

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CULTURAL AFFAIRS, LIBRARIES
AND INTERNATIONAL INTERGROUP RELATIONS
JOINTLY WITH THE SUBCOMMITTEE ON LIBRARIES

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April 28, 2014
Start: 1:10 p.m.
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HELD AT: 250 Broadway- Committee Room
16th Floor

B E F O R E:
JAMES VAN BRAMER
COSTA CONSTANTINIDES
Chairpersons

COUNCIL MEMBERS:

Andy King
Ydanis Rodriguez
Peter Koo
Elizabeth Crowley
Stephen Levin
Helen Rosenthal
Laurie Cumbo

A P P E A R A N C E S (CONTINUED)

Feniosky Pena-Mora
Commissioner
NYC Department of Design and
Construction

David Resnick
Deputy Commissioner
NYC Department of Design and
Construction

David Varoli
General Counsel
NYC Department of Design and
Construction

Veronika Conant
Member
Committee to Save the New York
Public Library

Carolyn McIntyre
Member
Citizens Defending Libraries

Cynthia M. Pyle
Patron
New York Public Library

Charles Warren
Architect/Member
Committee to Save the New York
Public Library

2 CHAIRPERSON VAN BRAMER: Ready?

3 Alright, good afternoon, everybody, and [gavel]
4 with this gavel strike, we are in session, this
5 Committee on Cultural Affairs, Libraries and
6 Intergroup Relations, of which I am chair. My name
7 is Jimmy Van Bramer. I am joined with my co-
8 chairperson, the Chair of the Select Committee on
9 Libraries, Costa Constantinides and by a number of
10 colleagues here today: from my left, Council
11 Member Andy King of the Bronx, Council Member
12 Ydanis Rodriguez of Manhattan and Council Member
13 Peter Koo, also of Queens and I know we are
14 expecting more, but we wanted to get started.

15 This very important hearing is an
16 oversight hearing in tracking how the Department of
17 Design and Construction spends, monitors and
18 discloses capital funding for library and cultural
19 projects. So I have a brief opening statement,
20 Council Member Constantinides has a brief opening
21 statement and then we're going to get to the
22 Commissioner, who is here on his very first day on
23 the job, and we welcome him, and of course, Deputy
24 Commissioner David Resnick, who I know will be an
25 active participant in this hearing. So I want to

2 welcome Commissioner Feniosky Pena-Mora and
3 congratulate him on his appointment and thank him
4 for being a part of this hearing, as he figures out
5 where the office is and all of the other things
6 you've got to do today.

7 As folks know, the Department of Design
8 and Construction is the City's primary capital
9 construction project manager. DDC provides
10 communities with new and renovated public buildings
11 such as firehouses, libraries, museums, courthouses
12 and senior centers and although the agency does not
13 have its own budget, it manages a roughly \$10
14 billion portfolio; \$10 billion in projects. DDC
15 works in partnership with City agencies and other
16 entities like the Department of Cultural Affairs
17 and our public library systems, as well as
18 architects and consultants to complete innovative,
19 useful and environmentally conscious projects.
20 DDC's projects include libraries throughout the
21 five boroughs and various cultural institutions
22 such as the Queens Botanical Garden; the Queens
23 Museum; Flushing Town Hall; very heavy on the
24 Queens cultural here; MoMA PS 1; Staten Island Zoo
25 at the Leopard Exhibit; Brooklyn Children's Museum

2 near Public Theater and so many more. But
3 particularly in light of recent news reports and
4 ongoing investigations into the management of
5 capital projects at the Queens Public Library,
6 we've convened this hearing to shed light on the
7 practices at DDC with additional attention to pass-
8 through contracts and those processes.

9 At today's hearing, DDC representatives
10 will describe in detail capital project procedures,
11 including the processes for bidding, selection and
12 management of contracts. We expect to gain insight
13 into DDC's practices in relation to contract
14 approval requirements, time management, oversight,
15 funding and disclosure. With a particular focus on
16 the completion of capital projects for public
17 libraries and cultural institutions, we seek ways
18 to improve the process for the benefit of the city
19 and all New Yorkers. I want to thank my counsel,
20 Ty Mea [phonetic] and policy analyst Tonya Cyrus,
21 as well as Cody Ryder [phonetic], my legislative
22 director, for their work preparing for this
23 hearing, and invite Chair Constantinides to make an
24 opening statement.

2 CHAIRPERSON CONSTANTINIDES: Good

3 afternoon. My name is Costa Constantides, Chair of
4 the Select Committee on Libraries. Once again, I
5 am happy to join my colleague, majority leader
6 Jimmy Van Bramer, on this important topic; how the
7 Department of Design and Construction spends,
8 monitor and discloses capital funding for library
9 and cultural projects. Congratulations to the new
10 Commissioner, Mr. Feniosky Pena-Mora. I hope I got
11 that right within... I'm glad. With a name like
12 Constantinides, I know how important it is to get
13 the name right. [laughter] Today is your first day
14 as DDC Commissioner.

15 DDC is primarily responsible for
16 managing the City's capital projects, as the Chair
17 stated, and you manage a portfolio of \$10 billion
18 and include new or renovated structures. DDC has a
19 staff of almost 1,200, representing strong
20 expertise in various areas including procurement,
21 quality assurance, pay review and performance
22 metrics. To this date, DDC has earned much
23 recognition for quality engineering and
24 construction of its projects and its services to
25 vendors. For instance, the agency has received the

2 Preservation and Rehabilitation award on the work
3 on the Park Slope branch library and has earned
4 other distinguished awards. In addition, DDC
5 regularly issues books, guidelines and brochures on
6 the research, development and implementation of its
7 programs and initiatives. Such publications are
8 used as guides for consultants that work with City
9 agencies as they navigate the city's design and
10 construction requirements.

