

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Julissa Ferreras
Chair, Committee on Finance



Hearing on the Fiscal 2015 Preliminary Budget & the Fiscal 2014 Preliminary Mayor's Management Report

Department of Finance

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Department of Finance Agency Overview

The Department of Finance (DOF) collects over \$30 billion in revenue for the City and assesses more than one million properties collectively valued at over \$900 billion. DOF also records property-related documents; administers exemption and abatement programs; adjudicates and collects on parking tickets; maintains the City's treasury; and enforces compliance with City tax laws. In addition, the Department chairs the City's Banking Commission and, through the Office of the Sheriff, acts as the City's chief civil law enforcement officer.

This report provides a review of the Department of Finance's Preliminary Budget for Fiscal 2015. In the first section, the highlights of the Fiscal 2015 expense and revenue budgets are presented. The report then presents the Department's budget by program area and provides analysis of significant program areas, discusses initiatives included in the November and Preliminary Financial Plans and reviews relevant sections of the Preliminary Mayor's Management Report for Fiscal 2014. Finally, the appendices are included to highlight the Budget Actions in the November and Preliminary Plans, the Miscellaneous Revenue budget and the Contract Budget.

Fiscal 2015 Preliminary Plan Highlights

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Personal Services	\$128,903	\$131,132	\$144,341	\$141,979	\$144,928	\$587
Other Than Personal Services	92,444	91,158	90,084	82,628	93,383	3,299
Agency Total	\$221,347	\$222,290	\$234,425	\$224,607	\$238,311	\$3,886

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The Department of Finance's Fiscal 2015 Preliminary Budget is \$238.3 million, which is \$3.8 million more than the \$234.4 million Fiscal 2014 Adopted Budget. Since the Fiscal 2014 budget adoption, the overall net number of full-time positions within the agency will increase by 11, which includes the hiring of six employees to the Property Tax and Business Tax System unit, and five employees to the Condo/Coop Abatement Unit. The new positions to the Condo/Coop Unit are in relation to the newly enacted New York State Legislature Cooperative/Condominium Abatement bill (S2320/A3354) which grants eligible co-op and condo owners a reduction in their property taxes (See page 3 for more).

Revenue Budget Summary

Agency Revenue Sources <i>Dollars In Thousands</i>	FY14 Adopted Budget	FY14 Modified	FY15 Preliminary Budget
License, Permit & Franchises	\$50	\$50	\$50
Interest Income	660	660	680
Charges for Services	49,510	49,510	52,652
Fines and Forfeitures	615,112	615,112	603,459
Other Miscellaneous	8,175	8,175	8,125
State Grants - Categorical	438	513	438
TOTAL	\$673,945	\$674,020	\$665,404

The Department generates revenue from a wide-range of sources that include license and permit fees, collection of parking violation and Environmental Control Board fines, and interest income on sales tax. Miscellaneous Treasury Fees and Rent Stabilization Fees are included in the Other Miscellaneous category. The Fiscal 2015 Revenue Budget for DOF is projected to be approximately \$665.4 million, a decrease of about \$8.5 million when compared to the Fiscal 2014 Adopted Budget amount of \$673.9 million. The agency estimates that revenue generated from charges for services will increase from \$49.5 million in Fiscal 2014 to \$52.7 million in Fiscal 2015. In addition, revenue generated from fines and forfeitures is expected to decrease by \$11.6 million, from \$615.1 million in Fiscal 2014 to \$603.5 million in Fiscal 2015.

Miscellaneous Revenue

Miscellaneous revenue is composed of the interest income that the city earns by investing funds from the cash balance, sales tax and debt service accounts. DOF collects revenue from fines for building violations, sales tax, and vehicle and traffic violations, and other laws. In the Preliminary Plan, parking violation fines are projected to account for 78 percent of the Department's total miscellaneous revenue for Fiscal 2015. Increases and decreases in projected revenues for future fiscal years identified in the Preliminary Plan as part of the Department's Revenue Budget actions are listed below.

- **Credit Card Fees:** DOF has estimated that the City will realize an additional \$1 million in Fiscal 2014 from the collection of credit card convenience fees.
- **Real Property Income and Expense (RPIE) Late Penalty:** DOF has estimated that the City will realize an additional \$6 million in Fiscal 2014 from the collection of late filings of Real Property Income and Expense Statements. RPIE filings are required for all income-producing property that has an actual assessed value of more than \$40,000. Owners required to file and who do not submit the income expense statement by the annual deadline are subject to a first time penalty of up to 3 percent of the actual assess value, with higher penalties for continued non-compliance.
- **Collection Unit- Environmental Control Board Fines:** DOF has estimated that the City will realize an additional \$7 million in Fiscal 2014 from the collection of ECB fines resulting from building and construction code violations.
- **Motor Vehicle Fines:** DOF has estimated that the City will collect \$8 million less in fiscal years 2014 to 2017 from the collection of motor vehicle fines.

