1. Budget Hearing

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   1.I. Budget Hearing

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NASSAU COUNTY LEGISLATURE

Theodore Roosevelt Executive and Legislative Building
1550 Franklin Avenue, Mineola, New York 11501

2021 Budget Hearing
October 5, 2019
6:30 P.M.

AGENDA

1.	Office of the Nassau County Comptroller Hon. Jack Schnirman, Nassau County Comptroller Nassau County
2.	Office of Management and Budget Andrew Persich, Budget Director
3.	Department of Consumer Affairs Gregory May, Commissioner
4.	Department of Human Services Carolyn McCummings, MPH, PhD, Commissioner
5.	Department of Social Services Nancy Nunziata, Commissioner
6.	Department of Assessment David Moog, Assessor
7.	Department of Public Works Ken Arnold, PE, Commissioner
8.	Minority Affairs Lionel Chitty, Executive Director
9.	Department of Health Lawrence E. Eisenstein, MD, MPH, FACP

NASSAU COUNTY LEGISLATURE

2021 BUDGET HEARING
FULL LEGISLATURE

RICHARD NICOLELLO,
Presiding Officer

1550 Franklin Avenue
Mineola, New York

Monday, October 5, 2020
6:45 P.M.

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

RICHARD NICOLELLO,
Presiding Officer

HOWARD KOPEL,
Alternate Deputy Presiding Officer

DENISE FORD,
Alt. Deputy Presiding Officer

STEVEN RHOADS

DEBRA MULE

C. WILLIAM GAYLOR III

VINCENT MUSCARELLA

ELLEN BIRNBAUM

LAURA SCHAEFER

THOMAS MCKEVITT

KEVAN ABRAHAMS,
Minority Leader

ROSE MARIE WALKER

JOHN FERRETTI, JR.

JOSHUA LAFAZAN

ARNOLD DRUCKER

JAMES KENNEDY

DELIA DERIGGI-WHITTON

CARRIE SOLAGES

SIELA BYNOE

MICHAEL PULITZER,
Clerk of the Legislature

LIST OF SPEAKERS

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CHAIRMAN NICOLELLO: I call the hearing to order and ask everyone to please rise for Legislator Walker to lead us in the Pledge of Allegiance.

(The Pledge of Allegiance was recited.

CHAIRMAN NICOLELLO: Welcome to the first budget hearing which involves presentations by the Comptroller, Office of Management and Budget and various departments of the county.

Let's start things off by inviting the Comptroller up to give that presentation.

COMPTROLLER SCHNIRMAN: Presiding Officer can you hear me all right?

CHAIRMAN NICOLELLO: Yes.

COMPTROLLER SCHNIRMAN: Okay. Very good. Good evening, Presiding Officer Nicolello, Minority Leader Abrahams, members of the Legislature.

Before we get into the numbers, I just want to say that I hope that everybody who is here in person as well as remotely, I

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hope all your families are healthy and well.

I want to thank the Legislature for making the option of joining via Microsoft teams available in a time where circumstances have required so many of us to meet and work this way. Our team appreciates this and it really has been a push towards modernization for all of us across the county.

I have to say, speaking for our office, it's been very productive. It seems like it has been that way across the county and that's a tribute to our workforce.

Getting into our presentation this evening, clearly COVID-19 is an unprecedented crisis. We can see that reflected in the impact on our residents, local businesses, on our economy and ultimately on the local government finances of course as well.

From a financial perspective as we point out each time we meet, we see time and time again we see our revenue stream is economically sensitive very much so as evidenced by the crisis we are facing now and we are seeing impacts to more than just sales tax, our largest revenue in the budget.

We see that regardless of progress to the county's finances over the past several years, COVID-19 has really changed the equation.

So we're here with you today to present our report on the proposed 2021 budget. I want to thank deputy comptroller in charge of accounting, Tony Dalessio and director of accounting, Lisa Tsikouras for standing by here as well to answer questions as we walk through the report.

We are also joined by deputy controller chief counsel Jeff Schoen and deputy comptroller for audit and operations Kim Brandeau.

So, as outlined in the county charter, we're here today to render our opinion as to the reasonableness of the estimates contained within the administration's proposed 2021 budget. That

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opinion is outlined in the report you received this evening which primarily describes the risks and opportunities that we've identified in the administration's proposed budget and our analysis of the structural deficit.

Before we look ahead to 2021, it's important to start briefly with how we finished last year's outline in our comprehensive annual financial report.

So where were we at the end of 2019? We saw surplus in primary operating funds of $145.3 million. As a reminder in 2018 there was a deficit of 27.5, 2017 it was a deficit of 122.4.

We saw a surplus at the end of '19 in unassigned fund balance, $112.2 million. In 2018 that number was a deficit of 22 million, in 2017 it was a deficit of $68.8 million.

So what drove this improvement?

The improvement in the county's total unassigned fund balance in 2019 was primarily the result of an increase in sales

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tax of $47.7 million last year and that was mainly an improvement in the account and the collection of enhanced internet sales tax.

A year ago we were talking about how good and how healthy sales tax was.

After the onset of a pandemic with no clear resolution, now the conversation has shifted to how bad can sales tax be?

Remember last year we said, despite the improvement in sales tax, it was no time for touchdown dances. As a Jets' fan, it seems never a time for touchdown dances these days, but it was and is an economically sensitive remedy.

Moving on. As many of you know, our office has created a comprehensive score card of the county's finances. The Comptroller's score card displays that the key indicators we used to measure Nassau County's fiscal health so that our financial data is easily accessible to all. We make things simple, red, yellow, green, on track, caution and off track.

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This year we've made updates after the CAFR, more after the mid year and again now as we presented the risks and opportunities for the 2021 budget as information becomes available.

Additional measures in the score card include total fund balance, unassigned fund balance, sales tax, projected structural gap, and tax certs and serial bonds.

As we can see over the last year, key measures like sales tax which had been trending very positive are now seeing clearly a major major dip and that has of course impacted county finances across the board.

So, looking at the projections our office laid out for 2020 in our midyear report, sales tax which we highlighted more than anything has been such a significant focus due to it being the single largest source of revenue for the county and we're seeing an unprecedented impact to sectors across our economy.

As you can see from our report, Nassau County's performance looks much different in 2020 than how we ended '19.

This wasn't something that could have been projected or planned for without of course a huge available fund balance.

As we talk about the unassigned fund balance or rainy day fund, we saw significant surplus change to end 2019 compared to the prior year.

But the unprecedented rainstorm of COVID-19 washed that away and as you know we are projecting a significant deficit of course for 2020.

So let's get into the specifics.

The top line numbers from the midyear report first, in the primary operating funds we projected a $340.4 million operating deficit compared to $145 million operating surplus to the end of '19. As we are here today, on our report that we are delivering to you this evening, updates that number to $327.2 million. So that's a slight improvement off the 340.

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Looking at the unassigned fund balance, we saw a deficit of 227.1 in the primary operating funds compared to an unassigned fund balance of positive $112.2 million at the end of fiscal year '19.

Our report today updates that number to approximately $193 million.

Looking at the structural deficit. Let's look at 2021 and the structural deficit. Simply put, structural deficit is the difference between any government's recurring revenues and recurring expenditures.

This year we project that structural deficit to be $277.7 million. That is a decline, or worsening, of $257.8 million over the 2020 proposed budget which had a structural deficit of $19.8 million.

We calculate the structural deficit to chart long term progress towards financial stability in the operating budget.

However, COVID has produced extraordinary impacts and our response, the resulting proposed remedial measures both

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within 2020 and within the proposed 2021 budget.

The structural deficit is increasing due to the NIFA and county debt restructuring projected in the proposed budget. Excluding this factor, the structural deficit would fall to $44.5 million.

So, should that restructuring be approved, the overall projected risk that we see in the budget falls to $32.3 million.

We've highlighted in the past how one shot budget relief is not ultimately reform that moves the needle on the finances of the county, doesn't reimagine county government and long term trajectory of the county finances, and that's why we highlight the structural each year.

But this year is truly unprecedented and we need to focus and look at it clearly. Every option obviously is on the table.

So, ultimately I will just observe that there seems to be broad

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agreement on two priorities looking at the budget.

Number one, not raising taxes.

Number two, not cutting services so there will be no layoffs that will only inflict further economic damage on our economy. With those are our sort of assumptions this creates an ongoing challenge for all Nassau County decision makers to grapple with. Right? And given the unprecedented circumstances of debt restructuring which is typically one of the least controversial things government can do to save money has been presented as a piece of this proposed budget.

As I mentioned, it brings the risks that we see here from an initial $256.6 million. Ultimately, when factored in with the other items, down to $32.3 million.

I'll just mention GFOA, the Government Finance Officer's Association, has identified restructuring of municipal bonds as a best practice that can contribute

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to improve government management. It's in their sort of first aid tool kit so to speak for what to do in a time of crisis. GFOA also states that restructuring is used frequently to achieve debt service savings on outstanding bonds.

That said, I understand. I recognize that there's some uncertainty around it. It does require legislative approval. All of this is to say I just want to make sure we are presenting the numbers and ultimately it will be up to policy makers to make those choices as we go forward.

So that's an update on 2020 and our structural deficit analysis for 2021. Now we are going to get into the specific risks and opportunities that we see in the proposed 2021 budget.

Again, our office's major role is to identify those risks and opportunities and, when you combine them, as I had mentioned a moment ago, it works out to our projection of $256.6 million.

How do we get to that figure? Lisa, our director of accounting is going to walk us through the details in just a moment. Before she does, I just want to mention, we mentioned restructuring just a moment ago, which is really the bulk of it as we know.

We mentioned labor contracts are also a key issue to watch as is of course sales tax which we will discuss again in a moment.

So, Lisa, I'm going to hand it off to you to take us through the details of the risks and opportunities and hopefully this works as we do this remotely.

Lisa, are you there?

MS. TSIKOURAS: Yes, I'm here. Thank you. So, the bulk of the risks and opportunities in the previous table that we had that was up, right there, thank you, talks about I guess what our largest risk has to do with the debt restructuring.

So because the debt restructuring is uncertain, we have excluded the savings

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from our analysis.

What that does on a budgetary basis is it gives us approximately $143.7 million risk on the revenue side which is offset by the debt service savings -- I'm sorry, the debt service increase on the other side. It's not an offset. It's the combination of the two.

If you look at this chart, we've identified that the debt restructuring had a positive effect on the 2021 proposed budget of approximately $233.2 million. We've excluded that. So we've risked that due to the uncertainty of whether or not the restructuring will be approved.

The other big driver in the chart is sales tax. As you're aware, we have a sales tax model that we have been using to project sales tax revenues and collections.

We actually increased our sales tax projection for 2020 which is the base for 2021.

So we anticipate -- right now our projection is $40.7 million opportunity in

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sales tax against the proposed budget. That's just basically the result of the trends that the model gives us, the historical trends, the seasonality and where we've been so far in 2020.

The other risks that are identified in here are where we have identified approximately $20.6 million in risk related to fines and forfeitures and a big piece of that is the new TRP program of 6.9 million.

Our understanding is that it requires legislative approval so we risked that. As well as we see some risk in the TPVA fines of approximately 11.4 basically just as result of trends and where we are in 2020 and the expectation of not being back to like 2019 levels in 2021.

The other areas we've risked are in rents and recoveries. $24.5 million worth of risks. The driving factors there are, there is a $10 million capital closeout pickup and we don't have the details of which projects would fall into that $10

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million so we've risked that.

We also have $8.6 million of property, so of property, which again, we don't have the details of what particular properties. There isn't anything in the pipeline for 2021 as far as we are aware so that is also risked.

We've also risked the -- risked the coliseum rental stream of approximately $5.3 million.

Departmental revenues, we have some risks associated with the income expense law, approximately $5 million as that has not been adjudicated, and we also are risking some of the fair box revenue based on what we're seeing as current trends in fair boxes and just a continuation of the COVID impact on Long Island.

We also have some ambulance fees risks again bringing us down as we feel the budget might be a little over budgeted or a little bit more aggressive on the revenue stream on there. And we have a parks opportunity related to golf.

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We also have our federal aid, we are showing a risk of approximately $3.3 million that's related to the federal program, SCAP, and we also have additional contractual expenditures of $12 million related to the Trans Dev contract that the cut in the Trans Dev contract is we feel is a little too aggressive and we believe that the expenditures will be more than that.

We've also risked approximately $6 million in early intervention costs and that's just based on trends and what the departmental needs were their request in the budget. Those are the main budget risks that we've identified.

COMPTROLLER SCHNIRMAN: Very good. Thank you so much, Lisa. Moving on to slide 10.

Beyond the risk we see an opportunity in sales tax of $40.7 million compared to the very conservative budget estimates, clear projecting conservative numbers for sales tax is a prudent course given the impacts of COVID.

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To that point, that office model and analysis of a potential second wave this fall, that potential impact would be catastrophic and it would be another year of pushing out recovery timelines.

Just as we wrap up, it's just important to highlight and it's especially to discuss this deficit or this potential deficit and these risks and opportunities without mentioning the inability to use federal funding as a revenue supplement with such a large and unprecedented impact of COVID, I want to take a moment to consider what this means for the average citizen outside of the lines of government. This is of course a crisis.

Many people don't see the correlation between county government and kitchen table issues, unemployment, childcare, health care, housing, things that are very real and tangible. As our revenues are clearly connected to our local economic performance, right? Sales tax is our biggest revenue. It is but a mirror of economic performance.

So, given the challenges we face, government traditionally has certain items in the playbook of how we address crises like this. But we are all aware that often that those tend to begin with either considering cutting services or raising taxes. I think we can all agree that now is not a good time for those options.

We need to re-imagine how government works especially during a time of crisis and this could be the opportunity to sort of throw out the old playbook and look at bold ideas and modernizations as we go forward, some of which we have been already pushed into by necessity during this crisis.

So, I'm not going to advocate for any specifics on that today as policymakers, there will be some choices I know coming down the pike.

We're just going to lay out these facts as well as the risks and opportunities that our office has identified in 2021.

I just want to note, the

conversation, my understanding is, has taken place in public comment before the Legislature a variety of times in one way or another embracing innovative and proactive solutions so we can help ensure Nassau County's long term financial success and avoid devastating cuts in services or increases in taxes which would only exacerbate the gaps that already exist in wealth and unemployment and home ownership, so on and so forth in our communities.

Our office has spent -- has really put some effort into developing modeling scenarios and making reasonable fact based conservative projections so we can inform the decision makers sitting around this virtual table, so to speak, as well as the County Executive, making sure we are armed with the best information possible to be able to make tough decisions.

So I want to take this opportunity to, as always, encourage everyone to continue to reach across party lines and work together and help advocate for federal relief as a component of hopefully further upcoming federal legislation.

There's money available in many ways that just needs approval to be accessed and it can make a significant impact as we talk about how the county will weather this crisis and whether or not we are able to come out stronger.

When we speak of an unprecedented storm we're looking at over a $300 million deficit for 2020. We have seen Peter King, a former county comptroller, and Tom Suozzi come together time and time again to advocate for our community with unity and togetherness and putting partisanship aside.

We look back at Super Storm Sandy and other events like that that have caused unprecedented damage to our region. This body has really been a force in fighting for funds.

So this body wouldn't let FEMA off the hook in their response and that was critical.

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Today we are seeing politics and just partisanship and this concept of red and blue states impacting at the federal level.

I think we can all agree that that doesn't solve any problems and this Legislature is aware of that and recognizes that in Nassau we do not need to follow that sort of national trend.

We have a real history of bipartisanship here and it's an opportunity to come together. Federal CARES Act money was an important piece for our region.

We are not talking here fundamentally about an expenditure crisis, right, this is a revenue crisis primarily driven through a drop in sales tax.

So there needs to be flexibility and advocacy for counties like ours so we can weather this unprecedented storm; additional direct federal assistance to support the local economy and in turn support sales tax.

I will leave it there for this

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evening and we're happy to answer any questions as best we can on the risks and opportunities as we see them in the budget.

CHAIRMAN NICOLELLO: Anyone have any questions for the Comptroller's office? Legislator Rhoads.

LEGISLATOR RHOADS: Mr. Comptroller, thank you so much for your presentation. We certainly appreciate it.

Just a couple of follow-up questions with regard to your presentation. I do note that you account for a number of risks within the budget.

One of the things that I note is not included is liability, potential liability for certiorari payments related to grievances for the 2020, 2021 year. Was that analyzed as part of your budget review?

COMPTROLLER SCHNIRMAN: Legislator Rhoads, it's a little jumbled to hear. Are you asking about tax certs; is that right?

LEGISLATOR RHOADS: Yes. And just to give you some context for the question, there is about 133 SCAR petitions

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presently filed. We don't have the numbers with respect out of the departments with respect to how many have been negotiated but obviously tax bills at this point will be coming out starting the first of November which means that any successful grievances at that point will be in refund status which means that that obviously will incur liability on the part of the county.

I was curious if your office had done any analysis with respect to that and whether that is included in your budget memo?

COMPTROLLER SCHNIRMAN: Got it. Thank you. I'll give you a simple answer to start and then I'll hand it off to Lisa to elaborate.

Simply put, there is not a tax cert analysis that's part of the proposed budget. I will let Lisa speak to the details there.

MS. TSIKOURAS: Yes, of course. Thank you.

What we do is, at the end of the

year when we receive the liability calculation from assessment review, that's when we analyze what the actual long term portion of the liability is.

As of right now, we don't see a risk to the operating budget for the $30 million that is currently budgeted in the general fund for tax certiorari payments.

That being said, again, at the end the year if it's determined that there are additional liability or additional expenditures, we will pick that up as an accrual in our year end numbers.

At this time, based on conversations with the treasurer's office and administration, we don't see a particular risk. It could very well be with the SCAR filings, again, the SCAR filings don't become a liability unless the taxpayer actually wins the SCAR.

Then, yes, those numbers will be included in whatever liability we report in our CAFR for the fiscal year.

LEGISLATOR RHOADS: Would it not

be -- obviously we are trying to project and budgets are always an estimate of what we think is going to happen both on the revenue side as well as on the expenditure side.

Would it not have been prudent though to include that in your analysis? I think it's somewhat speculative because we don't know the outcome but with 133,000 petitions having been filed which represents just under a third of all the the class I properties in Nassau County, that's a significant number.

I would think that some sort of projection would have to be made as we are considering the budget, I mean including it in the year end numbers once their certainty is wonderful, but I don't know how it's not analyzed as a potential risk or not accounted for in the budget at all given the sheer volume that we have.

MS. TSIKOURAS: Again, with what we've been seeing over the last few years is an approximate $30 million of tax certiorari expenditures paid out of the operating fund.

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I do know there is funding also available in the litigation fund that could be used for that. At this time we don't see a risk.

Once again with SCAR, until it becomes -- I'm not sure if I'm using the right term, I'm not an attorney, I don't know if it's adjudicated or settled, there isn't a liability at that point.

My understanding though is if there is a filing and there has been a grievance it would be part of our liability. So we may be picking it up in our liability correctly as opposed to not actually hitting the expenditure until it actually becomes a payable to the county. Has to become a payable in the current year.

LEGISLATOR RHOADS: Okay. On the revenue side, obviously great concern has been given to the downturn in sales tax revenue. Though it is noted we were briefed today that our most recent sales tax revenue check came in and it represented a 14 percent increase in sales tax revenue over

2019's figures for the same period.

So not only are we talking about simply keeping par with last year but those revenue figures are, at least according the briefing we had, actually exceed 2019's figures.

Was there any thought given to what appears to be the fact that business is coming back and sales tax revenue is coming back much more quickly than expected and are the figures being included in the budget somewhat overly grim when anticipating our potential sales tax revenue for 2021?

COMPTROLLER SCHNIRMAN: So let's talk about sales tax for a minute. Thank you for bringing that up.

First of all we did receive information about that check this afternoon and I know the office will be analyzing it and doing -- plugging it into our model and looking at all the different things that get pulled in and pulled out and how that corresponds to previous years to make sure we are actually looking at apples to apples and I will let Lisa elaborate on that in a moment.

But, let's not make any mistake, by and large, we are down dramatically year over year. The good news is, we're trending -- excuse the technical term, slightly less bad, than we were a little bit earlier in the year.

You may remember, we modeled out low, mid, and high impact scenarios for quite a while. We were trending between the mid and the higher impact and now we're trending between the mid and the low impact. That trajectory has slightly improved as of this conversation.

And, you know, I wouldn't call that good news. I call that ever so slightly less bad news. It doesn't strike me as reality based that we are going to be in a place that we are anywhere near catching up to 2019 or overall we're still trending upwards of 15 percent down for the year which is a tremendous impact and it's the reason why we've developed this modeling tool and we're going to continue to do this modeling.

I would sort of leave with a broad thought as well in our model we also took the extra step of modeling out what a hypothetical second wave of the virus would look like. We're certainly not predicting that. We are not public health experts. We are looking at trends and looking at also the potential of an entire alternative scenario.

Given the level of uncertainty we are talking about, our hope is that we continue along the trend run right now which is slightly less bad as we go throughout the year. But we are acutely aware that things could take another dip. The future is uncertain at this moment.

For that reason, it really is hard for us as an office to be critical at projections that are conservative. It seems better be safe than sorry when you look at the projections for the rest of 2020. But, even more so, looking to 2021. As the saying goes, hope for the best, prepare for the worst.

I know that our office has yet to analyze that particular check that came in today. I can tell you it raised some eyebrows from our perspective as sort of an outlier and I'm expecting some sort of, well, it includes this, it doesn't include that, and this hasn't been backed out yet, don't get too excited, Jack. It's not the good news you hope it's for, but I'll let Lisa elaborate on that a little bit.

MS. TSIKOURAS: Thank you.

Yes. Actually, it was little surprising to see that number. However, we are also anticipating a quarterly check for the end of this week that is a reconciliation check as well.

So, I think we are being cautious at this moment to see how that check comes in and then we may have a better sense of what how to update the model. We did update our model from our midyear report and we did see the trends, well, as the Comptroller said, they were less bad.

We did factor that in and that is why we Increased our 2020 projection as a result.

