




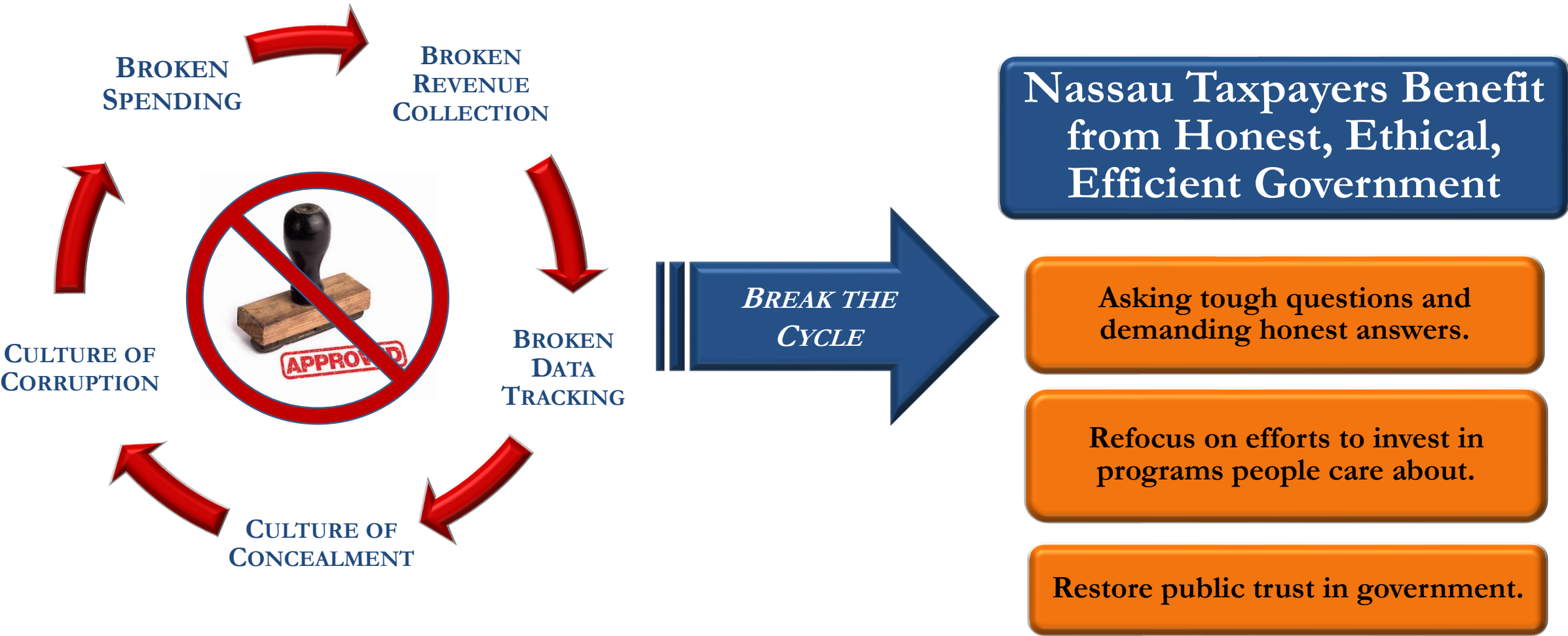
First 100 Days



Culture of Corruption
&
Fiscal Emergency

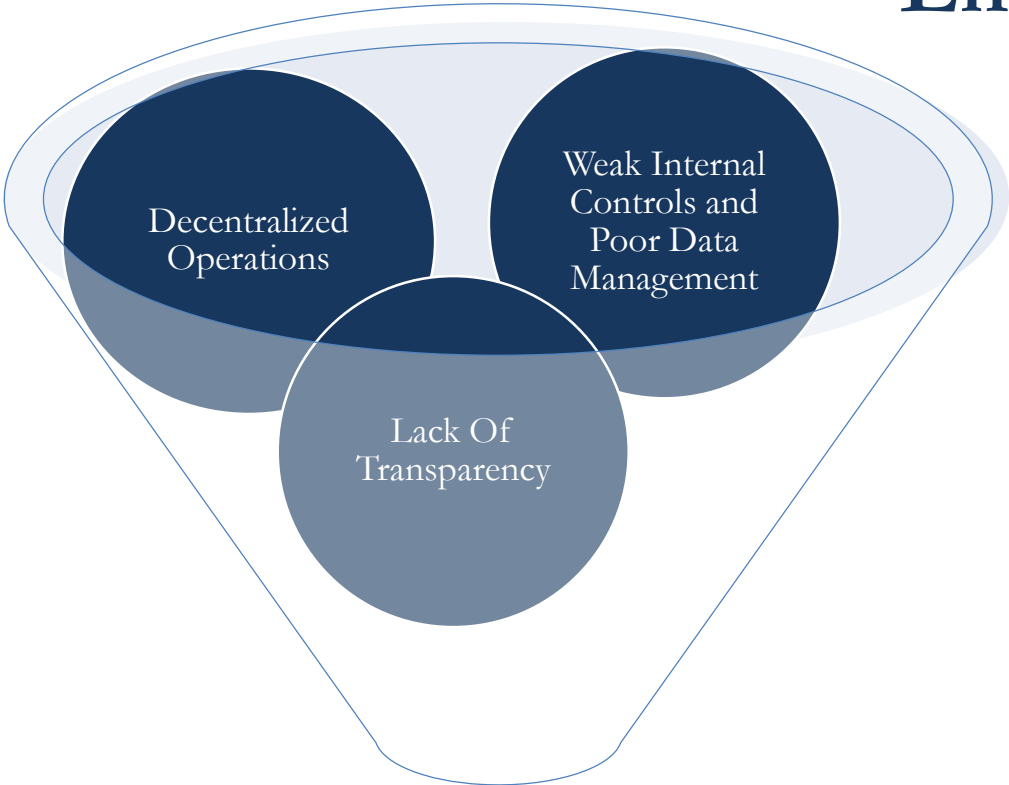


Accountability
&
Innovation

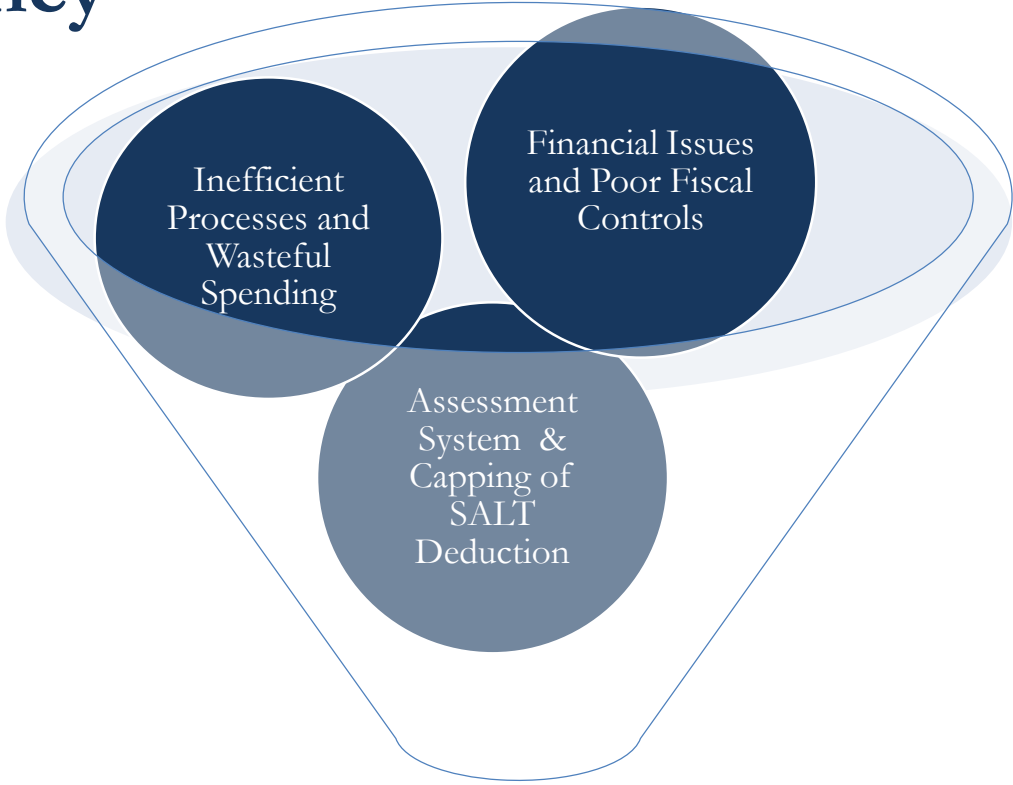




The Culture of Corruption and the County’s Fiscal Emergency



Culture of Corruption



Fiscal Emergency



Culture of Corruption

Decentralized Operations

- Departments and agencies operate as their own businesses that do not talk to each other.
- Departments and agencies are allowed to circumvent centralized bidding policies and procedures.

Lack of Transparency

- Claims/contracts data is released monthly, but with no documentation to explain the information.
- Different departments use different accounting measurements, causing confusion over the County's finances.

Weak Internal Controls and Poor Data Management

- Nassau County does not have a complete list of all the properties it owns or a comprehensive list of labor agreements despite significant taxpayer investment.
- County vendors, including nonprofits that provide vital services, must complete repetitive paperwork on a regular basis, often causing delayed payments.



Fiscal Emergency

Inefficient Processes and Wasteful Spending

- \$43 million spent on financial and HR software with not nearly enough to show for it.
- The County issues millions of dollars of change orders every year and never recoups those funds.