- **Cash Bail Forfeiture:** Cash bail is money paid as a deposit for the release of a person who has been arrested. DOF collects the money to help guarantee that the defendant will return to court for trial. The cash bail is held in a bank account until the court closes the case and issues a court order to refund the cash bail to the person who paid it. If the defendant does not return for their trial, the cash bail is not returned (It's forfeited). DOF has estimated that the City will collect \$1 million less in Fiscal 2014 from the collection of cash bail forfeitures.
- **Red Light Camera Fines:** DOF has estimated that the City will collect \$8 million less in Fiscal 2014 from the collection of red light camera fines, and \$12 million less in outlying years from Fiscal 2015 to 2017.
- **Parking Violation Fines:** DOF has estimated that the City will collect \$7.4 million less in Fiscal 2014 from the collection of parking violation fines.

EXPENSE INITIATIVE HIGHLIGHTS

- **Vehicle Booting Program:** The Vehicle Booting Program was piloted in Brooklyn and Queens in the Summer of 2012 in order to test sheriff booting as a tool to recover outstanding judgment parking debt. DOF works with a vendor, PayLock, to administer the program and has a City registered contract ending in April 2017. In summer 2013, the program expanded citywide and City Marshalls fully transitioned to booting. As of December 2013, Sheriffs and Marshalls have booted 47,514 cars, which resulted in \$19.1 million in revenue from outstanding parking judgment, poundage, and execution fees. Revenue generated from this program has far exceeded expectations and is projected to generate \$10.6 million in miscellaneous revenue for the City in Fiscal year 2014.
- **Property Tax System/Business Tax System upgrades:** The Real Property Assessment Division (RPAD) and Fairtax applications are key systems critical to the annual collection of over \$20 billion in City property, business and other taxes and charges. Since properties in New York City are assessed at a percent of value and are subject to other complex rules, the RPAD system is programmed with legally mandated formulas to arrive at assessments, exemptions and abatement values used for tax purposes. The systems were written and deployed more than 30 years ago and have seen extensive modifications through the years as tax and DOF business needs have changed. The age and obsolescence of the current system makes it difficult and time consuming for DOF to respond to changes in tax policy. The agency must replace these systems in order to facilitate and match more efficient and effective revenue collection and business processes. As a result, DOF has a new staffing need of \$647,500 in Fiscal 2015 to support the modernization of the system through consultants and full-time staff. Once baselined, DOF will have six full-time employees working on this project at a total annual cost of \$595,000 in Fiscal 2015, Fiscal 2016 and Fiscal 2017.
- **Cooperative and Condominium Tax Abatement:** In January 2013, the New York State Legislature passed bill S2320/A3354, which amended the Co-op/Condo Abatement tax to capture eligible owners that reside in a co-op or condo unit as a primary residence. Under the legislation, owners of cooperative units can have their property taxes reduced based on the average assessed value of the residential units in the building. In order to bring the Condo/Coop Abatement Unit to scale, DOF has a new staffing need of \$93,000 in City funds for Fiscal 2014 to support the hiring of five full-time employees. Once baselined, this program will cost the agency \$280,000 in Fiscal 2015 and in the outyears.

Department of Finance Financial Summary

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Budget by Program Area						
Administration	\$49,734	\$47,114	\$49,824	\$51,537	\$49,300	(\$524)
Audit	14,606	14,889	\$16,354	17,150	16,088	(266)
Civil Enforcement	21,995	24,538	\$25,280	38,216	29,858	4,578
Collections	13,509	15,361	\$17,476	16,807	16,517	(959)
Communications & Governmental Services	2,229	2,333	\$2,432	2,277	2,529	97
FIT (Finance Information Technology)	36,583	36,210	\$38,969	39,114	39,797	828
Legal & Adjudications	16,018	14,737	\$15,832	14,878	15,672	(160)
NYCSERV Contract Funding	5,334	4,929	\$3,356	3,650	3,356	0
Payment Ops & Application Processing	21,652	22,527	\$22,776	23,127	22,120	(656)
Property Records	4,670	4,844	\$5,697	5,078	5,215	(482)
Treasury	21,294	19,898	\$21,372	21,067	21,246	(126)
Valuing Property	13,722	14,910	\$15,057	16,247	16,615	1,558
TOTAL	\$221,346	\$222,290	\$234,425	\$249,148	\$238,313	\$3,888
Funding						
City Funds	\$216,702	\$217,216	\$229,667	\$244,096	\$233,442	\$3,775
Other Categorical	0	0	0	0	0	0
Capital- IFA	0	0	0	0	0	0
State	75	438	438	513	438	0
Federal - Community Development	0	0	0	0	0	0
Federal - Other	0	195	0	0	0	0
Intra City	4,569	4,442	4,319	4,540	4,431	112
TOTAL	\$221,346	\$222,290	\$234,425	\$249,148	\$238,313	\$3,888
Positions						
Full-Time Positions	1,750	1,746	1,915	1,926	1,923	10
Full-Time Equivalent Positions	64	56	68	62	69	1
TOTAL	1,814	1,802	1,983	1,988	1,992	11

