

**NASSAU COUNTY
OFFICE OF THE COMPTROLLER**



**PRELIMINARY ANALYSIS OF NASSAU COUNTY'S
OPPORTUNITIES TO INCREASE NON-TAX, NON-GRANT
REVENUES**

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**NASSAU COUNTY
OFFICE OF THE COMPTROLLER**

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PRELIMINARY ANALYSIS OF NASSAU COUNTY'S OPPORTUNITIES TO INCREASE NON-TAX, NON-GRANT REVENUES

1.0 Executive Summary

Nassau County revenues are derived from five sources: Taxes, Government Grants, Charges for Services, also known as Non-Tax, Non-Grant (NTNG), Investment Income and Other General Revenues. For the purposes of this study, we will refer to the Charges for Services revenue as NTNG; Taxes account for about 73% of revenues, grants account for about 19%, NTNG account for about 6.5% and Investment Income and Other General Revenues account for less than 1.5%.¹

The Office of the Comptroller undertook a review of the County's third largest revenue source, NTNG. These revenues account for a small but significant percentage of Nassau County's annual revenues. At a time when our taxpayers are overburdened with property taxes and government grants are expected to decline, the County must look for opportunities to increase revenue. The County's NTNG revenues in 2009 amounted to \$178.2 million or 6.5% of total County revenues (\$2,737.60 million). The objective of the review was to identify opportunities to increase NTNG revenues and to quantify the potential size of those opportunities.

The approach taken in this review is to assess the performance of Nassau County in generating NTNG revenues as compared to its two closest suburban Counties, Suffolk and Westchester. As a basis of this comparison, we utilized the Comprehensive Annual Financial Reports (CAFR) of the respective counties. We specifically examined fiscal years 2006 to 2009 where the CAFRs followed similar accounting principles used in Nassau for assembling the NTNG Revenue category. However, 2008 is the latest year that financial reports are available for comparison amongst all three of the Counties (the Westchester CAFR is not available for 2009).

In 2008, Nassau County earned \$174 million in NTNG revenues or 6.5% of total revenues. By contrast, Suffolk County earned \$184.42 million (6.88%) and Westchester County earned

¹ Nassau County CAFR, 2009.

\$234.74 million (11.14%)². Suffolk and Westchester had smaller budgets than Nassau in 2008 yet they earned higher percentages of NTNG Revenues, outperforming Nassau County. This pattern of underperformance by Nassau County in generating alternative NTNG Revenues has persisted since 2006.

Assuming that Nassau County could perform as well as the 2008 average between Suffolk (6.88%) and Westchester (11.14%) of 9.01%, Nassau would increase its NTNG revenues by \$67 million. Even a 1% increase would raise an additional \$26 million³.

Nassau County is underperforming due to lack of management focus and lack of priority by individual County departments. In some cases, the departments look upon generating revenues as secondary to their primary missions. This needs to change. Consideration must be given to creating a new department with the primary mission of better management of current NTNG revenues and finding new revenue opportunities.

² According to the 2008 CAFRs of each respectable County.

³ Information obtained from sourcing the CAFR of each respective County for 2006-2009 (Westchester CAFR not available for 2009).

2.0 Nassau’s NTNG Revenue Performance vs. Suffolk and Westchester

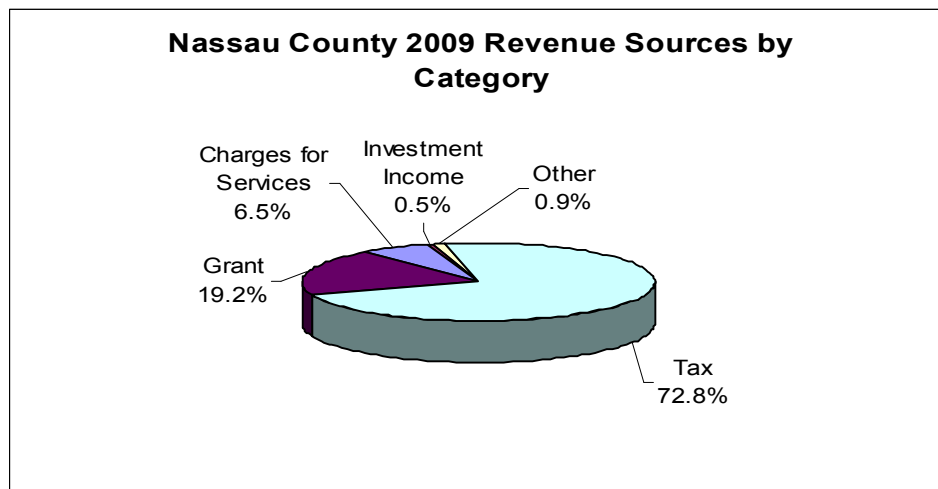
Table 2 of Nassau County’s CAFR categorizes the five major revenue sources:

