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NASSAU COUNTY LEGISLATURE

RICHARD NICOLELLO
PRESIDING OFFICER

LEGISLATIVE SESSION

County Executive and Legislative Building
1550 Franklin Avenue
Mineola, New York

Monday, March 8, 2021
10:10 A.M.

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

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4 LEGISLATOR RICHARD J. NICOLELLO

5 Presiding Officer

6 9th Legislative District

7

8 LEGISLATOR HOWARD KOPEL

9 Deputy Presiding Officer

10 7th Legislative District

11

12 LEGISLATOR DENISE FORD

13 Alternate Presiding Officer

14 4th Legislative District

15

16 LEGISLATOR KEVAN ABRAHAMS

17 Minority Leader

18 1st Legislative District

19

20 LEGISLATOR SIELA BYNOE

21 2nd Legislative District

22

23 LEGISLATOR CARRIE SOLAGES

24 3rd Legislative District

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3 LEGISLATOR DEBRA MULE

4 5th Legislative District

5

6 LEGISLATOR C. WILLIAM GAYLOR III

7 6th Legislative District

8

9 LEGISLATOR VINCENT T. MUSCARELLA

10 8th Legislative District

11

12 LEGISLATOR ELLEN BIRNBAUM

13 10th Legislative District

14

15 LEGISLATOR DELIA DERIGGI-WHITTON

16 11th Legislative District

17

18 LEGISLATOR JAMES KENNEDY

19 12th Legislative District

20

21 LEGISLATOR THOMAS MCKEVITT

22 13th Legislative District

23

24 LEGISLATOR LAURA SCHAEFER

25 14th Legislative District

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3 LEGISLATOR JOHN FERRETTI, JR.

4 15th Legislative District

5

6 LEGISLATOR ANDREW DRUCKER

7 16th Legislative District

8

9 LEGISLATOR ROSE WALKER

10 17th Legislative District

11

12 LEGISLATOR JOSHUA LAFAZAN

13 18th Legislative District

14

15 LEGISLATOR STEVEN RHOADS

16 19th Legislative District

17

18 MICHAEL PULITZER

19 Clerk of the Legislature

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1 Full - 3-8-21

2 LEGISLATOR NICOLELLO: Let's get
3 started. I'd invite Legislator Kennedy to
4 lead us in the Pledge of Allegiance.

5 Mike could you call the roll
6 please.

7 MR. PULITZER: Yes, sir. Will
8 do. Roll call. Deputy Presiding Officer
9 Howard Kopel.

10 LEGISLATOR KOPEL: Here.

11 MR. PULITZER: Alternate Deputy
12 Presiding Officer Denise Ford.

13 LEGISLATOR FORD: Here.

14 MR. PULITZER: Legislator Siela
15 Bynoe. She's on her way. Thank you.
16 Legislator Carrie Solages. We will come back
17 to them. Legislator Debra Mule.

18 LEGISLATOR MULE: Here.

19 MR. PULITZER: Legislator C.
20 William Gaylor the Third.

21 LEGISLATOR GAYLOR: Present.

22 MR. PULITZER: Legislator Vincent
23 Muscarella. Legislator Ellen Birnbaum.

24 LEGISLATOR BIRNBAUM: Here.

25 MR. PULITZER: Legislator Delia

1 Full - 3-8-21
2 DeRiggi-Whitton.
3 LEGISLATOR DERIGGI-WHITTON:
4 Here.
5 MR. PULITZER: Legislator James
6 Kennedy.
7 LEGISLATOR KENNEDY: Here.
8 MR. PULITZER: Legislator Thomas
9 McKevitt.
10 LEGISLATOR MCKEVITT: Here.
11 MR. PULITZER: Legislator Laura
12 Schaefer.
13 LEGISLATOR SCHAEFER: Here.
14 MR. PULITZER: Legislator John
15 Ferretti.
16 LEGISLATOR FERRETTI: Here.
17 MR. PULITZER: Thank you John.
18 Legislator Arnold Drucker.
19 LEGISLATOR DRUCKER: Here.
20 MR. PULITZER: Legislator Rose
21 Marie Walker.
22 LEGISLATOR WALKER: Here.
23 MR. PULITZER: Legislator Joshua
24 Lafazan.
25 LEGISLATOR LAFAZAN: Here.

1 Full - 3-8-21

2 MR. PULITZER: Legislator Steven
3 Rhoads.

4 LEGISLATOR RHOADS: Present.

5 MR. PULITZER: Minority Leader
6 Kevan Abrahams.

7 LEGISLATOR ABRAHAMS: Here.

8 MR. PULITZER: Presiding Officer
9 Richard Nicolello.

10 LEGISLATOR NICOLELLO: Here.

11 MR. PULITZER: Let me try one
12 more time.

13 LEGISLATOR NICOLELLO: Legislator
14 Muscarella is not joining us today.

15 MR. PULITZER: Legislator Carrie
16 Solages. And Legislator Siela Bynoe. She
17 will be attending; is that correct?

18 LEGISLATOR DERIGGI-WHITTON: I
19 believe she's in the building.

20 MR. PULITZER: Thank you very
21 much and we have a quorum sir.

22 LEGISLATOR NICOLELLO: Today's
23 hearing is with respect to the CARES Act. The
24 history of 2020 expenditures under the CARES
25 Act. Obviously there's news this weekend with

1 Full - 3-8-21

2 respect to additional relief funds from the
3 federal government. I guess we can touch on
4 that briefly touch but it is to focus on the
5 administration's expenditures during 2020 with
6 respect to the CARES Act funds. I don't have
7 a statement to read. I think it's more
8 beneficial to hear the administration's
9 presentation and then save as much time as
10 possible for the legislators questions. I'm
11 not sure who is going to lead things off but I
12 will offer it up to you guys. When you speak
13 at the outset just state your name for the
14 record.

15 MR. BRODERICK: Paul Broderick.
16 Legislators, good morning. I believe you all
17 received copies of this morning's
18 presentation. If not, let us know and we will
19 get that to you right now.

20 Thank you for affording us the
21 opportunity to discuss how we allocated
22 various CARES funding. Introduction of the
23 panel we have Kevin Crean is director of
24 Office of Community Development. Inspector
25 William Field of the police department.

1 Full - 3-8-21

2 Director of the budget Andy Persich and Deputy
3 director Phil Wasserman. And I believe Dr.
4 Larry Eisenstein is joining us remotely.

5 If you go to page two of the
6 presentation here's the agenda as we laid it
7 out. Nassau County COVID-19 response and
8 recovery of funding source overview. Second
9 part will discuss FEMA reimbursements, testing
10 and vaccinations, PPE. And then part three is
11 the CARES Act funding. US Department of
12 Housing and Urban Development, Coronavirus
13 Relief Fund and other grant spending. Bear in
14 mind the CARES Act is basically various
15 funding sources within that umbrella act.

16 If you could please respectfully
17 hold any questions until the end make it would
18 just make it a little bit easier on us.

19 Turn to page three. Nassau County
20 COVID-19 response and recovery.

21 As you recall, on January 31, 2020
22 President Trump declared a national public
23 health emergency. Then subsequent to that, on
24 March 13th, the president declared a national
25 disaster for COVID-19 under the Stafford Act

1 Full - 3-8-21

2 which established FEMA reimbursement for
3 public assistance grants.

4 Responding to the COVID-19 outbreak
5 and its impact on the economy, public health,
6 state and local governments, individuals and
7 businesses, Congress passed the CARES Act, a
8 sweeping piece of the legislation that among
9 other things, allocated funding through the
10 various sources. Housing and Urban
11 Development, Federal Transit Administration,
12 Department of Justice, Health and Human
13 Services and the US Department of Treasury.

14 On March 13th a nationwide
15 emergency was declared invoking the Stafford
16 Act which allowed public assistance from the
17 Federal Emergency Management Agency, FEMA.

18 Turning to page four. This is a
19 very fluid situation with FEMA. Initially --

20 LEGISLATOR NICOLELLO: I don't
21 mean to interrupt you but I don't know if the
22 legislators and other tuning in remotely can
23 see your presentation. Kevin, I don't know if
24 you can put that up on the screen.

25 MS. HORST: I emailed it out this

1 Full - 3-8-21

2 morning, a little while ago, to all of the
3 members on the Microsoft Team. If someone
4 doesn't have it please let me know and I will
5 forward it.

6 LEGISLATOR NICOLELLO: We could
7 also put it up on that screen if Kevin can do
8 it. Go ahead Paul.

9 MR. BRODERICK: Yes, sir. FEMA
10 expenses. Bear in mind the initial period is
11 six months normally. So, it would have been
12 from when the declaration was declared on
13 March 20th would have run six months through
14 September 20th. More recently it was extended
15 indefinitely due to the uncertain nature of
16 the duration of the pandemic and efforts to
17 remediate. Initially the county match was 25
18 percent. Whatever we sought in reimbursement
19 we would have to cover 25 percent of the
20 cost. And then that was recently removed by
21 President Biden on January 21st. So now it's
22 100 percent covered by the federal
23 government.

24 As you can see from the chart, in
25 total currently we were seeking \$26 million in

1 Full - 3-8-21

2 recovery. Which is basically broken down into
3 a couple of categories. COVID-19 testing and
4 contact tracing, medical expenses, payroll for
5 public health and safety employees, personal
6 protection equipment, PPE, public health
7 expenses and vaccinations. Now, the
8 vaccination figure there for \$3 million is
9 merely an estimate at this point in time
10 because, once again, we don't know how long
11 it's going to take to inoculate all the
12 residents in Nassau County.

13 Please turn to page number five.
14 COVID-19 testing. Throughout the pandemic.
15 Nassau County funded the operation of COVID-19
16 viral and antibody testing sites in hot spots
17 and hardest hit impacted communities. Nassau
18 funded testing sites ran by federally
19 qualified health centers, FQHC, Northwell
20 Health and Mount Sinai South Nassau Community
21 Hospital. As of third of March, over 14,000
22 viral and antibody tests had been administered
23 to residents from FQHC testing sites funded by
24 Nassau County. Testing continues to be
25 instrumental in containing the virus and

1 Full - 3-8-21

2 protecting communities of color. With testing
3 and education, Nassau County brought the high
4 rates of transmission down considerably. On
5 the right-hand side you can see the various
6 locations of those testing facilities.

7 Moving on to slide number 6.

8 COVID-19 vaccines. Nassau County Department
9 of Health runs three vaccine distribution
10 centers located at the following sites.
11 Nassau Community College, the Yes We Can
12 Community Center in Westbury and LIU Post. As
13 of March 3, 2021 Nassau County Department of
14 Health has administered over 40,000 vaccines
15 and the breakdown by priority groups is listed
16 there. On the right-hand side you can see the
17 percentage of population with at least one
18 vaccination dose.

19 Nassau is amongst the highest.
20 This was based on information provided by the
21 New York State COVID-19 vaccine tracer now as
22 of March 4th.

23 Slide number 7. That indicates how
24 much PPE the county had purchased over the
25 last I guess several months, 12 months.

1 Full - 3-8-21

2 Roughly one point -- a little north of just
3 about 1.7 million items were purchased,
4 primarily in masks, gloves, personal
5 protective equipment, and which was
6 distributed to not-for-profits and hospitals.
7 That was coordinated by Office of Emergency
8 Management and assisted by the police
9 department, DPW and various other county
10 agencies to countywide organizations.

11 Please turn to slide number 8. The
12 CARES Act allocated monies to various federal
13 entities. Department of Justice, Center for
14 Disease Control, Health and Human Services,
15 Housing and Urban Development. The COVID-19
16 relief grants established the Coronavirus
17 Relief Fund. That fund is an umbrella which
18 encompasses funding for those other various
19 agencies. They are unique funding streams.

20 Nassau County utilized available
21 funding sources to account for expenditures
22 related to COVID-19 response and recovery
23 efforts deployed countywide.

24 Presentation will review these
25 funding sources according to three major

1 Full - 3-8-21

2 categories and once again they are unique
3 funding streams. US Department of Housing and
4 Urban Development, Coronavirus Relief Fund and
5 other grants spending. The CARES Act was
6 signed on March 27th.

7 On April 15th County Executive
8 Curran submitted a request to the US Treasury
9 seeking funds for remediation of COVID. On
10 April 23rd Nassau County received \$102.9
11 million in CRF, coronavirus relief funding.
12 On May 4th, the US Treasury initially they
13 provided us with guidance as to how the money
14 can be utilized and eligibility criteria. And
15 on May 4th the treasury elaborated slightly on
16 how those funds can be used.

17 At this point we will go through
18 Housing and Urban Development. I'm going to
19 call on Kevin to make a presentation on the
20 HUD.

21 MR. CREAN: Good morning
22 legislators. I'm Kevin Crean from Nassau
23 Community Development.

24 The CARES Act included \$5 billion
25 in funding to be distributed to the Community

1 Full - 3-8-21

2 Development Block Grant Program and additional
3 funds allocated under the Emergency Solutions
4 Grants program. These are two grant programs
5 that the Office of Community Development
6 administers annually through its coordination
7 with HUD. But this was an additional \$5
8 million under CDBG COVID allocation and ESG
9 allocation as well.

10 The funding was distributed in
11 three rounds. You will see on the screen
12 there, on screen 9, Nassau County received
13 funds in rounds one and round three. Round
14 two had funding distributed directly to states
15 and territories. So, our total allocation
16 under Community Development Block Grant Covid
17 was about \$18 million and under ESG about \$15
18 million. So, just under \$33 million total.

19 Both awards required the Office of
20 Community Development to amend its fiscal year
21 2019 annual action plan and we held virtual
22 meetings, had extensive ongoing collaboration
23 with both our consortium member communities
24 and nonprofits as well as county service
25 agencies including Department of Social

1 Full - 3-8-21

2 Services, Minority Affairs, Asian-American
3 Affairs, Hispanic Affairs, veteran services,
4 senior services and others to solicit needs
5 and accept funding applications.

6 The vast majority of the funding
7 was distributed to the consortium members and
8 to nonprofit partners. The amendments were
9 also approved by the legislature on a
10 bipartisan fashion in April and in November.

11 Move to slide number ten. Some of
12 the highlights of the funding. Go first with
13 the Community Development Block Grant COVID
14 money. Was emergency food distribution,
15 including the distribution of winter clothing
16 in the colder months. Residential rent relief
17 program, employment training, mental health
18 and substance abuse counseling.

19 On the economic development side,
20 Nassau Community Development pivoted to
21 include some new programs which we had not
22 administered in the past. These included the
23 PPE distribution to county businesses to
24 assist them in reopening during the early days
25 of the pandemic. We also established a small

1 Full - 3-8-21

2 business loan program in coordination with
3 New York Forward, which is a state program.
4 And also the Restaurant Recovery Grant
5 Program, which was a model for other
6 municipalities, including New York State,
7 which decided to run a similar program after
8 our program was announced. \$2.2 million is
9 available for this effort alone.