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.

Program Areas

Administration

This program area includes funding for the Executive Division, the Employee Services Division which provides support services to Finance employees in accordance with City rules and regulation, and the Tax Policy division which provides information and analysis to help decision makers improve the City's tax system and public understanding of the revenue system.

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$10,738	\$10,687	\$11,521	\$11,309	\$12,290	\$769
Other Salaried and Unsalaries	5	5	148	0	0	(148)
Additional Gross Pay	342	397	465	303	303	(162)
Amounts to be Scheduled	0	0	1	0	0	(1)
Fringe Benefits	3	1	4	10	10	6
Subtotal	\$11,088	\$11,090	\$12,139	\$11,622	\$12,603	\$464
Other Than Personal Services						
Supplies and Materials	\$5,616	\$855	\$958	\$1,318	\$958	\$0
Fixed and Misc. Charges	7	8	15	15	15	0
Property and Equipment	549	2,373	565	432	565	0
Other Services and Charges	31,686	32,121	35,510	33,228	33,585	(1,925)
Contractual Services	788	667	637	4,923	1,574	937
Subtotal	\$38,646	\$36,024	\$37,685	\$39,916	\$36,697	(\$988)
TOTAL	\$49,734	\$47,114	\$49,824	\$51,538	\$49,300	(\$524)
Funding						
City Funds			\$49,824	\$51,435	\$49,300	(\$524)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	103	0	0
TOTAL	\$49,734	\$47,114	\$49,824	\$51,538	\$49,300	(\$524)

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The Administration program budget will decrease approximately \$524,000, from \$49.8 million in Fiscal 2014 to \$49.3 million in the Fiscal 2015 Preliminary Plan. This is primarily due to a decrease in other services and charges associated with other than personal services.

Audit

This program area includes DOF employees who conduct in-depth audits of business and personal income, excise and other tax returns. The Audit Division identifies non-filing and delinquent businesses, and, when appropriate, assesses additional taxes and/or seeks civil penalties.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$12,092	\$12,687	\$14,066	\$13,819	\$13,819	(\$247)
Other Salaried and Unsalaries			0			0
Additional Gross Pay	1,751	1,723	1,641	1,746	1,657	16
Subtotal	\$13,843	\$14,410	\$15,707	\$15,565	\$15,476	(\$231)
Other Than Personal Services						\$0
Supplies and Materials	\$559	\$218	\$243	\$1,184	\$169	(74)
Fixed and Misc Charges	0	0	6	6	0	(6)
Property and Equipment	168	164	203	202	163	(40)
Other Services and Charges	37	43	87	86	207	120
Contractual Services	0	54	107	107	74	(33)
Subtotal	\$764	\$479	\$646	\$1,585	\$613	(\$33)
TOTAL	\$14,607	\$14,889	\$16,353	\$17,150	\$16,089	(\$264)
Funding						
City Funds			\$16,354	\$17,150	\$16,088	(\$266)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$14,607	\$14,889	\$16,353	\$17,150	\$16,089	(\$266)

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.

The Audit program budget will decrease approximately \$264,000, from \$16.4 million in Fiscal 2014 to \$16.1 million in the Fiscal 2015 Preliminary Plan. This is primarily due to a decrease in personal costs associated with full-time employees.

Performance Measures

	FY11 Actual	FY12 Actual	FY13 Actual	FY13 4-Month Actual	FY14 4-Month Actual
Increase in tax liability as a result of audits (%)	27%	11%	14%	13%	10%
Average turnaround time for audits (days)	612	684	632	611	738

The average turnaround time for audits increased from 611 days in Fiscal 2013 to 738 days in Fiscal 2014, or by 21 percent.