1. Taxes
2. Grants
3. Charges for Services (NTNG)
4. Investment Income
5. Other General Revenues

By far the largest revenue producer is Taxes, followed by Grants, NTNG, Investment Income, and Other General Revenues. Our primary focus was on the NTNG revenue category. Figure 1 below illustrates the relative size of the County’s NTNG Revenue category. In 2009, this revenue amounted to \$178.2 million (6.5%) of the total County revenue (\$2,737.60 million)⁴.

As Indicated in the Executive Summary, this report refers to the Charges for Services category as NTNG revenues. In some figures we may use the term “Charges for Services” to better relate to the CAFR reference data.

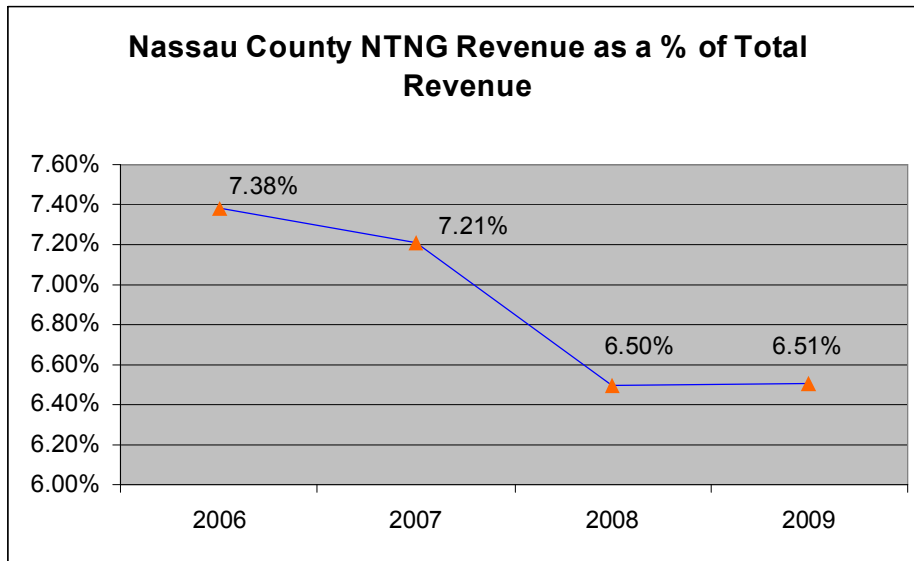
Figure 1



⁴ Nassau County CAFR, 2009.

Figure 2 below illustrates that Nassau County's NTNG revenue has been steadily decreasing every year as a percentage of total revenue since at least 2006 when it made up over 7.3% of the County's Income.