- Unnecessary late fees and penalties on unreconciled and past-due utility payments.

Financial Issues and Poor Fiscal Controls

- Rainy-day and litigation funds are insufficient and trending downward.
- \$300 million in potential judgements on the horizon and outstanding tax-cert liability of \$500 million.
- All County labor agreements are expired & the current budget does not account potential contractual increases.
- The County lacks safeguards that would standardize reporting guidelines and deter fraud.

Assessment System and Capping of State and Local Tax Deduction

- Nassau is now fixing the failed assessment policies from the prior administration.
- Property values will be going up for many homeowners for the first time in many years, while homeowners will contend with the uncertainty and impact of the SALT deduction cap.



1: Open and Modernize Finances

We are working with County IT and the County Executive to utilize the tools already in place to give people a clear look at our finances.

2: Smart Audits That Ask The Tough Questions

We aren't afraid to challenge the political status quo in Nassau County. No entity is too big or too politically connected to avoid the tough questions we are asking.

3: Clean Up and Reform Contracting

We are moving quickly to remove the corruption and bureaucratic bloat that has plagued our contracting system. We are working with all stakeholders to ensure common-sense solutions, like removing vendors who have shown they cannot follow standard policies and procedures from vendor lists so the mistakes of the past don't repeat themselves.

4: Report It, Reform It

We announced the creation of our tipline: **ReportItReformIt@nassaucountyny.gov**. The tipline provides a way to directly connect with our investigative team. We are already seeing results, with feedback for both potential future and current audits.



Fact Sheet: \$45 Million Judgment

We developed this fact sheet to provide an accurate look at the County’s fund balance as the Legislature considered a request to bond to pay a \$45 million legal settlement.

“We’re speaking honestly about the state of the County’s finances & basing our findings in facts.”

OFFICE OF THE NASSAU COUNTY COMPTROLLER

FACT SHEET

Nassau County \$45 Million Judgement

Nassau County required to pay a \$45 million judgement by February 7, 2018 pursuant to court order.

The question at hand is **HOW** is the County going to pay for this judgement? Although there are several options, it is imperative that the County’s financial condition is presented in a clear and concise manner to ensure the best option is exercised on the behalf of the County’s taxpayers.

Timeline of Events – Financial Focus

Note: Cash is only set in restricted bank account. Funds have not been appropriated. Only Cash impact at this point in time.

Key Financial Indicator – Fund Balance

What is Fund Balance and Why is it Important?

