THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. David Greenfield
Chair, Committee on Land Use

Report of the Finance Division on the
Fiscal 2018 Preliminary Budget and the
Fiscal 2017 Preliminary Mayor's Management Report for the

Landmarks Preservation Commission

March 14, 2017

Finance Division

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director
Nathan Toth, Deputy Director
Paul Scimone, Deputy Director
Jonathan K. Seltzer, Financial Analyst
Crilhien R. Francisco, Unit Head

Table of Contents

Landmarks Preservation Commission Overview 1
Fiscal 2018 Preliminary Budget Highlights 1
Financial Plan Summary 2
Contract Budget 2
Revenue 3
Appendix A: Budget Actions in the November and the Preliminary Plans 4
Appendix B: Fiscal 2017 Mayor's Management Report Performance Measures 5

Landmarks Preservation Commission Overview

The Landmarks Preservation Commission (LPC or the Commission) designates, regulates and protects the City's architecturally, historically, and culturally significant buildings and sites. There are currently more than 36,000 landmark buildings in all five boroughs, including 141 historic districts and extensions, 118 interior landmarks, 10 scenic landmarks and over 1,398 individual landmarks. The Commission reviews applications to alter landmark structures, investigates complaints of illegal work, and initiates action to compel compliance with the Landmarks Law.

This report provides a review of the LPC's Fiscal 2018 Preliminary Budget. In the first section, the highlights of the expense budget are presented. The report provides a financial summary of the Commission's budget, as well as reviews highlights regarding the agency's contract and revenue budgets. The report then provides analysis of significant changes and budget actions included in the November and Preliminary Plans and reviews relevant sections of the Preliminary Mayor's Management Report for Fiscal 2017.

Fiscal 2018 Preliminary Budget Highlights

The City's Preliminary Fiscal 2018 Budget is $85.7 billion, $2.6 billion more than the Fiscal 2017 Adopted Budget of $82.1 billion. LPC's Fiscal 2018 Preliminary Budget totals $6.3 million, representing less than one percent of the City's total Budget. The Department's Fiscal 2018 Preliminary Budget is $35,000, or less than one percent more than the Fiscal 2017 Adopted Budget of $6.3 million.

LPC Expense Budget						
	2015	2016	2017	Preliminary Plan		*Difference
Dollars in Thousands	Actual	Actual	Adopted	2017	2018	2017 - 2018
Personal Services	$4,415	$4,880	$5,574	$5,574	$5,610	$35
Other Than Personal Services	366	371	739	617	739	0
TOTAL	**$4,782**	**$5,251**	**$6,314**	**$6,193**	**$6,348**	**$35**

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

The key actions included in the agency's Fiscal 2018 Preliminary Plan are the following:

Citywide Savings Plan

- **Landmark Permit Revenue Increase.** The November Plan included $100,000 in savings in Fiscal 2017 and in the outyears as LPC has implemented administrative and productivity measures, including streamlining the permit application and approval process, updating its permit application guide and creating new instruction sheets to ensure complete applications. Additional revenues will be generated from these improvements in the permit application process.

Financial Plan Summary

LPC Financial Summary *Dollars in Thousands*	2015 Actual	2016 Actual	2017 Adopted	Preliminary Plan 2017	Preliminary Plan 2018	*Difference 2017 - 2018
Spending						
Personal Services	$4,415	$4,880	$5,574	$5,574	$5,610	$35
Other Than Personal Services	366	371	739	617	739	0
TOTAL	**$4,782**	**$5,251**	**$6,313**	**$6,192**	**$6,348**	**$35**
Personal Services						
Additional Gross Pay	$179	$109	$119	$119	$120	$1
Full-Time Salaried - Civilian	4,005	4,563	5,170	5,170	5,204	34
Other Salaried & Unsalaried	231	203	279	279	279	0
Overtime - Civilian	1	5	7	7	7	0
SUBTOTAL	**$4,415**	**$4,880**	**$5,574**	**$5,574**	**$5,610**	**$35**
Other Than Personal Services						
Contractual Services	$115	$117	$211	$334	$211	$0
Fixed & Misc. Charges	0	1	0	0	0	0
Other Services & Charges	142	135	166	166	166	0
Property & Equipment	21	44	45	45	30	(16)
Supplies & Materials	87	74	317	73	332	16
SUBTOTAL	**$366**	**$371**	**$739**	**$617**	**$739**	**$0**
TOTAL	**$4,782**	**$5,251**	**$6,314**	**$6,193**	**$6,348**	**$35**
Funding						
City Funds			$5,720	$5,480	$5,752	$32
Federal - Community Dev.			593	712	596	3
TOTAL	**$4,782**	**$5,251**	**$6,314**	**$6,193**	**$6,348**	**$35**
Budgeted Headcount						
Full-Time Positions	68	67	73	73	73	0

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

The Commission's Preliminary Budget for Fiscal 2018 totals $6.3 million, which includes $5.7 million in City tax-levy funds and $596,000 in federal Community Development Block Grant (CDBG) funds. LPC's Fiscal 2018 Preliminary Budget reflects a $35,000 or less than one percent increase in spending over the Fiscal 2017 Adopted Budget of $6.3 million. The Preliminary Plan includes funding for collective bargaining agreements.

In addition, the Commission's Fiscal 2018 budget of $6.3 million is $156,000, or nearly three percent more than the LPC's current Fiscal 2017 budget of $6.2 million. The majority of this increase can be attributed to an increase of $310,345 for personal services, which is slightly offset by a decrease of $153,941 mainly attributed to one-time grant funding for historical restoration and a reduction in funding for equipment, supplies and professional services.

Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

The following table provides LPC Preliminary Contract Budget for Fiscal 2018.

LPC Fiscal 2018 Preliminary Contract Budget
Dollars in Thousands

Category	Fiscal 2017 Adopted	Number of Contracts	Fiscal 2018 Preliminary	Number of Contracts
Contractual Services - General	$13	1	$13	1
Data Processing Equipment Maintenance	6	1	6	1
Maintenance and Repairs - General	115	12	115	12
Office Equipment Maintenance	5	2	5	2
Printing Services	5	1	5	1
Prof. Services - Other	55	1	55	1
Telecommunications Maintenance	2	1	2	1
Temporary Services	11	1	11	1
TOTAL	**$212**	**20**	**$212**	**20**

The City's Contract Budget totals $14.4 billion in Fiscal 2018, a decrease of $604.9 million or four percent when compared to the Fiscal 2017 Adopted Budget of $14.99 billion. LPC's Fiscal 2018 Preliminary Budget includes 20 city contracts, at a total cost of $212,000. Of these 20 registered contracts, 12 are for maintenance and repairs as part of restoration projects under the agency's federally funded Historic Preservation Grant Program (HPGP). These contracts are anticipated to cost approximately $115,000 in Fiscal 2018.

Revenue

LPC Miscellaneous Revenue Budget Overview
Dollars in Thousands

Revenue Sources	2015 Actual	2016 Actual	2017 Adopted	Preliminary Plan 2017	Preliminary Plan 2018	*Difference 2017 - 2018
Landmark Permits	$6,000	$6,300	$5,000	$5,100	$5,100	$100
Landmark Settlements & Other	9	9	9	9	9	0
State Grants Categorical	10	0	0	0	0	0
TOTAL	**$6,019**	**$6,309**	**$5,009**	**$5,109**	**$5,109**	**$100**

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

LPC collects revenue from the issuance of landmark permits and landmark settlements. LPC anticipates additional revenue from the continued growth in permit applications. Applications for work on landmark buildings have been on the rise in recent years, partly due to the resurgence of construction across the City since the economic downturn, and partly as a result of the expansion of landmark protection to thousands of additional buildings to meet community demand. LPC continues to designate landmarks on an ongoing basis, which correlates with an increase in the volume of permit applications. In total, the Commission has roughly estimated that the City will realize approximately $5.1 million in revenue in Fiscal 2018 from the issuance of landmark permits.

Appendix A: Budget Actions in the November and the Preliminary Plans

Dollars in Thousands	FY 2017			FY 2018		
	City	**Non-City**	**Total**	**City**	**Non-City**	**Total**
LPC as of the Adopted 2017 Budget	**$5,721**	**$593**	**$6,314**	**$5,552**	**$596**	**$6,148**
Other Adjustments						
FY17 CD OTPS Increase	$0	$40	$40	$0	$0	$0
FY17 CD Rollover - Residential	0	79	79	0	0	0
Funding Roll	(240)	0	(240)	200	0	200
Subtotal, Other Adjustments	**($240)**	**$119**	**($121)**	**$200**	**$0**	**$200**
TOTAL. All Changes	**($240)**	**$119**	**($121)**	**$200**	**$0**	**$200**
LPC as of the Preliminary 2018 Budget	**$5,481**	**$712**	**$6,193**	**$5,752**	**$596**	**$6,348**

Appendix B: Fiscal 2017 Mayor's Management Report Performance Measures

LPC Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
Individual landmarks and historic districts designated	11	15	20	20	20	1	1
Total Number of buildings designated	324	2,013	1,411	*	*	276	1
Work permit applications received	13,235	13,273	13,963	*	*	4,643	4,657
Actions taken on work permit applications received	13,176	15,446	14,081	*	*	4,737	4,593
Certificates of No Effect issued within 10 days (%)	94%	91%	96%	85%	85%	94%	93%
Expedited Certificates of No Effect issued within two days (%)	97%	90%	99%	100%	100%	98%	85%
Permits for minor work issued within 10 days (%)	91%	92%	95%	*	*	93%	92%
Number of complaints received	875	772	792	*	*	286	238
Investigations completed	783	755	997	*	*	327	301
Enforcement actions taken: Total warning letters, NOVs, and stop work orders issued	993	1014	1221	*	*	392	403
Violations admitted to or upheld at the Environmental Control Board (%)	97%	98%	98%	*	*	99%	98%
Archaeology applications received	284	308	297	*	*	106	86
Archaeology applications reviewed within 10 days (%)	98%	97%	95%	85%	85%	99%	93%
Letters responded to in 14 days (%)	94%	85%	80%	*	*	74%	65%
E-mails responded to in 14 days (%)	100%	100%	98%	*	*	99%	98%

- In the first four months of Fiscal 2017, the number of individual landmarks and historic districts designated was one, no increase when compared to the same period in the prior fiscal year. In addition, the total number of buildings designated in the first four months of Fiscal 2017 was one, a decrease of 275 compared to the same period in the prior year. In Fiscal 2017, the Commission focused its efforts on long-term designation initiatives, as well as a backlog initiative and therefore, a low number of buildings were designated during this period. The ongoing work in these areas is reflective of the low numbers, but should result in an increase in the number of buildings designated for the remainder of Fiscal 2017.

- The Fiscal 2017 Preliminary Mayor's Management report indicates that the Commission has seen a less than one percent decrease in the number of work permit applications received, with 4,657 applications received during the first four months of Fiscal 2017, down from 4,643 in Fiscal 2016. In addition, LPC's issuance of work permits for the first four months of the fiscal year has decreased by three percent, from 4,737 in Fiscal 2016 to 4,593 in Fiscal 2017.