10 I want to note at this point that
11 both the Boost Nassau Recovery Program, the
12 small business loan program, and the
13 Restaurant Recovery Grant Program both remain
14 open. So, we would like your assistance in
15 trying to get the word out on that to let the
16 restaurants and other businesses know that
17 there are still funds available. Information
18 on that can be found at the county's Reopening
19 Nassau website.

20 Moving on to slide 11. Just see
21 the highlights again of the funding grouped
22 into different categories with the amount of
23 funding allocated and the percentage of the
24 total there. Again, this is just CDBG funds.
25 The largest awards were with rental

1 Full - 3-8-21

2 assistance, economic development, emergency
3 food distribution for food banks and a
4 planning study that's noted there. The
5 planning study is the study of health care
6 disparities and the intent there is to study
7 the causes and the depth of the health care
8 disparity in the minority community and to
9 help identify actions the county can take in
10 the future to help close this gap.

11 On the economic development and
12 rental assistance, again, this was something
13 that was not done before. Our office tried to
14 be nimble and try to develop programs to
15 address those areas of greatest need.
16 Economic development is something that we
17 expect to continue in the future. This is
18 something that many of our consortium members
19 have expressed an interest for. Rather than
20 fund individual programs in different
21 consortium member communities, decided to do
22 this on a countywide basis so that businesses
23 all over the county can benefit. Again, the
24 future funding will not be COVID restricted.
25 It will be open to all businesses. That's

1 Full - 3-8-21

2 something we are looking to continue.

3 Moving on to slide 12. You see the
4 listing of municipalities that received direct
5 funding allocations of block grant funds under
6 the COVID allocation. Several other
7 communities identified activities that were
8 funded directly so that they don't show up
9 here. Instead they show up on the nonprofit
10 list. This would include Westbury, who
11 requested funding for three local food banks.
12 We instead decided to contract directly with
13 those food banks. And again, several
14 consortium members expressed a need for
15 economic development in their communities
16 specifically for those businesses who were
17 hardest hit by the COVID pandemic. This is
18 why the county decided to establish the
19 Restaurant Recovery Grant Program.

20 Moving on to slide 13. You see the
21 nonprofit highlights there. We actually
22 funded I believe 27 individual nonprofits.
23 The largest being Community Development
24 Corporation of Long Island, which is running
25 the rental assistance program for us.

1 Full - 3-8-21

2 Distribution of funds in that program began
3 just last week. And under the Restaurant
4 Recovery Program it's \$2.2 million available
5 for actual grants. \$700,000 has been issued
6 already.

7 Next is federally qualified health
8 centers. That funding is for outreach,
9 marketing and medical care for high risk low
10 income individuals. They're also focusing
11 their efforts on residents of group homes and
12 homeless patients at designated isolation
13 sites.

14 The Nassau Community College
15 funding for scholarships for low income
16 individuals in several health care related
17 programs. This will help to address the
18 future needs of the county. The COVID funding
19 has to be used to prevent, prepare for and
20 respond to the coronavirus. This is one
21 category that will help us prepare for future
22 pandemics should they occur.

23 Next on to slide 14. Just a list
24 of those agencies that were assisting with the
25 emergency food distribution. There are 16

1 Full - 3-8-21

2 nonprofits listed with their individual
3 funding allocations. The largest two being
4 Island Harvest and Long Island Cares. Much of
5 this food distribution continues as we speak.

6 There are several other nonprofits
7 that worked directly with Island Harvest and
8 Long Island Cares that are not shown here but
9 received assistance from those two agencies to
10 meet this extreme demand for food.

11 Moving on to slide 15. Just the
12 highlights of the Boost Nassau Program which
13 includes a couple of other smaller economic
14 development-related activities. The largest
15 being or the most focused being the small
16 business loan program. But also the
17 distribution of PPE kits to those businesses
18 that I referenced earlier. One thousand
19 businesses received the PPE kits. \$400,000
20 was utilized to purchase those kits. That
21 included hand sanitizer, masks, thermometers
22 and the like.

23 The Office of Community Development
24 worked with Nassau County IDA and its local
25 economic assistance corporation to move these

1 Full - 3-8-21

2 funds out. We also contracted with the
3 National Development Counsel for both the
4 Boost Nassau small business loan program and
5 the Restaurant Recovery Grant Program.

6 Of the \$250,00 in Community
7 Development Block Grant funds that we
8 contracted with National Development Counsel
9 that helped capitalize a community impact loan
10 fund, which is managed by NDC, to secure up to
11 \$10 million in loan capital for Nassau County
12 businesses. Of that \$1.4 million is already
13 closed as of last week on loans and 80 percent
14 of those loans were for businesses owned by
15 minority or women-owned businesses.

16 Moving on to slide 16. Just a
17 graphic representation of the Restaurant
18 Recovery Program. You see the heat map there
19 of the distribution of restaurants throughout
20 the county. 173 restaurants as of last week
21 have already been approved for funding and
22 more than \$1.3 million has been committed.
23 More than half of the \$1.3 million has been
24 distributed already as of last week.

25 Again, I want to point out that

1 Full - 3-8-21

2 this program remains open. While there are
3 restaurants that are entering the portal every
4 day, we can still use help in getting the word
5 out. I'd appreciate your help on that.

6 Moving on to slide 17. We'll
7 switch over to the Emergency Solutions Grant
8 Program. The ESG program is a more focused
9 program. The funds must be used in several
10 distinct categories and also prevent, prepare
11 for and respond to coronavirus. Again, this
12 is a program that we manage annually but we
13 have changed some of the use of the funds to
14 address specifically the COVID needs.

15 Over 95 percent of the funds have
16 already been allocated to six program areas.
17 I want to point out the largest one which is
18 homeless prevention. This program is designed
19 to keep people in housing. Renters
20 essentially. The program is designed to pay
21 rent arrears and utility arrears for those who
22 are at risk of becoming homeless.

23 Part of the requirements of the
24 program is a requirement of HUD is that those
25 persons demonstrate that they're at risk of

1 Full - 3-8-21

2 being homeless through an eviction notice.

3 The eviction moratorium that has been in place

4 for multiple months now has meant that no one

5 has been able to qualify for that funding.

6 While we have \$4 million dedicated to that

7 program we have not been able to utilize any

8 of it as of yet. We do expect heavy demand

9 once that moratorium is lifted.

10 Moving on to the next slide. There

11 are 17 nonprofit agencies that are working

12 with us along with DSS, Nassau County DSS and

13 our own office to help deliver these

14 services. You'll see the different categories

15 of funding there. Homeless shelters and

16 operations and services, street outreach for

17 the homeless, homeless intervention, rapid

18 rehousing. Rapid rehousing is designed to

19 assist those persons who have experienced an

20 incidence of homelessness. The intent is to

21 get them back into housing as soon as possible

22 and then deal with their other issues which

23 could include mental health, loss of job or

24 substance abuse.

25 Administration and Continue with

1 Full - 3-8-21

2 Care Support. The Continue with Care Support
3 is essentially for HUD reporting purposes. So
4 that is managed by the Long Island Coalition
5 for the Homeless.

6 That concludes my portion of the
7 presentation. I'll turn it back over to Paul
8 Broderick.

9 LEGISLATOR NICOLELLO: Just note
10 for the record that Legislator Muscarella and
11 Legislator Schaefer have joined us.

12 MR. BRODERICK: On slide 19 it
13 discusses the Coronavirus Relief Fund federal
14 guidance. So, US Department of Treasury
15 guidance language. And I quote, The fund is
16 designed to provide ready funding to address
17 unforeseen financial needs and risks created
18 by the COVID-19 public health emergency.

19 For this reason, as a matter of
20 administrative convenience in light of the
21 emergency nature of this program, the state,
22 territorial, local or tribal government may
23 presume that payroll costs for public health
24 and public safety employees are payments for
25 services substantially dedicated to mitigating

1 Full - 3-8-21

2 or responding to the COVID-19 public health
3 emergency. That was issued on May 4, 2020
4 from the US Treasury.

5 Then subsequent to that, on
6 September 9th, the Treasury offered additional
7 guidance and I quote, Treasury is
8 supplementing this guidance to clarify that
9 public safety employees would include police
10 officers, sheriffs, deputy sheriffs, fire
11 fighters and emergency medical responders,
12 correctional and detention officers and those
13 who directly support such employees such as
14 dispatchers and supervisory personnel.

15 As I mentioned, that was guidance
16 from the US Treasury issued on September 9th.

17 Going to slide 20. This is a
18 breakdown of the \$102.9 million of where the
19 county actually spent the money if you will.
20 The treasury department, we had to report our
21 spending to the US Treasury. That started in
22 the first period was for the second quarter of
23 2020. So that was through March through --
24 April through June 30, 2020. We have reported
25 to the US Treasury that we were spending

1 Full - 3-8-21

2 \$102.9 million based upon the categories as
3 you can see. These were categories, not
4 financial categories. They're categories as
5 established by the US Treasury. For
6 consistency purposes, this is what the
7 treasury requested from all CRF recipients.

8 We reported we're spending the
9 money in the second quarter of 2020 and then
10 on the right-hand side of that table you can
11 see the money, where we actually spent the
12 money.

13 Once again, the \$102.9 million we
14 spent \$102.8. We didn't have the ability to
15 spend \$81,000 in monies that were allocated to
16 workman's comp expense. We didn't have any
17 expenses there. We ran out of expenses. We
18 claimed what we could.

19 But as you can see, from one period
20 to the next there weren't material changes in
21 payroll for public health and safety
22 employees. The largest item was down on the
23 bottom, all items not listed above. That was
24 going to be our FEMA contribution. We could
25 have charged that against the CARES Act. But

1 Full - 3-8-21

2 as I mentioned, initially we were saying okay,
3 here's our CARES funding. We didn't know at
4 the time it was about \$16 million in expenses
5 where we were going to submit claims for. 25
6 percent was our portion. We said 4.2 million
7 would go against CARES. But that guidance had
8 changed on January 21st of this year. So, the
9 federal government picked it up, thereby
10 freeing \$4.2 million for Nassau County. So,
11 we reallocated those funds into claims into
12 other areas. Now the federal government is
13 absorbing 100 percent of the FEMA expense.

14 Moving on to slide 21. Here are
15 the CRF funds claimed by department. As you
16 can see, based on the guidance that was
17 provided to us as we previously mentioned, 81
18 percent of the expenses were allocated to the
19 police department. Primarily towards
20 salaries. Other departments were there as
21 well who did participate in remediating
22 efforts to the county's response to the COVID
23 pandemic. This over here is just one fund
24 bear in mind. This is just the CRF fund as
25 opposed to the HUD funds and then various

1 Full - 3-8-21

2 grants that came into the county as well.

3 At this point I'm going to ask
4 Inspector Field to speak to the police
5 department's activities as they're
6 substantially dedicated. He can speak to
7 that.

8 LEGISLATOR NICOLELLO: You don't
9 have to read word for word what's on this
10 slide. Just give a sum up, sum up the
11 activities of the police department because we
12 have time limitations. Go ahead Inspector.

13 MR. FIELD: I will be very
14 brief. So, just quickly, during the height of
15 the pandemic police officers responded to
16 approximately 600 pandemic-related medical
17 emergencies. There was about 2,000 police
18 department members both sworn civilian police
19 medics, police officers and supervisors that
20 responded. The first responders, these
21 medical emergencies were different in nature
22 in that they were more strenuous and
23 difficult. A lot of times the first
24 responders had to follow the strict universal
25 precautions as well as sanitizing procedures

1 Full - 3-8-21

2 for every assignment.

3 Additionally, other units within
4 the police department had to become vital
5 supportive roles in both distributing PPE,
6 coordinating antibody testing and assisting
7 with some food distribution to those who were
8 in need.

9 That's just a very brief summary of
10 some of the measures that were taken to fight
11 the pandemic in addition to what was mentioned
12 on the slide.

13 MR. BRODERICK: Moving along to
14 slide 23. Other departments to highlight some
15 of their activities. With the fire
16 commission, distribution of PPE for the 71
17 fire departments, tracking of all pandemic
18 type calls responded to by fire departments.
19 Investigate and enforcing the governor's
20 executive orders for shutdown and enforcement
21 and reopening safely.

22 Health department. Enhanced
23 disease control COVID-19 testing oversight,
24 public information network, enforcement of
25 quarantine and isolation.

1 Full - 3-8-21

2 Information technology. Developing
3 COVID dashboard map applications for the
4 county website. Deploying mobile devices and
5 support throughout the county departments for
6 telework.

7 And Public Works. Distributing
8 PPE. Building these protective barriers.
9 Disinfecting, which is ongoing. Delivering of
10 COVID-19 supplies. Hand sanitizer
11 installation. And supporting the various food
12 drives in Nassau County.

13 Moving to slide 24. As I
14 previously mentioned, these were unique
15 funding sources underneath the entire act.
16 Other grants came into the county allowing us
17 to optimize and leverage whatever the various
18 funding streams that were coming in.

19 A few of the others to mention,
20 Federal Transit Authority \$33 million went to
21 NICE bus. Department of Justice, \$307,000
22 went for police fleet service. Assistance to
23 fire fighters grant program. This was for PPE
24 for our volunteer fire fighters. Centers for
25 Disease Control, \$844,000 went to the health

1 Full - 3-8-21

2 department for overtime and public health
3 expenses. Health and human services, \$478,000
4 went to police medic overtime. The total of
5 \$35.2 million in other funding sources.

6 Looking at slide 25. Here's a
7 broad category of where the funds came from.
8 Sources and uses. So, right now we're looking
9 at, and it's conservative, \$26.6 million in
10 FEMA reimbursement. As I previously
11 mentioned, the vaccination estimate of \$3
12 million is probably on the low side. We don't
13 know what that's going to be. But once again,
14 FEMA it's an open incident period. So we can
15 claim, if we have the eligible expenses, we
16 claim for those expenses.

17 Going against the CARES Act grants
18 you can see the various categories. Primarily
19 the biggest one would be Coronavirus Relief
20 Fund for the \$102 million. The breakdown of
21 expenses the largest piece goes to payroll for
22 public health and safety. Public health and
23 safety employees. Then economic support is
24 the next largest tranche of money for \$37
25 million. That funded a number of various

1 Full - 3-8-21

2 programs throughout the county. Not only
3 county but a lot of our not-for-profits who
4 were assisting our county residents.

5 At this point I will be turning it
6 over to Andy Persich.

7 MR. PERSICH: Good morning. Andy
8 Persich, Office of Management and Budget. I
9 will be brief. I only have two slides. On
10 slide 26 just showing you what the approved
11 2021 budget was, which was a no-tax increase,
12 no service cuts, no layoff budget. As you're
13 aware, the revenue side of the budget took a
14 pretty bad hit in 2020 and I will get to that
15 in the next slide. I wanted to show you for
16 optics what the 2021 budget looked like.

