15 absolutely right. That's why we will be  
16 geared up to actually hire up to 100  
17 additional recruits during the first quarter  
18 of '14. So we will be ready to move and  
19 they'll -- applicant investigation, we've  
20 increased to probably one of the largest  
21 sizes it's ever been.

22 Currently we have 27 members,  
23 sworn, and supervisors, sworn supervisors  
24 also, assigned to the applicant  
25 investigation unit. They are working really

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2 nonstop to get people ready, because we know  
3 there is a risk that it's going to be a hard  
4 time to keep up with the attrition. It's  
5 important that we get that 150 out and it's  
6 important that we adjust for attrition going  
7 there forward.

8 CHAIRWOMAN GONSALVES: You know  
9 going way back that that has always been a  
10 concern of mine, the fact that the number  
11 has constantly declined. I remember a few  
12 years ago when we had 2,350, something to  
13 that number. Instead of going up, it's been  
14 going down.

15 COMMISSIONER KRUMPTER:  
16 Legislator Gonsalves, I remember in  
17 September of 2008 when we had 2,750 in the  
18 department so it's, I have been testifying  
19 here for a long time. I like this testimony  
20 a lot better when I'm telling you today that  
21 we're hiring 150 people in the next couple  
22 of months. It's a lot more pleasant  
23 experience from where I'm standing.

24 CHAIRWOMAN GONSALVES:  
25 Absolutely. Thank you very much.

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2 Legislator Wink.

3 LEGISLATOR WINK: Good afternoon.

4 COMMISSIONER KRUMPTER: Good  
5 afternoon, Legislator Wink.

6 LEGISLATOR WINK: If I read the  
7 budget correctly in 2014, we're raising an  
8 additional \$38 million worth of taxes  
9 between police headquarters and police  
10 district tags, is that right?

11 COMMISSIONER KRUMPTER: Yes. Not  
12 raising the taxes. The tax levy remains  
13 unchanged, for property taxes, it's just a  
14 shifting of the taxes within the different  
15 funds. So the police departments operating  
16 budget is being increased by \$38 million.

17 LEGISLATOR WINK: Where is it  
18 being offset?

19 COMMISSIONER KRUMPTER: That you  
20 would have to talk to the budget office on  
21 where that was pulled from and the different  
22 places.

23 LEGISLATOR WINK: You knew it was  
24 being offset somewhere but you just didn't  
25 know where?

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2                   COMMISSIONER KRUMPTER: I don't  
3 know specifically where. I know that the  
4 tax levy itself hasn't increased.

5                   LEGISLATOR WINK: Let's look at  
6 overtime. In 2013 you are projected at over  
7 \$60 million, I believe the number is  
8 actually closer to \$62 million.

9                   COMMISSIONER KRUMPTER: Depends  
10 on the projection. Everybody's projection  
11 is a little bit different. The department's  
12 projection is coming down a little bit  
13 because July and August overtime was  
14 significantly better than at the earlier  
15 part of the year.

16                   LEGISLATOR WINK: You're thinking  
17 \$62 million?

18                   COMMISSIONER KRUMPTER: We are  
19 looking at somewhere between 58 and \$60  
20 million.

21                   LEGISLATOR WINK: So somewhere  
22 along the lines that is still far in excess  
23 of the \$50 million that you are budgeting  
24 for 2014?

25                   COMMISSIONER KRUMPTER: That's



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2 correct, but we anticipate having an  
3 additional 180 plus police officers on the  
4 street next year which will provide --  
5 somewhere in the neighborhood of 275,  
6 280,000 hours of additional staffing.

7 What drives the overtime, what's  
8 more than half of the overtime in the Nassau  
9 County Police Department is the light roll  
10 call overtime. So that is the overtime that  
11 is most directly impacted.

12 Additionally, this year, we had  
13 some events that required some additional  
14 security and that's resulted in some  
15 additional overtime costs. As a result of  
16 the Boston bombings, we had the Long Island  
17 Marathon, there was significant costs  
18 related to the Long Island Marathon.

19 On top of that, investigative  
20 overtime this year was year over year. Just  
21 to put this in perspective, the shooting  
22 that we had over by the Roosevelt Field Mall  
23 in Garden City, a week and a half, two weeks  
24 ago, an investigation like that incurs a  
25 significant amount of costs on behalf of the

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2 department.

3 So when you see things like that,  
4 and when you have anomalies like that, and  
5 they are anomalies, those things impact your  
6 investigative costs very significantly.

7 LEGISLATOR WINK: Those things  
8 aren't likely to occur in 2014?

9 COMMISSIONER KRUMPTER: I would  
10 hope not.

11 LEGISLATOR WINK: I would hope  
12 not either if the budget is what it is.

13 Let me ask you about this phantom  
14 PBA agreement. We heard a lot of back and  
15 forth about the agreement exists, it doesn't  
16 exist, until it has a clerk's number and  
17 until it's in front of us.

18 The fact of the matter is, if I'm  
19 not mistaken, the membership of the PBA was  
20 asked to vote on an agreement, were they  
21 not?

22 COMMISSIONER KRUMPTER: I believe  
23 they were, but I think that would be a  
24 conversation more appropriately to have  
25 with the PBA.