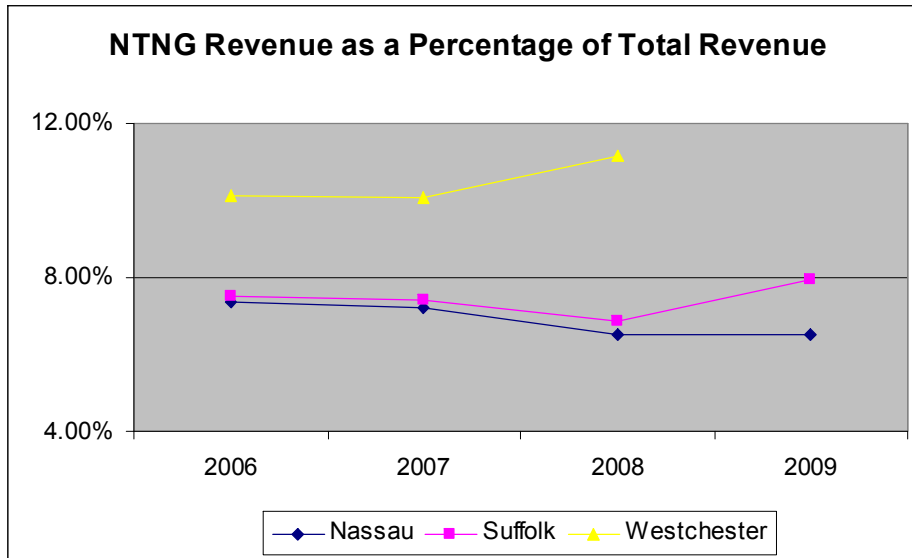
Figure 2



Nassau County has experienced a \$17.2 million NTNG revenue (8.8%) decrease from 2006 revenue levels. At the same time, Suffolk and Westchester counties have seen increases of \$11.23 million (5.81%) and \$48.57 million (26.09%)⁵ respectively (See Figure 3 below).

⁵ Figure represents 2006-2008 data only, 2009 CAFR was not available.

Figure 3⁶



In 2008, the latest year for which financial reports were available for Nassau, Suffolk and Westchester (Westchester CAFR report is not available for 2009), Nassau County earned \$174 million in NTNG revenues or 6.5% of total revenues (\$2,678.40 million). By contrast, Suffolk County earned \$184.42 million (6.88% of the \$2,681.70 million budget) and Westchester County earned \$234.74 million (11.14% of the \$2,106.90 million budget).⁷ Suffolk and Westchester have smaller budgets than Nassau yet they earn higher percentages of NTNG revenues outperforming Nassau County. This pattern of underperformance by Nassau County in generating NTNG Revenue has persisted since 2006 and has gradually gotten worse.

In order to further understand the differences in NTNG revenue sources among the Counties and identify opportunities, we looked at the following sub-categories of Nassau County's NTNG revenues:

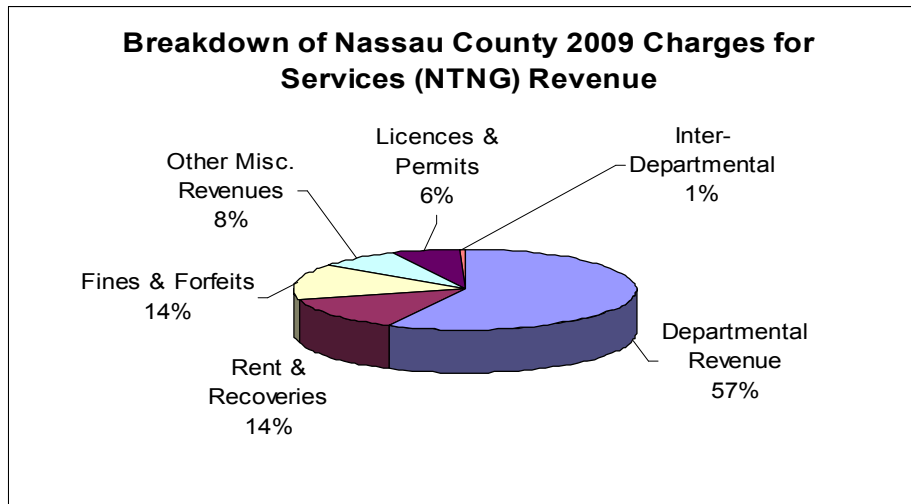
- a. Departmental Revenue
- b. Fines & Forfeitures
- c. Licenses & Permits
- d. Rents & Recoveries
- e. Inter-Departmental Revenue
- f. Other

⁶ Study starts at 2006 to reflect changes in accounting methods.

⁷ According to the 2008 CAFRs of each respectable County.

The largest sub-category is Departmental Revenue (See Figure 4). This category is made up of most of the fees for services provided to County residents by the Office of the County Clerk, the Department of Parks, Recreation, and Museums, etc.

Figure 4 ⁸



Looking at these six categories over time, we are able to identify opportunities to increase NTNG revenues. Additionally, we can illustrate the sources of the decrease in NTNG revenue since 2006 (see Figure 5). It is clear that although Departmental Revenue and License & Permit fees have shown moderate growth, the rest of the group has underperformed. Rents & Recoveries (composed mostly of rent that the County collects from leases of its properties), and Other Misc. Revenues (i.e. education charges to other counties for community college tuition of non-resident students), have shown the worst performance, each with a decline of nearly 46%. The Fines & Forfeits sub-category has maintained negligible growth.