17 The preliminary operating results
18 for 2020 we just issued the report and the
19 county, despite everything that was going on,
20 managed to finished with a \$75 million
21 surplus. But again, I want you to focus on if
22 you look at the revenue side, what the county
23 lost, of the \$3.5 million in revenue we were
24 down to \$3.2 billion which is a significant
25 hit for funding programs.

1 Full - 3-8-21

2 The timeline, if you remember with
3 everything that was going on, March hit, then
4 things started to really go into a tailspin
5 which caused the sales tax to go into a tail
6 spin, which created a big impact on the
7 county's budget. And the guidance with the
8 CARES funding was very dynamic and moving all
9 different directions. So, we really didn't
10 know how we were going to be able to spend the
11 money, so it put a little -- created a big
12 void in how the county's finances were going
13 to look.

14 As a result of that, we kept moving
15 forward. We identified a transaction with
16 NIFA that was going to save the county
17 hundreds of millions of dollars. As a result
18 of that, with the bipartisan help of the
19 legislature, we were able to approve the
20 declaration of need. Which, if you look at
21 the \$75 million surplus, 60 some odd million
22 is related to NIFA and debt service savings,
23 specifically the NIFA transaction which
24 yielded a \$52 million savings in the 2020
25 operating results.

1 Full - 3-8-21

2 That being considered, I mean, if
3 we didn't have the transaction our numbers
4 would have been significantly low and they're
5 still unaudited which means that they might,
6 by the time the comptroller and the outside
7 auditors get done, might move slightly.

8 It was a very unique year
9 financially for the county as with every
10 municipality. I will say there were some
11 trying times but we were able to meet all the
12 needs that we had to to deliver services. To
13 deliver PPE equipment. To help residents.
14 Whatever we needed. It was never a no. It
15 was what we could do. But it was a lot of
16 juggling of the deck I will say. And to be
17 where we're at right now I think is not a bad
18 thing and I think it's everybody's goal I
19 think in this administration, including this
20 body, that we exit the control period with
21 NIFA as soon as possible and give it back to
22 the elected officials to handle.

23 The gateway to that is continue to
24 finish on the plus side when we're doing
25 budgets. It's a good practice to finish with

1 Full - 3-8-21

2 a surplus. Deficit is not something I want to
3 be coming to you with. But I want to make
4 sure that everybody understands that in order
5 to get out of the control period it was a
6 little painful to get there, a little lucky,
7 but I think we're on the glide slope in the
8 near future to exit it at some point.

9 So, I will be here to answer any
10 other questions you may have. I will short
11 and brief and that's all I got for you.

12 LEGISLATOR NICOLELLO: Thank you
13 for the presentation. Inspector Field I
14 apologize for cutting you off a little bit but
15 I appreciate you summing up. Obviously we had
16 the information.

17 MR. FIELD: I totally understand.

18 LEGISLATOR NICOLELLO: I'd like
19 to note for the record also that Legislator
20 Bynoe had joined us in the process of the
21 presentation.

22 First thing I would like to say is,
23 and this was raised in my mind, part of the
24 presentation, is the absolute heroic efforts
25 on the part of many of our, many, many, many

1 Full - 3-8-21

2 of our county employees, police department to
3 the fire marshals to the health department,
4 DPW you mentioned but across the spectrum they
5 were absolutely heroic in terms of their
6 efforts and during this pandemic and I wanted
7 to express our gratitude to them as well.

8 We also appreciated your reference
9 to the HUD funds that were received and the
10 various programs that were developed as a
11 result of that. I think the issue that we're
12 having is that there were other opportunities
13 for increasing and enhancing those programs.
14 Specifically I wanted to focus on the
15 Coronavirus Relief Funding. Approximately
16 \$103 million. You included guidance with
17 respect to expenditure of those funds with
18 respect to payroll. I'm assuming there was
19 other guidance, there were other purposes that
20 you could have spent coronavirus relief funds
21 for, correct? Or was it limited to
22 reimbursing of payroll?

23 MR. BRODERICK: You had
24 substantially dedicated individuals. That was
25 part of the guidance that we followed. If the

1 Full - 3-8-21

2 individuals were performing more than 50
3 percent of their workday reacting to some
4 aspect of COVID then it was an eligible
5 expense, yes.

6 LEGISLATOR NICOLELLO: Right. I
7 think I was just acknowledging that is an
8 eligible expense for the Coronavirus Relief
9 Fund but there are other purposes that that
10 money could have been spent for, correct? It
11 was not limited to reimbursement of payroll?

12 MR. BRODERICK: Yes, sir.

13 LEGISLATOR NICOLELLO: If you
14 could just tell us of the approximately \$103
15 million in those funds how much went to
16 backfill payroll?

17 MR. BRODERICK: For salaries?

18 LEGISLATOR NICOLELLO: Yes.

19 MR. BRODERICK: \$66.7 million.

20 LEGISLATOR NICOLELLO: That was
21 the total number that was spent for salaries?

22 MR. BRODERICK: That was
23 salaries. Then fringes was 31. So, about \$98
24 million.

25 LEGISLATOR NICOLELLO: So, all

1 Full - 3-8-21

2 but \$5 million of that went to salaries,
3 correct? From the Coronavirus Relief Fund,
4 correct?

5 MR. BRODERICK: Yes, sir.

6 LEGISLATOR NICOLELLO: While all
7 of that money was going to salaries that were
8 budgeted we are winding up with a \$70 million
9 surplus at this point?

10 MR. BRODERICK: I think we have
11 to take into consideration the other \$33
12 million that came into HUD.

13 LEGISLATOR NICOLELLO: We are and
14 we acknowledge that those monies came in
15 through HUD and there were programs and I
16 think Kevin did a fantastic job. The Office
17 of Housing and Urban Development in the
18 county. I didn't say that correctly. But all
19 the county staff did an outstanding job to
20 make sure that money got distributed and the
21 leadership in those departments as well.

22 But I think we're focusing now on
23 the Coronavirus Relief Fund. The point is,
24 after spending substantially all of the
25 Coronavirus Relief Fund for salaries the

1 Full - 3-8-21

2 county ended up 2020 with approximately a \$75
3 million surplus; is that correct? Andy,
4 you're shaking your head.

5 MR. PERSICH: That's correct.

6 LEGISLATOR NICOLELLO: Why wasn't
7 some of that money spent for programs instead
8 of salaries?

9 MR. PERSICH: I guess maybe I
10 should have said this. We don't know we have
11 \$75 million yet. Because when you close the
12 year out you don't know exactly what the
13 number is going to be. So for me to tell
14 anybody that you can spend \$75 million it
15 would be dangerous part for me to disclose
16 that because we didn't know. We don't get our
17 final sales tax checks in until the subsequent
18 year and I can't move money to appropriate.
19 So the best thing we could do is finish on the
20 plus side of it and then have this money on a
21 disposal for future use. Because we don't
22 know what we don't know and where the I would
23 say the economy was trending we didn't know.

24 Plus, the guidance with the
25 Coronavirus Relief Fund was so dynamic we

1 Full - 3-8-21

2 didn't know how we were going to spend it at
3 first. Then we figured out how we could spend
4 it and it offered budgetary relief.

5 Not to reiterate, but the \$60
6 million in debt service savings, which kind of
7 materialized at the end of the year because
8 the transaction occurred in November,
9 December, there was still a lot of moving
10 parts at that point. So, I don't think we
11 could have spent that surplus even if I was
12 confident in it just based on the timing of
13 how things occurred because everything was
14 moving.

15 Hopefully the recovery and what's
16 going to come is going to be better than where
17 we're at. But we have a base for now going
18 forward to spend what the constituents may
19 need, what the county executive and this body
20 sees fit going forward to provide
21 stabilization not only to the county's
22 finances because we're still, I hate to say
23 it, in a control period, but it get us to a
24 point that puts us on better fiscal ground if
25 this thing bumps around a little bit more

1 Full - 3-8-21

2 which I don't have a crystal ball. I don't
3 think anybody does. Sorry for the long-winded
4 answer.

5 LEGISLATOR NICOLELLO: I would
6 disagree with you in terms of how the economy
7 was fairing throughout the second half of
8 2020. We've had this discussion multiple
9 times in which you insisted that the county
10 was going to finish with a negative 20 percent
11 in sales tax revenues and we, based on what
12 was happening in actual economy, actual sales
13 tax receipts, the actual projections of other
14 offices, including the comptroller of the
15 state of New York, told you repeatedly that
16 that number was unrealistic.

17 So, to say well, we really didn't
18 know, the truth of the matter is if you didn't
19 know as a budget person you should have known
20 because it was obvious that the sales taxes
21 were substantially ahead.

22 Let me get to a more pointed -- in
23 December, December 23rd, the administration
24 came to us on an emergency basis two days
25 before Christmas and said you have to approve

1 Full - 3-8-21

2 this \$20 million, I'm not sure of the correct
3 term, the \$20 million so it can be released to
4 pay payroll. At that point, on December 23rd,
5 after a full year of what was developing, you
6 chose to use CARES Act funds for payroll.
7 Whereas, it was obvious at that point sales
8 taxes were coming substantially ahead.

9 The point I'm making is, that money
10 could have been spent for a variety of
11 purposes. It didn't have to be spent for
12 payroll. To build a surplus for this
13 administration. It could have gone to pay for
14 more money for restaurants, more rent relief,
15 more PPE, more food distribution.

16 So, at that point you did not know
17 that the county was on its way to having a
18 substantial surplus in December of 2020?

19 MR. PERSICH: I couldn't
20 confidently say that we were going to have a
21 \$75 million surplus. Because if you look,
22 while we've had that discussion on sales tax,
23 some of our other revenues were down
24 significantly too. Specifically departmental
25 revenue and state aid. Our TIPVA revenues

1 Full - 3-8-21

2 went south on us because the number of people
3 driving just disappeared. That clearly was a
4 significant factor in the decline.

5 The revenue side of the equation
6 was always the problem with this budget. We
7 didn't know where we were going to land. I
8 couldn't hear -- it's better for me to finish
9 with the surplus than without a surplus
10 Presiding Officer. But I think 75 was
11 specifically related to one transaction. It
12 would have been 15 if that didn't occur.

13 So, as I said, while we probably
14 could disburse -- I don't know we could have
15 disbursed more than what we did because we
16 were getting all these funding sources and
17 procurement and everything else, timing to get
18 things out to the public probably would have
19 taken significantly longer. I don't think we
20 could have committed anything because at that
21 point we didn't know where the county's
22 finances were going to be. But we would have
23 finished with a thin margin. If it would have
24 been negative the conversation's different
25 then. We didn't have all these funding

1 Full - 3-8-21

2 sources that could help the operating budget
3 because we had to keep people in chairs and we
4 didn't want to cut services.

5 The state, until recently, it was
6 15, 20 percent reduction. Which is \$200
7 million of what we expect in aid from the
8 state. There was some federal money that came
9 in to keep the buses going.

10 Again, going forward the landscape
11 I think of the economy probably will change.
12 I'm hoping for better. But there's going to
13 be pieces of it -- ridership is down on the
14 buses. How many restaurants or vacancies we
15 have in commercial property right now. That's
16 a stat that is very interesting because that
17 kind of tells you what the current future is
18 going to hold. Then when these vacancies
19 start evaporating and moving up, then you know
20 that the economic recovery is coming that
21 way. Unemployment is still high. Still not a
22 lot of claims even though you're reading
23 numbers. I think there's still a lot of need
24 out there. I think the pathway of having a
25 surplus kind of gives us the ability to take

1 Full - 3-8-21

2 that money and spend it forward.

3 I don't think, based on the numbers
4 that I saw, that we did everything humanly
5 possible that we could to get money out to the
6 people. I can tell you when it first started
7 on those CIPRET calls that PPE was the hottest
8 topic that we could. It was unbelievable why
9 you couldn't get it. And what you were paying
10 for all the stuff was ridiculous. And now
11 we're heading into what I would call an
12 inflationary period. Which means that the
13 stuff, the cost of commodities and everything
14 else are going to increase dramatically.
15 Where health care costs land and what's going
16 to happen I don't know. This is going to get
17 expensive somewhere in the future.

18 I think the basis that we built
19 here between the administration and the
20 legislature is the county is on better fiscal
21 footing than some of our neighboring
22 partners. I can't say it any differently than
23 that but we're in a better place than where we
24 could have been.

25 LEGISLATOR NICOLELLO: You're

1 Full - 3-8-21

2 consistent in any event because you're
3 continuing to refer to all the uncertainties
4 that are out there. In December we
5 specifically told you that what you were
6 doing, the administration was doing, was
7 building a surplus to pat yourselves on the
8 back to show what a great job you did instead
9 of providing those monies in programs to
10 people who needed it in our economy.

11 But you said that surpluses are
12 used to spend it forward. What did the county
13 do with its 2019 surplus? My understanding is
14 approximately \$116 million. This is 2019.

15 MR. PERSICH: The 2019 surplus we
16 were going to use in case we had a deficit on
17 the other side of it. The plan was always a
18 plug. We had that money out there. We have
19 not spent that money yet.

20 LEGISLATOR NICOLELLO: If you're
21 saying the surplus is to spend it forward why
22 didn't the county spend its 2019 surplus in
23 the middle of a pandemic?

24 MR. PERSICH: We used that as a
25 placeholder in 2020 to see if there were any

1 Full - 3-8-21

2 additional revenue shortfalls. The only way I
3 could spend it forward would mean that when I
4 did the budget in September I would have had
5 to take the money that was in fund balance and
6 spend it forward. But I already anticipated
7 possibly using that in 2020 to cover the
8 shortages of revenue. It would have had to
9 have been done as simultaneous act with the
10 budget.

11 And you have to keep in mind, not
12 that this is a factor in where you're going
13 with this, but remember that gets used against
14 me in the NIFA gap. Which is another
15 component of it because it's a single revenue
16 source. I would have had to appropriate it.
17 I had already thought that I was going to
18 spend it at that point when I did the budget.

19 I can't spend it. But going
20 forward we would have the ability to maybe pay
21 down a future expense. Put it into a
22 reserve. Take down some of the debt that we
23 just issued. There's a whole myriad of
24 things. I don't think we've landed yet
25 because, I know I keep using uncertainty, but

1 Full - 3-8-21

2 there's a lot of things that pop up. So,
3 that's what I think going forward we have a
4 place to spend this money and relieve the
5 operating budget to pay other things with
6 those surpluses.

7 LEGISLATOR NICOLELLO: It was
8 identified as a gap closing measure all year.

9 MR. PERSICH: Yes, it was.
10 That's correct.

11 LEGISLATOR NICOLELLO: \$16
12 million. Again, the administration chose to
13 use the CARES Act funds to pay salaries. It
14 had a \$116 million surplus sitting in an
15 unrestricted fund. Could have been used to
16 pay those salary shortfalls. Freeze up the
17 money that goes into the community, number
18 one. Number two, it was obvious that sales
19 taxes receipts were well ahead of your
20 projections. It was obvious because we said
21 it from this dais that you were going to
22 finish with a surplus. The administration
23 chose to finish with a surplus in 2020 instead
24 of putting monies into the community.

