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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.

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

9 STEVEN RHOADS

10 DEBRA MULE

11 C. WILLIAM GAYLOR III

12 VINCENT MUSCARELLA

13 ELLEN BIRNBAUM

14 LAURA SCHAEFER

15 THOMAS MCKEVITT

16 KEVAN ABRAHAMS,
17 Minority Leader

18 ROSE MARIE WALKER

19 JOHN FERRETTI, JR.

20 JOSHUA LAFAZAN

21 ARNOLD DRUCKER

22 JAMES KENNEDY

23 DELIA DERIGGI-WHITTON

24 CARRIE SOLAGES

25 SIELA BYNOE

26 MICHAEL PULITZER,
27 Clerk of the Legislature

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

6 (The Pledge of Allegiance was
7 recited.

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

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

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

18 CHAIRMAN NICOLELLO: Yes.

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

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

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2 hope all your families are healthy and well.

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

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

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

22 From a financial perspective as
23 we point out each time we meet, we see time
24 and time again we see our revenue stream is
25 economically sensitive very much so as

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2 evidenced by the crisis we are facing now
3 and we are seeing impacts to more than just
4 sales tax, our largest revenue in the
5 budget.

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

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

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

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

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

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

12 So where were we at the end of
13 2019? We saw surplus in primary operating
14 funds of \$145.3 million. As a reminder in
15 2018 there was a deficit of 27.5, 2017 it
16 was a deficit of 122.4.

17 We saw a surplus at the end of
18 '19 in unassigned fund balance, \$112.2
19 million. In 2018 that number was a deficit
20 of 22 million, in 2017 it was a deficit of
21 \$68.8 million.

22 So what drove this improvement?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 So let's get into the specifics.

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

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

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

9 Looking at the structural
10 deficit. Let's look at 2021 and the
11 structural deficit. Simply put, structural
12 deficit is the difference between any
13 government's recurring revenues and
14 recurring expenditures.

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

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

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

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2 within 2020 and within the proposed 2021
3 budget.

4 The structural deficit is
5 increasing due to the NIFA and county debt
6 restructuring projected in the proposed
7 budget. Excluding this factor, the
8 structural deficit would fall to \$44.5
9 million.

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

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

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

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

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2 agreement on two priorities looking at the
3 budget.

4 Number one, not raising taxes.

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

17 As I mentioned, it brings the
18 risks that we see here from an initial
19 \$256.6 million. Ultimately, when factored
20 in with the other items, down to \$32.3
21 million.

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

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

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

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

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

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2 How do we get to that figure?

3 Lisa, our director of accounting is going to
4 walk us through the details in just a
5 moment. Before she does, I just want to
6 mention, we mentioned restructuring just a
7 moment ago, which is really the bulk of it
8 as we know.

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

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

17 Lisa, are you there?

18 MS. TSIKOURAS: Yes, I'm here.

19 Thank you. So, the bulk of the risks and
20 opportunities in the previous table that we
21 had that was up, right there, thank you,
22 talks about I guess what our largest risk
23 has to do with the debt restructuring.

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

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2 from our analysis.

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

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

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

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

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

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

7 The other risks that are
8 identified in here are where we have
9 identified approximately \$20.6 million in
10 risk related to fines and forfeitures and a
11 big piece of that is the new TRP program of
12 6.9 million.

13 Our understanding is that it
14 requires legislative approval so we risked
15 that. As well as we see some risk in the
16 TPVA fines of approximately 11.4 basically
17 just as result of trends and where we are in
18 2020 and the expectation of not being back
19 to like 2019 levels in 2021.

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

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2 million so we've risked that.

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

9 We've also risked the -- risked
10 the coliseum rental stream of approximately
11 \$5.3 million.

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

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

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

11 We've also risked approximately
12 \$6 million in early intervention costs and
13 that's just based on trends and what the
14 departmental needs were their request in the
15 budget. Those are the main budget risks
16 that we've identified.

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

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

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

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

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

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2 economic performance.

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

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

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

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

25 I just want to note, the

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

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

22 So I want to take this
23 opportunity to, as always, encourage
24 everyone to continue to reach across party
25 lines and work together and help advocate

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2 for federal relief as a component of
3 hopefully further upcoming federal
4 legislation.

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

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

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

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

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

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

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

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

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

25 I will leave it there for this

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

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

8 LEGISLATOR RHOADS:

9 Mr. Comptroller, thank you so much for your
10 presentation. We certainly appreciate it.

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

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

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

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

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

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

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

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

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

25 What we do is, at the end of the

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

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

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

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

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

25 LEGISLATOR RHOADS: Would it not

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

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

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

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

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

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

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

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

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2 2019's figures for the same period.

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

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

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

18 First of all we did receive
19 information about that check this afternoon
20 and I know the office will be analyzing it
21 and doing -- plugging it into our model and
22 looking at all the different things that get
23 pulled in and pulled out and how that
24 corresponds to previous years to make sure
25 we are actually looking at apples to apples

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2 and I will let Lisa elaborate on that in a
3 moment.

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

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

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

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2 tool and we're going to continue to do this
3 modeling.

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

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

20 For that reason, it really is
21 hard for us as an office to be critical at
22 projections that are conservative. It seems
23 better be safe than sorry when you look at
24 the projections for the rest of 2020. But,
25 even more so, looking to 2021. As the

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2 saying goes, hope for the best, prepare for
3 the worst.

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

14 MS. TSIKOURAS: Thank you.

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

20 So, I think we are being cautious
21 at this moment to see how that check comes
22 in and then we may have a better sense of
23 what how to update the model. We did update
24 our model from our midyear report and we did
25 see the trends, well, as the Comptroller

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2 said, they were less bad.

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

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

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

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

24 Has any of your analysis included
25 if, in fact, borrowing is done, debt

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2 restructuring is done, what the impact is
3 going to be with respect to the outlying
4 years or would that be included in a
5 separate document as opposed to included in
6 your budget analysis for next year?

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

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

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

23 Has your office performed any
24 analysis with respect to that?

25 COMPTROLLER SCHNIRMAN: Again, I

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2 will speak to that broadly and then I'll let
3 Lisa fill in any details that I leave out.

4 So, firstly, most directly, the analysis
5 that we have done is in regards to its
6 impact on the 2021 budget. That's the piece
7 that we are here to talk to you about today.

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

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

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

25 As I had mentioned before in sort

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

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

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

17 Sort of another way to look at
18 that would be, if someone were to tell us
19 and to tell residents, we're going to have
20 unprecedented economic crisis that is going
21 to crater the county's revenue and put this
22 level of challenge on us that's going to use
23 up the unassigned fund balance that we built
24 up last year and it's going to constrain all
25 of our options, but the only pain that we as

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2 taxpayers may feel, it's not taxes going up,
3 not lay offs and cuts and services, it's
4 taking savings up front and spreading that
5 pain over a longer period of time.

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

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

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

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

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

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

11 LEGISLATOR RHOADS: I appreciate
12 that. Thank you.

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

16 LEGISLATOR FERRETTI: Hello.
17 Good evening.

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

22 Is there a potential tax
23 liability for 2021?

24 COMPTROLLER SCHNIRMAN:
25 Legislator Ferretti, I don't believe that we

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2 have a deeper answer to the issue of tax
3 certs than we have already given you.

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

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

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

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

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

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

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2 MS. TSIKOURAS: Of course.

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

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

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

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

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

25 LEGISLATOR FERRETTI: So if I'm

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

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

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

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

19 I know over the last few years
20 they have been decreasing that federal
21 appropriation so there hasn't been as much
22 to divvy out to the municipalities around
23 the country. But it's based on some
24 prorated calculation. I don't know the
25 exact calculation at the federal level but

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2 the county did submit their expenditures and
3 they were -- I think we received
4 approximately \$6.3 million last year of
5 which 3.3 had to go back.

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

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

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

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2 to the county and the school districts, et
3 cetera.

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

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

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

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

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

24 CHAIRMAN NICOLELLO: Legislator
25 Bynoe.

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2 LEGISLATOR BYNOE: Good evening.

3 I just really have two quick questions
4 regarding risk.

5 I'm questioning why we would
6 consider the ambulance services of \$3
7 million of the ambulance services projected
8 revenue to be at risk. It appeared to me
9 that there was already a roughly \$3 million
10 reduction from what was budgeted in
11 2020-2021. So I'm just trying to understand
12 why for 2021 would be even \$3 million less
13 than that?

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

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

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

23 MS. TSIKOURAS: Yes. Right now
24 the current trend in 2020 is very very low.
25 It's way down and we don't anticipate that

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2 it's supposed to be coming back at the level
3 that is budgeted.

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

6 MS. TSIKOURAS: Correct.

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

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

15 LEGISLATOR BYNOE: In the middle
16 of COVID?

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

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

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

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

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

13 MS. TSIKOURAS: Sure. Go ahead.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 COMPTROLLER SCHNIRMAN: Exactly.
23 It's in our items of notes, so to speak, but
24 it's not specifically risk, and my
25 understanding is that the other monitor, so

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2 to speak, see it the same way as we do it.

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

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

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

21 LEGISLATOR BYNOE: I appreciate
22 it. Thank you.

23 CHAIRMAN NICOLELLO: Legislator
24 DeRiggi-Whitton.

25 LEGISLATOR DERIGGI-WHITTON: Jack

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

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

24 Now in the past we'd make
25 educated guesses from past payments using

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2 historical trends and applying a growth
3 rate, but now we can break it down really by
4 industry sectors and subsectors and each has
5 its own percentage of the economy so to
6 speak and make more accurate projections
7 based on actual activity that's going on in
8 the marketplace with applying whatever
9 growth factor during the shutdown we
10 applied, appropriate percentages, mimicking
11 the reopening scenario of what was opened
12 and what was closed and to what extent and
13 will be able to continue modeling that going
14 forward at this moment that is so incredibly
15 uncertain economically as we talked about
16 earlier with not being sure where the
17 economic recovery is going to go and at what
18 pace it's going to go and what set of facts
19 we may unfortunately may ave along the way.

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

24 LEGISLATOR DERIGGI-WHITTON:

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

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

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

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

14 COMPTROLLER SCHNIRMAN: It was
15 trending down over 20 percent.

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

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

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

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

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

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

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

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

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

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

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

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

19 CHAIRMAN NICOLELLO: Any other
20 legislators?

21 (No verbal response.)

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

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

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

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

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

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

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

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

25 On slide one as you can see, we

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

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

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

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

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

20 We brought down our GIS mapping
21 by almost \$7 million because of pending
22 litigation. We still think there's strength
23 in the volume numbers through the through
24 the clerk's office but we do have some
25 liability issues in what I think the fee is

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2 being charged so we are being conservative
3 in how we presented that number.

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

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

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

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

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

25 The government assistance dropped

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

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

11 Debt service I will get to later.

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

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

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

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2 The gap we started out with was
3 \$364 million. We did some revenue
4 enhancements of approximately \$57 million.
5 We did expense savings which were painfully
6 staking to take down \$105 million in
7 expenses. That closed the gap.

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

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

18 Where it lands I think we are all
19 speculating. I think Q4 which is the
20 largest checks that we get. I still am
21 cautiously pessimistic because I don't think
22 that the holiday season as we know it is
23 going to be as robust as it's been in the
24 past years. Considering the economic
25 factors, in addition to some of the business

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2 that are closing, the bricks and mortar
3 retailers that are shutting down and the
4 uncertainty of what is happening with the
5 pandemic.

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

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

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

23 The vacancy savings is going to
24 be painful because we are not funding
25 positions that we'd like to but I think

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2 where we are at, we're going to have to do
3 more with less which is for this county I
4 know it's been said more than once. We are
5 still in that position.

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

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

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

21 If you look at this chart from
22 last year to this year, our sales tax piece
23 of the pie has dropped almost six percent.
24 That's just because of the decline in what
25 we are predicting as far as revenue which

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2 has a significant impact on how we pay for
3 services.

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

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

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

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

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

24 We've added another six people to
25 the crime victims advocate for many issues

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2 we may have.

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

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

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

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

23 I do believe with the number of
24 unemployed people out there, which is
25 significantly high, I think there will be

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2 more people that will need public assistance
3 in 2021.

4 The debt restructuring.

5 So this budget contains \$210
6 million of debt restructuring in 2021. The
7 \$75 million from 2020. It revolves around
8 the financing of county and NIFA debt and
9 will be restructured with a final maturity
10 of 2035. This is just how it breaks out,
11 what's available to us.

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

15 In 2022 we had the opportunity
16 for another 150.

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

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

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

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

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

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

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

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

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2 assumptions made.

3 We tried to be conservative.

4 Some may call us moderately conservative.

5 Some may call us risk takers. What we had
6 here was limited money on the revenue side
7 unlike many of the years that I can tell you
8 sitting here.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 To be skeptical at this point, I

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

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

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

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

24 I caution that it's one check.
25 It's very good news. I don't disagree with

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2 it. We do have to realize that a lion's
3 share of the check is coming in Q4 which is
4 the holiday season?

5 CHAIRMAN NICOLELLO: What was it,
6 13.4 percent?

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

9 CHAIRMAN NICOLELLO: So even if
10 that is an outlier, and you take away all of
11 that, it's neutral, you're still projecting
12 20 percent decreases.