⁸ Exhibit X-5, 2009 Nassau County CAFR.

Figure 5 ⁹

NTNG Growth for 2009 by Sub-Category (in millions)					
Sub-Category	Growth over period ('06 to '09)	2006	2007	2008	2009
Departmental Revenue	12.76%	\$ 90.27	\$ 97.49	\$ 93.49	\$ 101.78
Rent & Recoveries	-44.15%	\$ 43.87	\$ 25.68	\$ 31.19	\$ 24.50
Fines & Forfeits	0.91%	\$ 25.56	\$ 23.60	\$ 24.14	\$ 25.79
Other Misc. Revenues	-45.90%	\$ 25.18	\$ 33.40	\$ 12.43	\$ 13.62
Licenses & Permits	9.54%	\$ 10.53	\$ 10.58	\$ 10.18	\$ 11.53
Inter-Departmental	-	\$ -	\$ 3.67	\$ 2.58	\$ 1.01
Total:	-8.79%	\$ 195.40	\$ 194.41	\$ 174.00	\$ 178.23

In an attempt to determine trends and opportunities we then compared the Nassau County data in Figure 5 with the NTNG revenue components of Suffolk and Westchester by department, The next table in Figure 6, which follows, vividly demonstrates that although Nassau County is a much larger County, it matches Suffolk and Westchester in some revenue categories but lags in many others. For example, Nassau significantly lags Suffolk and Westchester in Health and Social Service revenue. Just like its counterparts Nassau must learn new ways to increase County NGNT revenues.

Assuming that Nassau County could perform only at the 2008 average rate of revenue between Suffolk (6.88%) and Westchester (11.14%) of 9.01%, Nassau would increase its NTNG revenues by \$67 million. Even a 1% increase to 7.5% of total County revenues would raise an additional \$26 million.

Westchester was able to increase revenues by focusing on various initiatives. For example, in 2008 Westchester implemented its MetroCard program, which made up a large part of a \$24.9 million increase in Transportation revenues.

“ . . . \$24.9 million is primarily attributable to the implementation of the MetroCard on County buses for the full year 2008 and the County receiving

⁹ Nassau County CAFR, 2006-2009.

these bus revenues directly. In previous years, these bus revenues were directly received by the bus operator and were used as a partial offset to the bus operator assistance by the County. . .” –Westchester County 2008 CAFR, pg. 19.

Perhaps, Nassau should consider alternatives to giving the MTA the demanded additional \$40 million and explore options implemented by Westchester to develop similar innovative ideas with our own “business” activities.

Figure 6

Figure 6 NTNG Revenue Comparisons By County			
Departments (examples)	Nassau 2009	Suffolk 2009	Westchester 2008
General Government (fees for records from County Clerk, County Exec’s office, etc.)	\$ 45,522	\$ 39,657	\$ 37,984
Protection of Persons (fees and fines charged by the Police, Public Safety, and Probation Depts, etc.)	\$ 37,462	\$ 30,511	\$ 19,037
Health (Health Dept fees, fines, and permits associated with food establishments, hazardous material permits, etc.)	\$ 22,245	\$ 29,317	\$ 25,904
Judicial (County Attorney’s Office fees)	\$ 19,705	\$ 10,724	\$ 31,804
Recreation and Parks (fees and permits collected for use of facilities: i.e. greens fees)	\$ 19,665	n/a	n/a
Social Services (i.e. child services, education services provided to school districts, and financial assistance services.)	\$ 17,903	\$ 40,698	\$ 41,840
Public Works (fees, fines, and licenses, and permits, such as road opening permits)	\$ 9,146	n/a	n/a
Corrections (fees associated with the office of the Sheriff and the Correctional Center.)	\$ 5,300	n/a	n/a
Education (misc. fees associated with operation of Community Colleges and services provided to school districts.)	\$ 1,011	\$ 3,850	n/a
Legislative (fees charged for Legislative records)	\$ 274	n/a	n/a
Economic Assistance (Fees associated with Community development services)	n/a	\$ 26,356	\$ 4,997
Transportation (Bus, Airport Fees)	n/a	\$ 18,775	\$ 73,173
Other	n/a	\$ 4,591	n/a
Totals:	\$ 178,233	\$ 204,479	\$ 234,739