25 I understand you can pat yourself

1 Full - 3-8-21

2 on your back all day but people were suffering
3 in 2020 and those monies, which were
4 available, should have been paid to assist
5 those residents who were struggling, the
6 restaurants who were struggling and I just
7 think it's inexcusable.

8 Anyone else? Legislator Ferretti.

9 LEGISLATOR FERRETTI: Thank you
10 Presiding Officer. Good afternoon gentlemen.
11 Mr. Broderick, thank you for your
12 presentation. I did see the outline here in
13 terms of money spent for testing, contact
14 tracing. Out of the CARES Act -- that's a
15 total of \$3.8 million, correct?

16 MR. BRODERICK: Which slide are
17 you referring to?

18 LEGISLATOR FERRETTI: Slide 25.
19 That's from FEMA 3.75 and then \$81,000 roughly
20 from CARES money totaling about 3.84.

21 MR. BRODERICK: FEMA category?

22 LEGISLATOR FERRETTI: No. I'm
23 talking about the COVID-19 testing and contact
24 tracing.

25 MR. BRODERICK: Yes, sir.

1 Full - 3-8-21

2 LEGISLATOR FERRETTI: So around
3 3.84 million. Is that the totality of money
4 the county spent on COVID-19 testing and
5 contact tracing?

6 MR. BRODERICK: I would say
7 that's an estimate because the 3.7 million
8 might not be all the additional expenses
9 coming in.

10 LEGISLATOR FERRETTI:
11 Approximately?

12 MR. BRODERICK: Yes.

13 LEGISLATOR FERRETTI: Does that
14 include PPE or is there another -- I see. I'm
15 sorry. That's another line down at the
16 bottom. That's another three and a half
17 million roughly, right?

18 MR. BRODERICK: Correct.

19 LEGISLATOR FERRETTI: Is that the
20 totality of money spent on PPE by the county,
21 approximately?

22 MR. BRODERICK: Approximately.

23 LEGISLATOR FERRETTI: If you add
24 those up basically you're a little bit over \$7
25 million for PPE, testing and contact tracing?

1 Full - 3-8-21

2 MR. BRODERICK: Correct.

3 LEGISLATOR FERRETTI: Can you
4 tell me what's the purpose of distributing PPE
5 and doing the testing? Is it preventive?

6 MR. BRODERICK: The PPE, as I
7 believe Andy had just mentioned, there were
8 supply chain issues initially on and I think
9 everyone experienced that in one way shape or
10 form where their supply chains broke down and
11 everyone was bidding up the costs for masks.

12 LEGISLATOR FERRETTI: Let me just
13 stop you. I'm not talking about costs.
14 Forget costs. Why are we distributing PPE?
15 Why are we testing people? Why were we?

16 MR. BRODERICK: We were testing
17 people to identify individuals who had COVID
18 to quarantine them.

19 LEGISLATOR FERRETTI: And what's
20 the point of quarantine?

21 MR. BRODERICK: I think maybe
22 Dr. Eisenstein, if he's on, he can probably
23 answer this better. I'm not a health care
24 expert.

25 DR. EISENSTEIN: Good morning.

1 Full - 3-8-21

2 LEGISLATOR FERRETTI: I don't
3 know if you heard the question but basically
4 what I'm -- I'm not trying to trick anybody.
5 It's basically a pretty straightforward
6 question. We obviously spent over \$7 million
7 of money handing out PPE, testing, contact
8 tracing. Would you agree that was to try to
9 stop the spread of the virus and saves lives?

10 DR. EISENSTEIN: Yes. Of course.

11 LEGISLATOR FERRETTI: Thank you.

12 Mr. Persich, the CARES funding that
13 was allocated to Nassau County we could have
14 used that money for COVID testing, for PPE,
15 for contact tracing, right?

16 MR. PERSICH: You're asking --
17 legislator, I can't say that definitively. I
18 would say that some of it could have been used
19 and I think some of it was used for that.

20 LEGISLATOR FERRETTI: Wait a
21 second. I'm asking if it could be. It seems
22 like we did. So I would hope that we can,
23 right?

24 MR. PERSICH: Correct.

25 LEGISLATOR FERRETTI: So we could

1 Full - 3-8-21

2 do that, right? We could have used more,
3 right?

4 MR. PERSICH: I don't remember
5 what the guidance was for that. I will defer
6 to Paul on that. But the preliminary
7 structure when it was set up was it could be
8 used for certain things and then the guidance
9 changed for public safety.

10 LEGISLATOR FERRETTI: Hold on.
11 Mr. Persich, it's a pretty straightforward
12 question. Could the CARES Act money be used
13 for COVID-19 testing, yes or no? You don't
14 know?

15 MR. BRODERICK: The answer is
16 yes.

17 LEGISLATOR FERRETTI: How about
18 PPE?

19 MR. BRODERICK: Correct.

20 LEGISLATOR FERRETTI: How about
21 contact tracing?

22 MR. BRODERICK: Yes.

23 LEGISLATOR FERRETTI: How many
24 sites did the county set up for COVID-19
25 testing?

1 Full - 3-8-21

2 MR. BRODERICK: I believe
3 Dr. Eisenstein would know that better than
4 myself.

5 DR. EISENSTEIN: There were a lot
6 of sites. Some were run by the state. Some
7 were run by us. We contracted -- when we saw
8 a need in the Five Towns we contracted with
9 South Nassau. That was the first community
10 that really we saw an uptick in. South Nassau
11 set up a testing site that we paid for at the
12 Five Towns Community Center and Garal JCC.

13 We contracted with Northwell for a
14 testing site on the North Shore and we
15 contracted with the federally qualified health
16 centers in the areas which were hardest hit by
17 COVID and those are our sites that provide our
18 primary safety net. Those were the sites that
19 we set up.

20 Jones Beach was up and it's still
21 up the entire time as a state site and there
22 were other state testing initiatives around.

23 LEGISLATOR FERRETTI:
24 Dr. Eisenstein, I remember back to about two
25 months ago, really right after the holidays,

1 Full - 3-8-21

2 standing myself on a very, very long line with
3 two impatient children to get tested. So you
4 would agree that there was a significant
5 amount of time in Nassau County where to get
6 tested you had to wait hours and hours to get
7 a test?

8 DR. EISENSTEIN: Depended on the
9 test. For people that wanted a rapid test
10 there were lines, yes. But every single day
11 there was capacity at Jones Beach. It
12 depended on what you were looking for. But
13 yes, there were certainly lines that I saw
14 them as well at some of the urgent care
15 centers.

16 LEGISLATOR FERRETTI: I know you
17 just listed a bunch of the sites but some of
18 those sites that you were naming were not
19 county sites, right? Jones Beach isn't a
20 county site.

21 DR. EISENSTEIN: Correct.

22 LEGISLATOR FERRETTI: How many
23 county-run sites at the peak of testing were
24 there?

25 DR. EISENSTEIN: The sites that

1 Full - 3-8-21

2 mentioned before. The five FQHCs as well as
3 South Nassau's site which relocated to their
4 hospital grounds and Northwell. But what
5 happened is, in November and December as
6 vaccine became available their capacity to
7 provide testing decreased. For example, the
8 Northwell site didn't end because we didn't
9 have a demand. The medical community had to
10 shift its resources to start to vaccinate. We
11 used as many sites as there was capacity in
12 the health care system to do. We didn't have
13 more capacity in our health care system to
14 increase sites at the time.

15 And you see how successful the
16 vaccination has been in the county. We're the
17 leader in the state. That's because resources
18 that had been used for testing had to shift.
19 We are at our capacity.

20 LEGISLATOR FERRETTI: I
21 understand when the vaccine became available
22 you have to shift resources. That makes total
23 sense. But there was a period of time where
24 the vaccine was not available, people were
25 looking to get tested and couldn't. Well,

1 Full - 3-8-21

2 they could but for practical purposes could
3 not.

4 So, it's somewhat alarming that we
5 had all these extra funds of CARES Act money
6 which, quite frankly, really were intended for
7 things like testing, PPE etcetera which we
8 know is intended to save people's lives. But
9 instead, we apparently decided to have a \$75
10 million left over surplus at the end of the
11 year. That's wonderful. That makes for great
12 headlines in an election year but it doesn't
13 save lives.

14 That money could have been used for
15 more PPE, could have been used for more
16 testing when people couldn't get tested. I
17 know for a fact that that was the case. I
18 know for a fact that there was never a testing
19 site set up in my district. There were
20 people, granted they can go to City MD and
21 wait fours hours in the freezing cold in the
22 rain and snow. But people don't do that.
23 They say forget it and they don't get tested.
24 Some of them probably had COVID. Some of them
25 probably spread it. Meanwhile we're sitting

1 Full - 3-8-21

2 on this stockpile of money as we all knew and
3 said and predicted and now we see the
4 results. The results are that there's a great
5 headline out there in an election year.
6 Wonderful.

7 Mr. Persich, I disagree with your
8 interpretation that a surplus is a wonderful
9 thing. Not when people are dying. We could
10 have used that money. Not when businesses are
11 dying and we could have used that money.
12 Yeah, in a regular year having a surplus and
13 spending less than you take in, wonderful.
14 This isn't a wonderful year. This is life and
15 death. And it's really sad that we were,
16 quite frankly, misled not six months ago, not
17 eight months ago when these were projections,
18 like 70 days ago you were sitting here and
19 telling us we had an emergency and had to
20 transfer \$20 million. We now know we didn't.
21 That wasn't true. We did not have an
22 emergency. We did not have to do that.

23 Just lastly, it's really not COVID
24 related but you did have it in your
25 presentation, Mr. Persich, so I want to

1 Full - 3-8-21

2 address it. The administration continuously
3 said and they put it in writing on page 26,
4 2021 no property tax increase budget.

5 Isn't it true that the budget was
6 increased -- the tax levy was increased over
7 \$9 million in 2021 with the sewer tax and the
8 general fund, isn't that true?

9 MR. PERSICH: The five major
10 operating funds did not contain a property tax
11 increase. The sewer district did have an
12 increase in it for services to provide for the
13 sewer district.

14 LEGISLATOR FERRETTI: How do you
15 pay sewer tax? How do you pay for that? Is
16 it through your property taxes?

17 MR. PERSICH: It's through your
18 property taxes.

19 LEGISLATOR FERRETTI: When you
20 say that there's no property increase that's
21 not exactly true?

22 MR. PERSICH: In the five major
23 operating funds that is true.

24 LEGISLATOR FERRETTI: You know
25 what? The people right now struggling with

1 Full - 3-8-21

2 the pandemic, the people whose businesses
3 closed down they're going believe we have a
4 \$75 million surplus who we're going to help
5 them and there's a no-property tax increase
6 budget which isn't true. Let's be honest to
7 the residents, let's be honest to this board
8 you haven't been for the last six months.
9 Let's start now. Thank you.

10 LEGISLATOR NICOLELLO: We have a
11 number of legislators who've asked to speak
12 next. Legislators Ford, Schaefer and Rhoads.

13 LEGISLATOR FORD: Good
14 afternoon. Thank you for your presentation.
15 I'm probably going to be bouncing all over the
16 place. But just on the salaries. You
17 highlighted the fact that I guess the official
18 guidance language would go to basically police
19 officers sheriffs, deputy whatever, fire
20 whatever. But yet when I look at the money
21 that you claimed for each department some of
22 them are not related to fire fighters and the
23 police. Am I just reading something wrong
24 here?

25 MR. BRODERICK: The guidance said

1 Full - 3-8-21

2 substantially dedicated. We asked a number of
3 questions of the US Treasury, county attorney
4 as well as the comptroller. Substantially
5 dedicated is saying someone in any county
6 department that's providing services if you
7 were substantially dedicated. Meaning for
8 even the first couple of months of the
9 pandemic, basically from the inception through
10 May 27th, if you were working more than 50
11 percent of your day on COVID-related
12 activities, it could be direct response such
13 as the police department, it could be in the
14 correctional center, isolating inmates that
15 just come in to maintain social distancing and
16 not to transmit the disease, it could be
17 people in constituent affairs answering
18 peoples' questions when residents call. It
19 could be a number of other individuals
20 indirectly associated with addressing the
21 pandemic.

22 DPW. It could have been
23 electricians. People erecting the plexiglass.

24 LEGISLATOR FORD: I get that.
25 Would you be able to give us that guidance

1 Full - 3-8-21

2 that it's written? Because it clearly states
3 that it's for services substantially dedicated
4 but it's for the public health and public
5 safety employees. So this is where I'm a
6 little confused. And I agree with my fellow
7 legislators that when we look at the money
8 that we spent and it's fine that we covered a
9 lot it with payroll, which we're allowed to
10 do, I'm not arguing. I would question the
11 amount of money that we allocated toward
12 payroll when we already funded a lot of these
13 positions in our budget. But for me, it's
14 when I think about the people that suffered
15 during this pandemic that it seems that we
16 covered ourselves sometimes at the expense of
17 other people.

18 Because I would like to know then
19 in regard to all of the money that we can
20 allocate and how we could have helped people,
21 I know that with the restaurant recovery,
22 which is very important, unfortunately we've
23 had a number of restaurants that have closed.
24 I wish that we could have been -- I wish more
25 were able to get the money that they needed to

1 Full - 3-8-21

2 help them through the winter and through all
3 of that. But that's just part of I guess the
4 whole problem with the pandemic and stuff like
5 that.

6 But some of the costs that, and I'm
7 asking this generally, when we look at the
8 cost of what we can do to help people during
9 the pandemic, and I know that we did a great
10 outreach I guess under Dr. Eisenstein and
11 getting people tested, I know that when
12 Legislator Ferretti talked about those that
13 stood in line for hours and I saw it in Long
14 Beach, I couldn't believe it, it was snowing
15 out and people like had a line probably there
16 two to three hours they were waiting outside.

17 For those people, though a lot of
18 that was rapid testing, and I would like to
19 know how with the PCR, which is the one
20 that -- because a lot of agencies, especially
21 those, the people, the residents, our
22 residents who worked for New York City
23 agencies they did not recognize rapid tests to
24 allow people to come back to work. They
25 required that a person get a PCR test.

1 Full - 3-8-21

2 Otherwise they wouldn't allow them. If you
3 were a police officer and you had coronavirus
4 you couldn't go get a rapid test. Or if you
5 thought you had it and couldn't go to work you
6 couldn't go and stand on line at City MD
7 because it would be a rapid test and that was
8 not recognized as a standard test. They had
9 to -- fire fighters had to get a PCR test.