Civil Enforcement

This program area includes funding for the Tax Enforcement Division which attempts to ensure that all taxpayers pay their fair share and provides enforcement against those who intentionally do not. This program area also includes funding for the Sheriff's Division which promotes public safety and enforces court orders, including those for the collection of judgment debt.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$17,762	\$17,581	\$18,667	\$18,260	\$18,342	(\$325)
Other Salaried and Unsalaries	0	6	27	0	0	(27)
Additional Gross Pay	2,268	2,797	1,966	2,437	2,363	397
Fringe Benefits	0	2	11	30	30	19
Subtotal	\$20,030	\$20,386	\$20,671	\$20,727	\$20,735	\$64
Other Than Personal Services						\$0
Supplies and Materials	\$265	\$173	\$245	\$236	\$201	(44)
Fixed and Misc Charges	0	6	13	13	9	(4)
Property and Equipment	515	450	420	406	158	(262)
Other Services and Charges	705	769	930	1,176	1,332	402
Contractual Services	480	2,754	3,001	15,656	7,424	4,423
Subtotal	\$1,965	\$4,152	\$4,609	\$17,487	\$9,124	\$4,515
TOTAL	\$21,995	\$24,538	\$25,280	\$38,214	\$29,859	\$4,579
Funding						
City Funds			\$20,961	\$33,784	\$25,427	\$4,466
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			4,319	4,431	4,431	112
TOTAL	\$21,995	\$24,538	\$25,280	\$38,214	\$29,859	\$4,579

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The Civil Enforcement program budget will increase approximately \$4.6 million, from \$25.3 million in Fiscal 2014 to \$29.9 million in the Fiscal 2015 Preliminary Plan. This is primarily due to an increase in other than personal costs associated with Paylock's contract with the City for the booting program.

Collections

This program area is responsible for resolving outstanding debt in a timely manner and Marshal Enforcement which helps people pay the right amount on time.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$6,535	\$6,040	\$8,139	\$6,392	\$7,526	(\$613)
Other Salaried and Unsalaries	0	0	49	0	0	(49)
Additional Gross Pay	476	453	687	361	361	(326)
Fringe Benefits	291	299	325	441	441	116
Subtotal	\$7,302	\$6,792	\$9,200	\$7,194	\$8,328	(\$872)
Other Than Personal Services						
Supplies and Materials	\$540	\$471	\$16	\$473	\$16	\$0
Property and Equipment	599	610	806	545	721	(85)
Other Services and Charges	95	284	175	1,298	287	112
Contractual Services	4,974	7,204	7,280	7,297	7,166	(114)
Subtotal	\$6,208	\$8,569	\$8,277	\$9,613	\$8,190	(\$87)
TOTAL	\$13,510	\$15,361	\$17,477	\$16,807	\$16,518	(\$959)
Funding						
City Funds			\$17,476	\$16,807	\$16,517	(\$959)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$13,510	\$15,361	\$17,477	\$16,807	\$16,518	(\$959)

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.

Six new employees will be hired for the Property Tax System unit in this program budget this at a cost of \$595,000 per year beginning in Fiscal 2015.

Performance Measures

	FY11 Actual	FY12 Actual	FY13 Actual	FY13 4-Month Actual	FY14 4-Month Actual
Average time to issue a property tax refund (days)	22	26	27	20	27
Average time to issue a business tax refund (days)	39	32	30	29	20

The average number of days to issue business tax refunds declined 9 days, from 29 days in Fiscal 2013 to 20 days for the same period in Fiscal 2014. This is primarily due to organizational and programmatic changes the agency has implemented recently to expedite refunds more efficiently. However, property tax refunds have increased from 20 days in Fiscal 2013 to 27 days in Fiscal 2014.

Communications & Governmental Services

This program area ensures that DOF provides clear and timely information and assistance to employees and the public, and effectively promotes the agency's policies and program on behalf of its operating divisions.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$2,013	\$2,009	\$2,091	\$1,846	\$2,091	\$0
Other Salaried and Unsalaries	0	0	4	95	99	95
Additional Gross Pay	63	77	71	71	73	2
Subtotal	\$2,076	\$2,086	\$2,166	\$2,012	\$2,263	\$97
Other Than Personal Services						
Supplies and Materials	\$6	\$2	\$2	\$2	\$2	\$0
Property and Equipment	2	5	2	11	2	0
Other Services and Charges	130	189	210	202	145	(65)
Contractual Services	15	51	51	51	116	65
Subtotal	\$153	\$247	\$265	\$266	\$265	\$0
TOTAL	\$2,229	\$2,333	\$2,431	\$2,278	\$2,528	\$97
Funding						
City Funds			\$2,432	\$2,277	\$2,529	\$97
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$2,229	\$2,333	\$2,431	\$2,278	\$2,528	\$97

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The Communications and Governmental Services program area budget will increase in the 2015 Fiscal Preliminary Plan approximately \$97,000, from \$2.43 million in Fiscal 2014 to \$2.53 million. This is primarily due to an increase in personal costs associated with non- full time positions, including part-time and hourly employees.