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

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

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

21 MR. PERSICH: Right.

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

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

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

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

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

19 CHAIRMAN NICOLELLO: Your
20 pessimism for the last few months of this
21 year, isn't that sort of contradicted by
22 this boost in internet sales tax, sales
23 revenues, because people are, who would
24 perhaps be going to malls are still spending
25 money but they're doing it different way,

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2 and the sales tax is still flowing to the
3 county from that?

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

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

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

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

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

4 CHAIRMAN NICOLELLO: Let me ask
5 you this then, if you project it to be down
6 20 percent for the year, down ten percent at
7 it point, we're into the last third of the
8 year, how much are we -- what are you
9 projecting a monthly decrease to be?

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

19 CHAIRMAN NICOLELLO: I mean,
20 there is pessimism and what you are
21 projecting. We went through the heart of
22 the pandemic and over the course of the
23 eight months of data that we have, it's down
24 ten percent and you're here telling me,
25 well, it's going to go down 25 to 30 percent

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2 per month for the rest of the year?

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

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

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

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

21 So when is this draconian drop
22 expected to happen? If you continue with
23 this trend, you're going to have to look at
24 40 to 50 percent decreases in November and
25 December. It's not based in reality.

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2 MR. PERSICH: I hear what you're
3 saying. I will say it this way. It's one
4 check right now and if I set the pattern for
5 that, I mean if they're all going to be up
6 20 percent, but, listen, if a couple more
7 come in that way we have adjustment checks
8 and everything else.

9 CHAIRMAN NICOLELLO: I agree. No
10 one here really expects the checks to come
11 30 percent year over year. Even if we got
12 to the same year over year every one would
13 be ecstatic. But the question is whether
14 it's going to be 25 to 30 percent down or
15 whether it's going to be one or two percent
16 down as the economy comes back.

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

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

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

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2 reasonable forecast I find your forecast are
3 not reasonable.

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

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

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

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

25 MR. PERSICH: Well, as far as I

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

6 The pandemic did hit us, it
7 slowed down us processing claims and
8 everything else. We still have a backlog of
9 300 some odd million dollars. I don't think
10 it's going away. We are still intending on
11 borrowing for some of those backlog claims.
12 That's still a game plan.

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

16 We have money in DAF's '18, DAF
17 '19, DAF 20, DAF -- I mean, we do have some
18 funds available to us.

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

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

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

13 MR. PERSICH: \$30 million.

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

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

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

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

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

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

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

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

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

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2 economy.

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

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

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

22 CHAIRMAN NICOLELLO: Thank you.
23 Deputy Presiding Officer Kopel.

24 LEGISLATOR KOPEL: Thank you.
25 Evening, Andy. Thank you for your

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2 presentation. I just want to talk about the
3 planned borrowing for a few moments.

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

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

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

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

24 LEGISLATOR KOPEL: Building on
25 the concerns that the Presiding Officer

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

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

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

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

21 MR. PERSICH: The problem with
22 waiting is is that let's just say federal
23 funds come to us miraculously and I would
24 love to hear that, but we have opportunity
25 to due restructuring that can save us money

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2 right now, which, it does cost us money when
3 you move on from here and I hear what you're
4 saying.

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

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

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

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

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

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

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

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

22 If you look at what happened in
23 2019 with the \$112 million, that's swell --
24 if we didn't have that this conversation
25 would not be --

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2 LEGISLATOR KOPEL: No, I get --

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

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

13 MR. PERSICH: Absolutely.

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

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

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2 that phrase loosely obviously.

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

17 MR. PERSICH: Understood,
18 legislator.

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

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

25 As we all know there is a

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

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

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

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

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

24 MR. PERSICH: We currently have
25 \$30 million in tax certs, part of which

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2 would be paid commercial and I think part of
3 which will be paid with any of the
4 residential piece that we may have out
5 there.

6 LEGISLATOR FERRETTI: Then I will
7 save my questions.

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

12 CHAIRMAN NICOLELLO: Legislator
13 Drucker.

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

18 MR. PERSICH: Thank you.

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

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2 that correct?

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

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

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

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

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

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2 right?

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

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

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

18 MR. PERSICH: I'm not aware of
19 any route reductions. What I am aware of is
20 that we're lengthening the time between
21 stops. That's the plan right now is that
22 we're not going to cut any routes. We're
23 going to lengthen the time -- if it comes at
24 4:55, it will come at 5 o'clock. So there
25 will probably be less buses but the

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2 frequency will be spread out a little bit
3 more. We couldn't afford it. That's the
4 bottom line.

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

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

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

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

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

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

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

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

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

23 MR. PERSICH: If I don't have
24 enough money to pay the bills, we have to
25 take an action. It's now October. It

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2 doesn't happen like -- even if we had to
3 take that action to move people out, it will
4 take a long time to do that, so --

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

7 CHAIRMAN NICOLELLO: Legislator
8 Rhoads and then Legislator Bynoe.

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

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

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

20 It sounds as though we are
21 preparing to borrow three quarters of a
22 billion dollars, but not retiring three
23 quarters of a billion dollars in debt. It's
24 sort of like going for a lower interest rate
25 credit card and transferring your \$15,000

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2 balance but instead of \$15,000 in debt you
3 now have 17-5 in debt when you do that
4 restructuring.

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

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

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

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2 what we're doing.

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

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

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

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

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

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

13 Am I correct in my understanding
14 of the concept?

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

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

23 MR. PERSICH: If the premium is
24 there.

25 LEGISLATOR RHOADS: But whatever

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

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

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

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

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

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2 now all of a sudden is not.

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

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

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

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

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

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

5 MR. PERSICH: Yes, it is.

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

8 MR. PERSICH: Yes.

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

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

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

25 MR. PERSICH: Yes, we are.

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

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

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

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

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

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

21 LEGISLATOR RHOADS: In other
22 words, are we exhausting whatever we are
23 receiving in premium, assuming the bonding
24 is approved, whatever we are receiving in
25 bond premium is going to be paid out in debt

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2 service in 2021?

3 MR. PERSICH: Theoretically, yes.

4 LEGISLATOR RHOADS: So we are
5 relying upon that to balance the budget in
6 2021? We are not talking about '22, '23 and
7 the outlying years?

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

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

21 MR. PERSICH: That's correct.

22 LEGISLATOR RHOADS: Do we have
23 any idea as to -- it's not like we have a
24 tremendous amount of flexibility in the
25 budget, but do we have any idea in the year

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2 three or four of our four year plan as to
3 how we are going to come up with that \$38
4 million?

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

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

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

17 We've accounted for that in the
18 out years of our plan. We've come up with
19 some ideas how we are going to plug that
20 hole. A lot has to do with economic
21 recovery. I can't lie to you. We have
22 other ideas on the table. We are all
23 constantly looking to better manage, do
24 different things, creative things. How we
25 can do that, how we can save money, how we

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2 can squeeze a dime out of a nickel. That's
3 what we are always trying to do.

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

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

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

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

25 I'm a little concerned about the

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2 fact that given that we've had more
3 challenges this year than in any other year
4 in our history, and the fact that we have
5 133,000 SCAR petitions that have been filed,
6 with the SCAR deadline just today having
7 been extended again, our tax bill coming out
8 on November 1st and now the deadline for
9 SCAR is going to be later than the actual
10 deadline for people's bills to go out which
11 means when these things are adjudicated or
12 settled, you need liability incurred by the
13 county, it's going to be refund liability.
14 It's not something that can be built into
15 the bills before they go out. Can't make
16 any additional adjustments, so that's going
17 to be an outlet. The county guaranteed for
18 every dollar in refund, 84 cents is money
19 that the county has never collected roughly,
20 that the county taxpayers are going to have
21 to pay out.

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

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

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

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

24 But my point is, this is exactly
25 what happens. If we had money in the bank

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2 to pay for these things like fund balance, I
3 can absorb them. But I don't have that
4 anymore.

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

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

24 I know it doesn't help our bottom
25 line in terms of the numbers that we're

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2 looking at and attempting to try and pass a
3 balanced budget here, but I don't think that
4 it's a risk that we can necessarily ignore.

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

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

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

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

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

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

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

25 MR. PERSICH: And not -- because

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

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

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

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

15 MR. PERSICH: Yes, it does.

16 LEGISLATOR RHOADS: No other
17 questions.

18 LEGISLATOR WALKER: Legislator
19 Bynoe.

20 LEGISLATOR BYNOE: Thank you,
21 legislator. Good evening.

22 I just have one simple question.
23 You stated on the record that the reduction
24 to the NICE bus budget would result in
25 lengthier routes -- I should say elongate

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2 the time frames between each stop. I'm
3 tired. This is a marathon for us.

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

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

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

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

25 MR. PERSICH: And we've worked

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2 with DPW. We will get you the information.

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

12 LEGISLATOR BYNOE: Thank you.

13 CHAIRMAN NICOLELLO: Legislator
14 Birnbaum.

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

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

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

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2 pandemic and certain other things.

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

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

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

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

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

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

6 It is a big risk. The executive
7 orders that have been given to the governor
8 is giving him the ability to cut funding 15,
9 20, 30 percent.

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

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

21 So I think it was taken down to
22 \$17 million, I think I'm comfortable with,
23 so we should be okay for next year. But it
24 still can go down, legislator, I cannot tell
25 you that.

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

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

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

13 They predicted this year to be
14 down 16.6 percent.

15 This is one of those
16 unprecedented times, that's a term I reuse,
17 unprecedented. I think when you look at the
18 GDP in the second quarter for the first time
19 in my life I went, Wow. I mean negative was
20 27 or 30 percent.

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

25 I'm hearing that the airline

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

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

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

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

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

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

8 LEGISLATOR BIRNBAUM: Thank you.

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Then department of social
23 services is a little tougher than that
24 because they're dealing with child
25 protective services, they have a list of

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2 things that I'll let the commissioner talk
3 about.

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

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

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

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

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

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

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2 appreciate again the administration for
3 their presentation.

4 MR. PERSICH: Thank you,
5 legislator.

6 CHAIRMAN NICOLELLO: Legislator
7 Rhoads.

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

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

16 MR. PERSICH: Yes.

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

21 The idea in response to cashless
22 bail and criminal justice reform, the idea
23 behind the Office of Crime Victim Advocate
24 is that they are there to act as an advocate
25 on behalf of victims who are now, because of

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2 criminal justice reform, are required -- for
3 example, someone who commits a crime that
4 takes place inside someone's home may have
5 access to that home. They may be able to
6 question that individual as a witness,
7 question their family members.

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

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

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

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2 point.

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

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

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

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

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

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

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

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

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

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

21 MR. PERSICH: I guess we could
22 have this argument about how we're not
23 getting our fair share from Albany and
24 that's kind of what, we can lie to
25 everybody, but I think to answer your

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2 question, yes, they are taking additional
3 proceeds of our sales tax for other
4 purposes.

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

15 MR. PERSICH: You are correct,
16 legislator.

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

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

25 In 2021, we have a full year

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

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

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

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

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

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

23 MR. PERSICH: There is many
24 complicated formulas and everything else.
25 They send us a payment schedule, like what

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2 sales tax collection was and the state
3 Department of Finance has a whole website on
4 what collections were, have it by county
5 based on gross sales. There is a method to
6 madness is what I will say. I don't think
7 it's a black box.

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

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

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

24 LEGISLATOR RHOADS: Thank you,
25 Mr. Persich.

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2 CHAIRMAN NICOLELLO: Any other
3 questions from the legislators?

4 (No verbal response.)

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

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

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

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

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

24 So I wanted to take a moment to
25 publically thank them for all of their work

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2 on behalf of the residents of Nassau County.
3 With that said, the budget is
4 going to be challenging but we have all of
5 the resources and assets we think we need to
6 get through 2021. If there are any
7 questions, I would be happy to take those
8 now.

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

12 Are you on track to meet your
13 revenues for 2020?

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

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

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

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

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2 is waiting to see how it's going to shake
3 out and see how we are with our licensees.
4 2021 is going to be the cycle for 2019, so
5 we are not going to know how many businesses
6 are re-upping their licenses until they
7 re-up their license.

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

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

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

21 CHAIRMAN NICOLELLO: Any other
22 questions? Legislator Bynoe.

23 LEGISLATOR BYNOE: Thank you,
24 Presiding Officer. Good evening,
25 Commissioner May. I would like to thank you

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2 for all of the work you have done during
3 COVID. I personally had opportunity to
4 reach out to you. You were very responsive
5 and thorough in your investigations. I
6 appreciate that.

7 One quick quick question. In
8 reviewing your budget, I didn't see the
9 \$100,000 that's supposed to be earmarked for
10 the smart sprinkler system in the 2021
11 budget, do you know whether that was put in
12 your budget?

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

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

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

21 LEGISLATOR BYNOE: Because it's
22 written in the legislation that annually it
23 should be budgeted and back in -- this
24 ordinance was done in 2019, and then in 2020
25 we amended it for it to come over to

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2 consumer affairs from the Department of
3 Health.

4 Your budget should reflect that
5 \$100,000. I will follow-up with OMB
6 directly. Thank you.

7 MR. MAY: All right.

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

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

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

21 CHAIRMAN NICOLELLO: Any other
22 legislators? Legislator Schaefer.

23 LEGISLATOR SCHAEFER: Hi,
24 commissioner, how are you?

25 MR. MAY: Good.

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

6 MR. MAY: No.

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

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

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

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

18 LEGISLATOR SCHAEFER: For the one
19 additional person that is?

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

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

25 CHAIRMAN NICOLELLO: Thank you.

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2 Any other legislators?