We are also coming into the fourth quarter with the winter and the holiday season. We don't know yet how many households are still going to be impacted by loss of jobs. So our model is a little more conservative in the final quarter as well as we know we have a withholding, an additional withholding that wasn't anticipated last year that we have to project for.

LEGISLATOR RHOADS: Finally, with respect to that, I know other legislators may have questions, obviously not factored into and what you've analyzed as a risk is the potential debt restructuring.

You've also made mention of the need for the hope for somehow receiving federal funding to help offset some of the negative impacts from COVID.

Has any of your analysis included if, in fact, borrowing is done, debt restructuring is done, what the impact is going to be with respect to the outlying years or would that be included in a separate document as opposed to included in your budget analysis for next year?

In other words, you're achieving short term savings at the cost of long term expense?

COMPTROLLER SCHNIRMAN: Right. Legislator, you're trailing off a little bit. It's clear that you are bringing up the restructuring it sounds like, and I heard you say out years. Can you elaborate on the specific question?

LEGISLATOR RHOADS: Sure. The borrowing or the debt restructuring proposed by the County Executive potentially achieves savings in the short years but in the out years will wind up costing additional in terms of its budget impact to that year's budget.

Has your office performed any analysis with respect to that?

COMPTROLLER SCHNIRMAN: Again, I

will speak to that broadly and then I'll let Lisa fill in any details that I leave out. So, firstly, most directly, the analysis that we have done is in regards to its impact on the 2021 budget. That's the piece that we are here to talk to you about today.

So as I mentioned earlier in my remarks, looking at a totality of $256 million of risk in the budget, so just focusing on the restructuring alone for a moment, that would remove $233.2 million of that risk. Right? So obviously it has a dramatic impact in that regard on budget year 2021.

Now, more broadly to answer your question, obviously, look, there's pros to doing it, right? Including the fact that it saves a dramatic amount of money in 2021.

To be fair and to be clear, as you mentioned, there are absolutely long term costs. And we should be clear eyed about the benefits and clear eyed about the costs.

As I had mentioned before in sort

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its first aid tool kit, here is what you do in a crisis. The Government Finances Officers Association has identified restructuring of municipal bonds as a best practice that can contribute to improved results and it can save money.

In a time of crisis you look at things like this that can save you money in a significant way and provide a significant amount of relief in this budget year.

Generally speaking, these things are not top the list in terms of most controversial things to do to be honest with you and I think that's something to note as well.

Sort of another way to look at that would be, if someone were to tell us and to tell residents, we're going to have unprecedented economic crisis that is going to crater the county's revenue and put this level of challenge on us that's going to use up the unassigned fund balance that we built up last year and it's going to constrain all of our options, but the only pain that we as taxpayers may feel, it's not taxes going up, not lay offs and cuts and services, it's taking savings up front and spreading that pain over a longer period of time.

Generally speaking, that's the time when you make that kind of choice. But to be fair minded about it, that's the reality of it.

I'm aware there are different scenarios and different looks and ultimately the refinancing would have to be approved by the Legislature and, when that comes down the pike, I know that there will be analysis whether it be by PFM or others and NIFA, so on and so forth and we certainly will be looking at things with a keen eye there.

For the purposes of this report, we've analyzed this as it affects the proposed 2021 budget.

Without it in the proposed 2021 budget, it forces the Legislature into consideration of replacing that 200 some odd million dollars and contemplating a much less happy set of options.

LEGISLATOR RHOADS: I appreciate that. I guess the short answer to the question then is that the office has not, in the context of this report, has not analyzed what the impact would be on years beyond the budget year 2021?

COMPTROLLER SCHNIRMAN: We have in regards to that we have I believe the same information that you do.

LEGISLATOR RHOADS: I appreciate that. Thank you.

CHAIRMAN NICOLELLO: Any other questions? We have Legislator Ferretti and then Legislator Bynoe.

LEGISLATOR FERRETTI: Hello. Good evening.

I just want to follow-up on Legislator Rhoads' initial questions. I didn't completely understand. I just want to be clear on the potential tax liability.

Is there a potential tax liability for 2021?

COMPTROLLER SCHNIRMAN: Legislator Ferretti, I don't believe that we have a deeper answer to the issue of tax certs than we have already given you.

Our report talks about the risks and opportunities in the proposed budget.

LEGISLATOR FERRETTI: So can I assume that since it's not mentioned in your report that your office did not see it as a potential liability?

COMPTROLLER SCHNIRMAN: I think I've answered your question as best I can.

LEGISLATOR FERRETTI: On page 21 of your report there is a Section 2.7 with regard to federal aid.

I see that the federal aid, there's a $3.3 million budget risk that's labeled there. It looks like it's attributed to the state criminal alien assistance program. Can you describe what that is; if you know?

COMPTROLLER SCHNIRMAN: That's been an issue the last several years in the budget. Lisa, I will let you speak to the details of that program and that ongoing risk that we've identified.

MS. TSIKOURAS: Of course.

The federal government appropriates funding in the federal budget that is distributed to all municipalities who apply for that funding throughout the country.

Nassau County has gotten a piece of that for as many years as I can remember. It's payment on I believe undocumented inmates and they are -- there is a certain percentage that the federal government will reimburse us for. There is calculations that have to be provided, correctional officer salaries, et cetera.

There had been an error in the calculation for the 2018 fiscal year and the county had to return funding.

And, unfortunately, it appears that that same calculation error carried through for the 2019 and 2020 submissions.

So we are anticipating there will have to be an additional refund for next year.

LEGISLATOR FERRETTI: So if I'm

understanding this correctly, the county requested a certain amount from the federal government; is that correct?

MS. TSIKOURAS: No. What actually happens is all municipalities throughout the country have to apply for funding.

What they provide are expenditures that meet the eligibility for that program and what happens is whatever is appropriated at the federal level is divvied out based on a prorated amount.

We can't exactly tell year to year what we are going to get. It depends on the pool of applicants but it also depends on how much is being appropriated at the federal government.

I know over the last few years they have been decreasing that federal appropriation so there hasn't been as much to divvy out to the municipalities around the country. But it's based on some prorated calculation. I don't know the exact calculation at the federal level but the county did submit their expenditures and they were -- I think we received approximately $6.3 million last year of which 3.3 had to go back.

LEGISLATOR FERRETTI: Okay. On page 38, 5.1 the last paragraph there, right above 5.2, talking about the DAF, the 2020 DAF, and it looks like there's $244.1 million in the DAF, and 227.4 in liabilities. The report indicates to date that 227, those payments haven't been made. When do those payments get paid?

COMPTROLLER SCHNIRMAN: Lisa, I'll let you answer that, but I'm suspecting that the answer to that question is that's ultimately not a question for our office.

MS. TSIKOURAS: Correct. It's at the determination of the what the final settlement is with those grievances. As I'm sure you're aware, DAF is for commercial property owners and, as they are settled, there would be a reduction in the amount that is in that fund and either paid out to either the taxpayer or distributed a portion to the county and the school districts, et cetera.

LEGISLATOR FERRETTI: So it gets paid out as the case is settled or whose determined who has won, that's when it gets paid out?

MS. TSIKOURAS: It's really -- that's driven by I believe ARC and I believe the treasurer's office on those settlements. So as far as the timing, it's really up to their management.

LEGISLATOR FERRETTI: My understanding is that the money in that account is subject to pretty high interest, correct?

MS. TSIKOURAS: I don't know the answer to that. I'm sorry.

LEGISLATOR FERRETTI: My understanding is it's nine percent which would be a pretty big chunk of interest that we pay over the course of the year. Okay. That's the questions I had. Thank you both.

CHAIRMAN NICOLELLO: Legislator Bynoe.

LEGISLATOR BYNOE: Good evening. I just really have two quick questions regarding risk.

I'm questioning why we would consider the ambulance services of $3 million of the ambulance services projected revenue to be at risk. It appeared to me that there was already a roughly $3 million reduction from what was budgeted in 2020-2021. So I'm just trying to understand why for 2021 would be even $3 million less than that?

COMPTROLLER SCHNIRMAN: Are we talking about the 2020 risk that we're assigned to ambulance revenue to the remainder of the year or for 2021's budget?

LEGISLATOR BYNOE: I understood it to be a risk for 2021's budget, unless I misunderstood.

COMPTROLLER SCHNIRMAN: Lisa, you have that one in front of you?

MS. TSIKOURAS: Yes. Right now the current trend in 2020 is very very low. It's way down and we don't anticipate that it's supposed to be coming back at the level that is budgeted.

LEGISLATOR BYNOE: So you're stating that in 2020 the numbers are low?

MS. TSIKOURAS: Correct.

LEGISLATOR BYNOE: Is that low because we haven't corrected the revenue and we have outstanding receivables? What's the amount of receivables that's hanging out there?

MS. TSIKOURAS: The information that was provided to us are the number of run were low, have been down.

LEGISLATOR BYNOE: In the middle of COVID?

MS. TSIKOURAS: I think in a lot of cases people were not taking ambulances because of COVID, or they were being just trying to be treated at home.

LEGISLATOR BYNOE: Based on the number of responses, we were treating at home, not transporting, is that what it is?

MS. TSIKOURAS: I'm sorry. I didn't hear that.

LEGISLATOR BYNOE: I said, based on what you're telling me, because I know there were a lot of calls that were dispatched according to our updates from the commission on a daily basis, but I guess what you're stating is that folks were treated at home or stabilized at home and then not transported so that there was no fee incurred; is that correct?

MR. DALESSIO: Lisa, this is Tony Dalessio. May I answer that, please?

MS. TSIKOURAS: Sure. Go ahead.

MR. DALESSIO: The information, legislator, that was conveyed to us was that it appeared that many people were actually driving themselves to the hospital post-COVID as opposed to calling ambulances.

That's what our conversation with the administration that was conveyed to us.

LEGISLATOR BYNOE: If somebody could give me a number at some point for the outstanding receivables for the exact time frame to which you've identified the revenue.

I'm not asking for it at this moment but if that could be provided to me in my office.

COMPTROLLER SCHNIRMAN: We are always happy to send over whatever we have.

LEGISLATOR BYNOE: Thank you. Then my next question is regarding OTB. I'm actually surprised that's not considered to be a risk booked in at $5 million.

COMPTROLLER SCHNIRMAN: I believe we do have it highlighted as a risk though the numbers are not as big as in previous years and it's, unfortunately, it's level of risk as compared to the overall risk in the budget are not as big obviously as you probable recall last year it was the top revenue item on our risk list. Unfortunately this year it has moved down because there are so many other issues that we're looking at.

Lisa, you want to speak to the details of OTB?

MS. TSIKOURAS: Sure. The budget is projecting $5 million for 2021 as opposed

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to 20 that is in the agreement between OTB and the county.

We believe that the $5 million is achievable in 2021. Depending on as long as the video lottery terminals are running, they may not be running at full capacity yet. We don't know if and when they will be at full capacity.

We felt that the $5 million was conservative and there is always an opportunity for more depending on how the economy improves.

LEGISLATOR BYNOE: So it's not recorded as a risk at one point I thought I heard the Comptroller say it was recorded as a risk but, Lisa, you are saying it is not?

MS. TSIKOURAS: The $5 million we did not risk. I think what he's saying is normally we would get $20 million so that 15 is --

COMPTROLLER SCHNIRMAN: Exactly. It's in our items of notes, so to speak, but it's not specifically risk, and my understanding is that the other monitor, so to speak, see it the same way as we do it.

We've talked about it in the office as I mentioned a moment ago as sort of a touch point as to how much more severe the financial issues that we're looking at this year as opposed to last year. Last year that was really the top revenue concern.

LEGISLATOR BYNOE: That's why I still think it's a risk in my eyes, but thank you for your answers.

COMPTROLLER SCHNIRMAN: I guess to put it this way and probably by putting it upfront in our report as one of the items of note it's our way of saying this is still a significant issue that we are watching and that we are paying close attention to and we ought to pay close attention to as we go forward.

LEGISLATOR BYNOE: I appreciate it. Thank you.

CHAIRMAN NICOLELLO: Legislator DeRiggi-Whitton.

LEGISLATOR DERIGGI-WHITTON: Jack

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is there a way to determine how much sales tax was lost during the three months the first three months of COVID through the gasoline sales?

COMPTROLLER SCHNIRMAN: Sure. We modeled that out and we took -- we've gone back and filled in, we looked -- in terms of our sales tax tool that it's new for this year that we brought forward during the initial days of COVID and I would note with the support from this body and it's greatly appreciated in order to give us the resources to bring that forward. So the tool models the sales tax selection and it breaks it down, as I mentioned, the sales tax is really a mirror of the economy. So it breaks down industry sectors and subsectors to present a range of scenarios as to how the pandemic is impacting our largest revenue sources. It's something that we will be continually modeling going forward.

Now in the past we'd make educated guesses from past payments using historical trends and applying a growth rate, but now we can break it down really by industry sectors and subsectors and each has its own percentage of the economy so to speak and make more accurate projections based on actual activity that's going on in the marketplace with applying whatever growth factor during the shutdown we applied, appropriate percentages, mimicking the reopening scenario of what was opened and what was closed and to what extent and will be able to continue modeling that going forward at this moment that is so incredibly uncertain economically as we talked about earlier with not being sure where the economic recovery is going to go and at what pace it's going to go and what set of facts we may unfortunately may ave along the way.

We are hopeful that this will be a continual useful tool for us in providing good timely data and information for every one as we grapple with this.

LEGISLATOR DERIGGI-WHITTON:

Well, I'm just curious to see how much of

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the decline is due to the lack of sales tax to gasoline because that would almost be as long as we are not going to have a situation where we have to shut down again which is what we all --

COMPTROLLER SCHNIRMAN: It is by far the biggest deficit driver to paint with round numbers off the top of my head, you're talking upwards of 70 to 75 percent of the overall deficit --

LEGISLATOR DERIGGI-WHITTON: It's due to gasoline?

COMPTROLLER SCHNIRMAN: It was trending down over 20 percent.

LEGISLATOR DERIGGI-WHITTON: So that's pretty good news if it seems like people are back in their cars, so I would assume that's kind of a temporary setback and maybe 75 percent maybe we're up 65 at this point. In other words, it shouldn't be a long term loss in sales tax.

COMPTROLLER SCHNIRMAN: Let's hope not. The pace of the recovery and the trajectory of it is still uncertain.

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We can model what's going on and model the factors. I don't want to pretend we can predict the future.

LEGISLATOR DERIGGI-WHITTON: I would like to see that. I would like to see what it was in March, April, May as compared to where it is now and hopefully it's recovering because this represents 75 percent of the dip, I mean that's good news.

COMPTROLLER SCHNIRMAN: Sorry. To be clear, what I was saying was, sales tax overall represents approximately 75 percent of the county's overall deficit for the year 2020. If you are asking what those particular months represented, the simple answer is those particular months were worse than the subsequent months and each month it's gotten a little less bad.

I say less bad because there's no good yet, right? Good would be if we were approaching normal for the last couple of years or if we were even exceeding it. Right? If we were rebounding and if all the money, for example, that didn't get spent in

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March and April and May got spent in the subsequent months of August and September and October, you'd see outside spending and outside sales tax for August, September, and October and that is not as of yet the case. I would call that good news. That would be good news.

LEGISLATOR DERIGGI-WHITTON: But if you could get us the amount that was lost because of the gasoline sales tax during those three months and where we are today, I think that would be a good indication of what percentage that is of the 75 percent that you get from sales tax. Okay?

COMPTROLLER SCHNIRMAN: Sure. We are more than happy to share with you the sort of the guts, it's actually in our sales tax report. We are more than happy to pull that out and send it over to you. This is the fun stuff from our perspective. And, Tony, if you want to explain that in a little more depth you're more than welcome to. He's our inhouse expert on that on those numbers.

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MR. DALESSIO: Sure. I know the question is focused on the time periods and the months and what months would benefit others. Keep in mind there is a lag with the sales tax receipts.

One would think when the pandemic started things would downsize in March but March receipts were not as bad as April as the pandemic continued and as businesses and industries shut down, the receipts coming in in those later months, April and May were a little bit worse than what we received in March.

So there is an impact and I know the question was focused on the time period of what the bad months were versus not quite so bad.

CHAIRMAN NICOLELLO: Any other legislators?

(No verbal response.)

I would like to thank the two of you for your presentation.

COMPTROLLER SCHNIRMAN: Thank you very much. Be well everybody.

CHAIRMAN NICOLELLO: I would like to invite the Office of Management and Budget to give their presentation.

MR. PERSICH: Good evening everyone. I'm here to present the 2021 budget on behalf of the County Executive.

I have to give a big round of applause to my staff and team for putting this together.

Many of the challenges that we face day-to-day here, this budget was completely challenging for me and my staff because of work loads and how we were getting people in and out of the office and how we got it done but I have to give them credit for what they did.

That said I tip my hat to them and without them I wouldn't be here doing what I'm doing.

I'm going to get into the budget. What happened in 2021 budget and some of the assumptions and risks and all the rest of the stuff that's in there.

On slide one as you can see, we

all seen this gap we're projecting a $385 million gap and we started with a proposed gap in the 2021 budget of $364 million.

In context, that's $750 million that we have a problem with that we are projecting right now.

We've exhausted all our fund balance use which theoretically if this pandemic didn't hit we would be talking about a lot of different things but we've all known and said that this is what happened and here's where we are at.

So what are we doing in the 2021 budget or what are the budget assumptions?

Our assumption for budget growth in sales tax for 2021 is approximately 1.5 percent. We are predicting a decline in state aid of approximately $16.6 million.

We brought down our GIS mapping by almost $7 million because of pending litigation. We still think there's strength in the volume numbers through the through the clerk's office but we do have some liability issues in what I think the fee is being charged so we are being conservative in how we presented that number.

We also think parks revenue is going to climb by $3.2 million and our investment income is dropping just based on what the rates are and our cash positions.

The budget includes no property tax increase which we've heard at length which is a good thing. Our deed and mortgage recording fees are up in the clerk's office.

We've funded suits and damages continually at the $30 million mark as well as tax certs.

On slide three, I won't go through all of them but I can give you -- this is the big changes to the budget.

We took out approximately 330 vacancies in the budget which is the biggest salary savings that you're going to see. We also included current labor negotiations in this budget, what's patterned after the original contract.

The government assistance dropped

as a result of the sales tax. We also modified our contribution to the Trans Dev. The routes will be extended longer. We are not cutting services but the wait time between routes will be lengthened.

The county couldn't afford to up the contribution so we had to keep it where it was in 2020 which is what we funded it at. We had a slight increase in OTPS.

Debt service I will get to later.

Direct assistance is primarily related to pick up and Medicaid and the other is just again related to debt service.

As you can see on the bottom is the revenue piece which is where we all heard that the problem exists in this county on the revenue side.

We're running short. Of course the single main driver is sales tax which is I heard at length and we all heard from many parties about where sales could be, not be, end up being, but it's still one of the single largest components in the revenue stream as far as from this budget.

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The gap we started out with was $364 million. We did some revenue enhancements of approximately $57 million. We did expense savings which were painfully staking to take down $105 million in expenses. That closed the gap.

The other pieces, we also had some other declines in revenues that offset some of those savings and the debt restructuring. That's how we got balanced this year.

On the next slide which I'm not going to exhaust you with which is just where sales was going and where we had it going in the 2020 budget. The trajectory as you can see dropped like a rock.

Where it lands I think we are all speculating. I think Q4 which is the largest checks that we get. I still am cautiously pessimistic because I don't think that the holiday season as we know it is going to be as robust as it's been in the past years. Considering the economic factors, in addition to some of the business that are closing, the bricks and mortar retailers that are shutting down and the uncertainty of what is happening with the pandemic.

So our expense savings which largely is the vacancy savings and it's between fringe benefits and salary savings. It's the reduction of the 330 vacancies we reduced out of the budget. We had that. We funded departments where we saw fit but any vacant positions we had, we had to take out.

Our contractual savings the largest component of that is the Trans Dev piece of it. There are some other pieces in it that we've reduced a little bit here and there.

Our overtime savings which is approximately $13 million is the public safety, in police and corrections, then we had Medicaid savings of approximately $6 million.

The vacancy savings is going to be painful because we are not funding positions that we'd like to but I think where we are at, we're going to have to do more with less which is for this county I know it's been said more than once. We are still in that position.

Okay. As you can see from this graph which is a recurring graph that we use here, the county must pay 51 percent in non discretionary which is staffing, which represents the staffing.

We pay 51 percent of our expenses, go to the people, and we try to keep the people in the chairs here, that's what this budget tries to accomplish, meaning that we have seats available. We have people who are in the seats are going to stay in those seats.

This is our what our revenue components look like and I will draw your attention to what sales tax represents.

If you look at this chart from last year to this year, our sales tax piece of the pie has dropped almost six percent. That's just because of the decline in what we are predicting as far as revenue which has a significant impact on how we pay for services.

The other components, they rebalance themselves, but sales tax clear was one of the largest most generous as far as the sources for what we used as far as paying our bills.

These are some of the highlights of what we added as far as positions from the 330. We're still keeping the sworn numbers up at 2,500 which hasn't changed.

We're adding approximately a class of 200 which is the backfill to keep the number at 2,500.

We added five AMTs, seven people in the medical examiner's office which is mostly related to the criminal justice reform and some people in the morgue.

We added a class of 40 correction officers. We added approximately seven people on probation split between probation and the juvenile detention center.

We've added another six people to the crime victims advocate for many issues we may have.

The department of human services includes the mental health component of it for the police department. We added two people there.

And the department of social services we added numerous people in social welfare examiner and case workers for child protective services.

One thing I think we all learned from the other recessions is that, as a recession hits, the lagging indicator is public assistance.

While we may be in the middle of it right now and things are happening, the need for these services probably comes three to six to nine months down the road. That's why I think what we added in there was to staff up the needs and we're going to have to address it if the need becomes more significant in 2021.

I do believe with the number of unemployed people out there, which is significantly high, I think there will be more people that will need public assistance in 2021.

The debt restructuring.

So this budget contains $210 million of debt restructuring in 2021. The $75 million from 2020. It revolves around the financing of county and NIFA debt and will be restructured with a final maturity of 2035. This is just how it breaks out, what's available to us.