Customer Relations

This program area ensures that DOF responds to inquiries quickly and accurately, keeps the public well informed, and resolves customer issues.

Performance Measures

	FY11 Actual	FY12 Actual	FY13 Actual	FY13 4-Month Actual	FY14 4-Month Actual
Emails responded to in 14 days (%)	78%	75%	85%	79%	88%
Letters responded to in 14 days (%)	77%	60%	91%	88%	67%

As a result of the transfer of staff, Customer service in the agency has dramatically improved for email responses. The percentage of emails responded to in 14 days increased 11%, from 79% in Fiscal 2013 to 88% for the same period in Fiscal 2014., The percentage of letters responded to in 14 days decreased 24%, from 88% in Fiscal 2013 to 67% in Fiscal 2014.

Finance Information Technology

This program area includes funding to ensure the development and delivery of information and technology solutions that aid the agency in achieving its goals.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$23,271	\$24,385	\$27,526	\$26,585	\$27,638	\$112
Other Salaried and Unsalaries	49	0	5	0	5	0
Additional Gross Pay	971	772	763	789	820	57
Subtotal	\$24,291	\$25,157	\$28,294	\$27,374	\$28,463	\$169
Other Than Personal Services						
Supplies and Materials	\$2,899	\$2,327	\$93	\$2,188	\$93	\$0
Fixed and Misc Charges	9	0	0	0	0	0
Property and Equipment	14	107	18	180	18	0
Other Services and Charges	1,554	1,909	3,165	1,469	3,824	659
Contractual Services	7,816	6,710	7,400	7,903	7,400	0
Subtotal	\$12,292	\$11,053	\$10,676	\$11,740	\$11,335	\$659
TOTAL	\$36,583	\$36,210	\$38,970	\$39,114	\$39,798	\$828
Funding						
City Funds			\$38,969	\$39,114	\$39,797	\$828
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$36,583	\$36,210	\$38,970	\$39,114	\$39,798	\$828

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The FIT program budget will increase approximately \$828,000, from \$38.97 million in Fiscal 2014 to \$39.80 million in the 2015 Fiscal Preliminary Plan. This is primarily due to an increase in other services and charges related to other than personal services costs.

Legal & Adjudications

This program area includes funding for the Legal Affairs Division which ensures that laws, rules and regulations are clear, easy to understand and fairly applied to the public, and that DOF has adequate legal support. This program area also funds the Adjudication Division which provides a forum for motorists to challenge their parking or red light tickets.

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	<i>Actual</i>	<i>Actual</i>	<i>Adopted</i>	<i>Prelim. Plan</i>	<i>Prelim. Plan</i>	<i>2014 - 2015</i>
Spending						
Personal Services						
Full-Time Salaried	\$8,578	\$7,914	\$9,083	\$8,129	\$8,479	(\$604)
Other Salaried and Unsalaries	4,518	4,226	4,497	4,443	4,936	439
Additional Gross Pay	727	739	712	720	720	8
Subtotal	\$13,823	\$12,879	\$14,292	\$13,292	\$14,135	(\$157)
Other Than Personal Services						
Supplies and Materials	\$1,131	\$266	\$22	\$273	\$21	(\$1)
Fixed and Misc. Charges	0	0	1	1	1	0
Property and Equipment	56	58	76	70	66	(10)
Other Services and Charges	32	49	34	52	42	8
Contractual Services	976	1,487	1,407	1,189	1,406	(1)
Subtotal	\$2,195	\$1,860	\$1,540	\$1,585	\$1,536	(\$4)
TOTAL	\$16,018	\$14,739	\$15,832	\$14,877	\$15,671	(\$161)
Funding						
City Funds			\$15,832	\$14,878	\$15,672	(\$160)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$16,018	\$14,739	\$15,832	\$14,877	\$15,671	(\$160)

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The Legal & Adjudications program budget will decrease approximately \$161,000, from \$15.83 million in Fiscal 2014 to \$15.67 million in the 2015 Fiscal Preliminary Plan. This is primarily due to a decrease in personal costs associated with full-time, salaried employees.