3 (No verbal response.)

4 Thank you very much, Greg.

5 The next department is Department
6 of Human Services.

7 MS. McCUMMINGS: Good evening.

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

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

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

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

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

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

17 CHAIRMAN NICOLELLO: Any
18 questions? Legislator Schaefer.

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

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

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

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

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

24 LEGISLATOR SCHAEFER: Thank you.

25 CHAIRMAN NICOLELLO: Legislator

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2 Mule.

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

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

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

19 We've also asked that the senior
20 centers that have not been opened, that the
21 staff still stay in touch with the
22 participants that would come there. Sort of
23 do well checks on them. Again re-imagine
24 how they would sort of speak to or stay in
25 touch with the seniors. Of course we are

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2 not asking to do it by zoom but at least
3 give them a phone call.

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

10 LEGISLATOR MULE: Thank you.

11 CHAIRMAN NICOLELLO: Does anyone
12 else have any other questions?

13 (No verbal response.)

14 Thank you very much. We
15 appreciate your presentation and your
16 patience.

17 Department of Social Services.

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

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

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

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

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

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

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

25 Despite it all, I stand here

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2 very, very proud to represent a department
3 that served over 210,000 Nassau residents in
4 2019.

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

8 Responding to over 5,800 child
9 protective service calls, providing day care
10 services to 5,400 children, sheltering over
11 1,400 homeless individuals and families.

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

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

24 The DSS emergency housing unit
25 created an isolation site for homeless

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

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

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

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

25 There remains a high demand for

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

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

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

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

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

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

25 MS. NUNZIATA: Sure. Especially

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

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

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

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

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

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2 slow uptick.

3 So between September 1 and
4 September 15, we received 197 CPS reports.
5 You go then from September 16th to September
6 30th, it goes up to 275 reports.

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

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

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

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

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

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

13 CHAIRMAN NICOLELLO: Thank you.
14 Legislator Walker.

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

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

25 Now that you have seen an uptick,

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

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

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

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

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

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

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

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

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

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

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

23 LEGISLATOR WALKER: I know during
24 the summer the grab and go lunches that we
25 had which was wonderful and they really

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2 weren't limited to people that fell under a
3 certain monetary amount in their families.

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

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

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

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

23 MS. MANDRACOTT: Good evening,
24 everybody. That is a separate program that
25 comes from SNAP USDA. The summer lunch

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2 program was mostly for summer camp and the
3 agencies that ran summer programs.

4 But the grab and goes that you're
5 referring to that is through the USDA, that
6 has been extended through December 31st for
7 everybody. So every child under the age of
8 18 irrespective of if they're eligible for
9 SNAP or not can now access the lunches in
10 the schools, breakfast and lunches in the
11 schools through December 31st. That's with
12 the USDA.

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

17 MS. MANDRACOTT: Correct.

18 LEGISLATOR WALKER: Thank you
19 very much.

20 CHAIRMAN NICOLELLO: Legislator
21 Mule? Legislator Drucker?

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

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2 other quite a bit recently.

3 2020, the beginning of 2020 we
4 saw this horrible horrible tragedy out in
5 Suffolk County with the young boy who died
6 and that certainly shook all of us to our
7 core.

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

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

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

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

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

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

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

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

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

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

25 What about your ability now to

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

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

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

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

23 The state is going to force us
24 and every other municipality to revamp it's
25 shelter system because by January 2023,

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2 every single shelter in New York State must
3 be certified by New York State.

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

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

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

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

19 MS. WALSHBERG: We are housing
20 1,230 individuals, that's 670 cases with 778
21 adults and 452 children. The family number
22 actually declined with COVID. We think that
23 some families opened their doors, maybe a
24 little overcrowded, but they brought their
25 families in, but our singles really

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2 skyrocketed. So that's what COVID produced.
3 So we expect that families will rise again
4 as the pandemic eases.

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

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

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

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

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

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

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

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

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

25 LEGISLATOR DRUCKER: Thank you

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2 very much, Nancy.

3 CHAIRMAN NICOLELLO: Any other
4 legislators? Legislator Walker.

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

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

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

24 Often times, the sad part is they
25 leave that train station but they just pick

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2 up their belongings and they go someplace
3 else.

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

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

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

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

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

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

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

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

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

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

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

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

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

22 CHAIRMAN NICOLELLO: Legislator
23 Bynoe.

24 LEGISLATOR BYNOE: Thank you,
25 Presiding Officer.

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

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

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

11 MS. NUNZIATA: Yes, 151.

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

16 MS. NUNZIATA: Correct.

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

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

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

25 LEGISLATOR BYNOE: I'm surprised

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

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

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

16 Are there other groups that could
17 step in?

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

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

25 What clearly we can't do through

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2 DSS is house people who are undocumented.

3 LEGISLATOR BYNOE: I understand
4 that.

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

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

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

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

23 LEGISLATOR BYNOE: So in terms of
24 those that would become homeless by way of
25 eviction, potentially December 31st which

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2 probably will get extended again, you
3 mentioned the CARES Act money, and I know
4 the Department of Housing stated earlier
5 during our committee session that they were
6 using some of their CARES Act money to
7 assist families that were required to move
8 during COVID by way of paying their security
9 deposit.

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

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

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

25 LEGISLATOR BYNOE: I understand

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2 that.

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

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

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

16 LEGISLATOR BYNOE: Thank you very
17 much.

18 CHAIRMAN NICOLELLO: Any other
19 questions? Legislator Schaefer.

20 LEGISLATOR SCHAEFER: Hi
21 commissioner, how are you?

22 MS. NUNZIATA: Hi, how are you?

23 LEGISLATOR SCHAEFER: Good. I
24 just have a few questions about some of the
25 positions and the changes in salaries that I

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2 noticed. Just to clarify for myself, the
3 attorney two position I saw, there was like
4 a staff of two that are under that title if
5 you know.

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

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

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

16 Is this just a salary increase or
17 something else?

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

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

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

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

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

9 LEGISLATOR SCHAEFER: Sounds like
10 you're pretty confident.

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

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

24 We have more coming. I think
25 there are at least another four or five

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2 through the end of the year.

3 LEGISLATOR SCHAEFER: Okay.

4 Makes sense. Also this may be another OMB
5 issue. I also noticed social welfare
6 examiner one position. There's a staffing
7 level of 17 and the change was about 12.5
8 percent increase.

9 Is that another one?

10 MS. NUNZIATA: Yes.

11 LEGISLATOR SCHAEFER: Contract.

12 So these are like CSEA union contract
13 positions?

14 MS. NUNZIATA: Yes.

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

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

22 MS. NUNZIATA: We haven't seen
23 anything. There's lots of advocacy going on
24 because many Department of Social Services
25 throughout the state are worried. But the

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2 state is also in bad shape. They keep
3 saying we'll get to it but nothing yet has
4 come.

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

7 CHAIRMAN NICOLELLO: Any other
8 legislators?

9 (No verbal response.)

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

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

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

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

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

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

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

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

24 Adjustments to the revenue were
25 made considering the change in real estate

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2 due to COVID. We will be working closely
3 with the budget office on the tracking and
4 changes of revenue streams over the next
5 year.

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

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

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

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

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

20 ASSESSOR MOOG: That's correct.

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

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2 Is there any correlation between
3 those two things?

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

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

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

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

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

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

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

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

23 That has not -- it doesn't seem
24 though that that has come to pass. One,
25 never even been given the opportunity to be

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2 able to fully staff your office, and now it
3 appears as though with the elimination of 49
4 vacant positions, I assume there is a need,
5 for budgetary reasons, those positions are
6 being eliminated?

7 ASSESSOR MOOG: That's true.

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

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

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

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

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

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

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

15 Our information from the
16 commercial side comes from the ASIEs that
17 are filed and that's filed for fiscal year
18 2019 for all the firms that file.

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

22 Since COVID occurred in March, we
23 all know the dramatic changes to the retail
24 market, in the hotel trades, in all sorts of
25 office market has changed dramatically, and

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2 we know leases have been renegotiated, we
3 know vacancy factors have changed, but we
4 won't see the reflection of that until April
5 of last year after the tax roll closes.

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

11 ASSESSOR MOOG: Some of them,
12 because they're doing appraisals and they're
13 helping negotiate leases themselves, and
14 they have access to broker's information
15 that we don't have information to. We don't
16 get access to.

17 So they're working with the
18 private sector with these brokerage firms,
19 some of them doing refinancing of different
20 mortgages so they have to refinance and look
21 at the new income streams so they have more
22 up to date information for the current year,
23 like I said we will not receive until next
24 year.

25 MR. MILES: We rely heavily on

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2 the residential and on the recorded deeds
3 and sales and then on the commercial end we
4 have to rely on the ASIEs and I don't see a
5 solution to the ASIEs because they must file
6 every year based on when they file their
7 taxes.

8 We do use something like a
9 Cushman Wakefield, they use Co-star, and we
10 do use regional data, but as we mentioned
11 before when we were having the discussion
12 earlier in the day, it is necessary to have
13 the outside expertise to know a little bit
14 more in real time what's happening on the
15 ground.

16 One more thing I wanted to add to
17 what the assessor was saying. Not only is
18 the expertise regarding COVID related
19 assessments from SVS and Haberman crucial,
20 we don't have staff members who are able to
21 train other staff members the way we would
22 if we didn't have these contracts.

23 So we will be using the Haberman
24 contracts as we were discussing earlier to
25 get as many individuals as we can to get the

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2 New York State assessor certification and we
3 will be relying on the SVS contract to
4 further train the modeling staff.

5 We said before they were doing an
6 excellent job and we're moving forward and
7 they're doing phenomenal. It's just trying
8 to beef up their appraisal knowledge.
9 They're great statisticians and we want to
10 make sure they continue to excel and become
11 the great modelers that we actually foresee
12 them being.

13 ASSESSOR MOOG: Also, I just
14 wanted to note on the training side from
15 Haberman side, that certification process
16 enables in-house staff to advance in their
17 own careers become certified assessors.
18 It's a career line.

19 The career line runs from
20 assessor A-1, assessor A-2, assistant county
21 assessor trainee, and then you become an
22 assistant county assessor. Then you can't
23 go any further until you get enough classes,
24 take enough classes and get certified as
25 IAL, then you can take the certified

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2 assessor 1 and certified assessor 2 test.

3 So it's also crucial for the
4 inhouse staff to get this training to
5 further take the ability to take another
6 civil service test and move up in their
7 career.

8 MR. MILES: And you go from a
9 Grade 10 to a Grade 13 and a Grade 16.

10 ASSESSOR MOOG: The union is very
11 interested in making sure their own staff
12 has the ability to grow within the job.

13 LEGISLATOR RHOADS: I understand
14 the piece about COVID obviously,
15 circumstances have changed, they've changed
16 very quickly and they've changed in a very
17 dramatic fashion and I can understand why it
18 is that you might need an outside firm to
19 provide you with much more recent
20 information than we would have access to
21 based upon their particular knowledge and
22 expertise I get that.

23 ASSESSOR MOOG: Yes.

24 LEGISLATOR RHOADS: The second
25 part of that, however, really is the part

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2 I'm struggling with, which is all that
3 training and bringing our employees up to
4 speed, and getting them the certifications
5 that they need something that was supposed
6 to be part of that original contract.

7 I understand that you brought
8 some additional people on board.

9 MR. MILES: Not the training.

10 LEGISLATOR RHOADS: Hold on. Why
11 wasn't the first thing we did sort of train
12 the trainers so they can turn around and new
13 people that were brought on board, we could
14 give the training? I thought that was the
15 plan.

16 ASSESSOR MOOG: The training that
17 was in the original contract was the
18 training for the statisticians. That's
19 still ongoing with Russ Tinnigan doing the
20 training for the statisticians. Some of the
21 work actually has been completed because
22 some of them actually assisted in the SCAR
23 mediation process in assisting Robert Miles
24 team in doing mediation.

25 They are basically modeling and

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2 statistics side. This training is training
3 that's specific to classes that are given by
4 the New York State Assessor's Association
5 and also by OFFS. Fortunately OFFS classes
6 are free of charge and the New York State
7 Assessors Association has a fee charge to
8 it.

9 If they take I think it's seven
10 classes through the regulations that are set
11 forth, that qualifies them to take the
12 certified test. So we need to have someone
13 who actually has the ability to contract
14 with New York State Assessor's Association
15 to keep track of those classes and also do
16 some of the training themselves.

17 And one of the people at
18 Haberman, Tom Donato is actually also a
19 certified trainer with the New York State
20 Assessor's Association. It's not something
21 easily acquired. You have to go through a
22 considerable amount of training with the New
23 York State Assessor Association.

24 I have gone through quite a bit
25 of training but I'm actually not a certified

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2 trainer with the New York Assessor
3 Association, I'm a certified assessor but
4 not a trainer.

5 That's why we felt it was crucial
6 to try to get that going with the in-house
7 staff because they were very anxious to try
8 to be able to take the IAO.

9 To that point, we've had a number
10 of people, actually two people just passed
11 what they call the IAO recently, two of our
12 staff members, and another dozen or so will
13 be taking the test in November, some of them
14 passed the first part of the test and they
15 hope to pass the second part.

16 Then they took that initiative on
17 their own. The only thing the department
18 filed for was administrative leave to take
19 the test.