10 So, I'm curious as to like even how
11 many -- I know that we funded a lot but we
12 should have had I guess maybe more sites to
13 test PCR. I know it was a blessing to go to
14 Jones Beach. But, for me, a lot of people, I
15 have a lot of people who couldn't make it to
16 Jones Beach because they don't have cars and
17 there was no public transportation. As well
18 as Nassau Community College and other sites
19 there was no direct. A lot of my residents
20 would have had to get on buses and take two
21 buses because there was no direct route to any
22 of these testing sites.

23 So, then my question would that
24 could we have used some of this CARES Act
25 because we have the NICE buses and the Able

1 Full - 3-8-21

2 bus ride, would we have been able to expand
3 transportation and then maybe offer to people
4 who were seniors or who had the inability to
5 be able to travel to be tested or even to be
6 vaccinated, did we have the ability to maybe
7 provide and expand Able Ride or even our
8 Nassau bus service to be able to provide
9 transportation, to have pickups and bring
10 people so that they can get either the PCR
11 test or get vaccinated?

12 MR. BRODERICK: Legislator I
13 understand your questions and concerns. I
14 believe --

15 LEGISLATOR FORD: But I want an
16 answer.

17 MR. BRODERICK: Logistically, I
18 don't think that this is an easy question and
19 this is outside my area of expertise. I would
20 defer to Dr. Eisenstein yet again because I
21 don't think it's as a straightforward answer
22 given the complexities and the logistic
23 coordination between Nassau County, the state
24 government and the federal government on
25 testing and how they were coordinating those

1 Full - 3-8-21

2 activities.

3 LEGISLATOR FORD: And I recognize
4 the efforts on the part of Dr. Eisenstein.
5 He's had a full plate ever since for a year
6 now, probably even more before this, more than
7 a year. But where is the responsibility we as
8 a county? We have so many departments that
9 could have all gotten together to say how do
10 we best approach this? How do we then deliver
11 better? It's nice we did PPE, we gave people
12 equipment. But for me, I have -- and it is a
13 sore point with me, I'll tell you right now.

14 The seniors, okay? My aunt is
15 going to be 100 this week. She's finally
16 getting her second dose. When I look at all
17 of her friends that are in their 80s, 85 and
18 90 that still some of them have not gotten
19 their first dose.

20 So, when I think of people who are
21 at home, that are stuck at home, that they
22 really don't have the ability to get out and
23 we as a county we had all of this CARES
24 funding and really did we ever think about
25 maybe providing some sort of access. We never

1 Full - 3-8-21

2 even originally, and I applaud Dr. Eisenstein,
3 I'm not even -- he's a saint in my eyes. But
4 when I think about the rest of us whether or
5 not we could have registered as seniors way
6 back when. So that instead of every single
7 day -- but when I think about the money that
8 we spent on salaries, which we already funded,
9 I think we fell short on providing other
10 services that went above and beyond what we
11 normally do to like really say to the
12 residents we really and truly care about all
13 of you and this is what we're going to do to
14 make all of this easier for each and every
15 single one of you.

16 My last question though then would
17 be also in regard to our interaction with
18 schools. Were we permitted to provide any
19 type of funding to any type of school
20 activity?

21 MR. BRODERICK: Like what kind of
22 activity are you referring to?

23 LEGISLATOR FORD: To help the
24 student. I know under mental health perhaps
25 we provide counseling services?

1 Full - 3-8-21

2 MR. BRODERICK: I honestly don't
3 know. I honestly don't know.

4 LEGISLATOR FORD: Did we explore
5 this? For me, I think about like the children
6 who are -- I know that we do provide service,
7 early intervention, whatever. We have mental
8 health experts. Considering the fact that
9 there would have been -- we believe there was
10 an increase in opioid use and that type of
11 behavior, whether or not with drugs with
12 alcohol, a certain amount of use that went on,
13 how much did we honestly spend on all of that
14 to do outreach to try to reach out to people
15 that we knew had these issues.

16 MR. BRODERICK: Part of the
17 answer over here I believe is like health and
18 human services they continue to provide
19 services to people who need assistance.
20 Unfortunately with school shut down and
21 basically things were shut down for several
22 months last year a lot of things were probably
23 underreported. But the county was providing
24 services for individuals who reached out or we
25 reached out to them.

1 Full - 3-8-21

2 As for your concerns discussing the
3 senior population people with limited English,
4 that's a challenge to reach out to that
5 community. Transportation could be an issue.
6 But I do know that various efforts were taken
7 to go out and dealing -- to address those
8 communities and make them aware of various
9 testing or vaccinations. And I guess the
10 guidance coming from the state somewhat
11 vacillated between 1A, 1B, 1C who's in what.

12 LEGISLATOR FORD: Aside from
13 that. I'm not talking about the vaccination.
14 What I'm talking about is the outreach. How
15 much of the CARES funding went for that type
16 of outreach? I think does that fall under you
17 Kevin?

18 MR. BRODERICK: Some of that,
19 legislator, some of that would be in
20 departmental expenses. If staff members were
21 dedicating their time to providing COVID
22 outreach that would be a salary expense that
23 we would charge against the CRF funds.

24 Just back to your concern or
25 comments regarding testing. We didn't spend

1 Full - 3-8-21

2 much CARES money. CARES money is limited
3 money, as I explained earlier, \$102.9
4 million. FEMA is basically unlimited for
5 those activities. So, as long as we were
6 providing the service we could claim the
7 expense.

8 And to some of the other questions
9 you had maybe Dr. Eisenstein can explain, I
10 don't know, the operational logistics of what
11 occurred and how that occurred. Because I
12 don't think, at least from my understanding,
13 it just seemed like there's a lot of moving
14 parts, which not only, I mean, I don't think
15 the county can unilaterally just do what they
16 want to do. They have to do it in concert
17 with coordinated efforts from New York State
18 New York State Department of Health, New York
19 State Department of Homeland Security, FEMA
20 and CDC I guess.

21 LEGISLATOR FORD: My final thing,
22 I know there are other legislators. My
23 question to you then would be that you worked
24 with the Department of Treasury to find out
25 who you could pay under the payroll allocation

1 Full - 3-8-21

2 even though it clearly states here that you
3 provided us that it would be public safety,
4 whether or not it's police, fire fighters and
5 so forth, but then you have a whole list of
6 other people.

7 So, my question then would be I'd
8 like to see the discussion you had with the
9 Department of Treasury about the possibility
10 of expanding what you could spend the CARES
11 Act money on other than payroll. Were there
12 others. Were you able? Did you ever ask
13 about transportation? What would you do about
14 the residents that are homebound? What about
15 this person? What about that? What about our
16 school children? How do we handle this? I'd
17 like to see the notes of that conversation.
18 Because if you made sure that you were going
19 to get the payroll taken care of what about
20 the rest of the people that are not on our
21 payroll? And I will end on that thing. Thank
22 you.

23 LEGISLATOR NICOLELLO: Legislator
24 Schaefer, Rhoads and Walker.

25 LEGISLATOR SCHAEFER: Good

1 Full - 3-8-21

2 morning. I'm going to focus on the restaurant
3 recovery program. I don't know who I should
4 direct my questions to. Can you tell me do
5 you know approximately how many restaurants
6 there are in Nassau County?

7 MR. CREAN: I believe when we
8 previewed that program we did do a survey.
9 Off the top of my head I cannot recall but
10 there were roughly around 500 I believe of
11 sit-down restaurants. That was part of the
12 discussion, what qualifies as a restaurant.
13 Was a deli that has takeout? Or a restaurant
14 that is solely takeout, does that qualify as a
15 restaurant? We opted to exclude them from the
16 restaurant recovery program because they were
17 less impacted by the coronavirus. They were
18 not impacted by the seating capacity mandates
19 of the state government.

20 LEGISLATOR SCHAEFER: You think
21 approximately 500 total in Nassau County?

22 MR. CREAN: I can get that number
23 for you.

24 LEGISLATOR SCHAEFER:
25 Approximately is good. The total amount that

1 Full - 3-8-21

2 was allotted to this program was \$2.5 million
3 or was it different?

4 MR. CREAN: \$2.5 million. Ten
5 percent of that was for the administrative
6 cost of the National Development Counsel. So
7 roughly \$2.25 million was available for actual
8 grants.

9 LEGISLATOR SCHAEFER: What was
10 the other thing you said?

11 MR. CREAN: The National
12 Development Counsel is administering that
13 program. So the rest of that was for their
14 fees, for review, for outreach, or to purchase
15 the software to run the program.

16 LEGISLATOR SCHAEFER: Fees for
17 review? Are they in-house, the economic
18 development?

19 MR. CREAN: No, that's the
20 National Development Counsel is a nationally
21 based nonprofit organization. They have run
22 similar programs in other areas. We patterned
23 ours after one that was being handled in Texas
24 actually.

25 LEGISLATOR SCHAEFER: Who

1 Full - 3-8-21

2 determined how much money would go towards
3 this program?

4 MR. CREAN: That was our office
5 essentially looking at the budget and how much
6 funding we had left and the demand, other
7 requests for funding that we had.

8 LEGISLATOR SCHAEFER: Where did
9 the funding come from? It came from HUD,
10 right? It wasn't from the CARES Act?

11 MR. CREAN: The Community
12 Development Block Grant funds, the COVID
13 portion, is actually a portion of the CARES
14 funding but it's not related to the CLF
15 funding that Paul was speaking about. Our
16 funding was specifically a HUD allocation
17 based on a formula that HUD utilizes. But
18 technically it's CARES Act money but it's
19 Community Development Block Grant COVID
20 portion.

21 LEGISLATOR SCHAEFER: Was that
22 the only place it could come from? I'm just
23 trying to understand exactly.

24 MR. CREAN: There was not a
25 competitive allocation of Community

1 Full - 3-8-21

2 Development Block Grant COVID money. It was
3 based solely on a formula. As I mentioned in
4 my presentation, there were three funding
5 rounds. The first round was based on the
6 county's general formula. How we receive our
7 allocation every year. Factors in population,
8 poverty rate, age of housing stock and a
9 couple of other factors. So that was utilized
10 for the first distribution.

11 The second distribution, the second
12 round, was awarded specifically to states and
13 territories. And then the third round was --
14 the HUD secretary determined how that funding
15 was allocated. So they looked at other
16 funding factors. I think they also looked at
17 the COVID rate in different communities to
18 determine that amount of funding. It was not
19 competitive. We were not able to apply for
20 additional funds if that's what you're asking.

21 LEGISLATOR SCHAEFER: Do you know
22 how many applications you received for the
23 recovery grant program?

24 MR. CREAN: When we received the
25 award announcement for the first round we were

1 Full - 3-8-21

2 in the midst of our five year consolidated
3 planning process. So we were already meeting
4 with our consortium members, with nonprofits,
5 with different county agencies. So we
6 piggybacked onto that outreach. So, I can't
7 say for certain how many applications we
8 received but it was over 100 applications.
9 Some of them came from consortium members that
10 had multiple applications but we consider that
11 as one.

12 Many of the information we were
13 getting at the time we were hopeful that the
14 funding could be utilized similar to the past
15 recovery act funds, disaster recovery funding,
16 that could be used to stimulate the economy.
17 So, we were hopeful we were going to be able
18 to put some of that money into what I consider
19 our regular block grant type activities.
20 Downtown revitalization efforts, street and
21 sidewalk improvements. So we received a lot
22 of applications for that.

23 Unfortunately, the guidance we
24 received from HUD said that that was
25 ineligible. It was not sufficiently related

1 Full - 3-8-21

2 to COVID to qualify. It was not a jobs
3 program. It was not trying to get people back
4 to work. We received over a 100 applications
5 I would say. Many of them were determined to
6 be ineligible because of that reason.

7 LEGISLATOR SCHAEFER: How many
8 grants were allotted? Because I think the
9 website says 171.

10 MR. CREAN: That's specifically
11 the restaurant recovery program.

12 LEGISLATOR SCHAEFER: Right.
13 That's what I'm talking about.

14 MR. CREAN: I thought you were
15 talking about broadly.

16 LEGISLATOR SCHAEFER: No. Just
17 restaurant recovery.

18 MR. CREAN: I think we're over
19 200 applications at this point. I think there
20 were about 100 applications. So it's probably
21 over 300. About 100 applications were
22 incomplete. NDC has been going back to those
23 restaurants to determine why they didn't
24 complete their application. Some of them have
25 completed them.

1 Full - 3-8-21

2 There understanding is, their
3 analysis, because the way the intake system
4 works is you can't see the application until
5 you register. So, you have to register and
6 that counts as an application unfortunately.
7 So, there may be a lot of restaurants who've
8 gone into the system just to see what the
9 application looks like and realized they're
10 not eligible. Obviously the restaurant has to
11 be located in Nassau County. It has to be a
12 sit-down restaurant. It cannot be part of a
13 franchise. So there are some restrictions.
14 Some restaurants may have just self-eliminated
15 themselves and decided not pursue the grant.
16 But I believe the applications are over 300 at
17 this point.

18 LEGISLATOR SCHAEFER: You've
19 already allotted you said like \$2.2 million?

20 MR. CREAN: 2.2 is the total. I
21 think 1.4 has been allotted already.

22 LEGISLATOR SCHAEFER: Has been
23 distributed; is that correct?

24 MR. CREAN: No. About half of
25 that has been distributed. Some of that will

1 Full - 3-8-21

2 come out this week. It's continuing.

3 LEGISLATOR SCHAEFER: 1.4 is
4 committed to that? So you still have some to
5 go. Which is why I guess you were saying
6 earlier you still have more money available
7 for us to help you get the word out.

8 MR. CREAN: Right. The
9 application portal was closed after a couple
10 of weeks of being open because of the demand
11 for it. The grants are two different sizes.
12 A restaurant with more than 25 employees can
13 apply for \$10,000. Those with less can apply
14 for \$5,000. Until they review all the
15 applications and see what's eligible it's hard
16 to determine the amount of funding that's
17 needed. So, to eliminate restaurants applying
18 and then running out of money we closed the
19 portal. But it has been reopened for a couple
20 of weeks now to accept additional
21 applications.

22 LEGISLATOR SCHAEFER: What's like
23 the average amount of the grants you've
24 distributed? Could you give me an average
25 amount? I guess I'm looking also for what's

1 Full - 3-8-21

2 the largest amount and what's the smallest
3 amount?

4 MR. CREAN: It's either \$5,000 or
5 \$10,000. That's just the threshold. Those
6 that I've seen come in, because we are getting
7 reimbursed from HUD as the funds go out, I
8 think they're more heavily on the \$5,000
9 side. So there are more smaller restaurants
10 than there are larger.

11 LEGISLATOR SCHAEFER: I know
12 someone mentioned earlier the process of
13 distributing funds potentially and that it
14 takes a while. Was that an issue here? That
15 it took some time to get those grants to the
16 restaurants or no? Maybe we were talking
17 about something else previously.