In the 2021 budget, we've accounted for $211 million in debt service savings.

In 2022 we had the opportunity for another 150.

I will get to the next page in a minute but as you can see the incremental cost of debt service is up 38 million if we refinance all this debt.

I know this is probably one of the biggest topics in this budget but we are limited in resources to pay the bills and if it means living right now for the moment and then paying for it down the road I think

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that's where we're going to land with this.

We have limited opportunities on how to keep this budget balanced and keep people in chairs and not do draconian things as far as getting rid of people and laying off people.

One of the fundamental things we tried to do and I will say it again is keep people in the chairs that they're in. That's what the goal was and we think we've accomplished that but of course we need the help of everybody around to get that done.

On the next page this is going to show you what the actual embedded cost of the restructuring is going to cost us.

As you can see, we have taken out about $459 million. Actually going to cost us if you look $517 million. The net cost to the million is $58 million. On a PV it's about $23 million.

As you can see, the many challenges that were presented in this budget clearly were not easy, there were a lot of decisions being made, a lot of assumptions made.

We tried to be conservative. Some may call us moderately conservative. Some may call us risk takers. What we had here was limited money on the revenue side unlike many of the years that I can tell you sitting here.

It's been a challenge where we actually cut the expense side as far as we could and it turned out the debt piece of it turned out be the other piece that balanced the budget.

I'm here to answer your questions and I hope I can.

CHAIRMAN NICOLELLO: I have a few. Just to confirm what's here, the administration is no longer and NIFA is no longer looking at a 30 year maturity date?

MR. PERSICH: 2035 which is a 15 year maturity.

CHAIRMAN NICOLELLO: You mentioned about sales tax and how it's become a huge part of our budget over a billion dollars in revenues to the budget.

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Sales taxes, reliance on sales tax is inherently a risk, correct?

MR. PERSICH: Let me put it to you this way. When it goes south it's risky. When it's riding up, we reap the benefit of it.

CHAIRMAN NICOLELLO: That's the point. When it's going up everything is good. But economies never go up permanently. There is always going to be a downturn somewhere on the horizon.

Let me ask you this, in the two and a half years, two plus years, what has the administration done to shift the reliance on sales taxes?

MR. PERSICH: I think how we've controlled it a little bit is through vacancy management by not increasing the expense side of it.

We've been conservatively holding positions open just in case that -- how we got there. It wasn't like we're not filling but I think to cut -- originally, I would I will say this. Go back. If we had the fund

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balance we had in 2018-19 that we have now and we kept rolling that forward and we didn't get hit with a hammer which is what I call this, if I had 112 million and we had a normal recession, I think that that rainy day fund being there would have been more than enough to get us through this bubble.

But this, I mean we tried to is what I will say. We tried to become less reliant on saving a little money in the years that were good and roll that forward.

I think right now what we are looking at is, I don't want to call it a depression, but it's something I can't put my hand on where it's going to land.

As much as there's good news about sales tax today, I'm skeptical of what is going to happen in December and November. There is no black Friday anymore, we're not having that. Walmart and Target are closing on Thanksgiving. Look right down the road here, Lord & Taylor is shutting down. It's not just one, it's one of many.

To be skeptical at this point, I

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mean I have to be on the side of conservative, it is short, I have to be the one running around issuing budget notes which is what we don't want to do, but I think we're heavily dependent on it and we continue to be and I don't think we're the only municipality that will be dependent upon it. Sorry for the long winded answer.

CHAIRMAN NICOLELLO: That rainy day argument is sort of a boot strap argument? The fact that we had money in the rainy day funds was due to increasing sales tax revenues and therefore that's a method that was picked to address the increasing sales tax revenue.

So tell me about today's check; what period did that cover?

MR. PERSICH: I want to say it covered the period back from July and August. It's a component, 70 percent of this month and that month. I don't have it exactly to me but it's up year over year.

I caution that it's one check. It's very good news. I don't disagree with it. We do have to realize that a lion's share of the check is coming in Q4 which is the holiday season?

CHAIRMAN NICOLELLO: What was it, 13.4 percent?

MR. PERSICH: It's about 14 percent that it was up year over year.

CHAIRMAN NICOLELLO: So even if that is an outlier, and you take away all of that, it's neutral, you're still projecting 20 percent decreases.

Now, how much is the sales taxes down year to date percentage-wise?

MR. PERSICH: As of this last check down, I think it's down approximately almost ten percent. Just on check to check. That's not forecasting out.

CHAIRMAN NICOLELLO: Right. It's based on what's come in 2020?

MR. PERSICH: Right.

CHAIRMAN NICOLELLO: And internet sales has been I think I read somewhere actually it's been increasing year over year because people are basically home, right?

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MR. PERSICH: The internet sales tax, when we originally did it was supposed to be a one time shot coming in. We didn't think patterns would change that quickly. With internet sales tax meaning like Amazon for lack of a better thing taken over the world and that's what it is.

But when we originally did this we didn't think Amazon was going to grow their portion of the internet sales tax.

Probably it was a pickup of around $14 million in one year and incremental growth over the out years.

I think it might be picking up. There is not a lot of data out there for us to analyze from the state to help us. We rely on a bunch of different sources.

CHAIRMAN NICOLELLO: Your pessimism for the last few months of this year, isn't that sort of contradicted by this boost in internet sales tax, sales revenues, because people are, who would perhaps be going to malls are still spending money but they're doing it different way, and the sales tax is still flowing to the county from that?

MR. PERSICH: I hear what you're saying. I think we have to understand that the economic factors with unemployment and everything else are still going to be a factor, people's spending habits. I don't think it's going to be robust.

I use the analogy, we are all not going to get together for Thanksgiving, for Christmas, Passover, Chanukah and anything else because we're limited, so I think the spending that people are going to do is much less.

I don't think you're going to have, the restaurant business, people going out to the holiday parties and everything else, that's gone. I think there is a whole cause and effect in the last quarter that is uncertain to me, that I will say.

CHAIRMAN NICOLELLO: So it's down approximately ten percent for the year. How much are you projecting it to be down for the year in total?

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MR. PERSICH: I'm still at 20 percent right now.

CHAIRMAN NICOLELLO: Let me ask you this then, if you project it to be down 20 percent for the year, down ten percent at it point, we're into the last third of the year, how much are we -- what are you projecting a monthly decrease to be?

MR. PERSICH: If patterns -- if where it's going to head, I will say, if we have closures again, if things happen again, which I can't sit here and tell you that we may not shut down again, I don't have that. It would have to drop between 25 and 30 percent is where I would land in the last quarter, which, that's our significant checks.

CHAIRMAN NICOLELLO: I mean, there is pessimism and what you are projecting. We went through the heart of the pandemic and over the course of the eight months of data that we have, it's down ten percent and you're here telling me, well, it's going to go down 25 to 30 percent per month for the rest of the year?

Again, I understand being conservative, but this is beyond pessimism. I don't think it's based in reality.

MR. PERSICH: Legislator, if you look back on the months when the pandemic did hit, the numbers were 22, 27, 35, 28, that was in the midst of closure, which we had checks that were down 45 percent in that time period.

Look, I hope I'm wrong but I have to plan on being -- if they don't come in where I need them to be, I have limited actions I can do to save money.

CHAIRMAN NICOLELLO: Let me ask you this, September is gone and obviously that didn't happen, in fact, if anything the economy is opening up more and we are into October now.

So when is this draconian drop expected to happen? If you continue with this trend, you're going to have to look at 40 to 50 percent decreases in November and December. It's not based in reality.

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MR. PERSICH: I hear what you're saying. I will say it this way. It's one check right now and if I set the pattern for that, I mean if they're all going to be up 20 percent, but, listen, if a couple more come in that way we have adjustment checks and everything else.

CHAIRMAN NICOLELLO: I agree. No one here really expects the checks to come 30 percent year over year. Even if we got to the same year over year every one would be ecstatic. But the question is whether it's going to be 25 to 30 percent down or whether it's going to be one or two percent down as the economy comes back.

The importance of this, because we're talking about 2020 is that your projections of 2021 are based on the number where you project us to end 2020.

So if your sales taxes are well below for 2020, that's going to impact where you project we come for 2021.

So for us to get a magnitude of what this problem is, we need some accurate

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reasonable forecast I find your forecast are not reasonable.

MR. PERSICH: I respect that. I think the hole is still big though. I don't think -- it's not like -- it would have to boomerang back because we had like, I forget, a 1.9 percent growth in the budget. So that evaporated along with the growth from 2019. So we're back down to like 1 point 1's of the sales tax.

To your point, I think we're still going to have a hole in the budget even if it stays steady here is what I think. I still think we're not going to get out of this any time soon.

CHAIRMAN NICOLELLO: I have one other area I want to cover and then let the others jump in.

The tax cert backlog, the refund exposure to the county, can you tell me where we are at this point? Put aside the utilities, include the utilities and then give me a number without them.

MR. PERSICH: Well, as far as I

know, and I'm going to let the assessor talk about it because I think he has a feel of what's happening with the class 1's and the SCAR positions.

The pandemic did hit us, it slowed down us processing claims and everything else. We still have a backlog of 300 some odd million dollars. I don't think it's going away. We are still intending on borrowing for some of those backlog claims. That's still a game plan.

We are probably be processing stuff now that we have the ability to maybe pay a few of these Class 4 claims.

We have money in DAF's '18, DAF '19, DAF 20, DAF -- I mean, we do have some funds available to us.

Remember, a lot of these claims are intertwined because we have all these backlogged pieces that are not DAF related, because the '17 and '18 DAF which was the original one we did -- remember, they were parcel specific, which, unraveling it slows down the process.

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I think we are getting to a new point with the new DAF, our ability to go forward at some point, once we clear up the backlog, I hope we will not be having the conversation in future years is what can say, so -- and I know it's not a strategy but I can tell you we are progressing in the right direction with this stuff though.

CHAIRMAN NICOLELLO: I know you have money set aside in the budget, what is that?

MR. PERSICH: $30 million.

CHAIRMAN NICOLELLO: And you have DAF which could potentially be used. Now, combining those two things, is that really even going to reduce the growth of the tax refund liability?

MR. PERSICH: If we satisfy the backlog, if we can take the backlog out of it going forward, I think if you look at what the -- we've annually grown as far as cert liability, 70 million about, 70 to 100, I'll give you that much, you know what I mean?

I think between the 30 million in appropriation and the 40 million we keep appropriating in the DAF fund, I think once the backlog is cleared and we get our path forward, I can't sit here today -- I think if you asked me in the beginning of the year where the glide slope was with this, I think we were on the right path. I don't think it's going to be as fast as possible but I think we do have a strategy on how we are going to cure the cert problem going forward. I don't think it's going to happen in '21, I think maybe in '22, '23 maybe after we clear up the backlog and get out this pandemic. We've identified an issue and I think we've addressed the problem.

CHAIRMAN NICOLELLO: At least part of some of these claims, tax refund exposure, are they accruing interest as they sit there?

MR. PERSICH: Some aren't, some are. The courts being closed with what happened with that. Some that were adjudicated subject to the nine percent.

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Then it's three percent in the beginning and then it goes to a .9 percent and I'm not the expert of when that transitions is over, but there is different levels of interest for different time periods when you do a cert claim.

CHAIRMAN NICOLELLO: I read somewhere or saw somewhere that the administration put out that they proposed not to deal with the backlog in any substantive way until 2022 or 2023.

That is deeply concerning for a number of reasons, one of which it seems it will generate all this revenue, savings because of the tax restructuring, and then a couple of years down the road we're going to look at this traditional long standing issue that the county has that hasn't been touched, simply left to get worse and worse.

Secondly, there are businesses that are owed monies by the county and they need those monies now more than ever with the difficulties in economy, pay their employees, putting money back into the economy.

I'm not satisfied that this administration has a plan for now to start to really deal with those tax refund liabilities and kicking the can down the road -- I understand the pandemic, financial difficulties, but I think managing, kicking the can down the road is a poor plan for our county.

MR. PERSICH: I hear you. Unfortunately we are dealing with many issues but I think now that we are starting to get somewhere to back to business is normal here, I think the plan is to start releasing some of the old DAF monies out there to get the money back into the taxpayers' hands is what the plan is.

I don't think we were withholding it but I think this came up and gave us a left hook that we couldn't recover from.

CHAIRMAN NICOLELLO: Thank you. Deputy Presiding Officer Kopel.

LEGISLATOR KOPEL: Thank you. Evening, Andy. Thank you for your presentation. I just want to talk about the planned borrowing for a few moments.

First of all, talk about the schedule. When do you hope to get this done and do you hope to get it done in one shot or several tranches or what?

MR. PERSICH: I think that's still to be determined. Me, having said it, I would like to have it done all at once but I don't think structurally we can do it that that way. I think we would have to do it in pieces when the debt becomes callable and when our ability to actually call that debt in, so --

LEGISLATOR KOPEL: I'm sorry, I didn't understand.

MR. PERSICH: If the ability was there to do it all at once, I would love to do it but I don't think the ability is there. I think there are certain callable pieces of the debt that I would have to do it in '22, '21 and '20.

LEGISLATOR KOPEL: Building on the concerns that the Presiding Officer

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expressed just a few moments ago, the sales tax revenue may very well come in a lot better than anticipated. There are a number of risks to the upside, let's say, that are not perhaps adequately accounted for. We may get a vaccine, we can't count on it but we might.

We may get some additional federal aid. Perhaps the two parties may eventually come together and maybe sooner rather than later.

If we're going ahead and borrowing all this money at once, we've got a lot of extra money that we borrowed and potentially don't need and we're paying for it. It's a cost.

So, why not wait and borrow what we absolutely must and kick that can down the road a little ways into '21?

MR. PERSICH: The problem with waiting is is that let's just say federal funds come to us miraculously and I would love to hear that, but we have opportunity to due restructuring that can save us money right now, which, it does cost us money when you move on from here and I hear what you're saying.

If you have a little extra money left over from all these actions which I don't think we're going to have a lot if we do, that's a good thing, then we can start looking at calling in other debt to pay down future debt paying off some of our outstanding liabilities, maybe clearing some of the cert liability with some of the money in proceeds but there are a lot of what ifs we can do. I don't think I've taken the scenario and said, if this happens, that happens.

LEGISLATOR KOPEL: I like what you're saying now, but just speaking for myself I'd love to see that expressed as a definite part of any plan.

In other words, if there is extra money, for whatever good reasons there are, extra sales tax, federal money, who knows what, a definite plan, where is that money going?

MR. PERSICH: I can't give that to you today.

LEGISLATOR KOPEL: I think if the administration comes and asks us for authority to borrow or declaration of -- even if it's NIFA, and so forth, I think that a part of that, a major part of that ought to be what happens if there is extra money, where is that going? A definite commitment or something like that would be very important.

MR. PERSICH: I don't think I can give that you answer tonight.

LEGISLATOR KOPEL: I wouldn't expect it. I said as a part of any requests for borrowing authority.

MR. PERSICH: I will bring that back to the principals here and see if we can get you some type of -- if this happens, this is what we will do with any excess.

If you look at what happened in 2019 with the $112 million, that's swell -- if we didn't have that this conversation would not be --

LEGISLATOR KOPEL: No, I get --

MR. PERSICH: I think in fairness to the 112, you know, if the pandemic didn't hit, we would have had a plan to use that money, some of that money to pay something else.

LEGISLATOR KOPEL: I quite understand what you're saying and if indeed the worst side of the outlook does indeed come to pass then this conversation is academic, we can agree on that?

MR. PERSICH: Absolutely.

LEGISLATOR KOPEL: But as long as we are having these academic discussions one way, we might as well have it the other way as well. It's important to have it the other way.

In other words, you're afraid of the risk of not having enough money and I'm afraid of the risk of having, just to coin a phrase here, too much money, is never too much money because there too many obligations, but certainly for what we are talking about is too much money. I'm using

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that phrase loosely obviously.

We don't want that money just subject to the discretion of necessarily the administration. We would like to know that at least again I, speaking for myself here, I'd look to know that that money is -- if we're borrowing it, it's going to be used to pay down debt whether it's callable debt or the cert debt which is out there, not accounted for in many ways and it's accruing interest. It's a debt bomb that we have out there and it's waiting for us. So let's deal with it if we can. I think that ought to be perhaps a commitment by the administration.

MR. PERSICH: Understood, legislator.

CHAIRMAN NICOLELLO: Legislator Ferretti and then the other way with Legislator Drucker, Legislator Rhoads.

LEGISLATOR FERRETTI: Good evening, gentlemen. Hope you're all well. I have some questions on assessment.

As we all know there is a

reassessment that took place and we are about to feel the effects of that. How many grievances were received in this first year of the reassessment?

MR. PERSICH: I'm going to leave that for the assessor, David Moog, he has those stats for you. He has the numbers for you that you're looking for. I don't have them with me. I would prefer if he spoke to those numbers.

LEGISLATOR FERRETTI: How about in terms of SCAR, do you know how many SCAR petitions were filed?

MR. PERSICH: He has those numbers as far as what the liability is, the number of petitions that were filed and what was settled and everything else, I would defer to him is what I will do.

LEGISLATOR FERRETTI: Have you made any kind of estimate as to potential liability to the county associated with the unresolved grievances?

MR. PERSICH: We currently have $30 million in tax certs, part of which would be paid commercial and I think part of which will be paid with any of the residential piece that we may have out there.

LEGISLATOR FERRETTI: Then I will save my questions.

MR. PERSICH: And if he doesn't answer them, I will see what I can answer but I know he has the answers. I just don't have them for you.

CHAIRMAN NICOLELLO: Legislator Drucker.

LEGISLATOR DRUCKER: Thank you very much, Presiding Officer. Andy, thank you very much for your presentation. Just a couple of quick questions you.

MR. PERSICH: Thank you.

LEGISLATOR DRUCKER: Just a couple of quick questions. You had indicated at earlier in your presentation, the tax map budget amount, isn't that remaining influx here now because of the litigation? There's a good chance that that might be declared unconstitutional; isn't

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that correct?

MR. PERSICH: I had conversations with the county attorney about this and I don't think the entire fee will be removed.

I think we may not collect $355. We may only have the ability to collect 300. I don't think we lose the entire amount. I think the question of the amount was in litigation and we still can charge something. It's just a question of how much.

What we did was, we know that the volume in the clerk's office, they kind of run hand and hand.

So what we said was, the clerk's office has a big booming business right now as far as the result with real estate market. We said the volume in the tax map is still the same but we lowered our projections based on what we think the haircut will be from this litigation.

LEGISLATOR DRUCKER: That's almost like predicting sales tax, you have no way of knowing how much it will be, right?

MR. PERSICH: I can only forecast based on the historical information, current information, and that's how we project it out.

LEGISLATOR DRUCKER: With respect to Trans Dev, they're not going to be any decrease in services, it's just a matter of the amount of the number of buses and the time?

I thought I read something in the paper about, for example, in my district the N78 and 79 bus, they're going to do away with the weekends services. I fought so hard to get. Do you know anything about that?

MR. PERSICH: I'm not aware of any route reductions. What I am aware of is that we're lengthening the time between stops. That's the plan right now is that we're not going to cut any routes. We're going to lengthen the time -- if it comes at 4:55, it will come at 5 o'clock. So there will probably be less buses but the frequency will be spread out a little bit more. We couldn't afford it. That's the bottom line.

LEGISLATOR DRUCKER: Following up on Legislator Kopel's question or comments. I mean, you're predicting a $749 million gap over the next two fiscal calendar years.

That's not really likely or even possible that the money that we will be saving or borrowing is going to you know be in excess of that number. So I don't see how there is going to be any money left over. I feel it's something we have to do, right?

I'm not concerned about the possibility that we are going to have extra money, what are we going to do with it? Do you agree with that?

MR. PERSICH: If there is money left over, legislator, what I would say is I think we should put it somewhere, but at this point I'm in a hole that's bigger than I ever faced in my career in municipal budgeting.

LEGISLATOR DRUCKER: That's my point. There's huge hole. I don't see how it doesn't get plugged with this money or attempted to be plugged.

MR. PERSICH: It's plugging a hole currently. In two years from now, what's going to happen, if it gets better, great, whatever we have left over then we can figure out. But I'm just trying to survive to fight another day and another battle is what I'm trying to do.

LEGISLATOR DRUCKER: So, without the restructuring of the debt service, is it certain or would it be certain that there will have to be substantial cuts in programs and layoffs?

MR. PERSICH: That would be the only action we can take would be cutting programs and cutting bodies.

LEGISLATOR DRUCKER: That's the alternative by not restructuring the debt?

MR. PERSICH: If I don't have enough money to pay the bills, we have to take an action. It's now October. It doesn't happen like -- even if we had to take that action to move people out, it will take a long time to do that, so --

LEGISLATOR DRUCKER: Thank you. That's it for me.

CHAIRMAN NICOLELLO: Legislator Rhoads and then Legislator Bynoe.

LEGISLATOR RHOADS: Thank you, Mr. Presiding Officer. Thank again for your presentation.

Couple of follow-up questions. It seems as though, and I understand the pandemic, but we kind of have a budget that's sort of built on borrowing and bail outs for this particular year.

I'm particularly concerned about the amount of money we are borrowing as many legislators have expressed.

It sounds as though we are preparing to borrow three quarters of a billion dollars, but not retiring three quarters of a billion dollars in debt. It's sort of like going for a lower interest rate credit card and transferring your $15,000 balance but instead of $15,000 in debt you now have 17-5 in debt when you do that restructuring.

What is the -- what's the administration's reason for I guess pulling out more debt than we're actually retiring? I understand the idea of a high refinancing, but the $166 million in bond premium, for example, is additional debt we are accruing simply because we are willing to borrow at a higher rate so they're increasing the amount that we're able to borrow. It sounds like we're taking that additional funds and plug plugging it into the budget.

How are we not financing operating expenses on borrowed money, which I've always been told is a no no from a budgetary standpoint and from a common sense standpoint?

MR. PERSICH: I mean, yes, we're taking a short term problem with a long term fix is the best way I can say it. It's like cashing out on a refinanced house. You built up equity and cashing out and that's what we're doing.