20 So I'm very proud that the staff
21 is jumping ahead and just trying to get
22 certified on their own using their own
23 money, paying for their own classes and
24 paying for the test.

25 That is another route that people

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2 are taking and those people, I have to
3 commend them for being aggressive about
4 their careers.

5 Only seven people passed the test
6 this past cycle, two of which were in Nassau
7 County.

8 MR. MILES: And the best pass
9 moving forward is using the certified
10 trainer because although we are proud of the
11 individuals who did take the test and passed
12 the first part, you want to make sure you
13 give that -- I guess give other people the
14 chance to not just rely on their own
15 initiative but to have a certified New York
16 State trainer to get them to become
17 certified and move along in their career
18 path which is what Mr. Moog came in and did
19 which is one of your objectives when you
20 came in when you did that combination of the
21 assessor job.

22 LEGISLATOR RHOADS: So the loss
23 of the 49 positions, we can certainly agree
24 will have an impact on the operations of
25 your office, no question about that?

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2 ASSESSOR MOOG: No questions
3 about that.

4 LEGISLATOR RHOADS: Separate and
5 apart from the 49 vacant positions, are
6 there still vacant but funded positions
7 within your department?

8 ASSESSOR MOOG: We are presently
9 in the process of hiring two people in the
10 tax map unit. We had a little bit of money
11 left so we decided to hire two tax mapper
12 one title people. The surveys unit was very
13 thin in its staffing and also we felt it was
14 an opportune time to try to recruit.

15 Usually it's a hard to recruit
16 title, and it usually pays very well, but
17 now with the current recession with high
18 unemployment, we got a large number of
19 qualified resumes on that, and we decided to
20 try to pursue those two positions.

21 We wanted to expand the mapping
22 unit because they use GIS and we feel it's a
23 crucial tool with the model and I think
24 those titles they start at like \$28,000 a
25 piece.

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2 We are now in the process of
3 sorting through the resumes, and we received
4 about 15 or 16 resumes from Indeed and we
5 hope to hire two people on those lines.

6 Then there's one other position I
7 think it's a person transferring from the
8 county attorney over to the Department of
9 Assessment. That's the only lines we really
10 got funded.

11 LEGISLATOR RHOADS: Once those
12 three individuals are hired, you will be at
13 full staffing based on the 2021 proposed
14 budget?

15 ASSESSOR MOOG: Yes. Unless
16 people retire. And if people retire that
17 would open funding and as you know people
18 usually retire at higher salaries and people
19 we could hire we could probably take those
20 funds and hire numerous lower salary people
21 to keep the funding going.

22 So I know several people who are
23 on the path towards retirement and I believe
24 over the next five or six months we will
25 probably see two or three people retire, and

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2 from that probably liquidate those lines,
3 and turn those lines over for hiring new
4 people.

5 So I'm hoping if that occurs we
6 will be five, six, eight more people before
7 April if these retirements come about.

8 LEGISLATOR RHOADS: So now you've
9 obviously been our assessor now for --

10 ASSESSOR MOOG: Three years and
11 three months.

12 LEGISLATOR RHOADS: So obviously
13 you have a good working knowledge of the
14 county assessment Department.

15 Part of the overall strategy in
16 doing a reassessment was that we were going
17 to beef up the numbers of assessment staff
18 we spoke about so that you would be able to
19 perform all of these tasks on our own
20 in-house and we would have a fair and
21 accurate roll and be able to reproduce that
22 roll every single year.

23 ASSESSOR MOOG: Yes.

24 LEGISLATOR RHOADS: In what way
25 will the loss of 49 positions make it more

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2 difficult for you to do your job?

3 ASSESSOR MOOG: Well, it will
4 postpone some of the initiatives that we
5 were moving forward on.

6 So we were vigorously training
7 people for residential field, commercial
8 field. I had a plan going forward that once
9 we had the staff large enough to actually
10 start cross training, residential people,
11 commercial; commercial, residential, and
12 eventually break the county into a series of
13 assessment districts, and the people working
14 those districts would do both commercial and
15 residential. Because the title I created
16 can do both sides.

17 Before they were always
18 separated, commercial people from
19 residential people. And it felt by that we
20 would have a greater sense of control and
21 quality control of assessments being done.

22 We could also probably zero in on
23 different areas and be able to really dig
24 deeper into trends that are going on in
25 particular areas, especially on the

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2 commercial side.

3 With that being said, that plan
4 will probably be postponed until more staff
5 comes on board. We will probably keep
6 continuing the organization of the office as
7 it is, but in the future we've hoped to do
8 that.

9 One of the benefits of the new
10 title, the assistant county assessor title,
11 we've had people who were hired in the SCAR
12 unit and now we have them when the SCAR
13 season is done, although SCAR season is a
14 little longer this year, we can pivot them
15 to exemptions, pivot them to residential, we
16 can pivot them to commercial.

17 It gave them a much higher degree
18 of productivity where people didn't have as
19 much downtime.

20 Same can be said of residential
21 where we needed people in SCAR we pivot
22 people from residential and commercial into
23 SCAR.

24 So it enables us to be much more
25 nimble in moving our personnel around when

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2 needed on a very quick basis.

3 But, long term, like I said, that
4 was some of the long term plans to try to
5 create a more district level instead of
6 rather having it compartmentalized between
7 commercial and residential, and that would
8 probably be put off for a year until we get
9 more staff coming in.

10 LEGISLATOR RHOADS: How would it
11 impact your ability to produce -- how will
12 it make it more difficult for you to be able
13 to produce a more accurate roll on an annual
14 basis without those employees?

15 ASSESSOR MOOG: Well, this year
16 we plan to have another trended roll and
17 we'll probably evaluate next year what we
18 will be doing.

19 Because of the reduction in head
20 count, we might resort to doing a trended
21 roll next year and put off to the following
22 year to do a full reassessment roll.

23 That's probably where the real
24 impact is. Instead of doing a reassessment
25 roll next year, we will probably put it off

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2 to the following year because of the cut in
3 staff at the time.

4 MR. MILES: Also COVID because
5 you have to still -- it's still like I said
6 earlier --

7 ASSESSOR MOOG: It's a market
8 influx. It would be very hard to model with
9 the COVID numbers coming. It's a lot of
10 quick changes in the numbers that it's
11 really hard to absorb.

12 LEGISLATOR RHOADS: So I
13 understand, a trended roll is obviously less
14 accurate than a full assessment.

15 ASSESSOR MOOG: Yes, it's
16 acceptable but it's less accurate, yes.

17 LEGISLATOR RHOADS: So, for
18 example, for the 2021 roll which we are sort
19 of in the process of still completing now,
20 we can argue whether or not it's accurate
21 but it was a full reassessment?

22 ASSESSOR MOOG: Yes, it was.

23 LEGISLATOR RHOADS: So,
24 theoretically it would be the most accurate
25 roll. Last year we did a trended roll which

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2 is less accurate?

3 ASSESSOR MOOG: Although the
4 numbers showed that that was a very accurate
5 roll because we incorporated a lot of the
6 changes from ARC and it actually worked out
7 very well on that roll.

8 This coming year the problem is
9 with COVID, it would be very tough to model
10 to begin with because the values are
11 changing so quickly and you have some areas
12 in the north shore increasing by nine
13 percent; overall in the county you're
14 increasing six percent.

15 When you do a model, you usually
16 take three, four years of sales. Now, all
17 of a sudden, you inject into those three or
18 four years of sales of jump, and we don't
19 know how substantial that jump is going to
20 stay or is it going to pull back next year.
21 So it becomes a little tougher to model on
22 that end.

23 I will say the '21-'22 roll is
24 actually a very accurate roll just because
25 we incorporated a lot of the changes made by

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2 ARC which actually fine tuned a lot of
3 values and then trended from there. So it's
4 actually a very good roll.

5 But you are correct that over
6 time you should do a reassessment on a
7 regular basis. If we didn't have to cut in
8 staff we would probably be doing it sooner,
9 rather than later, and also comes with the
10 instability of the COVID year.

11 LEGISLATOR RHOADS: Well, have
12 you received any indication from central
13 administration as to when they anticipate
14 being able to get you back to the full
15 staffing you need to be able to produce the
16 reassessment?

17 ASSESSOR MOOG: I think that all
18 depends on many factors that probably Andy
19 Persich knows more of but it really depends
20 on recovery of revenue from sales tax. It
21 also depends on if an aid package comes from
22 Washington in a stimulus. It depends on
23 who's president in the next year, if it's
24 going to be more generous to help fund local
25 government or not. There is a lot of

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2 unknowns there.

3 I would believe that if aid did
4 come in from Washington, more money came in
5 from Washington, to better fund local
6 government, we would definitely work with
7 OMB to turn around and start hiring again as
8 long as we feel the revenues are stable
9 enough to hold -- we wouldn't want to hire
10 people to get them laid off of course, but
11 we would work with OMB to try and ramp up
12 the hiring once again.

13 Now a lot of the hiring in those
14 titles I just mentioned is probably a little
15 stunted until the civil service test is
16 given. We can't hire provisionally while
17 there is a test list -- not a test list but
18 a test announced. Once the test is
19 announced you can't hire provisionally. All
20 the tests were actually postponed because of
21 COVID, they were supposed to be given in
22 April. They have been postponed until
23 further notice.

24 That might also put a little
25 delay on the hiring because the titles we

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2 want to hire in, we just can't hire
3 provisionally. It's an impossibility until
4 the test is given.

5 So there are some, also,
6 mechanisms you have to work into a civil
7 service and that's always been the problem I
8 had since I've been here. We hire
9 provisionally, it triggers a test. Once a
10 test is announced you can't hire
11 provisionally. You have to wait for the
12 test. The test is promulgated. The list
13 comes out. You exhaust the list. Then you
14 get like a two month period to hire
15 provisionally, and then the cycle starts all
16 over again. Just a little tough on the
17 civil service side. It's the nature of the
18 civil service law.

19 LEGISLATOR RHOADS: Since we have
20 you here and the obviously the 2021 roll,
21 it's been a topic of conversation, can you
22 give us just a brief overview how many
23 grievances were received as a result of the
24 County Executive's reassessment?

25 MR. MILES: How many petitions

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2 filed?

3 LEGISLATOR RHOADS: How many
4 petitions, how many grievances were resolved
5 at ARC?

6 ASSESSOR MOOG: There were 80,000
7 petitions filed and the filing period ended
8 September 4th.

9 LEGISLATOR RHOADS: That's SCAR
10 petitions?

11 ASSESSOR MOOG: SCAR petitions.

12 LEGISLATOR RHOADS: How many
13 grievances in total; do you know?

14 ASSESSOR MOOG: Are you talking
15 about SCAR petitions for ARC grievances?

16 LEGISLATOR RHOADS: I wanted to
17 get starting from the start of the process,
18 how many ARC petitions were filed?

19 ASSESSOR MOOG: '20-'21, '21-'22.
20 I have '21-'22 ARC numbers.

21 MR. MILES: 2021 should be about
22 250,000.

23 LEGISLATOR RHOADS: How many
24 grievances were resolved at ARC?

25 ASSESSOR MOOG: Approximately

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2 60,000.

3 LEGISLATOR RHOADS: You had
4 190,000 still out there?

5 MR. MILES: Not anymore.

6 ASSESSOR MOOG: When ARC
7 finishes about 190,000, but then 80,000 SCAR
8 petitions were filed, and the SCAR petition
9 deadline is September 4th this year.
10 Started May 26th and normally it's April 1st
11 to April 30. From May 26th until July 1st,
12 28,000 petitions were filed, 29,000, and
13 then 50,000 were filed from July 1st to
14 September 4th.

15 Of those 50,000, 58,000 were
16 settled in mediation and 8,200 were resolved
17 in court hearings, SCAR hearings.

18 The remaining cases are 13,408
19 remain after the close of the filing period
20 and the closing of the Adapt system, meaning
21 it's finished, the tax roll is being
22 calculated with 13,480 cases outstanding.

23 LEGISLATOR RHOADS: The governor
24 just extended the SCAR deadline again.

25 ASSESSOR MOOG: No, not the SCAR

1 Budget-Full Leg/10-5-20

2 deadline.

3 MR. MILES: The tax cert

4 deadline.

5 LEGISLATOR RHOADS: Not the SCAR

6 filing, so the 13,8 I think you said --

7 ASSESSOR MOOG: 13,408 is the set

8 number. Of the ones that went to mediation,

9 the 58,000 of mediation, the median

10 percentage decrease was three percent.

11 Also 14,281 of those cases were

12 settled with zero offer. They basically

13 withdrew the case on the mediation side.

14 MR. MILES: 25 percent of the

15 cases accepted a no offer.

16 LEGISLATOR RHOADS: How many,

17 ultimately, whether it's by settlement or by

18 adjudication in a SCAR hearing, how many

19 petitions were granted?

20 MR. MILES: Were granted?

21 LEGISLATOR RHOADS: Inartful

22 phrasing. Between settlements that resulted

23 in a change in someone's assessment and

24 cases that were adjudicated favorably upon

25 the petitioner, how many are we talking

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2 about?