Performance Measures

	FY11 Actual	FY12 Actual	FY13 Actual	FY13 4-Month Actual	FY14 4-Month Actual
Parking tickets issued that are paid within 90 days (%)	63%	65%	64%	63%	67%
Parking ticket hearings - Total	1,169,864	1,235,067	901,026	316,960	382,340
Average turnaround time to issue decision for parking ticket hearing-by-web (days)	7	6.5	3.8	2.5	7.3
Average turnaround time to issue decision for parking ticket hearing-by-mail (days)	27	23	4	3	12
Parking ticket appeals granted a reversal (%)	16%	12%	10%	9%	15%
Average time to issue decision for parking ticket appeals (days)	11	11	11	11	11

The number of in-person parking hearings increased to 382,340 in Fiscal 2014, up from 316,960 for the same period in Fiscal 2013. Average turnaround times for online hearings increased by about 5 days, and increased 300 percent for hearings by mail. Payments of parking tickets issued within 90 days increased four percentage points, from 67 percent in Fiscal 2014 to 63 percent for the same period in Fiscal 2013.

NYCServ Contract Funding

This program area includes funding for Other than Personal Services expenses of the NYCServ Contract. NYCServ is the payment and adjudications engine for all debts, collections, licensing, and permits to the City of New York. It enables customers to pay taxes and fines or dispute parking tickets and violations in a single location while improving customer service.

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Spending						
Other Than Personal Services						
Supplies and Materials	\$1	\$0	\$0	\$0	\$0	\$0
Property and Equipment	1	37	0	0	0	0
Other Services and Charges	302	7	125	25	125	0
Contractual Services	5,030	4,884	3,231	3,625	3,231	0
TOTAL	\$5,334	\$4,928	\$3,356	\$3,650	\$3,356	\$0
Funding						
City Funds			\$3,356	\$3,650	\$3,356	\$0
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$5,334	\$4,928	\$3,356	\$3,650	\$3,356	\$0

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

Spending and funding in this program area will not change from Fiscal 2014 Adopted to the Fiscal 2015 Preliminary Budget.

Payment Operations & Application Processing

This program area includes funding for Payment Operations which ensures quick and accurate processing of payments, returns exemptions and business tax refunds, while providing people with convenient options to pay and file.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$16,466	\$17,303	\$19,542	\$18,799	\$20,048	\$506
Other Salaried	0	0	57	0	0	(57)
Additional Gross Pay	1,136	1,178	1,356	1,108	1,108	(248)
Fringe Benefits	0	0	0	0	0	0
Amounts to be Scheduled	0	0	5	0	0	(5)
Subtotal	\$17,602	\$18,481	\$20,960	\$19,907	\$21,156	\$196
Other Than Personal Services						
Supplies and Materials	\$1,732	\$1,387	\$21	\$1,412	\$52	\$31
Fixed and Misc Charges	1	1	1	1	2	1
Property and Equipment	52	5	4	6	6	2
Other Services and Charges	74	57	58	85	79	21
Contractual Services	2,191	2,596	1,731	1,717	827	(904)
Subtotal	\$4,050	\$4,046	\$1,815	\$3,221	\$966	(\$849)
TOTAL	\$21,652	\$22,527	\$22,775	\$23,128	\$22,122	(\$653)
Funding						
City Funds			\$22,776	\$23,127	\$22,120	(\$656)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$21,652	\$22,527	\$22,775	\$23,128	\$22,122	(\$653)

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.

The payment operations and application processing program budget will decrease approximately \$653,000 in the 2015 Fiscal Preliminary Plan, from \$22.8 million in Fiscal 2014 to \$22.1 million in Fiscal 2015. This is primarily due to a decrease in contractual services associated with other than personal services costs.

Property Records

The function of this program area is to fund the City Register which maintains official records of real and personal property transfers and interests. ACRIS is the Automated City Register Information System, which allows anyone to view property-related ownership documents online going back to 1966. The Surveyor, who reports to the City Register, updates and maintains the official tax maps of the City of New York when property owners request the subdivision of large lots into smaller lots (apportionment) or the merging of smaller lots into one large lot (merging).