18 MR. CREAN: It was slower than
19 anticipated. We were hoping to get the grants
20 out in mid January. It ended up being about a
21 month later. But they started flowing in
22 early February. We were a couple of weeks
23 behind. But no, I don't think that was an
24 issue. The contract routing process does take
25 some time obviously.

1 Full - 3-8-21

2 But our second amendment to our HUD
3 plan, which is where we took these funds from,
4 was only approved by HUD in December. I think
5 they came to the legislature with that in
6 November.

7 HUD was very quick with turning the
8 amendments around. Particularly because the
9 projects we were funding were clearly eligible
10 under the program. So it wasn't a HUD issue.
11 Once we received approval of the action plan
12 we started writing that contract pretty
13 quickly. We wanted to get the funds out
14 around Thanksgiving time. That's when the
15 application was announced. It was actually
16 opened for applicants the week after
17 Thanksgiving. So it's been about two months
18 in review process.

19 Department of Health is involved
20 because the restaurant does have to clarify
21 that it's received a positive Department of
22 Health review. So that's part of it too.
23 There's a little bit of delay there.

24 LEGISLATOR SCHAEFER: Can you
25 tell me from the time you received an

1 Full - 3-8-21

2 application, if you can tell me, approximately
3 how long it took to review it and then to the
4 point where you actually were able to send the
5 grant money out?

6 MR. CREAN: Again, that's not
7 being done by our office. That being done by
8 National Development Counsel. But the first
9 applications were received I want to say early
10 December. So, probably about two months, six
11 to eight weeks, before the funding went out
12 initially.

13 LEGISLATOR SCHAEFER: Was there
14 any way that we could have made that a shorter
15 timeline? Is there any way we could have
16 hastened that process?

17 MR. CREAN: It's hard to say.
18 Our office reached out specifically to the
19 comptroller's office and part of the contract
20 language that we had with NDC is to allow a
21 \$500,000 advance payment so that they could
22 capitalize the funds and have funds available
23 to distribute. The comptroller's office was
24 very helpful with that. So the contract did
25 include that language. The \$500,000 was

1 Full - 3-8-21

2 advanced.

3 So, it's hard to say where any
4 breakdown was. If there's any one specific
5 item I think we had a lot of restaurants that
6 were slow in completing their applications.
7 But the process is that they complete the
8 application, NDC reviews it, they determine if
9 the restaurant is eligible. Then they forward
10 the information to the Department of Health.
11 The Department of Health does their review.
12 Sends it back to NDC. A grant agreement is
13 issued and then has to be returned. There
14 seems to be some delay there because the grant
15 agreement returned from the restaurants has
16 been a little slow. Because they also have to
17 provide information on they're wiring
18 instructions from their banks. So there is
19 some delay there. Just a bureaucratic process
20 I think. I don't think there's any one time
21 period where there's a significant delay.
22 It's just a few days at each phase of the
23 process.

24 LEGISLATOR NICOLELLO: We're
25 getting a little short on time. So,

1 Full - 3-8-21

2 Legislator Schaefer if you could just sum up.
3 There are several other legislators who are
4 waiting.

5 LEGISLATOR SCHAEFER: Is there
6 any opportunity to get more funding for the
7 restaurant recovery program at this point in
8 time? Especially considering we have the
9 surplus that we have.

10 MR. CREAN: I'd have to defer to
11 Paul and whether that's an eligible use for
12 that funding. But if it's available I'm sure
13 we can just add some funding to NDC's
14 contract.

15 LEGISLATOR SCHAEFER: Is there
16 funding that we have now, again looking at a
17 surplus and realizing that restaurants and
18 other businesses are going to hear that and
19 it's probably not going to go over too well
20 when they're maybe closing their doors or
21 don't have the employees that they can hire
22 back now because they're gone. I'm wondering
23 if is there any thought about that? Is there
24 a way to help businesses more that we're
25 considering even if it's just out of the

1 Full - 3-8-21

2 county funding?

3 MR. PERSICH: Legislator, I will
4 say this, why some of the money is funneled
5 through the housing area is because of the
6 means that they have the ability to get the
7 money out. I don't know the legal
8 requirements, how we distribute funds back out
9 to taxpayers. So, that becomes a challenge
10 here. Because I want to give Paul money, I
11 want to give Phil, I want to give you money
12 but I don't know want to give Legislator
13 Drucker money. I don't know legally how we
14 can distribute those funds and how that would
15 work. But clearly exploration is going to
16 happen because just how we're going to help
17 the businesses. But there is some legal
18 problems that we do have giving money back to
19 residents selectively.

20 LEGISLATOR SCHAEFER: Okay. I
21 think that's all I have.

22 LEGISLATOR NICOLELLO: Legislator
23 Rhoads, Walker and Drucker.

24 LEGISLATOR RHOADS: Thank you
25 Mr. Presiding Officer. I do find it

1 Full - 3-8-21

2 fascinating that probably about 75 percent of
3 the presentation that you gave at a CARES Act
4 hearing was with respect to the county's use
5 of other funds providing direct assistance to
6 residents as opposed to CARES Act funding.
7 So, I want to focus on CARES Act funding
8 specifically.

9 The purpose of the CARES Act is
10 anybody aware of what the stated purpose of
11 the CARES Act was? According to the federal
12 government it was to provide fast and direct
13 economic assistance for American workers,
14 families and small businesses and to preserve
15 jobs for American industries. Right?

16 So let's talk about how much money
17 Nassau County spent of its CARES Act funding.
18 \$103 million that you received from the
19 federal government to provide fast and direct
20 economic assistance for American workers,
21 families and small businesses and to preserve
22 jobs for American industries.

23 Am I correct in my understanding
24 that Nassau County spent \$98 million or
25 roughly 95 percent of the CARES Act funding

1 Full - 3-8-21

2 that we received on salaries and fringe
3 benefits instead of providing fast and direct
4 economic assistance for American workers,
5 families and small businesses and to preserve
6 jobs? That's a yes or no question. Am I
7 right in that understanding?

8 MR. BRODERICK: No. You're
9 incorrect.

10 LEGISLATOR RHOADS: Why is that?

11 MR. BRODERICK: Because that's
12 not eligibility criteria. That's an overall
13 theme. They want to assist. But the criteria
14 as to how you can spend the money. If you
15 just repeat what you said how do you define
16 any of that?

17 LEGISLATOR RHOADS: Are you
18 telling me that, for example, we could not
19 have spent CARES Act funding on rental
20 assistance?

21 MR. BRODERICK: Possibly.

22 LEGISLATOR RHOADS: We couldn't
23 have spent it on economic development? We
24 couldn't have spent it on food banks? We
25 couldn't have spent it on public facilities

1 Full - 3-8-21

2 improvements?

3 MR. BRODERICK: Public facility
4 improvements for capital improvements.

5 LEGISLATOR RHOADS: You couldn't
6 have spent that money on assisting schools and
7 providing them with PPE? Providing them with
8 laptops?

9 MR. BRODERICK: HUD was doing
10 this. And even PPE we could purchase it under
11 FEMA, which is unlimited. This is a limited
12 fund. It's just coming up with --

13 LEGISLATOR RHOADS: But the
14 question is can the money be -- you had
15 limited money from HUD, right? You had \$35
16 million. You're talking about \$103 million.
17 My question is, could you have used any of
18 that \$103 million on some of the things that
19 you used HUD money for to broaden those
20 programs? Like rental assistance, economic
21 development, food banks, facility
22 improvements, health services, mental health
23 and substance abuse, providing assistance to
24 schools so that they can safely reopen?
25 Providing kids with laptops, for example, for

1 Full - 3-8-21

2 remote learning to help them do that?
3 Childcare and youth services? Senior
4 services. Provision of additional PPE in the
5 community. Housing, counseling, public
6 assistance. We could have used that money for
7 those things, right?

8 MR. BRODERICK: Some of them I
9 believe so. But some of them wouldn't make
10 sense to me.

11 LEGISLATOR RHOADS: Instead we
12 chose to use that money to pay salaries and
13 fringe benefits. By the way, the salaries and
14 fringe benefits that we pay those weren't
15 additional expenses incurred by the county,
16 correct?

17 MR. BRODERICK: No. Those
18 were --

19 LEGISLATOR RHOADS: Those are
20 salaries and fringe benefits that we would
21 have had to have paid anyway, correct?
22 Because when Mr. Persich testified before us
23 eight days before the end of the year about
24 the \$20 million transfer we asked specifically
25 the question hey, if we don't approve this

1 Full - 3-8-21

2 transfer will anybody not get paid and the
3 answer to that question was no. So, there's
4 not a single county employee that wasn't going
5 to get paid because we didn't approve a
6 transfer of funds so that they could use CARES
7 Act money to pay salaries.

8 So, we're not talking about
9 reimbursing any county employee for the time
10 that they spent in pandemic response that was
11 tied to this CARES Act funding, right? They
12 would have gotten paid anyway. The salaries
13 would have been paid. The fringe benefits
14 would have been paid. Right?

15 MR. BRODERICK: I believe so.

16 LEGISLATOR RHOADS: So we're
17 purely talking about trying to fix our
18 budget. Right? Because as Mr. Persich -- I'm
19 going to have trouble with it all day because
20 we have limited time -- had testified, you
21 identified, the administration identified at
22 the start of this pandemic the CARES Act
23 funding that we were going to receive was a
24 budget gap closing measure. That was the
25 plan. Right Mr. Persich? That was plan all

1 Full - 3-8-21

2 along?

3 MR. PERSICH: That has been the
4 plan all along.

5 LEGISLATOR RHOADS: But the plan
6 changed, didn't it, over time? For example,
7 right, we spoke about \$116 million in surplus
8 funds from 2019. The plan, when you
9 identified a \$385 million budget shortfall,
10 the plan to close that budget shortfall
11 included using \$116 million from the prior
12 year's surplus to help close that gap. That
13 was part of the plan, right?

14 MR. PERSICH: That is correct.

15 LEGISLATOR RHOADS: How much of
16 that \$116 million surplus did we in fact use?
17 I can answer that. Zero. Right? So the plan
18 changed.

19 So when circumstances began to
20 change why, for example, did we not use the
21 \$116 million surplus and use the 103 million
22 in CARES Act funding to provide fast and
23 direct economic assistance for American
24 workers, families and small businesses?

25 MR. PERSICH: I think part of

1 Full - 3-8-21

2 what we have to realize is the timeline of how
3 things were evolving. Meaning that we didn't
4 know in November how strong our revenue side
5 of the equation was. So you have to take that
6 into account. We didn't know where we were
7 going to finish the year at. I didn't know it
8 was going to be \$75 million. I can honestly
9 tell you that.

10 LEGISLATOR RHOADS: You knew it
11 wasn't going to be \$200 million.

12 MR. PERSICH: Let's suppose for a
13 second that we didn't use the \$103 million for
14 salaries. What would happen to my surplus
15 then?

16 LEGISLATOR RHOADS: Use the 116
17 million that you knew you already took out of
18 your plan.

19 MR. PERSICH: Then I have no fund
20 balance left for this year. Which is a very
21 dangerous thing. Which is what I said
22 previously is to exit -- the county is on
23 shaky fiscal ground. It's not like -- we're
24 getting there. It's a coordinated effort to
25 methodically get the finances back to where it

1 Full - 3-8-21

2 needs to be. But these moving parts were
3 dynamic at the time this whole thing happened
4 and there were a lot of other funding sources
5 outside of the CARES funding that was
6 identified in the presentation.

7 The other thing too, getting this
8 out to the people is going to be very, very
9 difficult based on some of the restrictions of
10 how the charter is written, state law is
11 written and how we get it out. Moving forward
12 it will be a challenge for us to do that.
13 That being said, we did finish the year with a
14 \$75 million surplus related to one transaction
15 that put us on the plus side. Negative is not
16 good for me.

17 LEGISLATOR RHOADS: With all due
18 respect, Mr. Persich, it's not just one
19 transaction. You keep pointing to the 65 or
20 \$70 million savings from the NIFA
21 transaction. For the bonding transaction.
22 It's \$116 million, right, for the prior year's
23 surplus that wasn't used. That we took and
24 instead of using it we put that right in our
25 pocket. Now we're talking about \$103 million,

1 Full - 3-8-21

2 \$98 million of which we used to pay salaries
3 and benefits that we would have had to pay
4 anyway. We took that and put that in our
5 pocket. But you also had different changes in
6 revenue. You had greater revenues coming into
7 the county then what you had initially
8 forecast, correct?

9 MR. PERSICH: No. I would
10 disagree with you. Some of our revenues came
11 in higher. Others came in lower. I'll go
12 back to departmental revenue. Legislator,
13 let's put it in buckets. I use the term
14 buckets which I know is -- but our revenue
15 streams come from let's say three different
16 sources. One is from our sales tax. The
17 other is our property tax and then the last
18 third I'll say is made up of state, federal
19 aid and local departmental revenue.

20 For instance, red light cameras.
21 If you looked at how we finished the year we
22 were down \$300 million just on a budgetary
23 basis to what the actual results were. A
24 myriad of things happened. You are correct.
25 It was a dynamic situation.

1 Full - 3-8-21

2 LEGISLATOR RHOADS: Mr. Persich,
3 you didn't look at those buckets in May when
4 you created or the administration created the
5 gap closing plan and then not look at it again
6 until the end of the year, right? You looked
7 at those buckets continuously throughout the
8 course of the year?

9 MR. PERSICH: Correct.

10 LEGISLATOR RHOADS: In fact, you
11 prepared monthly budget reports, is that not
12 correct?

13 MR. PERSICH: That is correct.

14 LEGISLATOR RHOADS: Those monthly
15 budget reports would have forecasted based on
16 the information that came in that particular
17 month on where we thought we were with respect
18 to the county's overall budget. What were the
19 shortfalls. What were the areas of surplus.
20 So that not only the administration but also
21 this legislature could turn around and make
22 decisions on how we can handle the county's
23 plans, correct?

24 MR. PERSICH: Correct.

25 LEGISLATOR RHOADS: By the way,

1 Full - 3-8-21

2 how were those monthly budget reports actually
3 prepared? Did the individual departments
4 issue reports to your budget office? How does
5 that happen?

6 MR. PERSICH: How the process
7 works is, the reports are required on a
8 monthly basis as a result of the control
9 period. We are required to do that.

10 LEGISLATOR RHOADS: So they go to
11 NIFA also. NIFA is relying on those reports?

12 MR. PERSICH: NIFA is using our
13 data for what they're presenting. What we're
14 presenting. So, my department with my staff
15 everybody has its own little departments and
16 we reach out to the departments and ask them
17 for their input of what's happening and we do
18 our own analysis to turnaround and say this is
19 what we think the department looks like
20 throughout the year.