The County should focus on those areas which currently generate the most revenues and which provide the best opportunity for significant revenue increases. By far, the largest areas that generate revenue in Nassau County are “General Government,” “Protection of Persons,” and “Health.” The County Clerk’s Office makes up over 30% of General Government revenues by collecting over \$15 million a year, comprised mostly from fees associated with mortgages, deeds, real estate, and court fees. The Protection of Persons category reflects a majority of fines and fees associated with the Police, Public Safety, and Probation departments. The largest items, over 50% of collected revenues, were primarily from traffic tickets and red light camera fines. The Health category was the third largest producer, composed mainly of Health Department fees, fines and permits. Food establishment permits, renewal fees, and inspection fines, coupled with hazardous material registration fees, made up almost \$3.5 million of this category in 2009.¹⁰

The Nassau Parks & Recreation category perhaps illustrates one of the most evident opportunities in the chart. The Department of Parks, Recreation and Museums is generating almost twice that of Suffolk but one third less than Westchester. Almost all revenue generated, \$18.875 million, came from fees associated with rental of facilities, concessions, and golf. Nassau should be exceeding the Westchester revenues.¹¹

¹⁰ Nassau County Information System (NIFS), YE2009.

¹¹ Nassau County Information System (NIFS), YE2009.

3.0 Qualitative Survey of Nassau County NTNG Revenue Management

The analytical findings are discussed in Section 2 above. In order to understand the Nassau County NTNG revenue management processes and opportunities for improvement, this Section summarizes the telephone and in-person interviews that were conducted with various budget officers, accountants, and department commissioners.

The following will not only illustrate the problem Nassau County faces in generating NTNG revenues, but also the opportunities to increase this revenue category. Four major areas of shortcomings in the current organization are highlighted:

1. Revenue sources are not fully developed.
2. There is little or no interdepartmental knowledge sharing or coordination.
3. NTNG revenues are not a priority for each department.
4. There is no central management accountability or accounting for NTNG revenue. No one is thinking about tracking existing revenues, collection methods or new ideas for earning new revenues.

3.1 Departmental Revenue.

3.1.1 Department of Public Works: Restart Adopt-a-Road Program & Increase Subdivision Inspection Plan Resubmission Fee.

1. Findings: Earlier in the decade, the Department of Public Works (DPW) contracted with a private company to operate an “Adopt-a-Road” program on County roads. An individual, a company, or a civic association would pay the County and maintain a section of a County road in return for a “This mile adopted by...” sign. Though the contract was worth \$17,000 in 2007, it was allowed to lapse without a new operator being found.¹²

¹² According to Department of Public Works officials.

Opportunity: The Adopt-a-Road program should be revived and aggressively marketed to potential sponsors since it creates revenue while imposing next-to-nothing costs on the County. If marketed well, the program could attract significantly more sponsorship than its prior incarnation did.

2. Findings: DPW charges a \$2,028 fee to review proposed development of a land parcel to ensure that sanitation, drainage, and traffic standards for the project are met. This involves the submission of blueprints and maps. If the plans need to be resubmitted for further review, another fee of \$213 is assessed. Resubmissions cost the DPW time and money to review, yet the resubmission fee is only 10% of the original submission fee. In contrast, the fee to review site plans for building done adjacent to County property (a 239-K review) is \$427, with a resubmission fee of \$213—nearly 50% of the original submission fee.¹³

Opportunity: The subdivision plan review resubmission fee should be increased to further discourage contractors from haphazardly completing the original submission. This increases revenue while reducing the DPW’s plan review workload.

3.1.2 Police Department: Install Muni-Meters in County Complex.

Findings: Many of the parking meters around the County Complex are broken, as evidenced by the large number of red bags adorning the meters. These meters have gone unfixed for months while the Police Department and Department of Public Works dispute who is responsible for their repair. Meanwhile, thousands of dollars in potential parking tickets and parking fees are lost monthly.