3 ASSESSOR MOOG: How many received
4 reductions in mediation or petition and how
5 many were confirmed?

6 LEGISLATOR RHOADS: A much
7 simpler way to say that. How many people
8 were successful?

9 ASSESSOR MOOG: Do you have that
10 number, Robert? About 55 percent?

11 MR. MILES: Doing the quick math
12 in my head right now. Between 38,000 and
13 40,000.

14 LEGISLATOR RHOADS: So out of the
15 \$80,000 roughly half?

16 ASSESSOR MOOG: Right, and the
17 mediation, the median decrease percentage
18 was about three percent.

19 MR. MILES: Right.

20 LEGISLATOR RHOADS: And obviously
21 to makeup for that because they incurred
22 before the roll and final, there has been an
23 adjustment to the rest of the roll to
24 balance everything out?

25 MR. MILES: Correct.

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2 The good thing that happened this
3 year was, usually we get all of the court's
4 decisions by August 5th.

5 We told the administration that
6 that is cutting everything close because the
7 tax warrants as you know are supposed to be
8 submitted in September.

9 The deadline going to September
10 4th was precarious at best. Then receiving
11 the executive order we were able to include
12 more cases in court and mediate many more
13 cases.

14 LEGISLATOR RHOADS: So now
15 because of the fact that we had now an
16 additional 40,000 adjustments to the roll
17 out of a total number of class one
18 properties somewhere around 390,000?

19 ASSESSOR MOOG: About 384,000.

20 LEGISLATOR RHOADS: For the 2021
21 year using trending to develop the '21-'22
22 roll.

23 ASSESSOR MOOG: Correct.

24 LEGISLATOR RHOADS: Now with the
25 reduction of 49 positions that you will now

1 Budget-Full Leg/10-5-20
2 not be able to fill may result in the
3 '22-'23 roll also being trended?

4 ASSESSOR MOOG: Correct.

5 LEGISLATOR RHOADS: And we will
6 have to wait and see if those positions ever
7 come back for future years.

8 ASSESSOR MOOG: Depends on the
9 budgetary considerations. That's a big
10 mystery for everybody I think.

11 LEGISLATOR RHOADS: Are you
12 concerned that while the goal was to have
13 the most accurate roll possible that
14 staffing, having new trending models as a
15 result of staffing, and we have issues that
16 are now be resolved with respect to the
17 initial 2021 roll, we might be something
18 less than the most accurate roll possible
19 moving forward?

20 ASSESSOR MOOG: I do believe it
21 will still be a very, very accurate roll and
22 compared to all the jurisdictions in New
23 York State it's still one of the most
24 accurate rolls in the entire state. Even
25 with the '21-'22 roll being trended and I do

1 Budget-Full Leg/10-5-20
2 believe '22-'23 roll will also fall into
3 that category of being one of the most
4 accurate rolls in the state, even though
5 using a trending method.

6 MR. MILES: Especially
7 considering when the median percent decrease
8 in reduction was three percent.

9 LEGISLATOR RHOADS: But we
10 actually won't know with respect to the
11 '21-'22 roll and '22-'23 roll, we still
12 won't know how accurate the roll is until
13 everything has been viewed here?

14 MR. MILES: Well, if you are
15 starting out with a highly accurate roll and
16 that's the fundamentals of your '22 and '23
17 rolls, then it's going to be an accurate
18 roll.

19 ASSESSOR MOOG: That's also one
20 of the reasons why we wanted to do the
21 Haberman and SVS in order to try to get that
22 roll as accurate as possible with the
23 changes in the COVID market.

24 LEGISLATOR RHOADS: So we need
25 the outside help.

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2 So, essentially, when I asked the
3 need to have Haberman and SVS is in some way
4 related to the fact that you are not up to
5 full staffing, the truthful answer to that
6 question is it may not be the entire reason
7 but it's part of the reason; would that be
8 fair to say?

9 ASSESSOR MOOG: No. I would say
10 more the reason is because of COVID.

11 The COVID market is so difficult
12 to be able to model and even trend, even
13 people at Goldman Sacks saying they don't
14 really have an idea of where the real estate
15 market is going.

16 When Goldman Sacks doesn't know
17 where the market is going, that's a
18 troubling situation. We want to make sure
19 we get as much expertise on our side to try
20 and trend this as close as possible.

21 MR. MILES: You can have 250
22 people in the department, it doesn't mean
23 that any of them are on the outside doing
24 appraisals, picking up leases, rents,
25 mortgages.

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2 We can have a staff of 300, that
3 doesn't mean -- we don't have anyone on the
4 outside who has been dealing with the swings
5 of the market for the past few months.

6 ASSESSOR MOOG: It's a very
7 unprecedented time in the real estate
8 market.

9 We want to make sure we have as
10 much knowledge and background going forward
11 and that's why we felt it was crucial for
12 those contracts.

13 MR. MILES: But we have an
14 exceptional staff now and thank you for the
15 contracts. We're going to continue to train
16 them and certify them and continue to
17 develop excellent rolls for this county.

18 LEGISLATOR RHOADS: By the way,
19 by my questions, I don't intend any slight
20 or discredit to any of the department of
21 assessment staff that you have.

22 I know that they're working hard.
23 There are fewer of them than there should be
24 for you to be able to do your job to its
25 optimum level.

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2 ASSESSOR MOOG: We understand
3 that and we understand that this is an
4 unprecedented time with the budget. This is
5 a once in 100 year pandemic hopefully, and I
6 think to the credit of the administration
7 and credit to a lot of government officials
8 around the country trying to deal with the
9 budgets. It's not just Nassau County. It's
10 something that's coming across the entire
11 country.

12 New York State and New York City
13 and the metropolitan area suffered greatly
14 under the COVID crisis.

15 MR. MILES: And we are just
16 expressing pride of the staff of assessment
17 and ARC has been of great help and the
18 county attorney has also been of great help.

19 ASSESSOR MOOG: And I also will
20 say that when we did these SCARs is the
21 first time we had to do them by zoom in
22 remote with the court system.

23 You're talking about going from
24 phase four, which was only in June, we only
25 started doing hearings in June because

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2 that's when the court finally opened up. It
3 was a really monumental effort by the staff
4 to get this work done in such a short time.
5 It was very remarkable that it was
6 completed.

7 MR. MILES: And the court worked
8 admirably as well.

9 LEGISLATOR RHOADS: If I can ask,
10 of the 13,800 petitions that still remain to
11 be decided, what are we talking about in
12 terms of the dollar value chain, what would
13 that represent?

14 ASSESSOR MOOG: We are not sure
15 because a lot of these cases receive
16 remediation. Every case that came across,
17 99 percent of the cases that filed petitions
18 had mediation.

19 Many of these cases had either no
20 offer made or an offer that wasn't
21 acceptable by the taxpayer or tax rep firm.

22 LEGISLATOR RHOADS: But doesn't
23 the process start with -- like when I grieve
24 my assessment -- not to say grieve my taxes,
25 when I grieve my assessment, I list what I

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2 believe the market value of my house is
3 supposed to be on that initial application.

4 ASSESSOR MOOG: Right.

5 LEGISLATOR RHOADS: Versus what
6 the assessed value of my house is.

7 ASSESSOR MOOG: Correct.

8 LEGISLATOR RHOADS: You should be
9 able to calculate based on those two
10 different numbers what we're talking about
11 in terms of total potential exposure to the
12 county, so, for example, we have \$30 million
13 in this year's proposed budget that's
14 supposed to handle -- supposed to handle
15 residential and some portion of commercial
16 potential certiorari liability.

17 On the residential end for the
18 class one properties that represents now the
19 13-8, that haven't been incorporated by the
20 time it went final, what is our potential
21 exposure?

22 ASSESSOR MOOG: That we have not
23 calculated and that's a very hypothetical
24 number to calculate because, first of all,
25 like I said, all these cases went through

1 Budget-Full Leg/10-5-20

2 mediation so a lot of them received no offer
3 to begin with, in our opinion, would receive
4 no offer further down the line.

5 These cases will be vigorously
6 defended by our staff just like all the
7 prior cases were and they probably be
8 adjudicated over the next months until
9 probably late January, early February, the
10 schedule that the court is setting for us on
11 that. Their staff is also swinging back to
12 doing other judicial work. They've pulled
13 attorneys off the floor and assigned them
14 these cases and now those attorneys have to
15 go back to their regular duties at the
16 court.

17 That being said also, I feel a
18 lot of the cases that are being adjudicated
19 now also are cases that were filed later in
20 the season, some of them were, and it was --
21 I don't know how much merit those cases had.

22 It would be hard to take the
23 prior reductions being granted and seeing
24 how those prior reductions would fly, but
25 looking at a median decrease of three

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2 percent which is a pretty small decrease
3 overall, I think the liability shouldn't be
4 that great. I really can't put an exact
5 number on it.

6 LEGISLATOR RHOADS: I was going
7 to ask, do we know whether these are higher
8 value properties or lower value properties
9 or is it a mixed bag of everything?

10 ASSESSOR MOOG: I think it's a
11 mixed bag. The higher value properties
12 tended to file earlier and I think a lot of
13 them did get resolved because of the early
14 filing of them. They also can get resolved
15 with mediation and they also get resolved
16 through the court during hearings because
17 they have more chance of getting hearings
18 filed earlier.

19 And higher value ones, tax rep
20 firms made sure they were filed very early
21 on. So if they got through Robert Miles
22 SCAR medication, they weren't satisfied,
23 they were more likely to get hearings at
24 SCAR just because it was first in, first
25 out.

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2 So I don't think the higher value
3 cases really make up a big percentage of the
4 13,400, only because of the nature the tax
5 reps file for their cases.

6 CHAIRMAN NICOLELLO: I would just
7 ask Legislator Rhoads if you could finish
8 up.

9 LEGISLATOR RHOADS: Absolutely.
10 With respect to class one residential
11 grievances, would we be able to obtain a
12 spreadsheet detailing the address, the
13 assessed value, the grievance value, and any
14 reduction that are granted, number of cases
15 that are still outstanding and what type of
16 cases those are?

17 MR. MILES: Are you talking about
18 grievances or petitions, legislator?

19 LEGISLATOR RHOADS: Well, we
20 wanted a spreadsheet detailing with respect
21 to the SCAR petitions.

22 MR. MILES: The remaining 13?

23 LEGISLATOR RHOADS: In other
24 words, you started from 80, we wanted to
25 know what the addresses are, what the

1 Budget-Full Leg/10-5-20
2 assessed value was, the grievance value,
3 what it was settled at, what it was
4 adjudicated to, can we get a spreadsheet for
5 all of those cases?

6 MR. MILES: Yes, we will try to
7 pull that from the Adapt system.

8 LEGISLATOR RHOADS: Thank you.

9 CHAIRMAN NICOLELLO: Thank you.
10 Legislator Ferretti.

11 LEGISLATOR FERRETTI: Thank you.
12 Good evening. I will be I think pretty
13 short. Just a few questions. Legislator
14 Rhoads hit on a lot of questions I had.

15 The tax map verification fee, the
16 \$6.9 million reduction in the projected
17 revenue for that, my understanding is -- I
18 think you indicated that was due to a
19 possible reduction in the amount of the
20 fees; is that correct?

21 ASSESSOR MOOG: Those
22 calculations are handled by the budget
23 office in conjunction with the county
24 attorney.

25 MR. MILES: I don't think you got

1 Budget-Full Leg/10-5-20

2 that information from this department.

3 ASSESSOR MOOG: I believe Andy
4 did take a look and consulted with the
5 county attorney on those figures and came up
6 with a calculation on the current filings
7 made with the county clerk's office and took
8 a percentage based on possible losses from
9 the litigation further on down the line.
10 But that was all done from conversations
11 between budget and county attorney.

12 MR. MILES: My recollection is
13 that I don't think there was an issue with
14 the application of the fee itself; I thought
15 it was the pricing of the fee.

16 LEGISLATOR FERRETTI: That's kind
17 of where I was going with my question. I
18 agree. That's what Mr. Persich had
19 indicated.

20 So working under the assumption
21 that the fee has to be, there must be a
22 nexus between the fee and the service
23 provided, did your office have any
24 consultation with either the county
25 attorney's office or Mr. Persich to explain

1 Budget-Full Leg/10-5-20

2 exactly what the service is so they can get
3 an idea as to what --

4 MR. MILES: Yes, we've talked to
5 the county attorney a lot about what the
6 services were just because of the nature of
7 the litigation and what the process is
8 administratively.

9 So county attorney and budget are
10 aware of the administrative process.

11 I don't think it really had to do
12 with a dip or increase in the amount of tax
13 map verification letters going out. I think
14 it solely had to do with the result of the
15 litigation or the progress of the
16 litigation.

17 LEGISLATOR FERRETTI: Did your
18 office come up with the \$6.9 million number
19 or was that Mr. Persich?

20 ASSESSOR MOOG: Mr. Persich.

21 LEGISLATOR FERRETTI: I'm not
22 going to get into all the questions that
23 Legislator Rhoads got into, I just want to
24 make sure I have the numbers down correctly
25 and then I have a few questions.

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2 Total grievances for 2021,
3 250,000, correct?

4 MR. MILES: Grievances, yes.

5 LEGISLATOR FERRETTI: And about
6 approximately 60,000 of those were settled
7 at ARC; is that correct?

8 MR. MILES: That's my
9 recollection, yes.

10 LEGISLATOR FERRETTI: 80,000 SCAR
11 petitions, correct?

12 ASSESSOR MOOG: That is correct.

13 MR. MILES: Correct.

14 LEGISLATOR FERRETTI: So
15 approximately 50,000 were settled?

16 ASSESSOR MOOG: 58,000 through
17 mediation and another 8,200 through
18 decisions.

19 LEGISLATOR FERRETTI: So 58,000
20 through mediation?

21 ASSESSOR MOOG: Yes, and 8,200
22 from hearings and of that 58,000, 14,000
23 were no offers. And median decrease of all
24 the mediation was three percent.