21 So, it's a coordinated effort, you
22 know what I mean? We do what they call
23 projections or forecasting which is just
24 exactly what it sounds like. We forecast what
25 we think things are going to happen in the

1 Full - 3-8-21

2 departments. That's the timeline. The report
3 is issued on the 21st of every month as is
4 required by NIFA statute and that's kind of in
5 a nutshell, an overview on how the department
6 functions.

7 LEGISLATOR RHOADS: When you
8 testified before us on December 23rd the
9 monthly budget report for December would have
10 been issued on December 21st, right?

11 MR. PERSICH: No, that's
12 incorrect. It's the previous month. The
13 monthly report issued was the November
14 report. The December report, which is the
15 year end one, which is the year end financial
16 close, which is still subject to audited
17 financial -- the comptroller's office, gets
18 published either late February early March.
19 This year it was March 1st. Because the year
20 time keeps moving because we have collections
21 of revenues from other agencies that come in.
22 Particularly sales tax.

23 LEGISLATOR RHOADS: So now we're
24 relying on these budget reports to make
25 decisions. Us, NIFA, the comptroller is also

1 Full - 3-8-21

2 relying upon these reports. Who else relies
3 upon them?

4 MR. PERSICH: The report is
5 issued to the three agencies. Goes to NIFA,
6 goes to the comptroller, goes to legislative
7 budget review and that's it.

8 LEGISLATOR RHOADS: We do our
9 best to provide an accurate forecast of where
10 we are in each of those monthly budget
11 reports?

12 MR. PERSICH: Correct.

13 LEGISLATOR RHOADS: Can we
14 explain why between the November 2020 report
15 and the December 2020 report, the one issued
16 immediately before we made a decision with
17 respect to the remaining CARES Act funding and
18 the one immediately after, forecasted almost a
19 \$460 million budget variance between those two
20 months?

21 MR. PERSICH: Part of what we did
22 in the December report was we took into the
23 actions, the gap closing actions. So we
24 didn't do that in the monthly reports because
25 we weren't sure where everything was going to

1 Full - 3-8-21

2 land. We had a \$385 million gap I'll call it
3 and then what we did was had a gap closing
4 plan. When we closed the books and records
5 out, when we knew everything was done, we then
6 showed part of those gap closing efforts into
7 the plan.

8 Now, what changed? One of the
9 things that did change was the NIFA
10 transaction was supposed yield \$70 million.
11 After we got through the transaction it only
12 yielded 52. So, part of it is some of our
13 debt we didn't know where the debt structure
14 was going to land. Those were complete
15 variables out there. The transactions could
16 have yielded let's say \$30 million.

17 But it was a moving -- it's a
18 moving, dynamic report when it comes down to
19 it. But to get to where you're getting to,
20 how we went from 385 to 75 was we took all the
21 gap closing plans and some other things
22 changed according to our gap closing plan.
23 Including sales tax being higher than what we
24 originally estimated.

25 LEGISLATOR RHOADS: We, for

1 Full - 3-8-21

2 example, just highlighting a few, general
3 expenses we had a seven and a half million
4 dollar positive variance. Contractual
5 services, we had a 13 and a half million
6 dollar positive variance. Interest, \$16.8
7 million positive variance.

8 Then I find these two things that
9 are interesting. We spoke about sales tax and
10 departmental revenues. Departmental revenues
11 we actually had a \$37.2 million positive
12 variance in departmental revenues. Were any
13 of these positive variances forecast in any of
14 our monthly budget reports prior to December
15 of 2020?

16 MR. PERSICH: I will say that our
17 revenues were projected conservatively where
18 we took down I think it was May or April of
19 last year where we decided that with the
20 impact of how this pandemic was going to hit
21 we took our revenue streams roughly down by 50
22 percent in the second quarter, 25 in the third
23 and 25 in the fourth. Now, were my
24 projections spot on for some of those
25 numbers? Nope.

1 Full - 3-8-21

2 LEGISLATOR RHOADS: They never
3 changed. From the time that we dropped those
4 expectations at the start of the pandemic they
5 never increased. Did we not know from our
6 departments -- they don't record what their
7 revenues are on a monthly basis?

8 MR. PERSICH: I think some of the
9 numbers did move because of some additional
10 funding sources that came in. But some other
11 expenses went up and everything else. Like we
12 got FTA money for the buses. That was a \$33
13 million infusion of funding that was going to
14 be cut because the STOA money from the state
15 was removed. That we accounted for.
16 Remember, we also collect fair boxes on the
17 buses. That was down. The ridership was
18 down.

19 LEGISLATOR RHOADS: I understand
20 some was down. But obviously we didn't
21 magically generate 37.2 million additional
22 dollars in departmental revenues for the 30
23 day period between November 21st and December
24 21st. That was accrued over a period of
25 time. Why did we not know that in our monthly

1 Full - 3-8-21

2 budget projections prior to that?

3 MR. PERSICH: I have the number
4 differently legislator. I don't want to
5 debate it with you. I have it down 29
6 million. I don't know what it was in
7 November. All my revenue streams if you look
8 from interest on penalty and taxes all the way
9 down to what we collect, most of them are all
10 negative. So, how I forecasted them -- look,
11 certain areas were better. The clerk revenue
12 came in much better than we anticipated. We
13 tried to reflect some of those changes because
14 of strong housing market and filings. Look,
15 until we collect the money we don't know where
16 it's going to land.

17 LEGISLATOR RHOADS: Let's talk
18 about something that's a little less
19 speculative, the sales tax revenue. Because
20 we do receive sales tax money in a couple of
21 times a month, don't we?

22 MR. PERSICH: We get three checks
23 a month I think is the correct amount every
24 month. But they come in -- remember, it's not
25 on our calendar year, it's on the state

1 Full - 3-8-21

2 calendar year.

3 LEGISLATOR RHOADS: Understood.

4 MR. PERSICH: Keep in mind, the
5 big checks that we get coming, the last few
6 checks because they're related to the holiday
7 season, that's the time frame that a lot of
8 majority of the checks are collected.

9 So that said, we were
10 conservative. Maybe a little too
11 conservative. But it could have went the
12 other way too.

13 LEGISLATOR RHOADS: We knew we
14 were a little too conservative and we knew we
15 were too conservative all year long, right?
16 At no point we forecasted that we were going
17 to have a 20 percent reduction in our sales
18 tax revenue. Correct me if I'm wrong, but in
19 no single month, even while there was a full
20 shutdown of our economy, in no single month
21 were our revenues down 20 percent year over
22 year?

23 MR. PERSICH: Yes, they were
24 actually legislator. In the middle months
25 when we got -- remember, it's a lagging

1 Full - 3-8-21

2 quarter indicator -- when we got the I think
3 the May, June and July checks they were down
4 almost 30, 40 percent in those time frames.

5 LEGISLATOR RHOADS: Then they
6 bounced back up in the third quarter, right?

7 MR. PERSICH: They did, which is
8 not the worst thing. It's a good thing. But
9 the other problem we have is that it's based
10 on consumer spending habits. Thank God people
11 had the money and afforded themselves to have
12 money to spend. It is contingent upon
13 economic activity. And the other part of it
14 is that it's still down eight percent. Which
15 is I think the largest single number that I
16 can remember in my history here that that's
17 how low sales tax was. The other time was
18 back I think it was 2011 or '12 that we had a
19 steep decline in sales tax but nothing like
20 this.

21 LEGISLATOR RHOADS: Just a month
22 before you came to testify at the legislature
23 we were still forecasting that we were going
24 to be, if I'm reading this correctly, at \$921
25 million in sales tax revenue as opposed to

1 Full - 3-8-21

2 what we ultimately wound up with which was
3 almost \$1.1 billion in sales tax revenue.
4 That variation was \$160 million. Did we not
5 realize in between that the numbers were
6 coming in better than forecasted?

7 We spoke about this on December
8 23rd. You analyzed that it could have come
9 in, based on the numbers if we finished out
10 the year as it was looking, we were going to
11 have between 100 and \$120 million more than we
12 thought we were going to have at year end.
13 You didn't want to count on that because who
14 knew what was going to happen in the last
15 eight days of the year. We disagreed on that
16 but that's what we were told.

17 Were we not able to forecast that
18 any earlier than December of 2020?

19 MR. PERSICH: I would say no
20 because, again, I'll say that those last
21 checks that come in the subsequent year from
22 January to February are rather large checks
23 and the holiday season clearly is one of the
24 big components of that.

25 I will not disagree with you.

1 Full - 3-8-21

2 Conservative we were. But that's part of what
3 the function of what we have to do is not to
4 be -- to make sure that we have enough money
5 to pay the bills. And yeah, it was better
6 than we thought and thankfully so.

7 Again, like I told the presiding
8 officer, we don't know how much money we have
9 at the end of the year until the end of the
10 year closes. You can't spend what you don't
11 know. It's kind of hard to get to the point
12 that we knew we were going to finish with a
13 huge surplus like this.

14 LEGISLATOR RHOADS: But if we're
15 making decisions based on the monthly budget
16 reports that you're providing us, isn't there
17 an estimate to make them as is accurate as
18 possible? I know you don't know what you
19 don't know but the whole point of these
20 forecasts is to try to accurately predict
21 trends so that we can have information to be
22 able to base our decisions upon, right?

23 MR. PERSICH: Correct. And we do
24 to the best of our ability present accurate
25 numbers.

1 Full - 3-8-21

2 LEGISLATOR RHOADS: And you would
3 concede that being off by almost half a
4 billion dollars from one month to the next is
5 a pretty big variance, right?

6 MR. PERSICH: No. I disagree
7 with that. We weren't off by a half a
8 billion. Like I said --

9 LEGISLATOR RHOADS: There's a
10 variance of \$460 million.

11 MR. PERSICH: I think for
12 consistency purposes when we reported the
13 numbers what we said was we were thinking that
14 we had a \$385 million gap and we had a \$385
15 million gap closing plan. So, when we closed
16 the books out and we reconciled all these
17 other monies that came through we then put it
18 into the report and showed it as such.

19 I don't think it was a half a
20 billion dollar swing. It was maybe a little
21 bit more because the sales tax came in a
22 little higher and we didn't use the fund
23 balance.

24 LEGISLATOR RHOADS: Let's talk
25 about state aid for example. One of the

1 Full - 3-8-21

2 concerns that you raised to us was that we
3 were going to be -- you were forecasting that
4 we were going to lose about \$130 million in
5 state aid.

6 MR. PERSICH: Correct.

7 LEGISLATOR RHOADS: That was as
8 of December 23, 2020.

9 MR. PERSICH: That is correct.
10 And then --

11 LEGISLATOR RHOADS: And the
12 December 2020 actual state aid numbers came in
13 with another \$100 million variance that we
14 only lost \$33 million in state aid as opposed
15 to \$130 million that you told us eight days
16 before year closing.

17 MR. PERSICH: The truth of the
18 matter be told was that the state budget
19 office, when they issued their executive
20 orders from the governor, was he had the
21 ability to cut 15 to 20 percent. That
22 guidance changed January after we had a
23 conversation with the New York State Budget
24 Office and they said we're looking at a five
25 percent decline in 2020 and in 2021. That's

1 Full - 3-8-21

2 what the guidance came out. Came out in
3 January. They said 15 to 20. I had to take
4 them at their word. So, the fact that that
5 changed, yeah, but I couldn't predict that. I
6 couldn't say -- I don't know the state budget
7 or what their finances are but that's the
8 guidance they gave us.

9 LEGISLATOR RHOADS: When the
10 monthly budget reports are prepared, other
11 than yourself, who's involved in the actual
12 preparation?

13 MR. PERSICH: It's me and my
14 entire team. The DC of finance is involved.
15 We look at numbers. We analyze. We do all
16 our analysis. It's an independent review by
17 my office to do these things.

18 LEGISLATOR RHOADS: Is any
19 guidance given to you by the administration, I
20 mean you're part of the administration, but is
21 any guidance given to you by others in the
22 administration, for example, deputy county
23 executive for finance, as to what number
24 should be reported?

25 MR. PERSICH: We do

1 Full - 3-8-21

2 collectively -- I give them an overview of
3 what the numbers look like and we have a
4 collective meeting right before we issue the
5 report.

6 LEGISLATOR RHOADS: Are you ever
7 instructed to increase or decrease those
8 numbers based upon --

9 MR. PERSICH: We're not
10 instructed to do anything. We report what we
11 have and we present that as such. We're not
12 manipulating data.

13 LEGISLATOR RHOADS: I'm a little
14 concerned that we're acting off of information
15 that we're provided and that there is a \$460
16 million variance which we find out about less
17 than a month from the -- less than a month
18 from December 23, 2020 when we ultimately were
19 making decisions with regard to what we were
20 doing with that last \$20 million in CARES Act
21 funding.

22 Had we known at the time that we
23 were going to be flush with cash that would
24 have left us with a \$75 million surplus I
25 think a lot of us would have been more

1 Full - 3-8-21

2 comfortable providing our constituents with
3 services that they could have used. Those
4 businesses that you see closed, right, in your
5 neighborhood and you're concerned about
6 because that's going to impact our revenues
7 coming for this year. Wouldn't it have been
8 nice with more accurate forecasting to have
9 provided direct assistance to some of those
10 businesses so that maybe they wouldn't have
11 closed? Their doors would still be opened
12 today. People that have lost their jobs.
13 Providing them some assistance so that they
14 can continue to pay their bills.

15 Folks that are in need of rental
16 assistance would have been nice to be able to
17 provide them with that assistance to help them
18 pay their rent.

19 The restaurant recovery program, as
20 wonderful as it is, there are a lot more than
21 171 restaurants in Nassau County that we could
22 have provided assistance to. Yet we didn't
23 and we didn't because the information that we
24 received from the budget office and the
25 information that we received from the

1 Full - 3-8-21

2 administration was that we had a \$365 million
3 budget hole. In fact, the testimony on
4 December 23rd was -- hold on, let me see if I
5 can get it.

6 Was, Let's just say if I don't move
7 \$20 million then we're short \$20 million on
8 the operating budget as a result of this. So
9 we have to absorb that amongst many other
10 expenses of revenue shortfalls that we have.
11 It's a very big risk to take from my
12 perspective because we have a plan in place on
13 how we're going to spend the money. It's just
14 because we need a budget appropriation and
15 that's why.

16 You testified that it was the worst
17 budget that you've ever seen. You testified
18 that you still have a substantial budget
19 deficit on December 23rd. If we had known at
20 the time that that information was inaccurate
21 we might have been able to better appropriate
22 that \$20 million to provide direct assistance
23 to our residents just as the CARES Act says.
24 To provide fast and direct economic assistance
25 for American workers, families and small

1 Full - 3-8-21

2 businesses.

3 Instead, we held on to the \$116
4 million, right, that we were supposed to use
5 as part of the plan. We held on to 95 percent
6 of the \$103 million in CARES Act funding to
7 pay salaries that we would have had to pay
8 otherwise to help plug the budget gap that
9 never existed apparently. And now we're
10 patting ourselves on the back for showing a
11 \$75 surplus. Which, as Legislator Ferretti
12 indicated, in a normal year I'd be thrilled
13 about that.