Opportunity: The Police Department is currently in negotiations with companies that would repair and maintain the meters. The Department is also considering eliminating the parking meters and instituting a “muni-meter” system. This system, which currently

¹³ Nassau County Information System (NIFS), YE2009.

exists in the Hempstead Courthouse parking lot, requires drivers to type in their parking space number and place change into a central muni-meter. The Police Department should install muni-meters instead of parking meters in large parking fields like the County Complex. A muni-meter system (which requires only one machine per parking lot) would be much less expensive to install, repair and maintain than hundreds of parking meters. According to the Nassau County Office of Purchasing, a pilot program is expected to run starting October, 2010 in selected parking areas in the County.

3.1.3 Department of Parks, Recreation and Museums: Increased Weekend and Holiday Fees & Develop Public-Private Partnership Initiatives.

1. Findings: The Department of Parks, Recreation and Museums (Parks) facilities are used most frequently on weekends and holidays. Although 18-hole golf fees are more expensive on weekends, the fees for the batting cages, ice skating rinks, swimming pools, beach parking, 9-hole and twilight golf, and mini-golf are the same on weekdays and weekends.

Opportunity: Weekend fees for these activities should be increased and paired with a modest cut in weekday fees. Furthermore, Nassau County residents who hold leisure passes are charged the same amount to rent golf carts as residents without leisure passes and non-residents. The latter two groups should be charged a higher price to rent golf carts.

2. Findings: In 2008, Parks proposed a \$4.4 million per year per contract deal with a prominent marketing company.¹⁴ The contract would allow this contractor to place electronic signboards in parks and other County facilities, which would display both advertisements and emergency messages. Though the contract was not finalized in 2009, it is currently being renegotiated.

¹⁴ According to Parks Department officials.

Similarly, there is significant scope for selling advertisements, sponsorships, naming rights, pouring rights, and franchising in park facilities. Though similar measures have been taken in Suffolk County there has been little impetus to pursue their implementation in Nassau County.

Opportunity: Parks should explore the sale of the naming rights to its main facilities, such as the Nassau Coliseum, Mitchell Athletic Complex, the Aquatic Center at Eisenhower Park, the Lakeside Theater, and the Eisenhower Red/White/Blue 18-hole golf courses. Re-naming the Nassau Coliseum faces significant obstacles in that Section 2206A of the County Charter mandates that the Coliseum’s name is “Nassau Veterans Memorial Coliseum” and the original lease limits any sale of naming rights to the Coliseum’s tenant (i.e. the New York Islanders.) Nevertheless, the opportunity exists to sell the naming rights to many of these facilities.

Furthermore, advertising should be placed in strategic locations in Park facilities. One obvious location is the Mitchell Athletic Complex’s baseball, soccer and lacrosse fields. Currently, the baseball fields’ outfield walls are blank—an ideal placement for advertisements. Significant opportunities for event sponsorship exist; local marathons, ethnic festivals, and the Old Timers’ PGA tournament all lack corporate sponsors.

Expanded franchising in Park’s facilities would also represent a new and lucrative revenue stream. Parks could sell pouring rights (i.e. selling a major food and beverage manufacturer the right to sell its products exclusively in County facilities), since clauses in the County’s food and drink concession contracts require concessions to abide by any future pouring rights deal.¹⁵ Parks could sell a bank the exclusive right to operate ATMs in park facilities, as the Bronx Zoo does with Bank of America. Finally, the Old Bethpage Historical Village has been redeveloped and improved in recent years. A resultant increase in the number of visitors creates an opportunity for a restaurant, gift shop, and other facilities within the Village. Parks should lease the space for these operations to a private company and receive a share of the concession’s profits.

¹⁵ According to Parks officials.

Compensation for the sale of naming rights, advertising, etc. in the form of capital investment and donations as well as cash should be encouraged, since this would ensure that revenue raised by the Parks would be reinvested into County parks. Companies could also donate park facility improvements to foster community relations and goodwill. This could form the basis of an Adopt-a-Park program similar to the one in Miami-Dade County, Florida.

3.1.4 Other: Industrial Development Agency Should Sell Advertising Space In The Official Visitors Guide.

Findings: The Industrial Development Agency (IDA) is responsible for promoting tourism in Nassau County. The agency prints an Official Visitors Guide every year, promoting the various activities and events that occur in the County during the summer. It also has a listing of the hotels, motels and shopping malls in Nassau County.