I think we are limited in what we can do and meaning that we don't have too many options. We used to in the old days, we used to be able to restructure debt on a periodical basis, but in 2017 the tax laws changed that couldn't take our retired debt, and, if you remember, in 2017, we were here talking about restructuring a bunch of debt that saved us $50 million, but don't quote me, and that ability is gone because of the way the tax laws changed.

There is taxable ways to refund now in the municipal market but the dollars don't make sense. That's why it's three years later and it's 2020, we can't do it.

But, to answer your question, I'm limited on what our options are right now. When we have the ability, as much as I don't want to say it, but NIFA has the ability to take debt and restructure it at a lower rate for us.

I don't have any other magic tricks in my bag to close that hole in the

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budget, but, yes, it's not the most fiscally prudent thing to do, but I will say this, it's an option that we do have but I don't have any other options on how to close the hole this year or next year.

LEGISLATOR RHOADS: Can you tell us where exactly the $166 million that we anticipate obtaining a bond premium -- first if you can tell me, what's the increased rate that we are paying to achieve that bond premium?

Am I correct in my understanding of the concept?

MR. PERSICH: I'm not aware of the premium being $166 million, not that I have heard of. When you do a deal, the market dictates what your premium and your rate is going to be.

LEGISLATOR RHOADS: My understanding is that's out of NIFA's analysis -- it's out of Goldman's analysis?

MR. PERSICH: If the premium is there.

LEGISLATOR RHOADS: But whatever

the number is, obviously it's a significant number, do we have any idea of what increased rate the county is paying in order to achieve that bond premium? That's the exchange, you are given the bond premium in exchange for instead of two percent, you are borrowing at four percent or whatever it turns out to be.

MR. PERSICH: I don't have that incremental cost for you. I will get that for you.

But if you are getting premium, there are many factors that go into what the bond premium would look like. You would probably pay a higher rate.

But, traditionally, we've downsized deals when we've done restructuring to take the premium down. So if we did $100 million deal $30 million in premium, when getting $130 million, we downsized the deal. So I don't think that a lot of --

LEGISLATOR RHOADS: Well, in the past NIFA has required us to downsize, and

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now all of a sudden is not.

MR. PERSICH: Exactly. Like I said, I don't know what the differential rate is, I can get that for you. That's what I'll find out for you.

LEGISLATOR RHOADS: Where exactly again, Goldman pegged the number at $166 million so I'm just using that number, I'm assuming there is some basis in fact for it; where exactly is that $166 million going? Where is it accounted for within the county's budget?

MR. PERSICH: Well, it will go into the debt service. What it will do is when the money comes in it's proceeds, so for argument's sake we need $211 million. You want to say it's 166 in premium. That's going to plug the hole in the debt service fund. That's what it's going to do.

It will offset any incremental expenses we have related to the debt.

It's either going to be a revenue or decrease on the expense side of it is what will happen.

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LEGISLATOR RHOADS: Is debt service considered to be an operating expense?

MR. PERSICH: Yes, it is.

LEGISLATOR RHOADS: That's according to NIFA as well?

MR. PERSICH: Yes.

LEGISLATOR RHOADS: Now, in terms of the overall budget, you wouldn't see it in the budget, it would just be going into the debt service?

MR. PERSICH: It's built into this budget. It's built into the 2021 budget. We built in $211 million in debt service savings. It's a combination of ways of how we did it. There was debt obligations we had outstanding for the county and then the NIFA pieces, through the set asides, which is a separate area. But it's built into this budget in 2021.

LEGISLATOR RHOADS: But as a result of the restructuring, are we deferring debt service expense?

MR. PERSICH: Yes, we are.

LEGISLATOR RHOADS: Do we actually need the increased debt service flexibility in payments for the 2021 budget?

MR. PERSICH: Yes, we do. We wouldn't be able to balance the budget without that refunding being in there.

LEGISLATOR RHOADS: What do we pay in debt service presently on an annual basis?

MR. PERSICH: I will give you a ballpark, it's an estimate, it varies. 350 to 375. 100 million, $375 million annually we use as an average.

LEGISLATOR RHOADS: Assuming 166 is the figure, we would only have 200 million in debt service.

MR. PERSICH: Whatever it is, I don't have the numbers. I can get you the numbers.

LEGISLATOR RHOADS: In other words, are we exhausting whatever we are receiving in premium, assuming the bonding is approved, whatever we are receiving in bond premium is going to be paid out in debt service in 2021?

MR. PERSICH: Theoretically, yes.

LEGISLATOR RHOADS: So we are relying upon that to balance the budget in 2021? We are not talking about '22, '23 and the outlying years?

MR. PERSICH: We're accounting for it in the outlying years as part of the multi-year plan. It's part of the expenditures we will have to incur in the out years.

LEGISLATOR RHOADS: As part of this proposal if I am correct in understanding your presentation, is that starting in 2023, we will be paying an additional $38 million in debt service to pay for what we are planning on restructuring plus the bond premium as a result of this borrowing if approved?

MR. PERSICH: That's correct.

LEGISLATOR RHOADS: Do we have any idea as to -- it's not like we have a tremendous amount of flexibility in the budget, but do we have any idea in the year three or four of our four year plan as to how we are going to come up with that $38 million?

MR. PERSICH: We have a series of gap closing ideas is what I will say. There are measures that we do.

But when you create a plan, it's a plan for a reason. We don't know what the world is going to deal us or the hand that's going to be dealt.

We came up with a couple of ideas. Part of it would be that we have a full recovery and the economy comes back. With every recession we hope for the V, but hope. We are hoping.

We've accounted for that in the out years of our plan. We've come up with some ideas how we are going to plug that hole. A lot has to do with economic recovery. I can't lie to you. We have other ideas on the table. We are all constantly looking to better manage, do different things, creative things. How we can do that, how we can save money, how we can squeeze a dime out of a nickel. That's what we are always trying to do.

We have accounted for it in the out years. It gets us to the point, but it's the only plan we have right now. It's not like -- if the federal government comes tomorrow with a lot of money, hey, listen, we'll take it. I'm not going to run for it.

LEGISLATOR RHOADS: Look, I understand that budgets are always a balance between hope and concern. You're trying to strike the right balance to be able to achieve what you are looking to achieve.

I do have two areas of concern. While it seems we have been pessimistic in terms of sales tax revenue, I don't know that we've accounted fully for potential liabilities that we have particularly in the area of assessment that's been covered.

I understand the $30 million figure that you have plugged in for certiorari payments is a carry over of what you had in last year's budget.

I'm a little concerned about the

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fact that given that we've had more challenges this year than in any other year in our history, and the fact that we have 133,000 SCAR petitions that have been filed, with the SCAR deadline just today having been extended again, our tax bill coming out on November 1st and now the deadline for SCAR is going to be later than the actual deadline for people's bills to go out which means when these things are adjudicated or settled, you need liability incurred by the county, it's going to be refund liability. It's not something that can be built into the bills before they go out. Can't make any additional adjustments, so that's going to be an outlet. The county guaranteed for every dollar in refund, 84 cents is money that the county has never collected roughly, that the county taxpayers are going to have to pay out.

So I'm concerned that given the unprecedented number of challenges that there are and the status that we are in, that there's been no attempt I guess on the

the budget part, and I know you are deferring questions to David Moog, but there's been no attempt on the part of OMB to try and calculate some sort of anticipated figure to test whether the $30 million that you have plugged into the budget is in any way a realistic figure. Because what happens if it's $60 million?

MR. PERSICH: I will say this, so we know that we have $30 million in there and when we get to the end of the year we will figure out what that number is that we have potential liability, if it's 10 or 15, I think we have enough money in the budget to do that. But I hate to say it, but it adds ammunition as to why we need the debt restructuring.

I have another, for argument's sake, I have $20 million in additional risk on the cert side which means if I'm projecting a gap of 380, it's now 400. We can argue what number that could be.

But my point is, this is exactly what happens. If we had money in the bank to pay for these things like fund balance, I can absorb them. But I don't have that anymore.

So my point is, there could be some limited risk there. I don't think it's substantial. We've had discussions about it. I can't put my finger on exactly what that number will be, but I think we can fit it into the 30, but if grows higher that we have to refund class ones, I think it's going to make this debt restructuring a little bit more of a priority too because my hole is getting bigger, you know what I mean? I hate to say it.

LEGISLATOR RHOADS: I understand the hole is getting bigger, but when we look into our crystal ball and you see that you have a large potential problem on the horizon, not really accounting for that in terms of our budgeting, is sort of dangerous. It could easily be more than $30 million and that's my concern.

I know it doesn't help our bottom line in terms of the numbers that we're looking at and attempting to try and pass a balanced budget here, but I don't think that it's a risk that we can necessarily ignore.

MR. PERSICH: And I don't think we will have the facts until -- this is the first year of the full reassessment.

The goal of the administration has always been that we want a fair and defendable roll and I think we are trying to get there. I think we will see what happens because this is the first year of reassessment. We can see what the SCAR liability is. I'm hoping it's good news because that would limit my exposure on the other side of this that's what I'm hoping for. I'm hoping for a fair and defendable roll that, as I said to the Presiding Officer, I'm hoping that in a few years from now we're not talking about tax certs anymore.

LEGISLATOR RHOADS: Yes. I guess my concern is there is a bunch of things we can hope for, right? I hope that the sales tax revenue is double what we think it's

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going to be. We are not accounting for that because it may not be realistic in the same way when we have this potential liability, the fact that we're not accounting for that is a cause for potential concern.

The other area that I'm concerned about is whether or not we are adequately addressing the labor uncertainty that we have.

We have a number of county contracts, municipal collective bargaining agreements that are still in the process of being negotiated with many of our major unions.

Do you feel as though the money has been accounted in the budget for 2021 is adequate to address what I hope will be a solution to these outstanding labor contracts? Because it looks like, I don't know, what you plugged in $26 million, I believe it was? It's directly attributable to change in labor cost as a result of the municipal agreements.

MR. PERSICH: And not -- because

we're in current negotiations with many unions, and we patterned it after one of the unions settling and that's kind of the pattern we set forward.

LEGISLATOR RHOADS: The $26 million is anticipating that we have labor agreements with the remaining unions?

MR. PERSICH: Exactly. It patterns itself after the current one.

LEGISLATOR RHOADS: And the administration believes that the money that's in the budget for 2021 will be adequate to address those additional costs?

MR. PERSICH: Yes, it does.

LEGISLATOR RHOADS: No other questions.

LEGISLATOR WALKER: Legislator Bynoe.

LEGISLATOR BYNOE: Thank you, legislator. Good evening.

I just have one simple question. You stated on the record that the reduction to the NICE bus budget would result in lengthier routes -- I should say elongate the time frames between each stop. I'm tired. This is a marathon for us.

That being said, I think this body should have a proposed amended schedule presented to us as we deliberate this budget.

I know for me it will play a role in how I vote. I need to see what that looks like and I would like to see it side by side from what's currently -- what the current schedule is and what is proposed, and when the proposed schedule amendments would start. Is that considered to start in January?

MR. PERSICH: It would have to start in January. Let me say this, we would get you the information and get this body this information.

LEGISLATOR BYNOE: I know it's not normally your charge, probably would fall under Commissioner Arnold, but just be aware that this body is entitled to have that

MR. PERSICH: And we've worked

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with DPW. We will get you the information.

We do understand -- there is a lot of public hearings that have to occur when you change routes and everything else that Trans Dev is obligated to under the FTA. The rules -- we have had conversations with them. I will get you the information, get this body the information on what the plan is as far as the lengthening of time for certain routes and everything else.

LEGISLATOR BYNOE: Thank you.

CHAIRMAN NICOLELLO: Legislator Birnbaum.

LEGISLATOR BIRNBAUM: Good evening. So in the budget items that are decreasing next year, there are two that I just wanted to ask you about.

One is parks revenue. I know it's not that huge of a number, but what makes that 14 percent change?

MR. PERSICH: Although they're having about better year, I think maybe better than we anticipated, we did lose some revenue in cabanas this year because of the

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pandemic and certain other things.

I think we're being cautiously pessimistic about what we think revenues are going to land in the parks department.

Golf has been very good because people have stayed at home and everyone wants to get out, and that's the fresh air.

But there are other avenues that we have to be cautious of and cabana rentals, you don't know what people are going to want to do, athletic field rentals, sports teams are starting to regroup, but I don't know what next year is going to look like.

So I think we're not overly conservative but I think the $3 million is a starting point that we can say this year may be an anomaly but I don't know how next year will look.

LEGISLATOR BIRNBAUM: And the other question that I have is about the state aid. How confident are you about that that it's going to be decrease by that 7.5 percent?

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MR. PERSICH: How confident am I? I'm cautiously optimistic with our esteemed legislators up in Albany that they will not cut our funding any further.

It is a big risk. The executive orders that have been given to the governor is giving him the ability to cut funding 15, 20, 30 percent.

We've started to see some payments withheld to the magnitude in different areas. There is -- it varies between agencies. Some agencies have benefitted a little bit, but most of them are on the downturn. I'm as confident as I can be.

I've mitigated some of the risk but there is additional risk out there if they have the ability to cut more from the state budget.

So I think it was taken down to $17 million, I think I'm comfortable with, so we should be okay for next year. But it still can go down, legislator, I cannot tell you that.

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LEGISLATOR BIRNBAUM: And back to the sales tax. I know we've discussed that at length.

Have you read national trends about increased consumer savings versus spending and goods rather than services to correlate all this?

MR. PERSICH: We do a lot of analytics here. We have Moody's who came out and told us we were going to have a growth of 2.66 percent. We came in at 1-5.

They predicted this year to be down 16.6 percent.

This is one of those unprecedented times, that's a term I reuse, unprecedented. I think when you look at the GDP in the second quarter for the first time in my life I went, Wow. I mean negative was 27 or 30 percent.

And then couple the unemployment rate which -- I think there are a lot of components in there that are still not filtered into the economy yet.

I'm hearing that the airline

industry is going to be laying off a lot of people. We look up in the sky, I look out my window and I see a jet going by, you see one now you're getting excited. People are flying again.

So I think there is a lot of uncertainty in the economy ahead. Yes, there might be an opportunity but there also may be risk because of these economic factors out there.

So we do read a lot. There is a myriad of different ways you can look at it. I agree that people probably had a lot of pent up frustration, like sitting in the house and they went out and they were like, oh, let's go out, shopping, let's go eat.

The other part of this is inflation has taken a big chunk of this. Look at what you're paying. Everything in the stores have gone up. That cuts into the consumer spending side and the economic formula, which, I'm not the economist, but I can tell you that these factors factor in to how people think. They have less money in

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their pocket because they're spending more on groceries. They become a little bit more hesitant to spend.

But it's a wait and see right now. We are speculating like everybody else is.

LEGISLATOR BIRNBAUM: Thank you.

CHAIRMAN NICOLELLO: I know that Legislator Rhoads had additional questions but first Carrie, you can go.

LEGISLATOR SOLAGES: Good evening, everyone. Thank you very much for your presentation. I have one question.

As you may know and may recall, Governor Cuomo said April 1, 2021, local governments must submit their plans for reforms in light of sweeping social justice issues and other issues of public safety.

I don't see any statement or any information regarding any possible projected budgetary items reflected to reach that goal. The budget schedule in the presentation does not coincide with that April date.

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Nevertheless, the budget being mentioned in your proposals should be reflected for the year going forward.

I understand there's a lot of speculation, a lot of uncertainty, but I ask respectfully if there's any information you can share with us since it was not mentioned in your initial presentation.

MR. PERSICH: I don't have that information. I would defer that to the police commissioner when he presents on his hearing.

We built a budget around numbers that we know we have expenses too that I mean we're contractually obligated to.

There are some savings in overtime in many areas but I can't say verbatim that we built in what the governor's proposal has anticipated.

LEGISLATOR SOLAGES: But there are virtual reforms by the police department, reforms that require or suggest or encourage to, for example, address social service issues and perhaps by beefing up the

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number of employees you have or working for social services, I mean, does your budget reflect any of those issues? You made mention of various economic issues and how we must make accommodations to address those issues going forward, is there anything you can reflect beyond public safety issues in order to satisfy or help address some of the issues by the public mandate coming in April?

MR. PERSICH: Well, a couple of things we did do now that I look back, we added six people in the crime victims unit to address some of these other issues that may be part of the police reform. We put six additional bodies there.

In addition we put mental health coordinators in the health and human services area to help with some of these issues that we're addressing.

Then department of social services is a little tougher than that because they're dealing with child protective services, they have a list of things that I'll let the commissioner talk about.

But part of these things are all cause and effect of economic drivers, I have to say it, but we did build some of that reform I think into this.

I think there are some that the police department may have that they can better elaborate on.

As far as the budget goes I think we covered some of them. I don't think it's the full gamut but I think there is something in the budget for that.

LEGISLATOR SOLAGES: I'm very glad that you mentioned that it is economically based. I appreciate that.

At the end of the day we are all the same, it's really economics that separates us.

So I really appreciate that and if you have any further information I would appreciate that. I also will be emailing a number of questions, hopefully to have a response written in black and white, and I

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appreciate again the administration for their presentation.

MR. PERSICH: Thank you, legislator.

CHAIRMAN NICOLELLO: Legislator Rhoads.

LEGISLATOR RHOADS: Thank you, Mr. Presiding Officer. Just to follow-up on Legislator Solages' last question and to clarify.

The six individuals that you added to the office of crime victim advocate, the ones that you are referring to?

MR. PERSICH: Yes.

LEGISLATOR RHOADS: Have nothing to do with police reform, the Office of Crime Victim Advocate was created by this Legislature.

The idea in response to cashless bail and criminal justice reform, the idea behind the Office of Crime Victim Advocate is that they are there to act as an advocate on behalf of victims who are now, because of criminal justice reform, are required -- for example, someone who commits a crime that takes place inside someone's home may have access to that home. They may be able to question that individual as a witness, question their family members.

The idea behind the Office of Crime Victim Advocate is the district attorney is there to represent the people of the State of New York not the victim necessarily.

To have somebody who's there to represent the victim, so that their rights can be protected, just as the criminal defendant has their attorney to protect their rights, the state has an attorney to protect their rights. The idea victim behind the Office of Crime Victim Advocate was so that the victim could also have representation if they so desired to protect their interests particularly with respect to the discovery process.

It really doesn't have to do with police reforms. I just wanted to make that point.

You also mentioned that you're hopeful that our colleagues in the state will not reduce state aid any further. When it comes to sales tax revenue though, isn't it a fact that the majority in the state Legislature and our governor have already reduced our sales tax revenue as a result of some legislation that they passed just this year.

For example, they passed legislation to withhold sales tax collections from counties to fund distressed hospitals.

Do you know how much revenue was actually taken? Did they give you an accounting or do you know how much revenue was actually taken away from Nassau County that's sort of exacerbating our sales tax problem?

MR. PERSICH: Two components, I will say that, in hindsight would be helpful. The Aim payment last year which they took, they give us internet sales tax,

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and then what happened on the other side of the coin was, the town and local municipalities used to get Aim payments directly from the state.

We absorb that payment through our sales tax collections which is approximately $11 million.

The distressed hospital one came out just recently which is approximately 7.3 or 7.8 million that they took from us.

So, in other words, they hair-cutted our sales tax by almost $18 million.

I'm cautiously optimistic they are going to stop picking our pocket, for lack of a better word, because we don't have a lot of change in the pocket to pick from.

LEGISLATOR RHOADS: I think the problem is neither do they.

MR. PERSICH: I guess we could have this argument about how we're not getting our fair share from Albany and that's kind of what, we can lie to everybody, but I think to answer your question, yes, they are taking additional proceeds of our sales tax for other purposes.

LEGISLATOR RHOADS: To be fair, the decrease if our sales tax revenue, certainly COVID is a primary driving factor, behind that the economic shutdown, but Albany is certainly not helping in that their taking additional $18 million in revenue in 2020 and we anticipate moving forward that that will be more in next years budget, and I'm assuming that's counted for in your sales tax projections as well?

MR. PERSICH: You are correct, legislator.

LEGISLATOR RHOADS: What do you anticipate being the payments in 2020 for distressed hospital and Aim?

MR. PERSICH: Aim is 11, is going to be consistently at 11. The distressed hospitals because of the way we have it calculated, because of the state, for 2020, it's only about 5.6 or 5.3.

In 2021, we have a full year

effect which is around 7.6 or 8, I think that's the number.

LEGISLATOR RHOADS: So next year we are anticipating that they are going to take another $18 million in revenue that we should be receiving and redirecting it elsewhere?

MR. PERSICH: I think you summed it up correctly they are taking it from us.

LEGISLATOR RHOADS: Incidentally, obviously it's our merchants that collect the sales tax revenue, but it's Albany that actually receives the sales tax revenue and then they give us back what they think we are entitled to.

Does the state provide us any kind of accounting as to where they develop the numbers they've developed?

How do we know they are actually giving us what we are supposed to be receiving?

MR. PERSICH: There is many complicated formulas and everything else. They send us a payment schedule, like what sales tax collection was and the state Department of Finance has a whole website on what collections were, have it by county based on gross sales. There is a method to madness is what I will say. I don't think it's a black box.

LEGISLATOR RHOADS: But it's not something that we can independently corroborate, we rely upon what they tell us?

MR. PERSICH: We kind of check sectors and stuff like that. We try and keep our finger on the pulse of what's happening. We question a lot of the -- I think every agency here is questioning you know sales tax numbers. I think if there is a problem, we go right to the state and we say, hey, what is going on here? We get an answer right away.

I don't think we're not on top of it if there is an issue. We validate a lot of things. There is an accounting of it which is what I will say.

LEGISLATOR RHOADS: Thank you, Mr. Persich.

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CHAIRMAN NICOLELLO: Any other questions from the legislators?

(No verbal response.)

I think we're all set. Thank you very much for your presentation.

The next presentation will be by the Department of Consumer Affairs.

MR. MAY: Greg May, Commissioner, Department of Consumer Affairs.

Good evening, legislators. I want to take this opportunity to thank you for letting us be here today.