14 But in this year, when so many
15 people were so desperately in need and when
16 governmental money could have been used
17 effectively in trying help save families, help
18 save businesses and help save lives by
19 providing additional testing, additional food
20 assistance and the wide variety of things we
21 spoke about, I would have loved to have had
22 the knowledge to be able to put those funds to
23 better use and we just didn't have it.

24 Whether it was inaccurate budget
25 forecasting on the part of your office or

1 Full - 3-8-21

2 whether it was a, I hope it's not, a more
3 sinister attempt to conceal information from
4 the legislature, from NIFA, from the
5 comptroller's office, so that we would make
6 decisions that fit what the administration's
7 plan was based on the information we had I
8 don't know. But it would have been nice to
9 have accurate information so that we could
10 have made decisions.

11 One final question because I know
12 we're running out of time. By the way, when
13 you prepared the lists of expenses that the
14 \$98 million was going to go towards when were
15 those decisions made? In other words, did we
16 actually know prior to the draw down of the
17 funds at the end of -- on December 31st of
18 2020 did we know which employees were actually
19 use --

20 MR. BRODERICK: Yes. Actually,
21 legislator, points of clarity. You had
22 mentioned spending the CRF funds. Initially
23 we had to spend or any recipient had to spend
24 the money by December 31st. That was a
25 limiting factor. If you didn't spend the

1 Full - 3-8-21

2 money by the 31st of December of last year you
3 would have to revert the money back to US
4 Treasury.

5 However, on December 27th they
6 issued an extension of their guidance to say
7 if you didn't spend the money you can hold on
8 to it and use that money for eligible expenses
9 in the following year, 2021.

10 But to answer your recent question,
11 yes, we queried departments to say -- for
12 department heads to identify individuals that
13 were substantially dedicated to assisting in
14 remediating the effects of the pandemic.

15 LEGISLATOR RHOADS: When was that
16 done?

17 MR. BRODERICK: I would say about
18 June, July.

19 LEGISLATOR RHOADS: If I could
20 just ask then, I have a memo to you,
21 Mr. Broderick, from the Department of Consumer
22 Affairs providing a breakdown of which
23 employees were used for COVID purposes for use
24 of CARES Act money that's dated January 5th of
25 this year. Is there a reason why -- I mean at

1 Full - 3-8-21

2 the time we approved the additional \$20
3 million in CARES Act funding were we seeking
4 justification for that \$20 million after the
5 fact?

6 MR. BRODERICK: No. What had
7 occurred is we reached out to departments
8 initially to say -- is it more recent back in
9 June, July -- to say identify those
10 individuals in your department who were
11 substantially dedicated. It wasn't just
12 assuming that everyone was working on COVID
13 because it was probably not the case in any
14 department.

15 LEGISLATOR RHOADS: You just said
16 that was done in June and July, right?

17 MR. BRODERICK: That's correct.
18 I did say that. So then we went back to them
19 and said okay, now, here's what they were
20 doing or tell us what were they doing. You
21 identified these individuals back in June,
22 July. Tell us what were they doing. And they
23 came back to with us a letter to say they were
24 doing X, Y and Z which is related to COVID
25 remediation.

1 Full - 3-8-21

2 LEGISLATOR RHOADS: Didn't we
3 have to certify to the federal government
4 prior to December 31 of 2020 who was being
5 used?

6 MR. BRODERICK: No.

7 LEGISLATOR RHOADS: When did we
8 have to supply that information?

9 MR. BRODERICK: We didn't have to
10 provide the treasury with that information.
11 We had to give them -- in the various
12 categories that we reported in our
13 presentation those are the categories as
14 established by the US Treasury to say
15 categorize your expenses in these categories.
16 They're not like financial categories. Not a
17 financial statement. Just saying
18 substantially dedicated. How much money was
19 spent there? Could have been in salaries.
20 Could have been in fringes. Could have been
21 in OTPS expenses.

22 LEGISLATOR RHOADS: But now
23 you're saying that we can now actually exhaust
24 this money in 2021?

25 MR. BRODERICK: That is correct.

1 Full - 3-8-21

2 And that guidance was given to us on December
3 27th. It was after the fact. It was we
4 either utilized this money or leveraged the
5 money or give it back to the US Treasury as of
6 the 27th. But as since the guidance has
7 changed.

8 LEGISLATOR RHOADS: In theory, we
9 can take that \$75 million surplus which was
10 from allocation of CARES Act money and we can
11 actually use it to provide assistance to
12 families and businesses and PPE now?

13 MR. PERSICH: I would say this
14 legislator, now that we know where we're at as
15 a result -- and when we get final numbers, we
16 then have a path forward. I don't know where
17 these other funding sources -- sooner or later
18 those funding streams are going to dry up.
19 The outside ones.

20 We now have the ability to protect
21 our residents with the addition of fund
22 balance to move forward when some of these
23 revenue streams dry up. Our plan has always
24 been to spend that money. Once we submitted
25 the plan it deviated a little bit from what we

1 Full - 3-8-21

2 originally thought we were going to do. We're
3 not perfect here. By no stretch of the
4 imagination will I give you the illusion that
5 I can target the sales tax number and hit it
6 on the head.

7 LEGISLATOR RHOADS: I get it.

8 LEGISLATOR NICOLELLO: Can we sum
9 up? We're 15 minutes over already. One last
10 question. Legislator Walker has been waiting
11 patiently.

12 LEGISLATOR RHOADS: Just strikes
13 me as being half a billion dollars off is a
14 pretty big variance for a department whose job
15 it is is to accurately forecast information so
16 that we can make decisions based on it.
17 That's it. Thank you Presiding Officer.

18 LEGISLATOR NICOLELLO: Thank
19 you. Legislator Walker.

20 LEGISLATOR WALKER: I have a
21 question regarding -- I know that we did not,
22 evictions were not allowed. So, we didn't
23 need to help those residents who might have
24 been evicted with rental payments or
25 whatever. What about the landlords who own

1 Full - 3-8-21

2 those rental facilities? Some of those
3 rentals are in small little businesses and
4 those businesses were obviously hurt.

5 So that businesses, not only was
6 their business suffering but income that they
7 expected wasn't coming. And sadly, many of
8 these people were ready to be evicted before
9 COVID and unfortunately then everything came,
10 the state mandate came down, and now -- it
11 hurt businesses, it hurt landlords very much
12 too. Have you been able to do anything or
13 could we do anything to help them?

14 MR. BRODERICK: I'm going to
15 defer to Kevin because he did mention the
16 rental assistance but more as a renter as
17 opposed to the landlord side who is equally
18 impacted on the other side of the equation.

19 MR. CREAN: I mentioned we had
20 the homeless prevention program under the
21 Emergency Solutions Grant program. The COVID
22 funding under that -- that program is
23 difficult to run in a normal year because the
24 income restrictions are very low. The income
25 restrictions are up to 30 percent of AMI. Of

1 Full - 3-8-21

2 area median income.

3 So, we find a lot of residents who
4 are impacted or not able to pay their rent in
5 a normal year their income is still higher
6 than the allowable amount. Thankfully under
7 the COVID funding that we received that income
8 level went up to 50 percent of AMI.

9 But again, that's the program
10 that's impacted by the need to demonstrate
11 that the person would become homeless through
12 an eviction. Filing an eviction is still
13 required under that program. That is a lot of
14 funding we have set aside waiting for the
15 moratorium to be lifted.

16 We did also in the second round of
17 CDBG COVID set up a rental assistance program
18 that can be used to pay for rent arrears.
19 There are some difficulties with that funding
20 as well because that's an ineligible expense
21 ordinarily under the Community Development
22 Block Grant Program except for payment of
23 emergency assistance and it's limited to three
24 months only.

25 Again, one of these quirks of the

1 Full - 3-8-21

2 federal government. They allowed us the
3 extension with that. We can go to six
4 months. But then that would trigger a
5 requirement that we have visual inspections.
6 And if there's any chipping paint we have to
7 repair the paint. So we opted not to extend
8 it to six months. That program is open now.
9 That's a three months arrears requirement.
10 Right now that's open to anybody at 80 percent
11 of AMI.

12 There's is right now no assistance
13 dedicated to landlords specifically. But the
14 intent is obviously if the tenants are able to
15 pay their rent, if we can make them whole with
16 their rental assistance and the ESG program
17 allows us to go to 12 months of rent arrears.
18 So that is a significant portion of back rent
19 that can be used to pay landlords.

20 We had that discussion. Community
21 Development Corporation of Long Island is
22 running that block grant funded portion for
23 us. Some what they're seeing is tenants are
24 coming in. They have been, thankfully, trying
25 to pay their rent. They may not be behind in

1 Full - 3-8-21

2 six months of rent arrears or four months of
3 rent arrears, they have paid portions of
4 several months rent. So we're trying to work
5 out the quirks in the regs to allow us to pay
6 up to three months. We'll take those three
7 months that have the largest balance of rent
8 assistance. So that's rolling out.

9 Just over the past I would say two
10 months we were apprised of another funding
11 source that we received funding under and this
12 is has been very fluid. The US Treasury
13 Department is providing rental assistance
14 program funding and municipalities throughout
15 Long Island and New York State were eligible
16 to opt into that program. We decided to opt
17 in. That's going to be administered by our
18 office as well. The amount of money dedicated
19 to Nassau County is small by comparison. It's
20 \$1.8 million. I'm hopefully going to be here
21 later today to get the supplemental
22 appropriation for that. I don't know if it's
23 going to be on the addendum or not. I may see
24 you at 1 o'clock.

25 But there is also funding also

1 Full - 3-8-21

2 dedicated to three towns in Nassau County. So
3 the Town of Hempstead, the Town of Oyster Bay
4 and the Town of North Hempstead are receiving
5 shares as well. So I believe that Nassau
6 County's portion, even though it's not
7 specifically addressed in the guidance that we
8 have, is to be used for the City of Glen Cove
9 and the City of Long Beach. Those two areas
10 that are outside the townships. The other
11 three towns are determining how they're going
12 to run their only programs. If they're going
13 to outsource it or do it in-house.

14 I've been speaking over the last
15 couple of months with pretty much every town
16 on Long Island, because there are five towns
17 in Suffolk County that are receiving funding
18 as well as the county. I've talked to
19 Westchester County, Yonkers, Dutchess County,
20 Orange County. All are receiving
21 allocations.

22 Everyone is trying to figure out
23 how they're going to run this program. It's a
24 large amount of money. It's obviously a huge
25 need not only for the renters to make sure

1 Full - 3-8-21

2 that they are able to stay in their homes but
3 for the landlords to make them whole. To make
4 sure they can collect the back rent that's
5 owed to them.

6 LEGISLATOR WALKER: Basically
7 this money would go to the renters and then
8 the --

9 MR. CREAN: The way the program
10 works is the money goes to the landlord to pay
11 the renter's arrears. The landlord will
12 receive the funds. But it is to -- yes, to
13 make the renter whole.

14 LEGISLATOR WALKER: Would these
15 renters only be renters that are in HUD
16 housing or whatever?

17 MR. CREAN: No. Specifically
18 under that program those persons who are
19 receiving Section 8 rental assistance or in
20 public housing would not be eligible because
21 their portion of the rent should be adjusted
22 anyway. If they see a loss in income the
23 Section 8 program should pick up that
24 difference. They shouldn't be in rent
25 arrears. It's those residents who are in

1 Full - 3-8-21

2 private housing that are impacted. And it is
3 still income capped. The CDBG program is 80
4 percent of area median income. The Emergency
5 Solutions Grant program is 50 percent of area
6 median income. And the new treasury money is
7 80 percent of area median income as well.

8 LEGISLATOR WALKER: And it would
9 be up to the renter to reach out for this or
10 it could be the landlord reach out because the
11 renter is not paying?

12 MR. CREAN: We're trying to do a
13 little of both. It's technically up to the
14 renter to apply yes, but I have spoken to a
15 couple of larger landlords who understand that
16 this is going to be hard position for renters
17 to be in. They're going to assist them with
18 applying for it. Community Development
19 Corporation does that as well. They have an
20 online portal that people can apply. But they
21 also able to assist applicants to fill out
22 their application over the phone. So we're
23 working at it both ways.

24 LEGISLATOR WALKER: Thank you.

25 LEGISLATOR NICOLELLO: Do any

1 Full - 3-8-21

2 other legislators have questions either here
3 or remote? I had one other question -- I'm
4 sorry, Legislator DeRiggi-Whitton.

5 LEGISLATOR DERIGGI-WHITTON:

6 Legislator Drucker had to leave timewise. I
7 want to just mention I'm glad we're in this
8 position where we have a surplus rather than
9 where I was worried we were going to be which
10 was trying to figure out ways to fix our
11 budget at this point. I was worried about us
12 losing funding for anything that wasn't
13 mandated. I was worried about layoffs. I was
14 worried about everything.

15 So, being, what is it, a Monday
16 morning quarterback, there might have been a
17 few adjustments we could have made had we
18 known all the information we know today. But
19 we all know that we did not know that
20 information at the time.

21 And again, I thank you all for
22 getting us through those rough waters and
23 bringing us to where we are today and I feel
24 it's a safe economic situation for our county
25 and probably the best we could have. So thank

1 Full - 3-8-21

2 you.

3 LEGISLATOR NICOLELLO: One
4 question but before I do I want to respond.
5 This isn't Monday morning quarterbacking. You
6 look at our hearing transcripts going back to
7 August, this was Thursday morning, this was
8 Friday morning, this was Saturday morning,
9 this was Sunday morning. We've been going at
10 this for months. This is not something we
11 brought up now. We've been probing and
12 questioning the administration's projections
13 probably since August.

14 Be that as it may, the only
15 question I had is, was any portion of the
16 Cares Act money spent on mailings?

17 MR. BRODERICK: On mailings?

18 LEGISLATOR NICOLELLO: Yes.

19 MR. BRODERICK: I believe so.

20 Yes.

21 LEGISLATOR NICOLELLO: Do you
22 know how much?

23 MR. BRODERICK: Not off the top
24 of my head. No, I can't say.

25 LEGISLATOR NICOLELLO: Can you

1 Full - 3-8-21

2 get that to us Paul?

3 MR. BRODERICK: Absolutely.

4 LEGISLATOR NICOLELLO: Thank you
5 for the presentation. Thank you for patiently
6 answering all the questions. We appreciate
7 the time that you put into this. Again, thank
8 you.

9 (Meeting was adjourned at 12:25
10 p.m.)

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CERTIFICATION

I, FRANK GRAY, a Notary
Public in and for the State of New
York, do hereby certify:

THAT the foregoing is a true and
accurate transcript of my stenographic
notes.

IN WITNESS WHEREOF, I have
hereunto set my hand this 11th day of
March 2021

FRANK GRAY