Opportunity: The agency should begin charging these businesses a nominal fee to be mentioned in the Visitors Guide, since being listed in the publication helps increase their business. Furthermore, the agency should sell advertising space to local merchants in the Visitors Guide as well. Currently, the IDA is not included in the NTNG revenue area because it does not generate income. These fees could be used primarily to defray the cost of operating the Agency.

3.2 Fines & Forfeits.

3.2.1 Department of Public Works: Institute New Illegal Road Cutting Fine.

Findings: DPW requires anyone cutting a County road (almost always a utility company making a repair) to buy a \$160 permit each time work requiring road cutting is done.¹⁶ The 2009 revenue from this fee was \$380,884, suggesting that 2,380 permits were bought

¹⁶ Nassau County Revenue Manual, 2007.

that year.¹⁷ This figure is likely to be low, since there is weak enforcement due to staff reductions and there is no fine for cutting a road without a permit.

Opportunity: An escalating fine (higher fines for multiple violations) should be introduced to deter utility companies and builders from attempting unauthorized road cuts. The fine will raise revenue while also increasing the number of permits bought, since more would-be road cutters will want to avoid being fined.

3.2.2 Planning Department: Enforce the Unauthorized Building Fine.

Findings: The County, upon recommendation of the Planning Commission, has the authority to levy a \$10,000 fine per occurrence for unauthorized building construction.¹⁸ The County Attorney is tasked with investigating suspected violations. The fine was increased from \$1,000 to \$10,000 in 2004, indicating that the department viewed unauthorized building as an unsolved problem in need of a stronger deterrent.¹⁹ The 2005 Revenue Manual estimates that five unauthorized building violations occur every year. However, no such fines have been assessed since at least 2003.²⁰

Opportunity: It is difficult to believe that no unauthorized construction has happened in the past seven (7) years. If the Revenue Manual's estimate is correct, enforcement of this law would create an estimated \$50,000 in revenue per year.

3.2.3 Traffic and Parking Violations Agency: Extended Parking Restrictions.

1. Findings: Nassau County has hundreds of parking meters and parking restrictions in areas not directly subject to town or village ordinances. Some examples include Memorial Place in Manhasset and the County Complex in Mineola. Parking limitations

¹⁷ Nassau County NIFS YE, 2009.

¹⁸ Nassau County Budget, 2010.

¹⁹ Nassau County Revenue Manual, 2007.

²⁰ Nassau County Revenue Manual, 2005.

such as ninety-minute parking and parking meters are generally limited to weekdays between 9 am and 6 pm.

Opportunity: Since suburban downtowns often attract residents (customers at movie theaters, restaurants, bars, etc.) during evenings, weekends, and holidays, parking limitations should be extended to those times in order to generate more parking ticket revenue. Extending these restrictions to towns and villages would require changes in local ordinances; therefore, it is easiest to first enact parking restriction changes in areas where the County has direct control over parking laws.

3.2.4 Other: Introduce Expedited Service Fees.

Findings: Recently, the Health Department introduced a new fee for expedited processing of a permit or license application; this is similar to the expedited service fee one can pay when applying for a passport. This fee is meant to reimburse the department for the additional cost of faster permit processing (i.e. overtime costs). Unlike most fee increases, the expedited service fee is politically palatable since it is optional and results in faster service.

Opportunity: Other departments that grant permits and licenses, like Planning, the DPW, and the County Clerk's office, should also introduce expedited service fees in order to increase revenue and improve service.

3.3 Rent & Recoveries: Real Estate Planning and Development.

Findings: The Mitchell Field Properties are a 1,265-acre former airbase near the Nassau Coliseum. The federal government turned it over to Nassau County in 1963. In the 1980s, the County signed 99-year leases with commercial developers to build office and industrial space on the land. About \$5.8 million in revenue from rent is expected in 2010, which the Department of Real Estate Planning and Development (REPD)

collects.²¹ The terms of the contract are extremely disadvantageous to the County, as they do not contain appropriate adjustments for inflation.

Opportunity: The rents for most of the properties are frozen for the next 75 years. The County should sell the properties to their tenants and/or sell the rights to collect future rents to a third-party property management company. This would help the County cut its losses on a poor investment, giving it an up-front, lump-sum payment that it could invest differently in order to generate a higher return. Currently, the REPD is considering a rent securitization program. Other areas also deserve special analysis. The County could more aggressively move to sell its inventory of real estate, better manage its heritage properties and pursue sponsorship/advertising and cell antenna opportunities.