I want to take a moment to thank my staff for all of their work during the pandemic. The department did not close during the pandemic. I had staff on rotating schedules coming in working on license applications and we had our investigators and our inspectors working in the field throughout the pandemic issuing violations, tracking down consumer complaints regarding price gauging.

So I wanted to take a moment to publically thank them for all of their work on behalf of the residents of Nassau County.

With that said, the budget is going to be challenging but we have all of the resources and assets we think we need to get through 2021. If there are any questions, I would be happy to take those now.

CHAIRMAN NICOLELLO: I guess I have a general question in terms of the revenue budget for 2020.

Are you on track to meet your revenues for 2020?

MR. MAY: We are on track to meet revenues for 2020.

CHAIRMAN NICOLELLO: What would you say for 2021, would you say the revenues would be the same in 2021 as well?

MR. MAY: We were conservative in projecting revenues for 2021. We actually saw kind of a boost in 2020 because of the pandemic. Issued a lot of violations for the price gouging.

I don't know what it's going to look like in 2021. Unfortunately everyone

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is waiting to see how it's going to shake out and see how we are with our licensees. 2021 is going to be the cycle for 2019, so we are not going to know how many businesses are re-upping their licenses until they re-up their license.

The same thing for issuing violations. It's going to be hit or miss right now. We don't know what to expect.

CHAIRMAN NICOLELLO: What is the your projection for 2021 as opposed to 2019, are you projecting a decrease?

MR. MAY: I think we had a slight decrease or we're flat I think $1.5 million in terms of violation's revenue and then the projections for the licenses, the off year, pretty much flat is what we're projecting. I didn't want -- I wanted to be conservative in what we were projecting.

CHAIRMAN NICOLELLO: Any other questions? Legislator Bynoe.

LEGISLATOR BYNOE: Thank you, Presiding Officer. Good evening, Commissioner May. I would like to thank you for all of the work you have done during COVID. I personally had opportunity to reach out to you. You were very responsive and thorough in your investigations. I appreciate that.

One quick quick question. In reviewing your budget, I didn't see the $100,000 that's supposed to be earmarked for the smart sprinkler system in the 2021 budget, do you know whether that was put in your budget?

MR. MAY: I think that's going to be a question that OMB has to answer.

LEGISLATOR BYNOE: I let them get away. I thought I would specifically ask you if you budgeted for it since it's --

MR. MAY: So we had spoken to OMB about it so I want to make sure they are the ones who give you the answer.

LEGISLATOR BYNOE: Because it's written in the legislation that annually it should be budgeted and back in -- this ordinance was done in 2019, and then in 2020 we amended it for it to come over to consumer affairs from the Department of Health.

Your budget should reflect that $100,000. I will follow-up with OMB directly. Thank you.

MR. MAY: All right.

CHAIRMAN NICOLELLO: Any other legislators? Legislator DeRiggi-Whitton.

LEGISLATOR DERIGGI-WHITTON: Hi, commissioner. Are you confident that your revenue will be what you want it to be with, I know you're losing some personnel, or some employees; are you worried about that affecting your revenue at all?

MR. MAY: No. I'm not worried about that affecting revenue. The staff issues are in the licensing division, not in our investigations or in our weights and measures inspectors.

CHAIRMAN NICOLELLO: Any other legislators? Legislator Schaefer.

LEGISLATOR SCHAEFER: Hi, commissioner, how are you?

MR. MAY: Good.

LEGISLATOR SCHAEFER: You have in your investigators, is that what you just referenced, are you losing some investigators?

MR. MAY: No.

LEGISLATOR SCHAEFER: You're fine then. So how many do you have there?

MR. MAY: Investigators at the last count was 11, and 6 in the inspectors.

LEGISLATOR SCHAEFER: I thought I saw an increase in salary increase of approximately 20 percent in that area; is that correct or no?

MR. MAY: So we are getting an additional head in licensing. That's where you see that increase in salary.

LEGISLATOR SCHAEFER: For the one additional person that is?

MR. MAY: It should be 20 percent for the one person but the increase should be for the additional head.

LEGISLATOR SCHAEFER: That's all I wanted to know. Thank you.

CHAIRMAN NICOLELLO: Thank you.

Any other legislators?

(No verbal response.)

Thank you very much, Greg.

The next department is Department of Human Services.

MS. McCUMMINGS: Good evening. So, as you can imagine, Human Services had a really busy year. The need for human services has increased greatly. We are very happy that our budget has remained steady but we have some of our state funders who have been decreasing the budget in some ways and then on the flip side the seniors has been given us stimulus money.

So we are trying to really juggle how we're doing our budget and keeping afloat with the services that are needed.

CHAIRMAN NICOLELLO: We definitely see that that would be the case in terms of the need for services increasing with the lockdowns and the economic problems and all the social problems that go along with that. I think you're probably looking at challenging times into 2021 as well.

MS. McCUMMINGS: Yes, yes. In terms of youth services though we've asked the people that we're funding to sort of reimagine how they're doing things, so we're still able to service the community they way they need.

CHAIRMAN NICOLELLO: Are those contracts with youth service agencies are funded at the same level as it was in the past?

MS. McCUMMINGS: Yes, but, again, we are asking them to reimagine how they're doing what there are doing in order to meet the needs of the folks in the communities. Any other questions?

CHAIRMAN NICOLELLO: Any questions? Legislator Schaefer.

LEGISLATOR SCHAEFER: So just on that same last question and your comment to it, what are some of the ways they have come up with?

I imagine they are doing zoom, hopefully calls with kids or they're just trying to find ways to occupy the kids?

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MS. McCUMMINGS: Yes, one of the things we've asked is that they try to develop educational pods so for folks in communities that are unable to learn at home because either their parents are not there or they don't have the right equipment, we're asking that the agencies develop a way or plan to do it at the agency so either by zoom or by having them actually come to the agency and actually be able to learn there.

LEGISLATOR SCHAEFER: Have there been any other particular issues that you've faced that you have had exceptional difficulty?

MS. McCUMMINGS: It's early, they're developing new ways to do things. They're working with the school districts to identify gaps in the system. It's really early we are hoping in the next month or so that people are really settled and they're still able to service the communities in an educational way.

LEGISLATOR SCHAEFER: Thank you.

CHAIRMAN NICOLELLO: Legislator

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Mule.

LEGISLATOR MULE: Thank you, Presiding Officer. Good evening.

So you talked about in terms of youth services reimagining, how have you been able to maintain services to senior citizens given that they had to maintain stay in place for the most part and are probably less able to handle technology, not all naturally, but that would be something that would be more difficult for the senior citizens than for say school age kids, so how has that been working for you?

MS. McCUMMINGS: Yes, so mostly with the seniors it's been about the food and really increasing the Meals on Wheels programs.

We've also asked that the senior centers that have not been opened, that the staff still stay in touch with the participants that would come there. Sort of do well checks on them. Again re-imagine how they would sort of speak to or stay in touch with the seniors. Of course we are not asking to do it by zoom but at least give them a phone call.

And folks that are delivering the meals, we've asked them to sort of do a spot check, well check to make sure seniors are okay, as they are delivering the meals, if they see anything let the senior centers know or the agencies know.

LEGISLATOR MULE: Thank you.

CHAIRMAN NICOLELLO: Does anyone else have any other questions?

(No verbal response.)

Thank you very much. We appreciate your presentation and your patience.

Department of Social Services.

MS. NUNZIATA: Good evening, Presiding Officer and members of the Legislature. I want to thank you for having us here to discuss the 2021 budget for the Department of Social Services.

I just want to introduce some of these folks behind me who I work closely with every day in running the office.

Brendan Roche who is our accounting executive and all of these fine women behind me are deputy commissioners, Maria Lauria, Sanita Mandracott, and Lorraine Walshberg.

So this past year has been like no other. COVID-19, an ailing economy and high unemployment rate have presented serious challenges to many of our Nassau residents.

The "doing more with less" was no longer a catch phrase but a real way of life for many.

At the department, we saw the financial impact on so many who have never sought our assistance before. We also saw the impact on our staff. Many of whom took ill. Several who passed away from COVID-19 and still others who had family members who passed away.

DSS staff like many of our colleagues in this room are considered essential staff and as such we remained open and ready to serve throughout the pandemic.

Despite it all, I stand here

very, very proud to represent a department that served over 210,000 Nassau residents in 2019.

Among some of our accomplishments include processing 81,000 applications for public assistance, Medicaid, and SNAP.

Responding to over 5,800 child protective service calls, providing day care services to 5,400 children, sheltering over 1,400 homeless individuals and families.

At the height of the pandemic we process 3,800 SNAP applications in a month. It was also our 12th consecutive year serving lunches to children through the summer service program and this year we served 18,000 lunches using a grab and go method due to COVID-19.

We also conducted a summer youth program which placed 50 youngsters in work settings in 20 Nassau agencies. In direct response to the COVID-19 crisis, DSS implemented the following measures.

The DSS emergency housing unit created an isolation site for homeless

Nassau County residents to prevent the spread of COVID-19 through our emergency shelter system and the surrounding community. So far we have had 70 placements at our isolation site.

The DSS day care unit developed a hotline for first responders and essential workers to be able to help them to be able to afford, access affordable child care. DSS also extended our emergency night service operation so that we can assist Nassau County residents after hours.

Of course all this work had a direct impact on our budget. With so many uncertainties, we worked very closely with OMB to identify those areas that were problematic concerns such as staffing to ensure the integrity of our operations.

OMB recently authorized eight case workers and two additional positions which has been very helpful to us and we will continue to work closely with OMB on future spending.

There remains a high demand for

our services in Nassau County with nearly six percent of adults as eight percent of children living below the poverty level.

Despite these tough budgetary times, we remain committed to strengthening and preserving families by assisting all of those who come to DSS for help.

Thank you for your time. I'm happy to take any questions.

CHAIRMAN NICOLELLO: I wanted to thank you, Nancy, and your staff in these more difficult times and the efforts of your staff at DSS were heroic. So thank you very much for all you have done.

I think you may have covered all we needed to know but in terms of assistance, when you talk about food shelters and seeing people that they haven't seen before.

I was wondering if when you look at some people who are applying for assistance, are you seeing people who are new and different applicants?

MS. NUNZIATA: Sure. Especially

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for food assistance. That has been the biggest rise, it was in SNAP assistance. A number of those people are folks that are recently unemployed.

And especially there was the point when there was the additional unemployment benefit, that helped folks out a bit but since that dried up, we are seeing again a bit of an uptick in those applications. So food assistance was a big one throughout the past couple of months.

CHAIRMAN NICOLELLO: And the other question I had was, you mentioned CPS numbers, child protective services, 5,800 calls. Have you seen an increase in those?

MS. NUNZIATA: Yes. We are actually going to help put together some statistics. Things seemed to slow down during the pandemic. That wasn't real. What slowed down was that people were at home and we didn't have the same sources of reporters.

Of course since school started we took a look at the numbers. We are seeing a slow uptick.

So between September 1 and September 15, we received 197 CPS reports. You go then from September 16th to September 30th, it goes up to 275 reports.

So we are already beginning to see, now that the kids are back in school and now that again the teachers which are a major reporting source for us, that those numbers are beginning to rise. I don't know if there is anything else.

MS. LAURIA: It went up 39 percent. Luckily we were able to really bring our numbers down during the pandemic. I have to say staff worked very hard.

I know we were all here last February and our numbers were pretty dreadful. I have to say, we have 65 workers and only six of them have caseloads higher than the recommended number and more than 40 of them are below the number 12 which is the low end of the recommended number.

We got in a good place because of COVID I hate to say it, but now we are going

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to get really creamed. We are already starting to see it.

MS. NUNZIATA: The other interesting thing that we're seeing on the protective service side is in adult protective services, we're seeing an uptick in the number of reported APS cases and, interestingly enough, it looks like the majority of those cases seem to be neglect of elders and financial exploitation. We are seeing that as well.

CHAIRMAN NICOLELLO: Thank you. Legislator Walker.

LEGISLATOR WALKER: Thank you very much, commissioner, and thank you for you and all your staff for what you did especially during COVID.

I know you and I spoke often. I was very concerned about, especially our CPS cases and not being able to get those reports from the schools or organizations, youth activities that kids might go to after school.

Now that you have seen an uptick,

do you have feel that you have sufficient case workers to handle that case load?

I know we were very concerned back when we met before COVID about those numbers. But I hate to see us be put in that same predicament because you still need staffing.

Especially you said you sadly lost some staff and whether they were case workers or not, then those people have to be replaced in the department.

MS. NUNZIATA: Well, we definitely, the recent addition of the eight additional case workers was helpful. Going forward and Andy Persich and I have spoken and we've been meeting with him and he certainly knows that somewhere down the line we probably will need additional staff, especially if we see those numbers climb.

Right now, as Maria stated, it is workable, but we will have to see where things go.

The other thing that we don't know, there has been a number of moratoriums

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that the state has issued like, for example, the eviction moratorium. We don't know what's going to happen when that lifts in December.

So, we are not sure if that's going to drive up our homeless numbers. If it's going to drive up the need for, again, public assistance, food stamps, all of that.

For right now, we are doing okay and we really have a great team at DSS and we have staff who are extremely committed to the mission and so we are doing fine.

What is going to happen down the road a couple of months from now I'm not really sure.

We are going to be meeting quarterly with OMB and I'm setting up those meeting so that we can really stay in touch and really see how if we needs things to be adjusted moving forward that we can make those adjustments.

LEGISLATOR WALKER: I know during the summer the grab and go lunches that we had which was wonderful and they really weren't limited to people that fell under a certain monetary amount in their families.

You know, you allowed anyone, children under 18 to be able to get those grab and goes, and I know it benefitted many many families because even families who were working, essential workers or whatever, and what arrangements did they have for the kids to be taken care of, at least they knew the kids were getting lunch and whatever. So that was wonderful.

I know the schools right by me the kids sometimes, I see the kids walk up there and the kids coming home. They were just so thrilled and so excited to tell me what they were going to have for lunch.

Now, has that program continued now that they're back in school but is it limited, I'm not quite sure?

MS. NUNZIATA: I'm going to turn it over to Sanita who runs that program.

MS. MANDRACOTT: Good evening, everybody. That is a separate program that comes from SNAP USDA. The summer lunch program was mostly for summer camp and the agencies that ran summer programs.

But the grab and goes that you're referring to that is through the USDA, that has been extended through December 31st for everybody. So every child under the age of 18 irrespective of if they're eligible for SNAP or not can now access the lunches in the schools, breakfast and lunches in the schools through December 31st. That's with the USDA.

LEGISLATOR WALKER: And that's separate from the lunch program that they might still have at school where kids can still get?

MS. MANDRACOTT: Correct.

LEGISLATOR WALKER: Thank you very much.

CHAIRMAN NICOLELLO: Legislator Mule? Legislator Drucker?

LEGISLATOR DRUCKER: Thank you, Presiding Officer. Nancy, thank you for your presentation. I know that your office and my office have been dealing with each

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other quite a bit recently.

2020, the beginning of 2020 we saw this horrible horrible tragedy out in Suffolk County with the young boy who died and that certainly shook all of us to our core.

How has the budget constraints affected your ability to staff your office adequately especially with respect to hiring more case workers so we don't have to have any such tragedies here in Nassau County?

I know you mentioned just now you hired eight additional case workers. Do you feel that is sufficient? Because if I remember correctly, reading a lot of your case workers were really overwhelmed by the number of cases they were handling. It was quite evident to me and others that they really needed help.

Do you feel you are able to adequately able to handle that in view of the budgetary constraints we are all facing?

MS. NUNZIATA: Well, initially when that incident happened at the early

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part of the year, we also increased staff at that point.

So early on we brought, I think it was eight additional in May and now we brought in another eight.

So in this year we brought in 16 people and that is really helped us out.

The other thing we did was Maria took a look at all the cases that we had. A number of those cases needed to be closed out. We have a certain period of time in which we have to conduct an investigation, make a determination, and if it's not an ongoing case we need to close it out.

We spent some time reviewing all of the cases we had and then closing some out and then with the addition of staff, that's really helped us to get that case load down as Maria mentioned a little while ago.

LEGISLATOR DRUCKER: And you touched on some of the terrible results that we are seeing because of the pandemic.

What about your ability now to

service the increased number of homeless families and individuals as well as drug addicted alcoholism and mental illness and depression which has seen a tremendous uptick since March?

Do you feel that again with the budgetary constraints you are able to service these individuals the same way you always had?

MS. NUNZIATA: Well, shelter space and shelter beds is always a concern and the availability of it. Now we are coming into the cold weather again. Right? So 151 will eventually come into play where we have to shelter anyone who is out there as long as the field temperature is 32 degrees or lower. We are always looking for additional shelter space.

But the other thing we are doing as you know well, we are trying to revamp our shelter system.

The state is going to force us and every other municipality to revamp it's shelter system because by January 2023, every single shelter in New York State must be certified by New York State.

As you know, the Jericho project that we've been working on would have been our first for Nassau County and we are working on several others.

So we have again we have the staff to do the work. We are always looking for the good providers to help us with the space.

We continue to see an increase in the number of homeless individuals. That's the numbers that seems to be on the rise.

The family numbers seem to have stabled out, and Lorraine oversees homeless housing, so I think I'll bring her up for a second to give some of the numbers.

MS. WALSHBERG: We are housing 1,230 individuals, that's 670 cases with 778 adults and 452 children. The family number actually declined with COVID. We think that some families opened their doors, maybe a little overcrowded, but they brought their families in, but our singles really skyrocketed. So that's what COVID produced. So we expect that families will rise again as the pandemic eases.

LEGISLATOR DRUCKER: You mentioned Nancy that the moratorium is going to come to an end probably by the end of the year or January.

Are you confident, can you reassure us that you're going to be able to handle that uptick in homelessness?

MS. NUNZIATA: It's all going to depend on if we have the beds to put people in as they need it.

As you know, what the state said now is people could be taken to court and there could be a money judgement against them. They just can't be evicted through the end of this year.

So, we're still scratching our heads saying, well, if you owe rent since March, and you get a money judgement against you in November, if you didn't have the money in March, how is it that you're having six months worth of rent to pay back.

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So it's an interesting and difficult situation for people who find themselves in arrears either with their mortgages or with their rent. That's one of the things we are bracing for.

So we are now in the process again of trying to see where we can identify additional shelter space.

We're talking to providers because we are concerned that come January if the eviction moratorium is lifted that they're going to be a lot of people out there in trouble.

Not everybody interestingly enough will qualify for housing. That's one of the things. Lots of people think when they come to us they automatically get the service. They don't. There's a lot of eligibility requirements. So there may be people out there who despite having financial issues with their rent or their mortgages may not qualify for our temporary housing service.

LEGISLATOR DRUCKER: Thank you

very much, Nancy.

CHAIRMAN NICOLELLO: Any other legislators? Legislator Walker.

LEGISLATOR WALKER: I know you said there's always a problem with do you have the beds or whatever. I know for many much us as legislators there are certainly residents that think we don't do anything to rid our communities of the homeless and they write horrible things on social media and so on and so forth.

No matter what you try to say, we do reach out to social services, we do reach out to, if it's the MTA police, we do reach out to the towns and we try many times desperately to help the people who are laying by the store or in the gazebo or train stations or whatever.

But in reality we don't really have enough places for all of them. Many of them don't want to go. You can't force someone.

Often times, the sad part is they leave that train station but they just pick up their belongings and they go someplace else.

Some of them just don't want help and this is the way they want to be. But we, really, in reality we don't have enough places even for them.

MS. NUNZIATA: Yes. Probably if we engaged every person who right now is sleeping on the street and who would be eligible for our service, we probably would not have enough bed space for every single person. We do have what we call the hit team, the homeless intervention team. So when we get calls about clusters of people, like we, for instance, just got one this week about a couple of gentlemen in Eisenhower Park, so we're going to send out the hit team to do an assessment; who are these folks, what kind of services do they need, maybe it's housing, maybe it's something else.

We will do that when we've gotten calls from community leaders who've seen clusters in their area. Lorraine just met

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last Friday with the folks in Hempstead because they are having a tremendous problem in Hempstead Village with a lot of undocumented homeless. She just met with a group of providers over there last Friday to see what it is that we can do.

So when you're dealing with the homeless, it's really very, very difficult because there's not a one fix solution.

As you said there are a number of homeless who may be eligible for our service but are too afraid. They don't want shelter. Quite frankly, they may have been living on the street for so many years that that is their way of life, that's what they know.

But can I tell you today if every single homeless person on the street needed to come in the shelter if we had a bed for them I would probably say no, couldn't do it.

LEGISLATOR WALKER: It just concerns me because, as we said, many who right now are living someplace, but they

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should have been evicted months ago and weren't, and it's a double edged sword.

Certainly you feel bad for the people who weren't receiving any rent because, God knows, they could lose what they have because they don't have that money coming in.

So I just do worry that we could have a much bigger surge.

MS. NUNZIATA: Well, as Lorraine mentioned our family numbers seemed to dip during COVID so we think that maybe family members helped take care of family members but we don't know again.

When you are couch surfing, you're living in someone's house as a guest. Who knows how long that is going to last. We may even see some of those folks suddenly show up at our doorsteps. We're not really sure.

CHAIRMAN NICOLELLO: Legislator Bynoe.

LEGISLATOR BYNOE: Thank you, Presiding Officer.

Good evening, commissioner. I wanted to talk about the homeless and hit on some of the points addressing Legislator Walker.

The situation that I think is unfolding in Hempstead is really surrounding those that are undocumented.

So I know you mentioned I think Section 151 or code --

MS. NUNZIATA: Yes, 151.

LEGISLATOR BYNOE: 151 is based on the weather conditions you're allowed to house everyone regardless of immigration status.

MS. NUNZIATA: Correct.

LEGISLATOR BYNOE: Under these conditions -- let me did ask this. During COVID, was Section 151 enacted?

MS. NUNZIATA: No. There were no cold nights and it was mostly the summer, so no we didn't run into that.

It will now start happening as soon as the weather starts getting cold.

LEGISLATOR BYNOE: I'm surprised

that someone didn't issue an executive order. They seem to be flying around all over the place that would have allowed for us to house people during COVID.