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2                   LEGISLATOR WINK: Is it your  
3 testimony then that there is no agreement  
4 worth considering here?

5                   COMMISSIONER KRUMPTER: I did not  
6 testify to anything yet. I'm waiting for a  
7 question.

8                   LEGISLATOR WINK: My question is,  
9 have we factored in the potential PBA  
10 agreement that seems to have been voted on  
11 by the membership of the PBA and seems to  
12 have been the subject of at least one, maybe  
13 more press releases on the part of the Ed  
14 Mangano Administration, have we factored  
15 that in to the 2014 budget?

16                   COMMISSIONER KRUMPTER: I am  
17 confident that if a PBA agreement is brought  
18 before this legislature after it's been  
19 vetted with NIFA, that we will be able to  
20 live within the budget that is before you.

21                   LEGISLATOR WINK: Where does that  
22 confidence come from?

23                   COMMISSIONER KRUMPTER: That  
24 confidence comes with my familiarity with  
25 the current structure of the agreement and

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2 the discussions we've had with NIFA and my  
3 knowledge of the budget that's before you.

4 LEGISLATOR WINK: I hope you're  
5 correct. I'm going to leave it off there.  
6 I will leave it to Legislator Jacobs to talk  
7 about some of the other things. Thank you.

8 CHAIRWOMAN GONSALVES: Legislator  
9 Jacobs, go ahead.

10 LEGISLATOR JACOBS: I just wanted  
11 to talk for a moment about the police  
12 precinct consolidation. Excuse me voice,  
13 for as long as I can talk for a moment.

14 It seems that, and I understand  
15 what you said about overtime, that you had  
16 to use more individuals because of the  
17 Boston bombing and because of something like  
18 obviously Roosevelt Field.

19 But overtime costs have  
20 skyrocketed. In black and white, the OLB  
21 report released yesterday said that it  
22 really has gone through the roof.

23 Let me ask you this. Do you  
24 relate this at all to the precinct  
25 consolidation program? Let me first let you

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2 answer that.

3                   COMMISSIONER KRUMPTER: Legislator  
4 Jacobs, I review about 800 pages of overtime  
5 reports on a monthly basis. I will tell you  
6 this: The extreme increase in overtime is  
7 not attributable to the precinct  
8 consolidation. The precinct consolidation  
9 resulted in some minimal reduction of post,  
10 significant reduction in overall head count,  
11 but what it's related to is, when we did the  
12 precinct consolidation and we testified, it  
13 was designed to operate with a department of  
14 a certain size. We are well below that  
15 level.

16                   As a result of that, we've  
17 actually had to go even below that level and  
18 increase investigation more than doubling  
19 the size of the investigation, gearing up  
20 for major police classes by significantly  
21 increasing the academy. All those are  
22 bodies.

23                   It's very simple. You have a  
24 number of posts that you have to cover with  
25 minimal staffing. And when more than half

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2 the overtime in thi department is in minimum  
3 staffing post, on patrol, in records bureau  
4 and highway patrol, in communication bureau  
5 and the ambulance bureau, if you don't have  
6 somebody to put on that post, has nothing to  
7 do with consolidation, you know, everybody  
8 wants to talk about arrest overtime is up.  
9 Well, arrest overtime is flat year over  
10 year. Everybody wants to talk about end of  
11 call of service, that's flat.

12 When you look at the overtime and  
13 we get a multitude of reports and we have  
14 weekly meetings on it, I spend a lot of time  
15 in the department, the commissioner of  
16 police spends a lot of time of his day, the  
17 chief of the department, the division  
18 chiefs, the executive staff, managing  
19 overtime on a daily basis.

20 The number one reason and the  
21 biggest reason why the overtime has gone up  
22 this year over last year, \$49 million last  
23 year and over \$60 million this year is the  
24 current head count. That's being addressed.  
25 150 people going into the academy, 34

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2 graduating, gives you 184. You do the math  
3 and multiply that by about 1600 and change  
4 per person, and that is a significant  
5 increase in hours that will be available to  
6 offset that overtime.

7 LEGISLATOR JACOBS: Let me ask  
8 you this. The county executive is still  
9 claiming that he saved \$20 million from the  
10 police precinct closings. Where is that  
11 reflected in the budget from what you could  
12 see?

13 COMMISSIONER KRUMPTER: The  
14 budget is reflected in the 100 less heads  
15 that were reduced in the budget. 100 less  
16 people. At that point we went from 24 and  
17 change to 23 and change at that point.

18 We have continued to drop and now  
19 we are at 2204 of actual heads, you take out  
20 some other people that aren't available to  
21 us and we are operating the department with  
22 about 2,100. So we are operating --  
23 remember, we are operating the department  
24 with well over 300 less people prior to the  
25 consolidation.

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2                   LEGISLATOR JACOBS:  Have you done  
3 an analysis based particularly on the police  
4 precinct closings?

5                   COMMISSIONER KRUMPTER:  As far as  
6 what?

7                   LEGISLATOR JACOBS:  Have you done  
8 a written report as to the bottom line  
9 savings versus non-savings?