25 LEGISLATOR FERRETTI: 1920, how

1 Budget-Full Leg/10-5-20

2 many total grievances advances were there?

3 MR. MILES: Grievances or --

4 LEGISLATOR FERRETTI: Total
5 grievances.

6 MR. MILES: 220.

7 ASSESSOR MOOG: 220, 240.

8 Actually, I'm not sure. Have to ask ARC on
9 that figure. Before my time in our agency.
10 I'm really not sure of the number.

11 Actually I think it's more like
12 170,000, but they had 90 percent of the
13 cases received reductions. Was that it?
14 You have to ask ARC, I'm sorry.

15 LEGISLATOR FERRETTI: Okay. I
16 guess my question is, what I'm getting to
17 is, it looks like to me we have about
18 118,000, if my math is right 118,000
19 settlements. Would you agree with that?

20 ASSESSOR MOOG: Between ARC and
21 SCAR?

22 LEGISLATOR FERRETTI: Yeah.

23 ASSESSOR MOOG: Yes.

24 MR. MILES: Actually maybe less.
25 Are you considering --

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2 ASSESSOR MOOG: He's talking 60
3 plus 58 plus 82.

4 LEGISLATOR FERRETTI: I'm not
5 including the 82.

6 ASSESSOR MOOG: Okay. So, yes,
7 118, using a plain number.

8 MR. MILES: I don't know if that
9 math is -- it was 60,000 offers. I think
10 the Assessment Review Commission gave 20 or
11 30,000 zero offers. We gave 14,000 zero
12 offers up to 58,000.

13 So, like I said, it would be
14 about 38,000 or 40,000 reductions plus ARC's
15 60,000 reductions. About 100,000, maybe a
16 little up, maybe a little down.

17 ASSESSOR MOOG: You have to minus
18 at the zero office that were in there.
19 Really just confirming the value.

20 LEGISLATOR FERRETTI: Okay. So
21 we had said about 14,000 zero offers, right?

22 ASSESSOR MOOG: 14,000 on the
23 SCAR side, we don't know how many on the ARC
24 side.

25 MR. MILES: 25 percent of the

1 Budget-Full Leg/10-5-20

2 mediations were zero.

3 LEGISLATOR FERRETTI: At SCAR?

4 ASSESSOR MOOG: Yes.

5 LEGISLATOR FERRETTI: Then the

6 60,000 at ARC, those were reductions,

7 correct?

8 MR. MILES: I believe that's the

9 case.

10 ASSESSOR MOOG: So if we say

11 118,000, but 14,000 at SCAR were zeros,

12 you're at roughly 104,000 settlements?

13 ASSESSOR MOOG: Right.

14 LEGISLATOR FERRETTI: I just want

15 to make sure I understand. So about 40

16 percent or more of residential property that

17 grieved received settlements, correct?

18 ASSESSOR MOOG: Combine the SCAR

19 with the --

20 MR. MILES: No, not 40, because

21 there's 386,000 parcels.

22 ASSESSOR MOOG: If you're talking

23 about the total population --

24 MR. MILES: Of individuals that

25 grieve?

1 Budget-Full Leg/10-5-20

2 LEGISLATOR FERRETTI: Well, we
3 have 250,000 grievances and approximately
4 104,000 settlements where they received a
5 reduction, right?

6 ASSESSOR MOOG: Yes.

7 LEGISLATOR FERRETTI: And I'm
8 doing this rough off my head. It's not 50
9 percent, but 40-ish, right?

10 ASSESSOR MOOG: Right.

11 LEGISLATOR FERRETTI: I guess my
12 question is, at what number is that
13 percentage essentially mass settlement
14 light?

15 ASSESSOR MOOG: Well, none of it
16 was mass settlement because even with
17 mediation, the office made, between zero and
18 20 percent, but the median offer was three
19 percent.

20 So if you look at the percentage
21 offered, even at ARC that settled cases, and
22 at SCAR, the vast majority of settlements
23 came in under five percent. The vast
24 majority was under five percent.

25 The five percent difference in

1 Budget-Full Leg/10-5-20

2 value is really just a difference of
3 opinion. If the bring in five appraisers to
4 appraise your house, they come in with five
5 values that can vary plus or minus 10
6 percent.

7 So these small change we view as
8 not really that the values were inaccurate,
9 it's just that slight change of opinion, two
10 three percent is not going to be considered
11 that the assessment was wrong.

12 If it's under five percent,
13 usually the IAO and IAAO consider the
14 assessment to be accurate.

15 MR. MILES: Between five and ten
16 percent. One other thing to consider, what
17 you are calling the mass settlement program,
18 under the Mangano administration, the reason
19 why individuals received very generous
20 settlements is because of the ratio
21 difference.

22 So we eliminated that issue with
23 2020-2021 roll and, when we did the
24 mediation program, we relied on a comparable
25 analysis review rather than individuals

1 Budget-Full Leg/10-5-20
2 receiving a settlement because of a ratio
3 dispute, or a varied ratio, we relied
4 heavily on the mechanics and the procedures
5 of assessment and of SCAR and we used
6 comparable market analysis, multiple models,
7 to deliver settlements that we thought were
8 fair. We also made sure that those on the
9 other side understood that we know that the
10 assessment is accurate.

11 So a difference of opinion of
12 three percent is well within the standards
13 of the IAO and IAAO which is between five
14 and ten percent for a heterogenous community
15 like Nassau County.

16 ASSESSOR MOOG: And, also,
17 realize that our mediation program was a
18 reflection of decisions coming out from the
19 SCAR hearings.

20 It's a mechanism to lessen the
21 liability because we are looking at the
22 exposure of the cases as a result of the
23 decisions coming out from SCAR.

24 LEGISLATOR FERRETTI: The 8,200
25 that were adjudicated at SCAR, do you have a

1 Budget-Full Leg/10-5-20

2 median percentage decrease?

3 MR. MILES: Yes, between four and
4 five percent.

5 LEGISLATOR FERRETTI: And the
6 60,000 that were settled at ARC, do you have
7 a percentage decrease?

8 ASSESSOR MOOG: That one we don't
9 have. You would have to ask ARC on that.
10 At least 20,000 of the cases had less than
11 the three percent offer. I think 20,000
12 cases were made, offers less than three
13 percent.

14 LEGISLATOR FERRETTI: When we
15 talk about the entire universe of 104,000
16 reductions and settlement through this
17 process, it's not like the median was two to
18 three percent for that 104,000, the median
19 was two to three percent according to what
20 you're saying for the 40,000 that -- I'm
21 sorry, the 58,000 that were settled at SCAR,
22 right?

23 ASSESSOR MOOG: True. We don't
24 know what ARC offered.

25 LEGISLATOR FERRETTI: And the

1 Budget-Full Leg/10-5-20
2 percentage for those adjudicated were
3 higher?

4 ASSESSOR MOOG: We have to go
5 through it because the adjudicated ones come
6 out in PDF so you have to go one by one. We
7 have to parse them out because there were
8 multiple sheets coming in so we have to do a
9 large merge and we haven't yet.

10 MR. MILES: The adjudicated
11 should be five percent.

12 LEGISLATOR FERRETTI: On the
13 median?

14 MR. MILES: Yes.

15 ASSESSOR MOOG: The average is
16 five, because the average is five.

17 MR. MILES: I will have to double
18 check that.

19 ASSESSOR MOOG: We would have to
20 drill down on the number because hasn't been
21 consolidated yet.

22 LEGISLATOR FERRETTI: Thank you.

23 CHAIRMAN NICOLELLO: Legislator
24 Drucker and then Legislator Mule.

25 LEGISLATOR DRUCKER: Thank you

1 Budget-Full Leg/10-5-20

2 guys. I have a few. The numbers are
3 starting to make my head spin a little bit.
4 I just want to be clear.

5 80,000 SCAR petitions, 58,000
6 were settled. In my primitive math that's a
7 73 percent of the SCAR petitions were
8 settled?

9 ASSESSOR MOOG: That's correct.

10 LEGISLATOR DRUCKER: Of that 73
11 percent, 25 percent of them accepted a zero
12 offer?

13 ASSESSOR MOOG: That's correct.

14 LEGISLATOR DRUCKER: So in my
15 opinion, that really reflects on a pretty
16 accurate roll.

17 ASSESSOR MOOG: And the fact that
18 it's only a median decrease of three
19 percent.

20 LEGISLATOR DRUCKER: So the
21 median is three percent with an average of
22 maybe four percent?

23 ASSESSOR MOOG: Correct.

24 LEGISLATOR DRUCKER: Again, that
25 speaks pretty well of the accuracy of the

1 Budget-Full Leg/10-5-20

2 roll.

3 Would you be able to say
4 historically that it's far different, vastly
5 different from previous years when the
6 settlements were, like you said, much larger
7 with a wink wink type of thing?

8 ASSESSOR MOOG: Yes.

9 MR. MILES: Yes. The average
10 SCAR reduction was 11 plus percent last year
11 for '19-'20.

12 LEGISLATOR DRUCKER: And now we
13 are looking at three percent with 25 percent
14 saying I'm willing to accept zero change?

15 MR. MILES: Correct.

16 LEGISLATOR DRUCKER: Thank you
17 very much.

18 CHAIRMAN NICOLELLO: Legislator
19 Mule.

20 LEGISLATOR MULE: Thank you. I
21 was going to ask a similar question, and so
22 I just think that's great that we have such
23 a really accurate roll.

24 If I'm understanding what you're
25 saying, based on what happened in the past

1 Budget-Full Leg/10-5-20
2 with the 11 percent and now it's three
3 percent with, maybe with a total, maybe
4 inching up towards five percent, but
5 according to the professional standards, if
6 I'm understanding what you're saying, that
7 brings up into an extremely accurate roll;
8 is that correct?

9 ASSESSOR MOOG: That is correct.

10 LEGISLATOR MULE: Then I have
11 only one other question. I'm so tired. Did
12 the remaining cases that are going to court,
13 we all know that home prices have really
14 gone up because the whole COVID buying
15 spree, will that have an impact on the
16 upcoming court cases?

17 ASSESSOR MOOG: No. Because the
18 upcoming court cases are based on prior tax
19 roll 2021 which are based on sales that were
20 based in 2018.

21 So it has a psychological effect
22 but on an analytical basis it will not have
23 an effect because they're not using the
24 current sales.

25 Because they might have it in

1 Budget-Full Leg/10-5-20

2 their mind that the market is rising and
3 prices are going up. But they will fall
4 back to the sales that occurred in 2018.

5 LEGISLATOR MULE: Thank you very
6 much.

7 CHAIRMAN NICOLELLO: Legislator
8 Rhoads.

9 LEGISLATOR RHOADS: I have no
10 questions.

11 CHAIRMAN NICOLELLO: Anyone else?
12 (No verbal response.)

13 Thank you.

14 ASSESSOR MOOG: Thank you.

15 MR. MILES: Thank you.

16 CHAIRMAN NICOLELLO: The next
17 presentation is the Department of Public
18 Works.

19 MR. ARNOLD: Ken Arnold,
20 Department of Public Works. Good evening.
21 Thank you for inviting me to discuss the
22 proposed 2021 budget for DPW and the Sewer
23 and Storm Water Authority.

24 First I want to open to say that
25 the general DPW budget is put together with

1 Budget-Full Leg/10-5-20
2 both managing the fiscal challenges put in
3 front of the county as a result of the COVID
4 emergency, but also ensuring vital
5 department services can be achieved.

6 Even within an overall reduction
7 of four percent, this budget over the last
8 year I'm confident my team can manage our
9 resources and deliver our services.

10 When all we need is to look at
11 the work road and traffic units in response
12 to the tropical storm, while the work that
13 my facilities management group did during
14 the COVID emergency with all the different
15 items that we had to do to get the buildings
16 open to see that we can get this done.

17 As the project delivery, which I
18 know is very important to this body, I'm
19 very confident that we can continue our
20 positive path on moving projects forward.

21 Our engineers and other technical
22 staff has been able to bring on over the
23 last three years have made great strides in
24 understanding the infrastructure and how we
25 put out numerous roads, bridges and sewer

1 Budget-Full Leg/10-5-20

2 and traffic projects.

3 Most importantly is the continued
4 success of our resurfacing program which I'm
5 hopeful this year will be about 170 lane
6 miles for the year.

7 Unfortunately, project delivery
8 over this year and next will be more of a
9 function of capital cash resources than
10 manpower. The current on board head count
11 is 376 for the department and we are
12 budgeted for 391.

13 At this time my largest concern
14 is equipment operators for snow removal. We
15 have been working with OMB to utilize these
16 vacancies towards that cause.

17 The contractual services decrease
18 is mainly a function of the Trans Dev
19 contract. New York State has indicated to
20 us that the STOA contribution will decrease
21 by 20 percent in 2021.

22 Additionally we are projecting a
23 fare box decrease over the year. The
24 department has worked extremely hard with
25 Trans Dev to ensure that no routes are

1 Budget-Full Leg/10-5-20

2 eliminated. This was achieved by both one
3 of the largest county contributions to the
4 system ever, 12.8 million, also the
5 adjustment of frequency between buses.