Fund Balance is a key indicator of the County’s fiscal health. Fund Balance is **NOT** entirely cash that can be used at anytime. It is the difference between the County’s assets (What It **Ow**ns) minus the its liabilities (What it **O**wes). An adequate amount of unassigned fund balance is needed to ensure the County has adequate cash flow to meet its disbursements, guard against unforeseen revenue loss or unexpected liabilities, and allow for prudent planning.

What is the County's Fund Balance?

*As of FY 2016 Audited Financial Statements; FY 2017 Audited Statements are expected to be available mid 2018.

Total Operating Funds* Fund Balance

Total - \$179M

Operating Funds* Unassigned Fund Balance

Total - \$46.8M

Remaining Operating Funds* Unassigned Fund Balance

Total - \$1.8M

Notes:

- Nonspendable Fund Balance – Resources inherently not in spendable form (i.e., inventories, pre paid).
- Restricted Fund Balance – Resources with externally enforceable limitation on use.
- Committed Fund Balance – Resources constrained to specific purposes by the governing body.
- Assigned Fund Balance – Resources government intends to use for specific purposes by the governing body.
- Unassigned Fund Balance – Available for any purpose.
- *Operating Funds include General Fund and Police District Fund

Key Impacts – Next Page

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Reimagining Government...

*So That Nassau County Can Invest
In The Services Residents Care
About*



Advisory Committee on Reimagining Government Will Be Created

“We have to accept the reality that the structure of County finances is broken and that balancing the budget on bubble gum and duct tape isn’t going to work anymore.”

Why do we need to reimagine County government?

➤ *Fixed costs are rising and the County is facing a structural deficit.*

No other business, organization, nonprofit, or other government entity going through the problems we are dealing with would continue to try the same things over and over again.

➤ *Why should Nassau County?*



*The Comptroller's
Office has initiated
six new audits in
our first 100 days:*

Smart Audits

Town of Hempstead Animal Shelter

Invited by Town Supervisor to audit finances and hiring practices.

Nassau County IDA

Making sure it is operating as a job creating, economic engine for the county.

Assessment Review Commission

Playing our part to help fix the broken tax assessment system and making sure people are treated fairly across the board.

Nassau County Bridge Authority

Ensuring funds are being protected and cash-collection controls are in place.

Friends of Nassau County Recreation

Making sure this entity is operating efficiently with proper cash controls.

Living Wage

Making sure those who get paid in tax dollars to do work for the county pay their employees a living wage.



Clean Up and Reform Contracting:

Why is reforming the County contracting system important?

- Our contracting system is ripe for reform. It takes too long and there is too little oversight.

How we will accomplish this goal?

- All Nassau County vendors must disclose whether money or family influenced or helped secure a contract.



Nepotism Audit

Investigative

- Has the culture of corruption led to nepotism and patronage?
- Is corruption impacting the hiring and staff management practices?
- We will ask the tough questions about hiring practices and conflicts of interest.

“We will be examining hiring and supervisory practices to ensure there is a fair and level playing field for all who seek to join the county workforce.”

Innovative

- An in-depth nepotism audit of this scale has never been done before in Nassau County.
- Our team has put a tremendous effort into the planning stages to conduct the thorough investigation needed for actionable results.

Independent

- This audit will be and has to be conducted independently to have an impact.
- As an independently elected Comptroller, the only person I answer to is the public, and they are demanding answers.



Report It, Reform It

We announced the launch of
ReportItReformIt@nassaucountyny.gov.

- A streamlined, confidential tipline for residents and County employees to provide tips for our investigative arm.
- The Report It, Reform It tipline is administered independently from the County Executive and Legislature.
- We also launched the Independent Audit Advisory Committee and MWBE Steering Committee, with additional committee's to be announced to increase public oversight and engagement.

Comptroller Can Do More

We are hosting meetings around the County to hear from constituents and identify the needs of the community to determine how to provide much-needed resources

- Increasing school participation in the annual Comptroller's Entrepreneurial Challenge competition for high schoolers.
- Revamping the High School Achievement Award focus on innovation in our communities.
- Redesigning our webpage to make it more informative and resourceful.
- Developing event programs that bring resources and information to communities.