10                  COMMISSIONER KRUMPTER:  We take  
11 that into consideration when we're looking  
12 at overtime, but we haven't conducted  
13 actually a report.  We meet regularly on it  
14 and address any issues that arise.  There  
15 were some issues that were raised by I  
16 believe Legislator Wink and I'm trying to  
17 think a couple of legislators related to --  
18 I believe you might have brought it up,  
19 related to the Sixth Precinct and the way we  
20 were staffing the Sixth Precinct, we made  
21 adjustments.  So we have adjusted as we went  
22 along.

23                  After the storm last year, it was  
24 put on hold, the First Precinct, obviously  
25 that has been revisited, and going forward



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2 we are looking at how the precincts were  
3 realigned taking into consideration that the  
4 First Precinct is being built and would not  
5 be closed.

6 LEGISLATOR JACOBS: Is there any  
7 current report on what that will mean in the  
8 future?

9 COMMISSIONER KRUMPTER: There is  
10 no written report at this point in time.

11 LEGISLATOR JACOBS: All right. I  
12 wish us all well because I know that a lot  
13 of people out there are still questioning  
14 what actually was derived from what happened  
15 and, truthfully, the closed precinct is not  
16 closed, thank goodness, and it still has  
17 coverage.

18 COMMISSIONER KRUMPTER: Yes. And  
19 what was achieved in this, and this is what  
20 I've testified and have spoken at multiple  
21 locations is, it was an administrative  
22 realignment. It's what we said from the  
23 beginning and what you're seeing now is that  
24 crime year to date is down and the precinct,  
25 the precinct with the only significant

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2 increase in crime is the Seventh Precinct, a  
3 precinct that wasn't consolidated, and what  
4 it saved was administrative positions where  
5 we used to have eight precinct COs, we  
6 currently have five. Those are three  
7 inspector positions that have been  
8 eliminated. Three inspectors is \$750,000.  
9 Where we used to have eight commanding  
10 officers, our precinct detective squads, we  
11 now have five. Those are the positions that  
12 were eliminated, they no longer exist.

13 So those positions clearly saved  
14 money and that's what we said it was from  
15 the beginning. We never said there was  
16 going to be overtime. There was going to be  
17 some ancillary overtime costs because we  
18 were eliminating a few minimum staffing  
19 positions.

20 We never said it was going to be  
21 money that is going to be saved by closing  
22 the buildings because we were going to keep  
23 the buildings open. As a matter of fact,  
24 the highway patrol is now based in the Sixth  
25 Precinct.

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2                   LEGISLATOR JACOBS: I'm always on  
3 Community Drive so I'm aware of that. Let  
4 me ask you this. This is my final question.  
5 If we go along with what the county  
6 executive has said, that \$20 million was  
7 saved, then why is the budget increasing by  
8 \$30 million in this budget?

9                   COMMISSIONER KRUMPTER: Year over  
10 year there is a few increased heads and  
11 there's a pension cost increase and health  
12 insurance increase. There's increase  
13 overtime of \$10 million and increase in  
14 termination base where there's \$25,500,000.  
15 That's where your money is. \$25,500,000  
16 related to an increase in termination pay, a  
17 \$6 million increase to overtime is \$31  
18 million right there. Increase of health  
19 insurance. Increase in pension costs. Then  
20 you take that and you offset by the  
21 reduction of some more expensive heads an  
22 replacing them with less expensive police  
23 officers. That gives you your increase of  
24 \$30 million. Termination pay hasn't been  
25 budgeted in our budget in several years and

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2 there's \$25,500,000 that's in the current  
3 budget.

4 LEGISLATOR JACOBS: Thank you.

5 CHAIRWOMAN GONSALVES: Any other  
6 questions?

7 (No verbal response.)

8 Guest what? This was easy.  
9 Thank you very much. I have to ask, is  
10 there anyone from the public who would like  
11 to speak? Where is Mr. Carver? No.

12 MR. JAKLITSCH: Just to let you  
13 know, Jimmy said he had to run to this NIFA  
14 meeting. So he will send you all the  
15 correspondence.

16 CHAIRWOMAN GONSALVES: Thank you,  
17 Keith. You need to go the mike.

18 MR. JAKLITSCH: Jimmy had to run  
19 to a NIFA meeting. He wanted to stay here  
20 to say a few things. He said he will send a  
21 written correspondence to everybody up there  
22 just to give his thoughts and opinions on  
23 what was discussed.

24 CHAIRWOMAN GONSALVES: That  
25 sounds very good. Thank you, Keith.

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2                   I guess we are adjourned at this  
3 point. We don't really need it because this  
4 is a hearing. We will meet again on the  
5 16th. At that time, just to clarify, it's  
6 human services and DSS, only two departments  
7 that will be here.

8                   (Whereupon, the Full Legislative  
9 Committee adjourned at 4:50 p.m.)

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C E R T I F I C A T E

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

THAT I attended at the time and place above mentioned and took stenographic record of the proceedings in the above-entitled matter;

THAT the foregoing transcript is a true and accurate transcript of the same and the whole thereof, according to the best of my ability and belief.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of October, 2013.

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FRANK GRAY