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$3,815	\$4,005	\$4,676	\$4,220	\$4,285	(\$391)
Other Salaried & Unsalaries	0	0	82	0	0	(82)
Additional Gross Pay	176	185	208	244	244	36
Fringe Benefits	0	0	0	2	2	2
Subtotal	\$3,991	\$4,190	\$4,966	\$4,466	\$4,531	(\$435)
Other Than Personal Services						
Supplies and Materials	\$68	\$16	\$18	\$29	\$21	\$3
Fixed and Misc Charges	0	0	1	1	1	0
Property and Equipment	4	25	2	4	2	0
Other Services and Charges	253	292	399	195	298	(101)
Contractual Services	353	320	311	383	362	51
Subtotal	\$678	\$653	\$731	\$612	\$684	(\$47)
TOTAL	\$4,669	\$4,843	\$5,697	\$5,078	\$5,215	(\$482)
Funding						
City Funds			\$5,697	\$5,003	\$5,215	(\$482)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State- Local Government Records Mgmt.			0	75	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$4,669	\$4,843	\$5,697	\$5,078	\$5,215	(\$482)

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.

The Property Records program budget will decrease by approximately \$482,000, from \$5.7 million in Fiscal 2014 to \$5.2 million in the 2015 Fiscal Preliminary Plan. This is primarily due to a decrease in personal costs associated with full-time, salaried employees.

Treasury

This program ensures that the Treasury Division manages and safeguards the City's money.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$2,117	\$1,784	\$1,997	\$1,819	\$2,021	\$24
Other Salaried & Unsalaries	0	0	54	0	0	(54)
Additional Gross Pay	88	63	112	32	32	(80)
Subtotal	\$2,205	\$1,847	\$2,163	\$1,851	\$2,053	(\$110)
Other Than Personal Services						
Supplies and Materials	\$6	\$2	\$2	\$2	\$2	\$0
Fixed and Misc Charges	0	0	0	0	0	0
Property and Equipment	8	6	4	5	3	(1)
Other Services and Charges	187	58	166	118	162	(4)
Contractual Services	18,888	17,986	19,037	19,090	19,026	(11)
Subtotal	\$19,089	\$18,052	\$19,209	\$19,215	\$19,193	(\$16)
TOTAL	\$21,294	\$19,899	\$21,372	\$21,066	\$21,246	(\$126)
Funding						
City Funds			\$21,372	\$21,061	\$21,246	(\$126)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	6	0	0
TOTAL	\$21,294	\$19,899	\$21,372	\$21,066	\$21,246	(\$126)

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.

The Treasury program budget will decrease by approximately \$126,000, from \$21.4 million in Fiscal 2014 to \$21.25 million in the 2015 Fiscal Preliminary Plan. This is primarily due to decreases in personal costs related to non-full time employees and additional gross pay.

Valuing Property

This program funds the Property Division which values all New York City Property fairly, accurately and consistently.

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services						
Full-Time Salaried	\$11,436	\$13,066	\$13,293	\$13,492	\$14,069	\$776
Additional Gross Pay	1,215	750	489	1,114	1,115	626
Subtotal	\$12,651	\$13,816	\$13,782	\$14,606	\$15,184	\$1,402
Other Than Personal Services						
Supplies and Materials	\$665	\$562	\$237	\$601	\$86	(\$151)
Property and Equipment	120	96	527	527	111	(416)
Other Services and Charges	29	29	132	132	679	547
Contractual Services	257	407	379	379	555	176
Subtotal	\$1,071	\$1,094	\$1,275	\$1,639	\$1,431	\$156
TOTAL	\$13,722	\$14,910	\$15,057	\$16,245	\$16,615	\$1,558
Funding						
City Funds			\$14,619	\$15,809	\$16,177	\$1,558
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			438	438	438	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$13,722	\$14,910	\$15,057	\$16,245	\$16,615	\$1,558

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The Valuing Property program budget will increase by approximately \$1.56 million, up from \$15.1 million in Fiscal 2014 to \$16.6 million in the 2015 Fiscal Preliminary Plan. This is primarily due to increases in personal costs related to full time employees and additional gross pay.