6 One important to note is the
7 increase of \$4 million to my facilities
8 budget for this coming year.

9 This is associated with the work
10 we need to do for the COVID emergency.

11 As to SSW budget for 2021, it's
12 increasing by \$5.2 million or three percent.
13 Salaries continue to drop as case employees
14 leave service. We currently have only have
15 37 case workers remaining down 12 from last
16 year.

17 The head count for non case
18 workers remains unchanged.

19 The main increase in the budget
20 is associated with the sewers contract.
21 This increase is \$7.8 million or 12 percent.
22 Drivers for this include the need to address
23 various items within the contract and the
24 longstanding concerns on both sides.

25 These issues to name a few

1 Budget-Full Leg/10-5-20

2 include resolving maintenance costs, versus
3 capitalizing maintenance events, and coming
4 on line to various facilities that add
5 additional requirements for sewers.

6 In conclusion, while this budget
7 is not ideal, it is practical to address the
8 fiscal challenge we face and most
9 importantly we can deliver the necessary
10 service. Thank you.

11 CHAIRMAN NICOLELLO: Thank you,
12 Ken. Any questions? Legislator Ferretti.

13 LEGISLATOR FERRETTI: Hi,
14 commissioner. How are you?

15 MR. ARNOLD: I'm very good.
16 Thank you.

17 LEGISLATOR FERRETTI:
18 Commissioner, you mentioned at the beginning
19 of your presentation, it was a specific
20 title that you indicated that you operate
21 the snow plows.

22 MR. ARNOLD: Yes.

23 LEGISLATOR FERRETTI: What title
24 is that?

25 MR. ARNOLD: Equipment operators,

1 Budget-Full Leg/10-5-20

2 there's twos and threes.

3 LEGISLATOR FERRETTI: Having
4 trouble locating it in my book here. What
5 were you budgeted for in 2020 for that
6 position?

7 MR. ARNOLD: High 90s.

8 LEGISLATOR FERRETTI: And you
9 budgeted for --

10 MR. ARNOLD: Roughly the same
11 amount, so we're looking at attrition and
12 some things have changed, to make sure we
13 were at those levels that were budgeted for.

14 LEGISLATOR FERRETTI: Is that the
15 same title that does the landscaping on the
16 county roadways?

17 MR. ARNOLD: For the most part,
18 yes. There are a couple of other titles
19 that help with landscaping but those are
20 integral parts of the title.

21 LEGISLATOR FERRETTI: Do those
22 other titles that help with landscaping help
23 with snow plow or do you need a CDL for
24 that?

25 MR. ARNOLD: You need a CDL for

1 Budget-Full Leg/10-5-20
2 the snow plows. During the snow emergency,
3 those other titles could be doing pay loader
4 work or pickup truck, parking lots, hand
5 shoveling, over types of work.

6 LEGISLATOR FERRETTI: Do we
7 currently have a routine schedule for the
8 landscaping of the county roadways or is it
9 an on-call situation?

10 MR. ARNOLD: We have a rotation.
11 We try to get every location every four
12 weeks, but I don't have a hard schedule
13 because things change all the time. A good
14 example, tropical storm. We pulled out our
15 units from grass cutting to deal with that
16 storm for that period that was required to
17 take care of it.

18 LEGISLATOR FERRETTI: How about
19 the county sumps?

20 MR. ARNOLD: Just as the roadways
21 are, each garage does a cycle and we try to
22 get to them every four to five weeks also.

23 LEGISLATOR FERRETTI: Okay. So I
24 remember this came up last year when we were
25 going over the budget for this year and I

1 Budget-Full Leg/10-5-20

2 know we put in an amendment to increase the
3 numbers specifically for that title.

4 Unfortunately it didn't go forward.

5 But do you feel that you can
6 continue on that four week schedule with the
7 current employees budgeted in this budget?

8 MR. ARNOLD: That would be our
9 goal, yes. We did hire quite a bit of
10 equipment operator but we also lost quite a
11 bit this past year.

12 So we kept the current staffing
13 but I think we hired I think around 12 or 15
14 people in that title, but that same number
15 of people had left.

16 LEGISLATOR FERRETTI: But the
17 title -- there are no vacancies in that
18 title currently?

19 MR. ARNOLD: Currently I know we
20 have at least two. There's two people that
21 left service. I'm looking at the title
22 series right now working with OMB to bring
23 it back up to the budgeted level.

24 LEGISLATOR FERRETTI: The two
25 vacancies you currently have, are they part

1 Budget-Full Leg/10-5-20
2 of those vacant but funded positions?

3 MR. ARNOLD: They're part of the
4 vacant but funded positions.

5 LEGISLATOR FERRETTI: So then
6 there are two less spots for '21 in this
7 budget?

8 MR. ARNOLD: No, no. I take that
9 back. The equipment operators we stayed at
10 the same level that we always had. We are
11 not down positions for operators, no.

12 LEGISLATOR FERRETTI: Thank you.

13 CHAIRMAN NICOLELLO: Any other
14 questions? Legislator Walker.

15 LEGISLATOR WALKER: Just really a
16 quick question. First of all, I want to
17 thank you for all the help you always give
18 whenever my office has to call and I'm sure
19 every one else would agree.

20 One of the big issues we have are
21 the sumps and I know you said they are on a
22 rotating basis.

23 But is there any way at some
24 point in time maybe they can really go in
25 and do like a massive cleanup in those

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2 sumps?

3 I grew up next to one so that's
4 obviously still there. It used to be they
5 were really very, very well maintained.

6 Now most of them are so overgrown
7 and it's not the county's fault that people
8 throw garage in it and be ridiculous or
9 whatever flies in there and is left there.

10 But it really becomes an issue
11 with the neighbors and sometimes like if I
12 could climb over the fence myself, maybe in
13 my youth I climbed over those fences, but no
14 more. You wish you could almost go in and
15 cleanup it up yourself.

16 I know it's not parkland, not
17 pristine, but is this something that could
18 possibly be addressed better than it is? I
19 feel like every one of us has some sump
20 issues.

21 MR. ARNOLD: Well, with the
22 current forces I have, we look to cut the
23 grass every four to five weeks. During the
24 winter we look to try to do some major basin
25 cleanups where they're really bad. We look

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2 to keep the top of berm cut and clean
3 especially where the homeowner can see
4 inside the basin.

5 But to do anything more than that
6 I would not have the manpower to get into a
7 full cleanup. I have over 500 basins.
8 That's a major project.

9 LEGISLATOR WALKER: I know even
10 throughout the summer, some of them are by
11 ball fields or whatever, even the issues
12 with mosquitoes and whatever.

13 MR. ARNOLD: Well, that's
14 treated. We would take care of the
15 mosquitoes.

16 LEGISLATOR WALKER: My office
17 calls you often to deal with that.

18 MR. ARNOLD: We would jump on
19 that right away. That would be a different
20 type of issue.

21 LEGISLATOR WALKER: Thank you.

22 CHAIRMAN NICOLELLO: Any other
23 questions?

24 (No verbal response.)

25 Hearing none, thank you, Ken.

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2 Now we have the Department of
3 Minority Affairs.

4 MR. CHITTY: Good evening,
5 Presiding Officer Nicoletto and legislators.
6 I'm joined today by Deputy Director Williams
7 and My name is Lionel Chitty.

8 The Office of Minority Affairs
9 has reviewed the 2021 executive proposed
10 budget, OMA understands the budget
11 constraints facing Nassau County and
12 believes this proposed budget provides the
13 staffing levels we need to meet the
14 challenges facing our minority communities.

15 Included in this proposition is
16 the addition of qualified staff including an
17 attorney that will assist OMA in contract
18 compliance and other important work in
19 connection with issues affecting minority
20 residents and business.

21 Improving the state of minority
22 businesses is at the forefront of our 2021
23 agenda. OMA is preparing to work on its
24 first parity study in over a decade. This
25 endeavor will involve Suffolk County as

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2 well. Involved in this process in depth
3 compounding of data to determine the
4 availability, utilization, and future
5 capacity of minority and women owned
6 business enterprises and service disabled
7 veteran owned businesses in Nassau and
8 Suffolk Counties.

9 This work will make possible the
10 creation of meaningful contactables for our
11 MWBES and our staff will take on the
12 important work of overseeing the disparity
13 study consultant and coordinate activities
14 with other county agencies in this regard.

15 We will also have staffing for a
16 hands outreach and programs to assist our
17 work in promoting county resources in areas
18 of health, social services, workforce
19 development, civil rights and economic
20 opportunity to name a few.

21 With the proposed staffing
22 additions, OMA stands ready to meet the
23 challenges that lie ahead and improve the
24 lives of the communities we serve.

25 Thank you. I'll take any

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2 questions.

3 CHAIRMAN NICOLELLO: I just have
4 a general question and an observation.

5 You and Dr. Williams have done so
6 much work this year in terms of getting
7 Minority Affairs up and running and active
8 in doing what you should be doing.

9 Does this budget for the 2021
10 allow you to continue to build on that
11 progress?

12 MR. CHITTY: Absolutely.
13 Absolutely. We will work directly to make
14 sure that we can.

15 CHAIRMAN NICOLELLO: Mr. Rhoads.

16 LEGISLATOR RHOADS: Thank you,
17 Presiding Officer Nicolello. Good evening.
18 I know it's been a long day. I'm just going
19 to ask a few questions.

20 Obviously, Executive Director
21 Chitty you were present for the Minority
22 Affairs hearing we had a couple of weeks ago
23 and, at that hearing, we discussed some of
24 the things that are being done and some of
25 the things that aren't being done because of

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2 the staffing and personnel issues within
3 your department that really should be done
4 pursuant to charter. There simply aren't
5 enough bodies to be able to do it.

6 I observed that today you come in
7 and just gave your statement saying you have
8 sufficient staff to be able to meet those
9 challenges.

10 I do note that of particular
11 concern is not just next budget year, but I
12 noticed that for the major fund salary plan
13 for not just 2021 proposed budget, but for
14 2022, 2023, 2024, there is absolutely no
15 change in what the county executive sees for
16 the budget for the Office of Minority
17 Affairs.

18 I don't know how your office is
19 going to be able to continue to move forward
20 without the staff that you need to be able
21 to accomplish the very important and
22 significant goals that your office is
23 charged to accomplish.

24 I understand your desire to try
25 to do more with less, which is sort of our

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2 mantra in if government, but you reach a
3 point where it's such a Herculean task that
4 it becomes impossible.

5 I'm just concerned with the
6 Office of Minority Affairs we are at that
7 point.

8 So I know -- and this really
9 isn't a question, it's more of a statement.
10 I know and appreciate the fact that you come
11 in here and say, to sort of back up the
12 administration's budget, and say you don't
13 need more staff, but it seems to me that you
14 clearly do. I would love to find a way to
15 see that happen.

16 MR. CHITTY: I appreciate the
17 comment, Legislator Rhoads, as you can see,
18 my biggest focus right now is on the 2021
19 budget. We do have a staffing increase
20 there including the assistance of an
21 attorney that will help us with the contract
22 compliance which is a huge portion of what
23 our charter mandates us to do.

24 We will also be looking at a
25 program coordinator to assist us in other

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2 items specifically with the certification
3 processes and also with specific outreach.
4 And, Dr. Williams, do you want to add
5 anything to that?

6 As I said, specifically, looking
7 at the 2021 budget, I'm not aware of
8 anything further than that as far as my
9 office is concerned.

10 LEGISLATOR RHOADS: I'm looking
11 at the summary and I see no change in terms
12 of the Office of Minority Affairs' overall
13 budget for the next four years.

14 It seems as though based on the
15 hearings that you probably needed about 12
16 or 13 staff people total, and I see it's
17 increasing from seven to eight but it's to
18 my mind woefully inadequate for what you are
19 charged to do and what your office needs to
20 do in order to be fully functional in my
21 opinion.

22 MR. CHITTY: No problem. Thank
23 you. Always valued. We do have some
24 part-time positions that are also included
25 in there, but I understand where you're

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2 coming from and we will be work directly
3 with budget as any other challenges come to
4 the forefront and we will work directly with
5 them to make sure we can fill our specific
6 needs of our charter.

7 LEGISLATOR RHOADS: Thank you.

8 CHAIRMAN NICOLELLO: Anyone else?
9 Legislator Solages.

10 LEGISLATOR SOLAGES: Thank you
11 very much, Presiding Officer. Just usually
12 this late in the hearing, when Legislator
13 Rhoads has a long question I usually start
14 to pull my hair, but I beg to ask the
15 question I had the same exact question that
16 he asked and I thank the executive director,
17 Mr. Lionel Chitty, for his answer, but I
18 think Legislator Roads in his question, I
19 agree with the same concerns and sentiments.
20 Thank you.

21 CHAIRMAN NICOLELLO: Any other
22 legislators?

23 (No verbal response.)

24 Thank you very much and thank you
25 for your patience. I know it's been a long

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2 night.

3 MR. CHITTY: Thank you. Good
4 evening.

5 CHAIRMAN NICOLELLO: Last but
6 certainly not least is the Department of
7 Health. Before you even start, I want to
8 thank you for all that you have done through
9 this pandemic. You were an invaluable
10 resource to us. You did an extraordinary
11 job. Your daily briefings which we shared
12 with all of our residents and not only did
13 they benefit to us but for many many
14 residents in this county, the information
15 that you shared with us, the levelheaded
16 approach you shared with us, I think truly
17 helped a tremendous amount of people in this
18 pandemic. Job well done you deserve a lot
19 of credit for all that you did and you are
20 continuing to do.