3.4 Licenses & Permits.

3.4.1 Police Department: Improved Alarm System Permit Collection.

Findings: Homeowners and business owners with alarm systems connected to the Police Department are required to buy a permit every three years. The fees are \$75 for a new residential permit, \$100 for a new commercial permit, \$60 for a renewed residential permit and \$80 for a renewed commercial permit.²² In 2009, the County generated \$2.43 million in revenue from this fee.²³ In the same period, new permits were issued in a breakdown of 3,801 residential and 321 commercial. Renewals in 2009 were made up of 33,760 residential and 836 commercial.²⁴

Opportunity: Given that Nassau County has approximately 1.35 million residents, approximately 440,000 households, it is possible that a significant discrepancy between

²¹ According to the Real Estate Planning Department.

²² Nassau County Revenue Manual, 2007.

²³ Nassau County Integrated Financial System YE2009.

²⁴ Permit statistics obtained from the PDCN.

alarm usages and permit fees collected may exist.²⁵ Although a more in-depth study may be required to calculate the exact amount of lost revenue, we recommend a more effective method of collecting the fee be devised. The alarm fee should be assessed on the several alarm companies that operate in Nassau County rather than on thousands of homes and businesses. This would greatly simplify fee collection and would sharply increase compliance, since the alarm companies can simply pass the cost of the alarm permits on to their customers in their regular monthly billing.

3.5 Index as Many Fees, Fines, Permit Costs, Contract Payments, etc. to Inflation

Findings: Most of the fees, fines, and permit/license costs that Nassau County charges are not annually adjusted for inflation. Many revenue-creating contracts were written either without properly accounting for price increases or without the correct measure of inflation (for example, the contract that reimburses the County for utility costs at Nassau Coliseum is annually adjusted for regular CPI (Consumer Price Index) instead of energy CPI.) Automatic annual adjustments for inflation would ensure that the County does not lose revenue due to price increases.

Opportunity: Some fees and fines can only be increased by New York State law; therefore, Nassau County should lobby for Legislative change to permanently index those fees and fines to inflation.

3.6 Establish a Revenue Contract Department.

Findings: Revenue-creating contracts are generally negotiated by administrators in County departments. The responsibility often falls to officials balancing other primary responsibilities and lacking expertise in contract negotiation. There is little interaction between officials in different departments tasked with writing and negotiating revenue contracts. With this decentralized structure, “best practices” are not well-established

²⁵ www.quickfacts.census.gov, Quickfacts for Nassau County, 2009.

across different departments, resulting in contract terms that are disadvantageous to the County.

Opportunity: A new Deputy County Executive for Contracts should be established to negotiate all revenue-creating contracts. This Deputy would hire staff whose main job is to negotiate contracts. These officials would work in close proximity, learn from one another, and establish similar guidelines and practices for all contracts, improving their quality.

3.7 Establish a New Department Responsible for all Non-Tax Revenues.

Findings: After meeting with the Health Department, several officials from other departments were polled to find out if they had ever considered following the Health Department's lead and instituting expedited service fees. None of them were even aware that the Health Department had introduced them. Not enough information sharing and brainstorming happens between departments; this lack of coordination between departments makes it harder for worthwhile ideas to become standard practice.

Opportunity: A new Department should be established with a primary mission to manage and maximize non-tax revenues comparable with the best run counties.

4.0 Conclusion

Nassau County is trailing Suffolk and Westchester in NTNG. Nassau County has, and as illustrated by this study, significant opportunities to increase NTNG Revenues by \$26 to \$67 million annually. These goals are readily attainable by just looking to Suffolk or Westchester Counties and implementing the same innovative spirit. We can do better.

The main reason Nassau County has underperformed appears to be the lack of management focus and lack of priority by the individual County departments. In all cases, the departments look upon generating revenues as secondary to their primary missions. This needs to change. A new department should be established with the primary mission to better manage current NTNG revenues and discover new revenue opportunities.

Additional analysis is required to develop a comprehensive strategy to increase NTNG revenues to the level of Suffolk and Westchester, and possibly other counties. Nassau County should emulate and perhaps surpass the examples set by these counties for generating significant non-tax revenues through effective and accountable management.