Appendix A

Miscellaneous Revenue

Miscellaneous Revenue Sources in thousands ('000)	Actual		Planned			
	2012	2013	2014	2015	2016	2017
Licenses, Permits & Franchises						
Cigarette License Fees	56	\$51	\$50	\$50	\$50	\$50
Interest Income						
Sales Tax	336	426	400	530	3,060	9,000
Court & Fine Trust	202	169	150	150	510	1,400
Charges for Services						
Sheriff Desk Fees & Poundage	1,353	5,839	5,474	4,133	4,207	4,272
Court & Trust Fees	5,217	2,943	3,000	3,500	3,500	3,500
On-Line Title Access Fees	158	141	250	250	250	250
Credit Card Convenience Fee	7,506	7,115	6,000	5,000	5,000	5,000
Reconveyance In-Rem Property	8	7	8	8	8	8
City Register Fees	31,118	33,730	33,871	34,598	34,598	34,598
ICIP Application Fee	78	51	50	50	50	50
Marshal Booting	644	520	10,600	4,000	4,000	4,000
State Admin Reimbursement	60	66	88	88	88	88
City Collector Misc. Fees	877	774	925	925	925	925
Lower Manhattan Project	80	111	100	100	100	100
Fines & Forfeitures						
RPIE Late Penalty	1,818	11,345	10,000	4,000	4,000	4,000
RPTT Late Penalty	3,269	1,475	800	400	400	400
Motor Vehicle Fines	12,412	18,880	12,567	12,567	12,567	12,567
Bus Lane Camera Fines	7,671	5,834	9,000	7,292	6,256	6,256
Red light Camera Fines	47,194	35,743	32,000	35,000	35,000	35,000
Parking Violation Fines	512,763	466,588	510,800	518,700	518,800	518,800
Collection Unit-ECB Fines	47,836	46,696	29,060	23,000	23,000	23,000
Cash Bail Forfeiture	2,673	1,418	1,500	2,500	2,500	2,500
Other Misc.						
Treasury Misc. Fees	558	773	425	425	425	425
Rent Stabilization Fees	9,485	9,098	7,700	7,700	7,700	7,700
TOTAL	\$693,371	\$649,794	\$674,818	\$664,966	\$666,994	\$673,889

Appendix B

Expense Budget Actions in November and February Plan

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of Fiscal 2014 Adopted Plan	\$229,667	\$4,757	\$234,424	\$227,840	\$4,757	\$232,597
Program to Eliminate the Gap (PEGs)						
<i>None</i>	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, PEGs	\$0	\$0	\$0	\$0	\$0	\$0
New Needs						
Property Tax System/Business Tax System Staff	\$648	\$0	\$648	\$595	\$0	\$595
Tax Discovery Initiative	907	0	907	0	0	0
Cooperative and Condominium Abatement Unit	93	0	93	280	0	280
Security Guards at 66 John Street	411	0	411	936	0	936
TOTAL, New Needs	\$2,059	\$0	\$2,059	\$1,811	\$0	\$1,811
Other Adjustments						
Allied Barton	\$0	\$15	\$15	\$0	\$0	\$0
CITI-Serv - DOF Transfer	(210)	0	(210)	(210)	0	(210)
FR 6622/332 To 6500/40X	0	15	15	0	0	0
Funds for Citywide Payments and Receivables Repository (CPRR) MOU	0	2	2	0	0	0
IC w/ DOF - Sheriff Office	0	112	112	0	112	112
Office of Administrative Trials and Hearings OCT201403	0	73	73	0	0	0
Paylock Reimbursement for Marshal and Sheriff Booting	12,500	0	12,500	4,500	0	4,500
TR \$75,000 TO 3600/600	0	75	75	0	0	0
311 Calltaker MOU with the Department of Information, Technology & Telecommunications	0	0	0	(500)	0	(500)
DEP (BPS)- DOF Right to Know Program Pay	0	4	4	0	0	0
Lease Adjustment for 66 John Street	80	0	80	0	0	0
TOTAL, Other Adjustments	\$12,370	\$296	\$12,666	\$3,790	\$112	\$3,902
TOTAL, All Changes	\$14,429	\$296	\$14,725	\$5,601	\$112	\$5,714
Agency Budget as of Fiscal 2015 Preliminary Plan	\$244,096	\$5,053	\$249,149	\$233,441	\$4,869	\$238,311

Appendix C

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 Other Than Personal Services (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. DOF's Fiscal 2015 Preliminary Budget includes 59 registered City contracts, at a total cost of \$49,158.

Category	Number	Budgeted	Pct. of Agency Total	Pct. of City Total
Contractual Services General	17	\$9,789	19.9%	1.8%
Telecommunications Maintenance	1	353	0.7%	0.7%
Maintenance and Repair General	18	4,432	9.0%	3.3%
Printing Contracts	6	2,026	4.1%	6.3%
Costs Associated with Financing	3	25,514	51.9%	26.2%
Security Services	3	1,203	2.4%	1.2%
Training Program City Employees	6	185	0.4%	1.1%
Professional Services-Accounting & Auditing	1	100	0.2%	0.4%
Professional Services-Engineer & Architect	1	13	0.0%	0.2%
Professional Services-Computer Services	3	5,544	11.3%	5.4%
FY2015 Preliminary Budget	59	\$49,158	100.0%	4.4%

**In thousands*