So, that being said, you mentioned that you were out in Hempstead and you met with folks there and I know that there is a group of people doing an extraordinary work making sure the folks have food and clothing and the like. That was brought to my attention recently.

What can we do in cases where we are finding clusters of homeless individuals who aren't documented?

Are there other groups that could step in?

Is there any spiritual churches or anybody who is able to step in and provide some level of care that's not using government funding?

MS. NUNZIATA: Lorraine, if you could talk about what we're trying to do, what we think we may be able to do?

What clearly we can't do through

DSS is house people who are undocumented.

LEGISLATOR BYNOE: I understand that.

MS. NUNZIATA: So we can't do that.

MS. WALSHBERG: I'm not going to speak for another department but there are monies coming in through different block grants and we are looking to partner with those block grants to see if there are alternatives to the Department of Social Services because there are cases where people are sanctioned at DSS and they can't enter shelters.

There are many reasons why we might need alternate housing not just for government, so we are exploring that.

For the COVID, we did ask, a lot of people asked if 151 could extend to the pandemic, but they didn't choose to do that at the state level.

LEGISLATOR BYNOE: So in terms of those that would become homeless by way of eviction, potentially December 31st which probably will get extended again, you mentioned the CARES Act money, and I know the Department of Housing stated earlier during our committee session that they were using some of their CARES Act money to assist families that were required to move during COVID by way of paying their security deposit.

Are we in discussion with that department and maybe any other department that might have COVID money including human services, how we might be able to use that money to stabilize those families that might become homeless?

MS. NUNZIATA: I think one of the things of the plan is is to work with the housing office, the community development. We are definitely in discussion to see how the different streams of money might be able to help some of these folks.

Again, as I stated earlier, even not every one who gets evicted might be eligible for our services.

LEGISLATOR BYNOE: I understand

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that.

MS. NUNZIATA: So we're trying to, there is a lot of out of the box thinking going on in preparation for what might happen at the beginning of the year.

LEGISLATOR BYNOE: When you say temporary housing or assistance, you're talking about the ESG program?

MS. NUNZIATA: Yes, we're talking about ESG and a couple of other funding streams that come through, the community development would have access to, we would not. So there might be a way to use some of those funding streams.

LEGISLATOR BYNOE: Thank you very much.

CHAIRMAN NICOLELLO: Any other questions? Legislator Schaefer.

LEGISLATOR SCHAEFER: Hi commissioner, how are you?

MS. NUNZIATA: Hi, how are you?

LEGISLATOR SCHAEFER: Good. I just have a few questions about some of the positions and the changes in salaries that I noticed. Just to clarify for myself, the attorney two position I saw, there was like a staff of two that are under that title if you know.

MS. NUNZIATA: I'm sorry. I didn't hear you.

LEGISLATOR SCHAEFER: The attorney II position, from what I could tell, you have staff of two people under that position.

I notice there was an increase of about 19 percent I guess salary in your salary, in your budget essentially. I was just wondering what that account is for.

Is this just a salary increase or something else?

MS. NUNZIATA: I believe it was something else. OMB added that additional funding. I believe they had that earmarked possibly for the union contract.

LEGISLATOR SCHAEFER: That's good to know. Thank you.

There was also, if you know, there was an increase in terminal leave

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expenses, are there retirements that you know that are coming up?

MS. NUNZIATA: Plenty of them. Terminal leave we usually budget based upon the prior year. It always seems to be going up. That's why we increased increased terminal leave.

LEGISLATOR SCHAEFER: Sounds like you're pretty confident.

MS. NUNZIATA: And actually we talk about it at work a lot. I don't know how many retirements we've had, how many notices of retirements we had since the beginning of COVID. I can think of probably at least ten off the top of my head and we have several more.

We think what happened is, we have plenty of people at DSS who have been there a very long time. COVID I think has forced people to think about their life and what they want to do and so a number of people have put in their paperwork.

We have more coming. I think there are at least another four our five through the end of the year.

LEGISLATOR SCHAEFER: Okay. Makes sense. Also this may be another OMB issue. I also noticed social welfare examiner one position. There's a staffing level of 17 and the change was about 12.5 percent increase.

Is that another one?

MS. NUNZIATA: Yes.

LEGISLATOR SCHAEFER: Contract. So these are like CSEA union contract positions?

MS. NUNZIATA: Yes.

LEGISLATOR SCHAEFER: Got it. So that accounts for a couple of the others I was going to ask about.

Federal and state aid reimbursement. Have you seen changes already or are you anticipating a lot going forward or you haven't seen anything?

MS. NUNZIATA: We haven't seen anything. There's lots of advocacy going on because many Department of Social Services throughout the state are worried. But the state is also in bad shape. They keep saying we'll get to it but nothing yet has come.

LEGISLATOR SCHAEFER: Okay. That's all I have. Thank you.

CHAIRMAN NICOLELLO: Any other legislators?

(No verbal response.)

I think we're done. Thank you all. Next up is the Department of Assessment.

ASSESSOR MOOG: Good evening. My name is David Moog, County Assessor and I'm with Robert Miles, Deputy Assessor, Department of Assessment.

I would like to give you a brief overview of the 2021 budget for our department. The COVID pandemic, our budget at DOA was appropriately altered to help the reality of the fiscal restraints imposed by the decrease in tax revenues.

We reviewed the operating expenses with the budget office and agreed with the reductions by the proposed budget

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and we are confident that the current staff will be able to banish the issue issuing a new assessment roll for '22-'23 that will be accurate and fair.

We are also confident that in the coming year we will be able to meet our tasks. The department fortunately has consolidated functions of five different assessing titles into the assistant county assessor title allowing the department more flexibility assigning staff and getting a substantial amount of productivity.

We've also been working with the IT department in creating applications that allow better tracking of our processing and analysis assignments which are also increase productivity.

Although our head count was cut we understand the fiscal needs of the county due to COVID. If given the opportunity of recovery of revenue, we would gladly work with OMB in hiring more personnel.

Adjustments to the revenue were made considering the change in real estate due to COVID. We will be working closely with the budget office on the tracking and changes of revenue streams over the next year.

I know that the coming year will be one of challenges and the Department of Assessment is ready to meet those challenges.

Thank you and I'll be ready to answer your questions.

CHAIRMAN NICOLELLO: Any questions? Mr. Rhoads. Mr. Ferretti.

LEGISLATOR RHOADS: Good evening, Mr. Moog and thank you for being here and we appreciate your report.

The 2021 proposed budget eliminates 49 positions that continue to be vacant from the Department of Assessment?

ASSESSOR MOOG: That's correct.

LEGISLATOR RHOADS: Earlier today we were asked to consider two contracts for Haberman and SVS to provide assistance with modeling and to provide assistance with training of assessment staff.

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Is there any correlation between those two things?

ASSESSOR MOOG: The SVS and Haberman contracts in the modeling is to assist in giving expert information to the current real estate market in Nassau County. The Department of Assessment all our increment expense analysis would be based on income expense filed in 2019.

So in engaging mainly Haberman Associates, we would be getting more up to date leases in the current year which wouldn't be available through our current data base.

On the SVS side, we expect to try to get expert analysis from them concerning up to date analysis on sales of real estate since sales usually lag three to six months from the County Clerk's office.

With the ever changing market of COVID, we wanted to get the most up to date information from probably the two best experts in the county to provide that information.

So to the expertise in the modeling is not that they're doing the modeling, it's that they're advice in order to try to get the most up to date data so we can take into account in a very very quickly changing market which evolved from the COVID crises.

MR. MILES: So the answer is no, there is no correlation between the contract and the employees.

LEGISLATOR RHOADS: My concern which I expressed to Mr. Miles earlier is the fact that back in 2017 or 2018, 2017 I believe, when we approved the extension to the Haberman and SVS contracts it was with the idea that we eventually would not need them.

When we approved those initial contracts, the idea was that they would come in and get us set up and train us on how to use it and we would go with our own people.

That has not -- it doesn't seem though that that has come to pass. One, never even been given the opportunity to be able to fully staff your office, and now it appears as though with the elimination of 49 vacant positions, I assume there is a need, for budgetary reasons, those positions are being eliminated?

ASSESSOR MOOG: That's true.

LEGISLATOR RHOADS: So you could use those additional 49 people?

ASSESSOR MOOG: Eventually we could use them but we also understand the current crisis with the budget that we were will to forego those lines for the time being and hopefully as the economy recovers to addressing -- trying to get those people hired.

Let me also clarify that. We had been training in-house modelers, the expertise being provided by Haberman and by SVS, related to the changes in the market due to COVID and those changes have been very dramatic and very quick.

Our office doesn't have the information available to them for the 2020 year. Recent leases changed the vacancy,

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how leases are being negotiated, none of that information coming into our office until April of next year after the tax roll has already been issued.

LEGISLATOR RHOADS: If you could explain this, why is that? Why does Haberman and Associates and SVS have access to information that our Department of Assessment doesn't have?

ASSESSOR MOOG: Because they know more of current leases that are just being signed. That information is not reflected in the ASIE until the following year.

Our information from the commercial side comes from the ASIEs that are filed and that's filed for fiscal year 2019 for all the firms that file.

They file by April 2020 but they're filing information that's actually already four or five months old.

Since COVID occurred in March, we all know the dramatic changes to the retail market, in the hotel trades, in all sorts of office market has changed dramatically, and we know leases have been renegotiated, we know vacancy factors have changed, but we won't see the reflection of that until April of last year after the tax roll closes.

LEGISLATOR RHOADS: I guess perhaps the better question is, how did they get faster access to that information? What do they use to obtain that information that we're not?

ASSESSOR MOOG: Some of them, because they're doing appraisals and they're helping negotiate leases themselves, and they have access to broker's information that we don't have information to. We don't get access to.

So they're working with the private sector with these brokerage firms, some of them doing refinancing of different mortgages so they have to refinance and look at the new income streams so they have more up to date information for the current year, like I said we will not receive until next year.

MR. MILES: We rely heavily on

the residential and on the recorded deeds and sales and then on the commercial end we have to rely on the ASIEs and I don't see a solution to the ASIEs because they must file every year based on when they file their taxes.

We do use something like a Cushman Wakefield, they use Co-star, and we do use regional data, but as we mentioned before when we were having the discussion earlier in the day, it is necessary to have the outside expertise to know a little bit more in real time what's happening on the ground.

One more thing I wanted to add to what the assessor was saying. Not only is the expertise regarding COVID related assessments from SVS and Haberman crucial, we don't have staff members who are able to train other staff members the way we would if we didn't have these contracts.

So we will be using the Haberman contracts as we were discussing earlier to get as many individuals as we can to get the

New York State assessor certification and we will be relying on the SVS contract to further train the modeling staff.

We said before they were doing an excellent job and we're moving forward and they're doing phenomenal. It's just trying to beef up their appraisal knowledge. They're great statisticians and we want to make sure they continue to excel and become the great modelers that we actually foresee them being.

ASSESSOR MOOG: Also, I just wanted to note on the training side from Haberman side, that certification process enables in-house staff to advance in their own careers become certified assessors. It's a career line.

The career line runs from assessor A-1, assessor A-2, assistant county assessor trainee, and then you become an assistant county assessor. Then you can't go any further until you get enough classes, take enough classes and get certified as IAL, then you can take the certified assessor 1 and certified assessor 2 test.

So it's also crucial for the inhouse staff to get this training to further take the ability to take another civil service test and move up in their career.

MR. MILES: And you go from a Grade 10 to a Grade 13 and a Grade 16.

ASSESSOR MOOG: The union is very interested in making sure their own staff has the ability to grow within the job.

LEGISLATOR RHOADS: I understand the piece about COVID obviously, circumstances have changed, they've changed very quickly and they've changed in a very dramatic fashion and I can understand why it is that you might need an outside firm to provide you with much more recent information than we would have access to based upon their particular knowledge and expertise I get that.

ASSESSOR MOOG: Yes.

LEGISLATOR RHOADS: The second part of that, however, really is the part

I'm struggling with, which is all that training and bringing our employees up to speed, and getting them the certifications that they need something that was supposed to be part of that original contract.

I understand that you brought some additional people on board.

MR. MILES: Not the training.

LEGISLATOR RHOADS: Hold on. Why wasn't the first thing we did sort of train the trainers so they can turn around and new people that were brought on board, we could give the training? I thought that was the plan.

ASSESSOR MOOG: The training that was in the original contract was the training for the statisticians. That's still ongoing with Russ Tinnigan doing the training for the statisticians. Some of the work actually has been completed because some of them actually assisted in the SCAR mediation process in assisting Robert Miles team in doing mediation.

They are basically modeling and

statistics side. This training is training that's specific to classes that are given by the New York State Assessor's Association and also by OFFS. Fortunately OFFS classes are free of charge and the New York State Assessors Association has a fee charge to it.

If they take I think it's seven classes through the regulations that are set forth, that qualifies them to take the certified test. So we need to have someone who actually has the ability to contract with New York State Assessor's Association to keep track of those classes and also do some of the training themselves.

And one of the people at Haberman, Tom Donato is actually also a certified trainer with the New York State Assessor's Association. It's not something easily acquired. You have to go through a considerable amount of training with the New York State Assessor Association.

I have gone through quite a bit of training but I'm actually not a certified trainer with the New York Assessor Association, I'm a certified assessor but not a trainer.

That's why we felt it was crucial to try to get that going with the in-house staff because they were very anxious to try to be able to take the IAO.

To that point, we've had a number of people, actually two people just passed what they call the IAO recently, two of our staff members, and another dozen or so will be taking the test in November, some of them passed the first part of the test and they hope to pass the second part.

Then they took that initiative on their own. The only thing the department filed for was administrative leave to take the test.

So I'm very proud that the staff is jumping ahead and just trying to get certified on their own using their own money, paying for their own classes and paying for the test.

That is another route that people

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are taking and those people, I have to commend them for being aggressive about their careers.

Only seven people passed the test this past cycle, two of which were in Nassau County.

MR. MILES: And the best pass moving forward is using the certified trainer because although we are proud of the individuals who did take the test and passed the first part, you want to make sure you give that -- I guess give other people the chance to not just rely on their own initiative but to have a certified New York State trainer to get them to become certified and move along in their career path which is what Mr. Moog came in and did which is one of your objectives when you came in when you did that combination of the assessor job.

LEGISLATOR RHOADS: So the loss of the 49 positions, we can certainly agree will have an impact on the operations of your office, no question about that?

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ASSESSOR MOOG: No questions about that.

LEGISLATOR RHOADS: Separate and apart from the 49 vacant positions, are there still vacant but funded positions within your department?

ASSESSOR MOOG: We are presently in the process of hiring two people in the tax map unit. We had a little bit of money left so we decided to hire two tax mapper one title people. The surveys unit was very thin in its staffing and also we felt it was an opportune time to try to recruit.

Usually it's a hart to recruit title, and it usually pays very well, but now with the current recession with high unemployment, we got a large number of qualified resumes on that, and we decided to try to pursue those two positions.

We wanted to expand the mapping unit because they use GIS and we feel it's a crucial tool with the model and I think those titles they start at like $28,000 a piece.

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We are now in the process of sorting through the resumes, and we received about 15 or 16 resumes from Indeed and we hope to hire two people on those lines.

Then there's one other position I think it's a person transferring from the county attorney over to the Department of Assessment. That's the only lines we really got funded.

LEGISLATOR RHOADS: Once those three individuals are hired, you will be at full staffing based on the 2021 proposed budget?

ASSESSOR MOOG: Yes. Unless people retire. And if people retire that would open funding and as you know people usually retire at higher salaries and people we could hire we could probably take those funds and hire numerous lower salary people to keep the funding going.

So I know several people who are on the path towards retirement and I believe over the next five or six months we will probably see two or three people retire, and from that probably liquidate those lines, and turn those lines over for hiring new people.

So I'm hoping if that occurs we will be five, six, eight more people before April if these retirements come about.

LEGISLATOR RHOADS: So now you've obviously been our assessor now for --

ASSESSOR MOOG: Three years and three months.

LEGISLATOR RHOADS: So obviously you have a good working knowledge of the county assessment Department.

Part of the overall strategy in doing a reassessment was that we were going to beef up the numbers of assessment staff we spoke about so that you would be able to perform all of these tasks on our own in-house and we would have a fair and accurate roll and be able to reproduce that roll every single year.

ASSESSOR MOOG: Yes.

LEGISLATOR RHOADS: In what way will the loss of 49 positions make it more difficult for you to do your job?

ASSESSOR MOOG: Well, it will postpone some of the initiatives that we were moving forward on.

So we were vigorously training people for residential field, commercial field. I had a plan going forward that once we had the staff large enough to actually start cross training, residential people, commercial; commercial, residential, and eventually break the county into a series of assessment districts, and the people working those districts would do both commercial and residential. Because the title I created can do both sides.

Before they were always separated, commercial people from residential people. And it felt by that we would have a greater sense of control and quality control of assessments being done.

We could also probably zero in on different areas and be able to really dig deeper into trends that are going on in particular areas, especially on the

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commercial side.

With that being said, that plan will probably be postponed until more staff comes on board. We will probably keep continuing the organization of the office as it is, but in the future we've hoped to do that.

One of the benefits of the new title, the assistant county assessor title, we've had people who were hired in the SCAR unit and now we have them when the SCAR season is done, although SCAR season is a little longer this year, we can pivot them to exemptions, pivot them to residential, we can pivot them to commercial.

It gave them a much higher degree of productivity where people didn't have as much downtime.

Same can be said of residential where we needed people in SCAR we pivot people from residential and commercial into SCAR.

So it enables us to be much more nimble in moving our personnel around when needed on a very quick basis.

But, long term, like I said, that was some of the long term plans to try to create a more district level instead of rather having it compartmentalized between commercial and residential, and that would probably be put off for a year until we get more staff coming in.

LEGISLATOR RHOADS: How would it impact your ability to produce -- how will it make it more difficult for you to be able to produce a more accurate roll on an annual basis without those employees?

ASSESSOR MOOG: Well, this year we plan to have another trended roll and we'll probably evaluate next year what we will be doing.

Because of the reduction in head count, we might resort to doing a trended roll next year and put off to the following year to do a full reassessment roll.

That's probably where the real impact is. Instead of doing a reassessment roll next year, we will probably put it off to the following year because of the cut in staff at the time.

MR. MILES: Also COVID because you have to still -- it's still like I said earlier --

ASSESSOR MOOG: It's a market influx. It would be very hard to model with the COVID numbers coming. It's a lot of quick changes in the numbers that it's really hard to absorb.

LEGISLATOR RHOADS: So I understand, a trended roll is obviously less accurate than a full assessment.

ASSESSOR MOOG: Yes, it's acceptable but it's less accurate, yes.

LEGISLATOR RHOADS: So, for example, for the 2021 roll which we are sort of in the process of still completing now, we can argue whether or not it's accurate but it was a full reassessment?

ASSESSOR MOOG: Yes, it was.

LEGISLATOR RHOADS: So, theoretically it would be the most accurate roll. Last year we did a trended roll which

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is less accurate?

ASSESSOR MOOG: Although the numbers showed that that was a very accurate roll because we incorporated a lot of the changes from ARC and it actually worked out very well on that roll.

This coming year the problem is with COVID, it would be very tough to model to begin with because the values are changing so quickly and you have some areas in the north shore increasing by nine percent; overall in the county you're increasing six percent.

When you do a model, you usually take three, four years of sales. Now, all of a sudden, you inject into those three or four years of sales of jump, and we don't know how substantial that jump is going to stay or is it going to pull back next year. So it becomes a little tougher to model on that end.

I will say the '21-'22 roll is actually a very accurate roll just because we incorporated a lot of the changes made by

ARC which actually fine tuned a lot of values and then trended from there. So it's actually a very good roll.

But you are correct that over time you should do a reassessment on a regular basis. If we didn't have to cut in staff we would probably be doing it sooner, rather than later, and also comes with the instability of the COVID year.

LEGISLATOR RHOADS: Well, have you received any indication from central administration as to when they anticipate being able to get you back to the full staffing you need to be able to produce the reassessment?

ASSESSOR MOOG: I think that all depends on many factors that probably Andy Persich knows more of but it really depends on recovery of revenue from sales tax. It also depends on if an aid package comes from Washington in a stimulus. It depends on who's president in the next year, if it's going to be more generous to help fund local government or not. There is a lot of unknowns there.

I would believe that if aid did come in from Washington, more money came in from Washington, to better fund local government, we would definitely work with OMB to turn around and start hiring again as long as we feel the revenues are stable enough to hold -- we wouldn't want to hire people to get them laid off of course, but we would work with OMB to try and ramp up the hiring once again.

Now a lot of the hiring in those titles I just mentioned is probably a little stunted until the civil service test is given. We can't hire provisionally while there is a test list -- not a test list but a test announced. Once the test is announced you can't hire provisionally. All the tests were actually postponed because of COVID, they were supposed to be given in April. They have been postponed until further notice.

That might also put a little delay on the hiring because the titles we want to hire in, we just can't hire provisionally. It's an impossibility until the test is given.

So there are some, also, mechanisms you have to work into a civil service and that's always been the problem I had since I've been here. We hire provisionally, it triggers a test. Once a test is announced you can't hire provisionally. You have to wait for the test. The test is promulgated. The list comes out. You exhaust the list. Then you get like a two month period to hire provisionally, and then the cycle starts all over again. Just a little tough on the civil service side. It's the nature of the civil service law.

LEGISLATOR RHOADS: Since we have you here and the obviously the 2021 roll, it's been a topic of conversation, can you give us just a brief overview how many grievances were received as a result of the County Executive's reassessment?

MR. MILES: How many petitions

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filed?

LEGISLATOR RHOADS: How many petitions, how many grievances were resolved at ARC?

ASSESSOR MOOG: There were 80,000 petitions filed and the filing period ended September 4th.

LEGISLATOR RHOADS: That's SCAR petitions?

ASSESSOR MOOG: SCAR petitions.

LEGISLATOR RHOADS: How many grievances in total; do you know?

ASSESSOR MOOG: Are you talking about SCAR petitions for ARC grievances?