21 DR. EISENSTEIN: Thank you
22 Presiding Officer Nicolello and good evening
23 to you and all the members of the
24 Legislature. It's good to see you here
25 tonight. It's been some stretch for all of

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2 us and I've had the pleasure of speaking
3 with many of you individually and as a
4 group.

5 I wanted to quickly introduce the
6 team I have here with me tonight. Shelly
7 Schechter, director of maternal child
8 health, should there be any question
9 regarding early intervention and preschool.
10 She's been running the program for many many
11 years. Jerry Guliano, our public health
12 attorney, Dineen Jenkins, our fiscal
13 director, and MaryEllen Laurain, everybody's
14 favorite press officer and legislative
15 liaison, and I wanted to thank you for the
16 kind words Legislator Nicolello, but I also
17 want to share that the health department
18 from the first call that we got on Superbowl
19 Sunday, February 2nd, when the first
20 traveler was going to be needed to be
21 quarantined, when that first call came in,
22 it's been around the clock for our team
23 since that date February 2nd. I will never
24 forget that as long as I live.

25 The team has done an amazing job.

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2 I am very lucky to have the position I'm in
3 because the leaders in the Department of
4 Health, they don't complain.

5 This is why you have a public
6 health department. We in public health
7 train for these scenarios. We pray they
8 never happen.

9 I get asked frequently, am I
10 totally surprised. Well, we're surprised
11 because historically we haven't seen
12 something this dramatic but we know this can
13 happen and the health department has
14 responded incredibly well.

15 Our call center continues to
16 operate. We are assisting our schools at an
17 unprecedented level and we've created direct
18 lines for school administrators and
19 separately for school medical personnel. So
20 we are very proud.

21 I stand before you at this
22 legislative hearing happy to say that this
23 budget gives us what we requested and there
24 is a point in it that it points out that our
25 2021 budget has a head count that's

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2 equivalent to an increase of 25 head count
3 which brings us to the historical level of
4 18.

5 That's what we requested because
6 that's what we felt we needed to accomplish
7 this, and all the public health work that we
8 are going to continue to do long after COVID
9 is done.

10 I'm very grateful when I've
11 needed resources throughout all of this.
12 I've received the resources I've needed.

13 We have been helped out by the
14 budget office, by the administration, and
15 all of this has come together very well.
16 The contact tracing program is working very
17 well. We have a very good relationship with
18 them.

19 We have received a grant from the
20 state to help us with disease investigation,
21 and the staff for the most part has done a
22 spectacular job.

23 So I'll save the time for any
24 questions that you might have but I'm very
25 proud of how the health department has done

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2 and I'm very comfortable with the budget
3 that's being presented to you.

4 CHAIRMAN NICOLELLO: Thank you.
5 Any questions or comments from the
6 legislators? Legislator DeRiggi-Whitton.

7 LEGISLATOR DERIGGI-WHITTON: Hi,
8 Dr. Eisenstein. God forbid we get a second
9 wave, do you feel that our hospitals are
10 prepared with PPEs and enough tests in
11 Nassau County that we will be ready?

12 DR. EISENSTEIN: Yes. And we are
13 lucky to be in Nassau County and, quite
14 frankly, while testing capacity was a
15 problem in many places in the country and in
16 the state, we did pretty well from the
17 beginning with testing capacity.

18 We have an incredible health care
19 infrastructure. Our hospital systems are
20 the best in the world. Many of them have
21 their own laboratories.

22 Northwell, for example, was up
23 and testing within a couple of days of this
24 starting. The Jones beach testing site was
25 opened very quickly. The federally

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2 qualified health center was a great partner
3 in helping us reach populations that needed
4 an extra boost to be able to access care, if
5 they couldn't get to Jones beach or
6 Northwell and they became a partner, set up
7 tents for us that we did excellent testing.

8 So, throughout all of this, in
9 Nassau County, and I'm on calls with all the
10 other county health departments and their
11 commissioners and the directors and the
12 state health department and I hear the
13 stories where there's no place to get
14 testing within 50 miles or 80 miles or
15 whatever it is. We didn't have that.

16 I think that our hospitals were
17 as well prepared as any could be anywhere
18 and now all these months and experience and
19 knowledge into it.

20 I hope we won't see a second wave
21 as we fear it. I think as we move inside
22 you might see numbers creep up, but that's
23 very different than getting anything to
24 remotely close to what hit us back in March
25 and April and I hope we are smart enough now

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2 to avoid that and our hospitals are
3 prepared.

4 CHAIRMAN NICOLELLO: Anyone else?
5 Legislator Walker and Schaefer.

6 LEGISLATOR WALKER: I first just
7 want to thank you too for all you did for
8 all of the residents of Nassau County, and
9 certainly for all of us and sometimes you
10 had to field questions that didn't
11 necessarily strictly pertain to you but you
12 were sort of our contact and our go to
13 person. You always listened and always gave
14 us the best answer you could.

15 Just being there to listen to
16 every one of us and giving us advice for all
17 our residents. You took phone messages,
18 text messages and tried to get back to each
19 and every one of us as soon as you possibly
20 could which was really such a benefit to all
21 our residents. I thank you for that.

22 My question really is in regards
23 to our early intervention services that, you
24 know, expenses are going up there. Are we
25 concerned that we might not have the money

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2 budgeted for all those expenses that we have
3 to incur with our early intervention?

4 I'm concerned now with we could
5 even have additional expenses if more people
6 come to light especially after this whole
7 COVID crisis?

8 DR. EISENSTEIN: So the early
9 intervention and preschool programs which
10 fall under the division of maternal child
11 health, there are different programs for
12 different agencies.

13 The early intervention program is
14 from zero to three. The preschool program
15 is up to five. That is where you're seeing
16 the big jump in preschool.

17 Early intervention the costs are
18 actually going down. It's preschool where
19 the costs have gone up. We have done an
20 analysis of that and we understand why that
21 is. There are more children being served.
22 That's part of it.

23 The other part of it is that the
24 program in the last few years has shifted
25 dramatically to what we call center based

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2 programs which are all day intensive
3 programs which run about double what the
4 former programs used to be.

5 So, on average, the program runs
6 about 45 to \$47,000 a year per child,
7 whereas what they used to get, partial day
8 service or whatever, was 18 to \$20,000.

9 This has been a shift that's been
10 seen all around the state. We understand
11 why the costs have gone up. To answer your
12 question, we think that there is definitely
13 the opportunity all the counties are dealing
14 with this. This is a state wide problem and
15 there is a definitely an opportunity for
16 cost savings.

17 We have learned some things
18 during this. We have learned that some
19 treatments, not all of them, but some
20 therapies can happen via telehealth. You
21 see the cost for transportation.

22 Just transportation alone is
23 millions of dollars. We think that there
24 are opportunities for savings. The Chief
25 Deputy County Executive has asked for a task

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2 force to be put together to advocate for
3 savings and legislation.

4 I think there is an appetite for
5 that because these programs, and the
6 preschool program alone runs over \$100
7 million of our budget. Every county is
8 dealing with it.

9 So I think that we recognize it's
10 going up. We work with the budget office.
11 The budget that we've asked for is what we
12 consider to be the fiscal worse case
13 scenario.

14 So it's possible that there won't
15 be 365 days of in-person school but, even if
16 there is, the budget that we have is meant
17 to cover that with the understanding that we
18 think there is an opportunity for reworking
19 some of the programs and never to deny
20 services.

21 It's the most important thing to
22 insure that our children are served but we
23 think there are ways to bring the costs
24 down.

25 LEGISLATOR WALKER: I thank you

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2 for that and I thank you for all that we do
3 for our early intervention.

4 DR. EISENSTEIN: Thank you.

5 LEGISLATOR WALKER: Our younger
6 ones and our preschool, because I know many
7 people who have children with special needs,
8 and once they come out of our services here
9 with that, children really are not getting
10 the services they need throughout COVID and
11 even now the kids are back in school,
12 students that had five days a week in school
13 now have two, and it's very -- and your
14 heart breaks for them because it's hard
15 enough when you have a child without special
16 needs, but when you know that you have a
17 child that needs all these services that
18 aren't getting them.

19 So I thank you so much for all
20 you are doing for at least our little ones.

21 DR. EISENSTEIN: Thank you. And
22 Shelly Schechter is one of the strongest
23 advocates for the programs and for the
24 children with special needs. So they have a
25 strong advocate leading the charge in our

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2 department.

3 LEGISLATOR WALKER: Well, I thank
4 you Shelly and I thank every one of you for
5 all you have done throughout COVID and what
6 you do for us always. So thank you.

7 CHAIRMAN NICOLELLO: Legislator
8 Schaefer and then Legislator Ferretti.

9 LEGISLATOR SCHAEFER: Hi,
10 Commissioner. I have just a couple of
11 questions for you.

12 I noticed a couple of payroll
13 related changes and I'm wondering if that's
14 probably similar to some of the other
15 departments I questioned, maybe it's
16 contracts being considered, contract
17 increases.

18 So I will just throw out to you,
19 there were some seasonal positions for
20 public health aides 2, and it looked like to
21 me the staffing would remain at 19, but the
22 salaries increased from 119 to 380.

23 Do you know if that's just OMB
24 changes based on the contracts?

25 MS. JENKINS: Dineen Jenkins,

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2 Fiscal, fiscal director. Yes, part of it is
3 OMB. I think part of it. It was supposed
4 to end in the summer, staying on to help.

5 DR. EISENSTEIN: So the seasonal
6 programs, we have some seasonal jobs that we
7 do during the summer because we have extra
8 work that we do in the summer. It's our
9 busy time. Like mosquito collection, et
10 cetera.

11 We felt that we needed help in
12 responding to COVID and got permission to
13 extend them. So that's part of it.

14 LEGISLATOR SCHAEFER: Another one
15 that may be similar, not seasonal. It's
16 public health nurse one, there was a change
17 for that as well. There were about two
18 heads that were at 141,000 each for 2020,
19 five, and 446,000 for 20201, which comes to
20 an approximate increase of \$20,000 per head.
21 Does that sound about right for some sort of
22 salary increase?

23 MS. JENKINS: Yes.

24 LEGISLATOR SCHAEFER: Those are
25 also like CSE employees, union?

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2 MS. JENKINS: Yes.

3 LEGISLATOR SCHAEFER: And then
4 one other question I have relative to
5 license and permit fees.

6 The year to date for August or up
7 to August 2020 was approximately like \$3.8
8 million annualized.

9 If you went through the rest of
10 the year, that would probably work out to
11 probably about \$5.6 million.

12 I see that you only projected for
13 like 4.6. Is that because of COVID, were
14 there less inspections or less people
15 getting their permits renewed? Can you
16 clarify that?

17 DR. EISENSTEIN: It's a bunch of
18 factors. There aren't less inspections. If
19 anything, there are more inspections. But
20 they are different. They're geared more
21 towards COVID compliance.

22 We had a lot of restaurants that
23 were closed for an extended period of time
24 and a lot of our people who do our
25 inspections, one of the things that our

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2 department did really well was prioritize
3 and our staff was to flexible, and so
4 inspectors, when restaurants were closed
5 were serving the role of doing quarantine
6 checks and that kind of thing. There is no
7 revenue in that but it's required work.
8 That is part of it.

9 Not all the restaurants survived
10 unfortunately. We projected and we hope
11 that many of them will come back.

12 I think that the projection is
13 reasonable based on underlying
14 circumstances.

15 LEGISLATOR SCHAEFER: I was
16 thinking also just because things were shut
17 down for some months.

18 DR. EISENSTEIN: Yes.

19 LEGISLATOR SCHAEFER: That's all
20 that I have. Thank you.

21 CHAIRMAN NICOLELLO: Legislator
22 Ferretti.

23 LEGISLATOR FERRETTI: Thank you,
24 Rich. My question was already covered but I
25 do want to thank you, Dr. Eisenstein, you

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2 and your team you really did an exceptional
3 job. You were always there to answer the
4 phone, working 24 hours a day. It was
5 really recognized I'm sure by all of us up
6 here.

7 So thank you all for what you
8 did. I see Jerry Guliano back there and I
9 haven't had the opportunity to meet him yet.
10 I've spoken to him over the phone in the
11 last decade probably a handful of times and
12 he's always been very helpful. So really
13 God bless all of you.

14 DR. EISENSTEIN: I'm very lucky
15 to have Jerry. He's the best. Thank you.

16 CHAIRMAN NICOLELLO: Any other
17 legislators?

18 (No verbal response.)

19 Thank you very much. Appreciate
20 it. I will close the hearing. Thank you.

21 (Whereupon, the Full Legislative
22 Budget Committee hearing adjourned at 11:10
23 p.m.)

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C E R T I F I C A T E

I, FRANK GRAY, a Shorthand Reporter and
Notary Public in and for the State of New
York, do hereby stated:

THAT I attended at the time and place
above mentioned and took stenographic record
of the proceedings in the above-entitled
matter;

THAT the foregoing transcript is a true
and accurate transcript of the same and the
whole thereof, according to the best of my
ability and belief.

IN WITNESS WHEREOF, I have hereunto set
my hand this 9th day of October, 2020.

FRANK GRAY