LEGISLATOR RHOADS: I wanted to get starting from the start of the process, how many ARC petitions were filed?

ASSESSOR MOOG: '20-'21, '21-'22. I have '21-'22 ARC numbers.

MR. MILES: 2021 should be about 250,000.

LEGISLATOR RHOADS: How many grievances were resolved at ARC?

ASSESSOR MOOG: Approximately

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60,000.

LEGISLATOR RHOADS: You had 190,000 still out there?

MR. MILES: Not anymore.

ASSESSOR MOOG: When ARC finishes about 190,000, but then 80,000 SCAR petitions were filed, and the SCAR petition deadline is September 4th this year. Started May 26th and normally it's April 1st to April 30. From May 26th until July 1st, 28,000 petitions were filed, 29,000, and then 50,000 were filed from July 1st to September 4th.

Of those 50,000, 58,000 were settled in mediation and 8,200 were resolved in court hearings, SCAR hearings.

The remaining cases are 13,408 remain after the close of the filing period and the closing of the Adapt system, meaning it's finished, the tax roll is being calculated with 13,480 cases outstanding.

LEGISLATOR RHOADS: The governor just extended the SCAR deadline again.

ASSESSOR MOOG: No, not the SCAR

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deadline.

MR. MILES: The tax cert deadline.

LEGISLATOR RHOADS: Not the SCAR filing, so the 13,8 I think you said --

ASSESSOR MOOG: 13,408 is the set number. Of the ones that went to mediation, the 58,000 of mediation, the median percentage decrease was three percent.

Also 14,281 of those cases were settled with zero offer. They basically withdrew the case on the mediation side.

MR. MILES: 25 percent of the cases accepted a no offer.

LEGISLATOR RHOADS: How many, ultimately, whether it's by settlement or by adjudication in a SCAR hearing, how many petitions were granted?

MR. MILES: Were granted?

LEGISLATOR RHOADS: Inartful phrasing. Between settlements that resulted in a change in someone's assessment and cases that were adjudicated favorably upon the petitioner, how many are we talking about?

ASSESSOR MOOG: How many received reductions in mediation or petition and how many were confirmed?

LEGISLATOR RHOADS: A much simpler way to say that. How many people were successful?

ASSESSOR MOOG: Do you have that number, Robert? About 55 percent?

MR. MILES: Doing the quick math in my head right now. Between 38,000 and 40,000.

LEGISLATOR RHOADS: So out of the $80,000 roughly half?

ASSESSOR MOOG: Right, and the mediation, the median decrease percentage was about three percent.

MR. MILES: Right.

LEGISLATOR RHOADS: And obviously to makeup for that because they incurred before the roll and final, there has been an adjustment to the rest of the roll to balance everything out?

MR. MILES: Correct.

The good thing that happened this year was, usually we get all of the court's decisions by August 5th.

We told the administration that that is cutting everything close because the tax warrants as you know are supposed to be submitted in September.

The deadline going to September 4th was precarious at best. Then receiving the executive order we were able to include more cases in court and mediate many more cases.

LEGISLATOR RHOADS: So now because of the fact that we had now an additional 40,000 adjustments to the roll out of a total number of class one properties somewhere around 390,000?

ASSESSOR MOOG: About 384,000.

LEGISLATOR RHOADS: For the 2021 year using trending to develop the '21-'22 roll.

ASSESSOR MOOG: Correct.

LEGISLATOR RHOADS: Now with the reduction of 49 positions that you will now not be able to fill may result in the '22-'23 roll also being trended?

ASSESSOR MOOG: Correct.

LEGISLATOR RHOADS: And we will have to wait and see if those positions ever come back for future years.

ASSESSOR MOOG: Depends on the budgetary considerations. That's a big mystery for everybody I think.

LEGISLATOR RHOADS: Are you concerned that while the goal was to have the most accurate roll possible that staffing, having new trending models as a result of staffing, and we have issues that are now be resolved with respect to the initial 2021 roll, we might be something less than the most accurate roll possible moving forward?

ASSESSOR MOOG: I do believe it will still be a very, very accurate roll and compared to all the jurisdictions in New York State it's still one of the most accurate rolls in the entire state. Even with the '21-'22 roll being trended and I do

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believe '22-'23 roll will also fall into that category of being one of the most accurate rolls in the state, even though using a trending method.

MR. MILES: Especially considering when the median percent decrease in reduction was three percent.

LEGISLATOR RHOADS: But we actually won't know with respect to the '21-'22 roll and '22-'23 roll, we still won't know how accurate the roll is until everything has been viewed here?

MR. MILES: Well, if you are starting out with a highly accurate roll and that's the fundamentals of your '22 and '23 rolls, then it's going to be an accurate roll.

ASSESSOR MOOG: That's also one of the reasons why we wanted to do the Haberman and SVS in order to try to get that roll as accurate as possible with the changes in the COVID market.

LEGISLATOR RHOADS: So we need the outside help.

So, essentially, when I asked the need to have Haberman and SVS is in some way related to the fact that you are not up to full staffing, the truthful answer to that question is it may not be the entire reason but it's part of the reason; would that be fair to say?

ASSESSOR MOOG: No. I would say more the reason is because of COVID.

The COVID market is so difficult to be able to model and even trend, even people at Goldman Sacks saying they don't really have an idea of where the real estate market is going.

When Goldman Sacks doesn't know where the market is going, that's a troubling situation. We want to make sure we get as much expertise on our side to try and trend this as close as possible.

MR. MILES: You can have 250 people in the department, it doesn't mean that any of them are on the outside doing appraisals, picking up leases, rents, mortgages.

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We can have a staff of 300, that doesn't mean -- we don't have anyone on the outside who has been dealing with the swings of the market for the past few months.

ASSESSOR MOOG: It's a very unprecedented time in the real estate market.

We want to make sure we have as much knowledge and background going forward and that's why we felt it was crucial for those contracts.

MR. MILES: But we have an exceptional staff now and thank you for the contracts. We're going to continue to train them and certify them and continue to develop excellent rolls for this county.

LEGISLATOR RHOADS: By the way, by my questions, I don't intend any slight or discredit to any of the department of assessment staff that you have.

I know that they're working hard. There are fewer of them than there should be for you to be able to do your job to its optimum level.

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ASSESSOR MOOG: We understand that and we understand that this is an unprecedented time with the budget. This is a once in 100 year pandemic hopefully, and I think to the credit of the administration and credit to a lot of government officials around the country trying to deal with the budgets. It's not just Nassau County. It's something that's coming across the entire country.

New York State and New York City and the metropolitan area suffered greatly under the COVID crisis.

MR. MILES: And we are just expressing pride of the staff of assessment and ARC has been of great help and the county attorney has also been of great help.

ASSESSOR MOOG: And I also will say that when we did these SCARs is the first time we had to do them by zoom in remote with the court system.

You're talking about going from phase four, which was only in June, we only started doing hearings in June because that's when the court finally opened up. It was a really monumental effort by the staff to get this work done in such a short time. It was very remarkable that it was completed.

MR. MILES: And the court worked admirably as well.

LEGISLATOR RHOADS: If I can ask, of the 13,800 petitions that still remain to be decided, what are we talking about in terms of the dollar value chain, what would that represent?

ASSESSOR MOOG: We are not sure because a lot of these cases receive remediation. Every case that came across, 99 percent of the cases that filed petitions had mediation.

Many of these cases had either no offer made or an offer that wasn't acceptable by the taxpayer or tax rep firm.

LEGISLATOR RHOADS: But doesn't the process start with -- like when I grieve my assessment -- not to say grieve my taxes, when I grieve my assessment, I list what I believe the market value of my house is supposed to be on that initial application.

ASSESSOR MOOG: Right.

LEGISLATOR RHOADS: Versus what the assessed value of my house is.

ASSESSOR MOOG: Correct.

LEGISLATOR RHOADS: You should be able to calculate based on those two different numbers what we're talking about in terms of total potential exposure to the county, so, for example, we have $30 million in this year's proposed budget that's supposed to handle -- supposed to handle residential and some portion of commercial potential certiorari liability.

On the residential end for the class one properties that represents now the 13-8, that haven't been incorporated by the time it went final, what is our potential exposure?

ASSESSOR MOOG: That we have not calculated and that's a very hypothetical number to calculate because, first of all, like I said, all these cases went through mediation so a lot of them received no offer to begin with, in our opinion, would receive no offer further down the line.

These cases will be vigorously defended by our staff just like all the prior cases were and they probably be adjudicated over the next months until probably late January, early February, the schedule that the court is setting for us on that. Their staff is also swinging back to doing other judicial work. They've pulled attorneys off the floor and assigned them these cases and now those attorneys have to go back to their regular duties at the court.

That being said also, I feel a lot of the cases that are being adjudicated now also are cases that were filed later in the season, some of them were, and it was -- I don't know how much merit those cases had.

It would be hard to take the prior reductions being granted and seeing how those prior reductions would fly, but looking at a median decrease of three percent which is a pretty small decrease overall, I think the liability shouldn't be that great. I really can't put an exact number on it.

LEGISLATOR RHOADS: I was going to ask, do we know whether these are higher value properties or lower value properties or is it a mixed bag of everything?

ASSESSOR MOOG: I think it's a mixed bag. The higher value properties tended to file earlier and I think a lot of them did get resolved because of the early filing of them. They also can get resolved with mediation and they also get resolved through the court during hearings because they have more chance of getting hearings filed earlier.

And higher value onces, tax rep firms made sure they were filed very early on. So if they got through Robert Miles SCAR medication, they weren't satisfied, they were more likely to get hearings at SCAR just because it was first in, first out.

So I don't think the higher value cases really make up a big percentage of the 13,400, only because of the nature the tax reps file for their cases.

CHAIRMAN NICOLELLO: I would just ask Legislator Rhoads if you could finish up.

LEGISLATOR RHOADS: Absolutely. With respect to class one residential grievances, would we be able to obtain a spreadsheet detailing the address, the assessed value, the grievance value, and any reduction that are granted, number of cases that are still outstanding and what type of cases those are?

MR. MILES: Are you talking about grievances or petitions, legislator?

LEGISLATOR RHOADS: Well, we wanted a spreadsheet detailing with respect to the SCAR petitions.

MR. MILES: The remaining 13?

LEGISLATOR RHOADS: In other words, you started from 80, we wanted to know what the addresses are, what the assessed value was, the grievance value, what it was settled at, what it was adjudicated to, can we get a spreadsheet for all of those cases?

MR. MILES: Yes, we will try to pull that from the Adapt system.

LEGISLATOR RHOADS: Thank you.

CHAIRMAN NICOLELLO: Thank you. Legislator Ferretti.

LEGISLATOR FERRETTI: Thank you. Good evening. I will be I think pretty short. Just a few questions. Legislator Rhoads hit on a lot of questions I had.

The tax map verification fee, the $6.9 million reduction in the projected revenue for that, my understanding is -- I think you indicated that was due to a possible reduction in the amount of the fees; is that correct?

ASSESSOR MOOG: Those calculations are handled by the budget office in conjunction with the county attorney.

MR. MILES: I don't think you got

that information from this department.

ASSESSOR MOOG: I believe Andy did take a look and consulted with the county attorney on those figures and came up with a calculation on the current filings made with the county clerk's office and took a percentage based on possible losses from the litigation further on down the line. But that was all done from conversations between budget and county attorney.

MR. MILES: My recollection is that I don't think there was an issue with the application of the fee itself; I thought it was the pricing of the fee.

LEGISLATOR FERRETTI: That's kind of where I was going with my question. I agree. That's what Mr. Persich had indicated.

So working under the assumption that the fee has to be, there must be a nexus between the fee and the service provided, did your office have any consultation with either the county attorney's office or Mr. Persich to explain exactly what the service is so they can get an idea as to what --

MR. MILES: Yes, we've talked to the county attorney a lot about what the services were just because of the nature of the litigation and what the process is administratively.

So county attorney and budget are aware of the administrative process.

I don't think it really had to do with a dip or increase in the amount of tax map verification letters going out. I think it solely had to do with the result of the litigation or the progress of the litigation.

LEGISLATOR FERRETTI: Did your office come up with the $6.9 million number or was that Mr. Persich?

ASSESSOR MOOG: Mr. Persich.

LEGISLATOR FERRETTI: I'm not going to get into all the questions that Legislator Rhoads got into, I just want to make sure I have the numbers down correctly and then I have a few questions.

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Total grievances for 2021, 250,000, correct?

MR. MILES: Grievances, yes.

LEGISLATOR FERRETTI: And about approximately 60,000 of those were settled at ARC; is that correct?

MR. MILES: That's my recollection, yes.

LEGISLATOR FERRETTI: 80,000 SCAR petitions, correct?

ASSESSOR MOOG: That is correct.

MR. MILES: Correct.

LEGISLATOR FERRETTI: So approximately 50,000 were settled?

ASSESSOR MOOG: 58,000 through mediation and another 8,200 through decisions.

LEGISLATOR FERRETTI: So 58,000 through mediation?

ASSESSOR MOOG: Yes, and 8,200 from hearings and of that 58,000, 14,000 were no offers. And median decrease of all the mediation was three percent.

LEGISLATOR FERRETTI: 1920, how

many total grievances advances were there?

MR. MILES: Grievances or --

LEGISLATOR FERRETTI: Total grievances.

MR. MILES: 220.

ASSESSOR MOOG: 220, 240. Actually, I'm not sure. Have to ask ARC on that figure. Before my time in our agency. I'm really not sure of the number.

Actually I think it's more like 170,000, but they had 90 percent of the cases received reductions. Was that it? You have to ask ARC, I'm sorry.

LEGISLATOR FERRETTI: Okay. I guess my question is, what I'm getting to is, it looks like to me we have about 118,000, if my math is right 118,000 settlements. Would you agree with that?

ASSESSOR MOOG: Between ARC and SCAR?

LEGISLATOR FERRETTI: Yeah.

ASSESSOR MOOG: Yes.

MR. MILES: Actually maybe less. Are you considering --

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ASSESSOR MOOG: He's talking 60 plus 58 plus 82.

LEGISLATOR FERRETTI: I'm not including the 82.

ASSESSOR MOOG: Okay. So, yes, 118, using a plain number.

MR. MILES: I don't know if that math is -- it was 60,000 offers. I think the Assessment Review Commission gave 20 or 30,000 zero offers. We gave 14,000 zero offers up to 58,000.

So, like I said, it would be about 38,000 or 40,000 reductions plus ARC's 60,000 reductions. About 100,000, maybe a little up, maybe a little down.

ASSESSOR MOOG: You have to minus at the zero office that were in there. Really just confirming the value.

LEGISLATOR FERRETTI: Okay. So we had said about 14,000 zero offers, right?

ASSESSOR MOOG: 14,000 on the SCAR side, we don't know how many on the ARC side.

MR. MILES: 25 percent of the

mediations were zero.

LEGISLATOR FERRETTI: At SCAR?

ASSESSOR MOOG: Yes.

LEGISLATOR FERRETTI: Then the 60,000 at ARC, those were reductions, correct?

MR. MILES: I believe that's the case.

ASSESSOR MOOG: So if we say 118,000, but 14,000 at SCAR were zeros, you're at roughly 104,000 settlements?

ASSESSOR MOOG: Right.

LEGISLATOR FERRETTI: I just want to make sure I understand. So about 40 percent or more of residential property that grieved received settlements, correct?

ASSESSOR MOOG: Combine the SCAR with the --

MR. MILES: No, not 40, because there's 386,000 parcels.

ASSESSOR MOOG: If you're talking about the total population --

MR. MILES: Of individuals that grieve?

LEGISLATOR FERRETTI: Well, we have 250,000 grievances and approximately 104,000 settlements where they received a reduction, right?

ASSESSOR MOOG: Yes.

LEGISLATOR FERRETTI: And I'm doing this rough off my head. It's not 50 percent, but 40-ish, right?

ASSESSOR MOOG: Right.

LEGISLATOR FERRETTI: I guess my question is, at what number is that percentage essentially mass settlement light?

ASSESSOR MOOG: Well, none of it was mass settlement because even with mediation, the office made, between zero and 20 percent, but the median offer was three percent.

So if you look at the percentage offered, even at ARC that settled cases, and at SCAR, the vast majority of settlements came in under five percent. The vast majority was under five percent.

The five percent difference in

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value is really just a difference of opinion. If the bring in five appraisers to appraise your house, they come in with five values that can vary plus or minus 10 percent.

So these small change we view as not really that the values were inaccurate, it's just that slight change of opinion, two three percent is not going to be considered that the assessment was wrong.

If it's under five percent, usually the IAO and IAAO consider the assessment to be accurate.

MR. MILES: Between five and ten percent. One other thing to consider, what you are calling the mass settlement program, under the Mangano administration, the reason why individuals received very generous settlements is because of the ratio difference.

So we eliminated that issue with 2020-2021 roll and, when we did the mediation program, we relied on a comparable analysis review rather than individuals receiving a settlement because of a ratio dispute, or a varied ratio, we relied heavily on the mechanics and the procedures of assessment and of SCAR and we used comparable market analysis, multiple models, to deliver settlements that we thought were fair. We also made sure that those on the other side understood that we know that the assessment is accurate.

So a difference of opinion of three percent is well within the standards of the IAO and IAAO which is between five and ten percent for a heterogenous community like Nassau County.

ASSESSOR MOOG: And, also, realize that our mediation program was a reflection of decisions coming out from the SCAR hearings.

It's a mechanism to lessen the liability because we are looking at the exposure of the cases as a result of the decisions coming out from SCAR.

LEGISLATOR FERRETTI: The 8,200 that were adjudicated at SCAR, do you have a median percentage decrease?

MR. MILES: Yes, between four and five percent.

LEGISLATOR FERRETTI: And the 60,000 that were settled at ARC, do you have a percentage decrease?

ASSESSOR MOOG: That one we don't have. You would have to ask ARC on that. At least 20,000 of the cases had less than the three percent offer. I think 20,000 cases were made, offers less than three percent.

LEGISLATOR FERRETTI: When we talk about the entire universe of 104,000 reductions and settlement through this process, it's not like the median was two to three percent for that 104,000, the median was two to three percent according to what you're saying for the 40,000 that -- I'm sorry, the 58,000 that were settled at SCAR, right?

ASSESSOR MOOG: True. We don't know what ARC offered.

LEGISLATOR FERRETTI: And the

percentage for those adjudicated were higher?

ASSESSOR MOOG: We have to go through it because the adjudicated ones come out in PDF so you have to go one by one. We have to parse them out because there were multiple sheets coming in so we have to do a large merge and we haven't yet.

MR. MILES: The adjudicated should be five percent.

LEGISLATOR FERRETTI: On the median?

MR. MILES: Yes.

ASSESSOR MOOG: The average is five, because the average is five.

MR. MILES: I will have to double check that.

ASSESSOR MOOG: We would have to drill down on the number because hasn't been consolidated yet.

LEGISLATOR FERRETTI: Thank you.

CHAIRMAN NICOLELLO: Legislator Drucker and then Legislator Mule.

LEGISLATOR DRUCKER: Thank you

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guys. I have a few. The numbers are starting to make my head spin a little bit. I just want to be clear.

80,000 SCAR petitions, 58,000 were settled. In my primitive math that's a 73 percent of the SCAR petitions were settled?

ASSESSOR MOOG: That's correct.

LEGISLATOR DRUCKER: Of that 73 percent, 25 percent of them accepted a zero offer?

ASSESSOR MOOG: That's correct.

LEGISLATOR DRUCKER: So in my opinion, that really reflects on a pretty accurate roll.

ASSESSOR MOOG: And the fact that it's only a median decrease of three percent.

LEGISLATOR DRUCKER: So the median is three percent with an average of maybe four percent?

ASSESSOR MOOG: Correct.

LEGISLATOR DRUCKER: Again, that speaks pretty well of the accuracy of the roll.

Would you be able to say historically that it's far different, vastly different from previous years when the settlements were, like you said, much larger with a wink wink type of thing?

ASSESSOR MOOG: Yes.

MR. MILES: Yes. The average SCAR reduction was 11 plus percent last year for '19-'20.

LEGISLATOR DRUCKER: And now we are looking at three percent with 25 percent saying I'm willing to accept zero change?

MR. MILES: Correct.

LEGISLATOR DRUCKER: Thank you very much.

CHAIRMAN NICOLELLO: Legislator Mule.

LEGISLATOR MULE: Thank you. I was going to ask a similar question, and so I just think that's great that we have such a really accurate roll.

If I'm understanding what you're saying, based on what happened in the past with the 11 percent and now it's three percent with, maybe with a total, maybe inching up towards five percent, but according to the professional standards, if I'm understanding what you're saying, that brings up into an extremely accurate roll; is that correct?

ASSESSOR MOOG: That is correct.

LEGISLATOR MULE: Then I have only one other question. I'm so tired. Did the remaining cases that are going to court, we all know that home prices have really gone up because the whole COVID buying spree, will that have an impact on the upcoming court cases?

ASSESSOR MOOG: No. Because the upcoming court cases are based on prior tax roll 2021 which are based on sales that were based in 2018.

So it has a psychological effect but on an analytical basis it will not have an effect because they're not using the current sales.

Because they might have it in

their mind that the market is rising and prices are going up. But they will fall back to the sales that occurred in 2018.

LEGISLATOR MULE: Thank you very much.

CHAIRMAN NICOLELLO: Legislator Rhoads.

LEGISLATOR RHOADS: I have no questions.

CHAIRMAN NICOLELLO: Anyone else?

(No verbal response.)

Thank you.

ASSESSOR MOOG: Thank you.

MR. MILES: Thank you.

CHAIRMAN NICOLELLO: The next presentation is the Department of Public Works.

MR. ARNOLD: Ken Arnold, Department of Public Works. Good evening. Thank you for inviting me to discuss the proposed 2021 budget for DPW and the Sewer and Storm Water Authority.

First I want to open to say that the general DPW budget is put together with

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both managing the fiscal challenges put in front of the county as a result of the COVID emergency, but also ensuring vital department services can be achieved.

Even within an overall reduction of four percent, this budget over the last year I'm confident my team can manage our resources and deliver our services.

When all we need is to look at the work road and traffic units in response to the tropical storm, while the work that my facilities management group did during the COVID emergency with all the different items that we had to do to get the buildings open to see that we can get this done.

As the project delivery, which I know is very important to this body, I'm very confident that we can continue our positive path on moving projects forward.

Our engineers and other technical staff has been able to bring on over the last three years have made great strides in understanding the infrastructure and how we put out numerous roads, bridges and sewer

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and traffic projects.

Most importantly is the continued success of our resurfacing program which I'm hopeful this year will be about 170 lane miles for the year.

Unfortunately, project delivery over this year and next will be more of a function of capital cash resources than manpower. The current on board head count is 376 for the department and we are budgeted for 391.

At this time my largest concern is equipment operators for snow removal. We have been working with OMB to utilize these vacancies towards that cause.

The contractual services decrease is mainly a function of the Trans Dev contract. New York State has indicated to us that the STOA contribution will decrease by 20 percent in 2021.

Additionally we are projecting a fare box decrease over the year. The department has worked extremely hard with Trans Dev to ensure that no routes are eliminated. This was achieved by both one of the largest county contributions to the system ever, 12.8 million, also the adjustment of frequency between buses.

One important to note is the increase of $4 million to my facilities budget for this coming year.

This is associated with the work we need to do for the COVID emergency.

As to SSW budget for 2021, it's increasing by $5.2 million or three percent. Salaries continue to drop as case employees leave service. We currently have only have 37 case workers remaining down 12 from last year.

The head count for non case workers remains unchanged.

The main increase in the budget is associated with the sewers contract. This increase is $7.8 million or 12 percent. Drivers for this include the need to address various items within the contract and the longstanding concerns on both sides.

These issues to name a few

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include resolving maintenance costs, versus capitalizing maintenance events, and coming on line to various facilities that add additional requirements for sewers.

In conclusion, while this budget is not ideal, it is practical to address the fiscal challenge we face and most importantly we can deliver the necessary service. Thank you.

CHAIRMAN NICOLELLO: Thank you, Ken. Any questions? Legislator Ferretti.

LEGISLATOR FERRETTI: Hi, commissioner. How are you?

MR. ARNOLD: I'm very good. Thank you.

LEGISLATOR FERRETTI: Commissioner, you mentioned at the beginning of your presentation, it was a specific title that you indicated that you operate the snow plows.

MR. ARNOLD: Yes.

LEGISLATOR FERRETTI: What title is that?

MR. ARNOLD: Equipment operators,

there's twos and threes.

LEGISLATOR FERRETTI: Having trouble locating it in my book here. What were you budgeted for in 2020 for that position?

MR. ARNOLD: High 90s.

LEGISLATOR FERRETTI: And you budgeted for --

MR. ARNOLD: Roughly the same amount, so we're looking at attrition and some things have changed, to make sure we were at those levels that were budgeted for.

LEGISLATOR FERRETTI: Is that the same title that does the landscaping on the county roadways?

MR. ARNOLD: For the most part, yes. There are a couple of other titles that help with landscaping but those are integral parts of the title.

LEGISLATOR FERRETTI: Do those other titles that help with landscaping help with snow plow or do you need a CDL for that?

MR. ARNOLD: You need a CDL for

the snow plows. During the snow emergency, those other titles could be doing pay loader work or pickup truck, parking lots, hand shoveling, over types of work.

LEGISLATOR FERRETTI: Do we currently have a routine schedule for the landscaping of the county roadways or is it an on-call situation?

MR. ARNOLD: We have a rotation. We try to get every location every four weeks, but I don't have a hard schedule because things change all the time. A good example, tropical storm. We pulled out our units from grass cutting to deal with that storm for that period that was required to take care of it.

LEGISLATOR FERRETTI: How about the county sumps?

MR. ARNOLD: Just as the roadways are, each garage does a cycle and we try to get to them every four to five weeks also.

LEGISLATOR FERRETTI: Okay. So I remember this came up last year when we were going over the budget for this year and I know we put in an amendment to increase the numbers specifically for that title. Unfortunately it didn't go forward.

But do you feel that you can continue on that four week schedule with the current employees budgeted in this budget?

MR. ARNOLD: That would be our goal, yes. We did hire quite a bit of equipment operator but we also lost quite a bit this past year.

So we kept the current staffing but I think we hired I think around 12 or 15 people in that title, but that same number of people had left.

LEGISLATOR FERRETTI: But the title -- there are no vacancies in that title currently?

MR. ARNOLD: Currently I know we have at least two. There's two people that left service. I'm looking at the title series right now working with OMB to bring it back up to the budgeted level.

LEGISLATOR FERRETTI: The two vacancies you currently have, are they part

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of those vacant but funded positions?

MR. ARNOLD: They're part of the vacant but funded positions.

LEGISLATOR FERRETTI: So then there are two less spots for '21 in this budget?

MR. ARNOLD: No, no. I take that back. The equipment operators we stayed at the same level that we always had. We are not down positions for operators, no.

LEGISLATOR FERRETTI: Thank you.

CHAIRMAN NICOLELLO: Any other questions? Legislator Walker.

LEGISLATOR WALKER: Just really a quick question. First of all, I want to thank you for all the help you always give whenever my office has to call and I'm sure every one else would agree.

One of the big issues we have are the sumps and I know you said they are on a rotating basis.

But is there any way at some point in time maybe they can really go in and do like a massive cleanup in those sumps?

I grew up next to one so that's obviously still there. It used to be they were really very, very well maintained.

Now most of them are so overgrown and it's not the county's fault that people throw garage in it and be ridiculous or whatever flies in there and is left there.

But it really becomes an issue with the neighbors and sometimes like if I could climb over the fence myself, maybe in my youth I climbed over those fences, but no more. You wish you could almost go in and cleanup it up yourself.

I know it's not parkland, not pristine, but is this something that could possibly be addressed better than it is? I feel like every one of us has some sump issues.

MR. ARNOLD: Well, with the current forces I have, we look to cut the grass every four to five weeks. During the winter we look to try to do some major basin cleanups where they're really bad. We look to keep the top of berm cut and clean especially where the homeowner can see inside the basin.

But to do anything more than that I would not have the manpower to get into a full cleanup. I have over 500 basins. That's a major project.

LEGISLATOR WALKER: I know even throughout the summer, some of them are by ball fields or whatever, even the issues with mosquitoes and whatever.

MR. ARNOLD: Well, that's treated. We would take care of the mosquitoes.

LEGISLATOR WALKER: My office calls you often to deal with that.

MR. ARNOLD: We would jump on that right away. That would be a different type of issue.

LEGISLATOR WALKER: Thank you.

CHAIRMAN NICOLELLO: Any other questions?

(No verbal response.)

Hearing none, thank you, Ken.

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Now we have the Department of Minority Affairs.

MR. CHITTY: Good evening, Presiding Officer Nicolello and legislators. I'm joined today by Deputy Director Williams and My name is Lionel Chitty.

The Office of Minority Affairs has reviewed the 2021 executive proposed budget, OMA understands the budget constraints facing Nassau County and believes this proposed budget provides the staffing levels we need to meet the challenges facing our minority communities.

Included in this proposition is the addition of qualified staff including an attorney that will assist OMA in contract compliance and other important work in connection with issues affecting minority residents and business.

Improving the state of minority businesses is at the forefront of our 2021 agenda. OMA is preparing to work on its first parity study in over a decade. This endeavor will involve Suffolk County as well. Involved in this process in depth compounding of data to determine the availability, utilization, and future capacity of minority and women owned business enterprises and service disabled veteran owned businesses in Nassau and Suffolk Counties.

This work will make possible the creation of meaningful contactables for our MWBEs and our staff will take on the important work of overseeing the disparity study consultant and coordinate activities with other county agencies in this regard.

We will also have staffing for a hands outreach and programs to assist our work in promoting county resources in areas of health, social services, workforce development, civil rights and economic opportunity to name a few.

With the proposed staffing additions, OMA stands ready to meet the challenges that lie ahead and improve the lives of the communities we serve.

Thank you. I'll take any

questions.

CHAIRMAN NICOLELLO: I just have a general question and an observation.

You and Dr. Williams have done so much work this year in terms of getting Minority Affairs up and running and active in doing what you should be doing.

Does this budget for the 2021 allow you to continue to build on that progress?

MR. CHITTY: Absolutely. Absolutely. We will work directly to make sure that we can.

CHAIRMAN NICOLELLO: Mr. Rhoads.

LEGISLATOR RHOADS: Thank you, Presiding Officer Nicolello. Good evening. I know it's been a long day. I'm just going to ask a few questions.

Obviously, Executive Director Chitty you were present for the Minority Affairs hearing we had a couple of weeks ago and, at that hearing, we discussed some of the things that are being done and some of the things that aren't being done because of the staffing and personnel issues within your department that really should be done pursuant to charter. There simply aren't enough bodies to be able to do it.

I observed that today you come in and just gave your statement saying you have sufficient staff to be able to meet those challenges.

I do note that of particular concern is not just next budget year, but I noticed that for the major fund salary plan for not just 2021 proposed budget, but for 2022, 2023, 2024, there is absolutely no change in what the county executive sees for the budget for the Office of Minority Affairs.

I don't know how your office is going to be able to continue to move forward without the staff that you need to be able to accomplish the very important and significant goals that your office is charged to accomplish.

I understand your desire to try to do more with less, which is sort of our mantra in if government, but you reach a point where it's such a Herculean task that it becomes impossible.

I'm just concerned with the Office of Minority Affairs we are at that point.

So I know -- and this really isn't a question, it's more of a statement. I know and appreciate the fact that you come in here and say, to sort of back up the administration's budget, and say you don't need more staff, but it seems to me that you clearly do. I would love to find a way to see that happen.

MR. CHITTY: I appreciate the comment, Legislator Rhoads, as you can see, my biggest focus right now is on the 2021 budget. We do have a staffing increase there including the assistance of an attorney that will help us with the contract compliance which is a huge portion of what our charter mandates us to do.

We will also be looking at a program coordinator to assist us in other

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items specifically with the certification processes and also with specific outreach. And, Dr. Williams, do you want to add anything to that?

As I said, specifically, looking at the 2021 budget, I'm not aware of anything further than that as far as my office is concerned.

LEGISLATOR RHOADS: I'm looking at the summary and I see no change in terms of the Office of Minority Affairs' overall budget for the next four years.

It seems as though based on the hearings that you probably needed about 12 or 13 staff people total, and I see it's increasing from seven to eight but it's to my mind woefully inadequate for what you are charged to do and what your office needs to do in order to be fully functional in my opinion.

MR. CHITTY: No problem. Thank you. Always valued. We do have some part-time positions that are also included in there, but I understand where you're coming from and we will be work directly with budget as any other challenges come to the forefront and we will work directly with them to make sure we can fill our specific needs of our charter.

LEGISLATOR RHOADS: Thank you.

CHAIRMAN NICOLELLO: Anyone else? Legislator Solages.

LEGISLATOR SOLAGES: Thank you very much, Presiding Officer. Just usually this late in the hearing, when Legislator Rhoads has a long question I usually start to pull my hair, but I beg to ask the question I had the same exact question that he asked and I thank the executive director, Mr. Lionel Chitty, for his answer, but I think Legislator Roads in his question, I agree with the same concerns and sentiments. Thank you.

CHAIRMAN NICOLELLO: Any other legislators?

(No verbal response.)

Thank you very much and thank you for your patience. I know it's been a long night.

MR. CHITTY: Thank you. Good evening.

CHAIRMAN NICOLELLO: Last but certainly not least is the Department of Health. Before you even start, I want to thank you for all that you have done through this pandemic. You were an invaluable resource to us. You did an extraordinary job. Your daily briefings which we shared with all of our residents and not only did they benefit to us but for many many residents in this county, the information that you shared with us, the levelheaded approach you shared with us, I think truly helped a tremendous amount of people in this pandemic. Job well done you deserve a lot of credit for all that you did and you are continuing to do.

DR. EISENSTEIN: Thank you Presiding Officer Nicolello and good evening to you and all the members of the Legislature. It's good to see you here tonight. It's been some stretch for all of us and I've had the pleasure of speaking with many of you individually and as a group.

I wanted to quickly introduce the team I have here with me tonight. Shelly Schechter, director of maternal child health, should there be any question regarding early intervention and preschool. She's been running the program for many many years. Jerry Guliano, our public health attorney, Dineen Jenkins, our fiscal director, and MaryEllen Laurain, everybody's favorite press officer and legislative liaison, and I wanted to thank you for the kind words Legislator Nicolello, but I also want to share that the health department from the first call that we got on Superbowl Sunday, February 2nd, when the first traveler was going to be needed to be quarantined, when that first call came in, it's been around the clock for our team since that date February 2nd. I will never forget that as long as I live.

The team has done an amazing job.

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I am very lucky to have the position I'm in because the leaders in the Department of Health, they don't complain.

This is why you have a public health department. We in public health train for these scenarios. We pray they never happen.

I get asked frequently, am I totally surprised. Well, we're surprised because historically we haven't seen something this dramatic but we know this can happen and the health department has responded incredibly well.

Our call center continues to operate. We are assisting our schools at an unprecedented level and we've created direct lines for school administrators and separately for school medical personnel. So we are very proud.

I stand before you at this legislative hearing happy to say that this budget gives us what we requested and there is a point in it that it points out that our 2021 budget has a head count that's equivalent to an increase of 25 head count which brings us to the historical level of 18.

That's what we requested because that's what we felt we needed to accomplish this, and all the public health work that we are going to continue to do long after COVID is done.

I'm very grateful when I've needed resources throughout all of this. I've received the resources I've needed.

We have been helped out by the budget office, by the administration, and all of this has come together very well. The contact tracing program is working very well. We have a very good relationship with them.

We have received a grant from the state to help us with disease investigation, and the staff for the most part has done a spectacular job.

So I'll save the time for any questions that you might have but I'm very proud of how the health department has done

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and I'm very comfortable with the budget that's being presented to you.

CHAIRMAN NICOLELLO: Thank you. Any questions or comments from the legislators? Legislator DeRiggi-Whitton.

LEGISLATOR DERIGGI-WHITTON: Hi, Dr. Eisenstein. God forbid we get a second wave, do you feel that our hospitals are prepared with PPEs and enough tests in Nassau County that we will be ready?

DR. EISENSTEIN: Yes. And we are lucky to be in Nassau County and, quite frankly, while testing capacity was a problem in many places in the country and in the state, we did pretty well from the beginning with testing capacity.

We have an incredible health care infrastructure. Our hospital systems are the best in the world. Many of them have their own laboratories.

Northwell, for example, was up and testing within a couple of days of this starting. The Jones beach testing site was opened very quickly. The federally qualified health center was a great partner in helping us reach populations that needed an extra boost to be able to access care, if they couldn't get to Jones beach or Northwell and they became a partner, set up tents for us that we did excellent testing.

So, throughout all of this, in Nassau County, and I'm on calls with all the other county health departments and their commissioners and the directors and the state health department and I hear the stories where there's no place to get testing within 50 miles or 80 miles or whatever it is. We didn't have that.

I think that our hospitals were as well prepared as any could be anywhere and now all these months and experience and knowledge into it.

I hope we won't see a second wave as we fear it. I think as we move inside you might see numbers creep up, but that's very different than getting anything to remotely close to what hit us back in March and April and I hope we are smart enough now

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to avoid that and our hospitals are prepared.

CHAIRMAN NICOLELLO: Anyone else? Legislator Walker and Schaefer.

LEGISLATOR WALKER: I first just want to thank you too for all you did for all of the residents of Nassau County, and certainly for all of us and sometimes you had to field questions that didn't necessarily strictly pertain to you but you were sort of our contact and our go to person. You always listened and always gave us the best answer you could.

Just being there to listen to every one of us and giving us advice for all our residents. You took phone messages, text messages and tried to get back to each and every one of us as soon as you possibly could which was really such a benefit to all our residents. I thank you for that.

My question really is in regards to our early intervention services that, you know, expenses are going up there. Are we concerned that we might not have the money budgeted for all those expenses that we have to incur with our early intervention?

I'm concerned now with we could even have additional expenses if more people come to light especially after this whole COVID crisis?

DR. EISENSTEIN: So the early intervention and preschool programs which fall under the division of maternal child health, there are different programs for different agencies.

The early intervention program is from zero to three. The preschool program is up to five. That is where you're seeing the big jump in preschool.

Early intervention the costs are actually going down. It's preschool where the costs have gone up. We have done an analysis of that and we understand why that is. There are more children being served. That's part of it.

The other part of it is that the program in the last few years has shifted dramatically to what we call center based programs which are all day intensive programs which run about double what the former programs used to be.

So, on average, the program runs about 45 to $47,000 a year per child, whereas what they used to get, partial day service or whatever, was 18 to $20,000.

This has been a shift that's been seen all around the state. We understand why the costs have gone up. To answer your question, we think that there is definitely the opportunity all the counties are dealing with this. This is a state wide problem and there is a definitely an opportunity for cost savings.

We have learned some things during this. We have learned that some treatments, not all of them, but some therapies can happen via telehealth. You see the cost for transportation.

Just transportation alone is millions of dollars. We think that there are opportunities for savings. The Chief Deputy County Executive has asked for a task

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force to be put together to advocate for savings and legislation.

I think there is an appetite for that because these programs, and the preschool program alone runs over $100 million of our budget. Every county is dealing with it.

So I think that we recognize it's going up. We work with the budget office. The budget that we've asked for is what we consider to be the fiscal worse case scenario.

So it's possible that there won't be 365 days of in-person school but, even if there is, the budget that we have is meant to cover that with the understanding that we think there is an opportunity for reworking some of the programs and never to deny services.

It's the most important thing to insure that our children are served but we think there are ways to bring the costs down.

LEGISLATOR WALKER: I thank you

for that and I thank you for all that we do for our early intervention.

DR. EISENSTEIN: Thank you.

LEGISLATOR WALKER: Our younger ones and our preschool, because I know many people who have children with special needs, and once they come out of our services here with that, children really are not getting the services they need throughout COVID and even now the kids are back in school, students that had five days a week in school now have two, and it's very -- and your heart breaks for them because it's hard enough when you have a child without special needs, but when you know that you have a child that needs all these services that aren't getting them.

So I thank you so much for all you are doing for at least our little ones.

DR. EISENSTEIN: Thank you. And Shelly Schechter is one of the strongest advocates for the programs and for the children with special needs. So they have a strong advocate leading the charge in our

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department.

LEGISLATOR WALKER: Well, I thank you Shelly and I thank every one of you for all you have done throughout COVID and what you do for us always. So thank you.

CHAIRMAN NICOLELLO: Legislator Schaefer and then Legislator Ferretti.

LEGISLATOR SCHAEFER: Hi, Commissioner. I have just a couple of questions for you.

I noticed a couple of payroll related changes and I'm wondering if that's probably similar to some of the other departments I questioned, maybe it's contracts being considered, contract increases.

So I will just throw out to you, there were some seasonal positions for public health aides 2, and it looked like to me the staffing would remain at 19, but the salaries increased from 119 to 380.

Do you know if that's just OMB changes based on the contracts?

MS. JENKINS: Dineen Jenkins,

Fiscal, fiscal director. Yes, part of it is OMB. I think part of it. It was supposed to end in the summer, staying on to help.

DR. EISENSTEIN: So the seasonal programs, we have some seasonal jobs that we do during the summer because we have extra work that we do in the summer. It's our busy time. Like mosquito collection, et cetera.

We felt that we needed help in responding to COVID and got permission to extend them. So that's part of it.

LEGISLATOR SCHAEFER: Another one that may be similar, not seasonal. It's public health nurse one, there was a change for that as well. There were about two heads that were at 141,000 each for 2020, five, and 446,000 for 20201, which comes to an approximate increase of $20,000 per head. Does that sound about right for some sort of salary increase?

MS. JENKINS: Yes.

LEGISLATOR SCHAEFER: Those are also like CSE employees, union?

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MS. JENKINS: Yes.

LEGISLATOR SCHAEFER: And then one other question I have relative to license and permit fees.

The year to date for August or up to August 2020 was approximately like $3.8 million annualized.

If you went through the rest of the year, that would probably work out to probably about $5.6 million.

I see that you only projected for like 4.6. Is that because of COVID, were there less inspections or less people getting their permits renewed? Can you clarify that?

DR. EISENSTEIN: It's a bunch of factors. There aren't less inspections. If anything, there are more inspections. But they are different. They're geared more towards COVID compliance.

We had a lot of restaurants that were closed for an extended period of time and a lot of our people who do our inspections, one of the things that our department did really well was prioritize and our staff was to flexible, and so inspectors, when restaurants were closed were serving the role of doing quarantine checks and that kind of thing. There is no revenue in that but it's required work. That is part of it.

Not all the restaurants survived unfortunately. We projected and we hope that many of them will come back.

I think that the projection is reasonable based on underlying circumstances.

LEGISLATOR SCHAEFER: I was thinking also just because things were shut down for some months.

DR. EISENSTEIN: Yes.

LEGISLATOR SCHAEFER: That's all that I have. Thank you.

CHAIRMAN NICOLELLO: Legislator Ferretti.

LEGISLATOR FERRETTI: Thank you, Rich. My question was already covered but I do want to thank you, Dr. Eisenstein, you and your team you really did an exceptional job. You were always there to answer the phone, working 24 hours a day. It was really recognized I'm sure by all of us up here.

So thank you all for what you did. I see Jerry Guliano back there and I haven't had the opportunity to meet him yet. I've spoken to him over the phone in the last decade probably a handful of times and he's always been very helpful. So really God bless all of you.

DR. EISENSTEIN: I'm very lucky to have Jerry. He's the best. Thank you.

CHAIRMAN NICOLELLO: Any other legislators?

(No verbal response.)

Thank you very much. Appreciate it. I will close the hearing. Thank you.

(Whereupon, the Full Legislative Budget Committee hearing adjourned at 11:10 p.m.)

C E R T I F I C A T E

I, FRANK GRAY, a Shorthand Reporter and Notary Public in and for the State of New York, do hereby 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 9th day of October, 2020.

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FRANK GRAY