11 Today, we look forward to hearing about
12 the agency's policies and procedures as they
13 pertain to libraries and cultural institutions.

14 CHAIRPERSON VAN BRAMER: Thank you very
15 much, co-Chair Constantinides. We're being joined
16 by Councilwoman Elizabeth Crowley of Queens. A lot
17 of Queens folks in the room, and with that, we will
18 turn it over to our brand new Commissioner. And I
19 want to say at the outset, obviously we know this
20 is your first... literally first few hours on the
21 job, so I know you'll be relying on your Deputy
22 Commissioner to your right to handle some of the
23 more detailed answers, but we welcome you and ask
24 Commissioner Pena-Mora to begin his testimony.

3 COMMISSIONER PENA-MORA: Thank you,
4 Chairperson Van Bramer and thank you for your
5 understanding that's it's my first day and that I
6 will be relying on David for a lot of the detailed
7 questions. I also would like to thank the members
8 of the Committee on Cultural Affairs, Libraries and
9 International Intergroup Relations, as well as
10 Chairperson Constantinides and members of the
11 Subcommittee on Libraries, as well as all the
12 members of the City Council. As it was mentioned,
13 I am Feniosky Pena-Mora, the Commissioner of the
14 Department of Design and Construction. I am
15 pleased to be here with you today. I have a
16 statement on our work on behalf of the City's three
17 library systems and the Department of Cultural
18 Affairs, after which I will gladly answer any
19 questions you may have.

20 As the New York City's primary capital
21 design and construction manager, DDC provides
22 communities with new and renovated buildings
23 including firehouses, libraries, health and senior
24 centers, police precincts and courthouses. We also
25 build the city's roadways and plazas, as well as
sewers, water mains and other related

3 infrastructure projects for DOT and DEP. DDC's
4 active portfolio includes more than 825 capital
5 projects valued, as it was said before, at nearly
6 \$10 billion. The funding for these projects is
7 transferred to us from the capital program of our
8 client agencies.

9 As you many know, this is my first day
10 as DDC Commissioner, as has already been stated,
11 but I am committed to bringing world leading design
12 and construction practices to city projects and to
13 strengthen the resiliency, sustainability,
14 efficiency and safety of every project we oversee.
15 But I also want to emphasize that it's just as
16 important to me to forge a strong relationship with
17 the communities that we serve. Accordingly, it is
18 fitting that we are here today to discuss our
19 library and cultural projects. Libraries, museums
20 and cultural facilities are the centerpieces of the
21 neighborhoods. In a city where non-commercial
22 public space is often hard to find, these
23 facilities are the hubs of community life. More
24 than any others in our portfolio, library and
25 cultural projects are also the means by which DDC
advances its mission to bring great architecture to

2 neighborhoods in all five boroughs, but not just
3 the city center.

4 In the last five years, DDC has
5 completed 10 new libraries or major renovations on
6 existing library facilities. Major library
7 projects recently completed include the new Glen
8 Oaks Branch in Queens, the new Kensington Branch in
9 Brooklyn and the new Mariners Harbor Branch and the
10 greatly expanded Stapleton Branch on Staten Island.
11 DDC also has completed 88 roof, façade, electrical,
12 plumbing and mechanical upgrades for the three New
13 York City library systems, projects that are
14 critical to the continued use of these facilities
15 and the comfort of their patrons. Later this year,
16 we expect to substantially complete another new
17 library, the Elmhurst Branch in Queens.

18 Over the last five years, 85 percent of
19 DDC's completed library projects were delivered
20 either on time or earlier than expected, and 84
21 percent were delivered on budget. For new
22 libraries and major renovations completed over the
23 last five years, DDC's average cost is \$660 per
24 square foot. For library renovations, which
25 typically are far simpler in scope and involve

2 interior space only, our average cost was \$150 per
3 square foot.

4 DDC's recent projects for the
5 Department of Cultural Affairs have included seven
6 new facilities or major renovations to existing
7 facilities including the Weeksville Heritage Center
8 in Brooklyn and 39 reconstruction or upgrade
9 projects, including the transformation of the
10 Queens Museum in Flushing Meadows Corona Park.

11 Over the last five years, 81 percent of
12 DDC cultural projects have been delivered either on
13 time or early and nearly 98 percent have been
14 delivered on budget. The average cost of our
15 cultural projects is broadly similar to the cost of
16 our library projects. Newly constructed or
17 comprehensively renovated cultural facilities have
18 cost an average of \$732 per square foot, while
19 relatively simple interior renovation projects have
20 cost approximately \$121 per square foot. All in
21 all, the average cost per square foot of new
22 library or cultural facilities is broadly similar
23 to that of new construction projects across our
24 public buildings portfolio, where costs typically
25

2 average between \$700 and \$850 per square foot,
3 depending on the client and building type.

4 The duration of the design in
5 construction projects vary widely depending on the
6 size and complexity of the project. For renovation
7 and new construction projects, it can take anywhere
8 from six months to two or more years to design the
9 structures, four to six months to bid and award
10 construction contracts and eight months to three or
11 more years to complete construction. This results
12 in an overall duration from the beginning of design
13 to the substantial completion of construction of
14 approximately 18 months to five and a half years.

15 DDC's current portfolio; that is
16 projects that are now in design or construction,
17 consists of 171 projects for the three library
18 systems and 73 projects funded by the Department of
19 Cultural Affairs. As we work to complete this
20 projects, I want to emphasize that it's just as
21 important for us to deliver projects on time and on
22 budget as it is to create buildings that are
23 resilient, sustainable, distinctive and of high
24 architectural quality. Indeed, it has been our
25 experience that good planning and design practices

2 lead to timely project delivery and fewer cost
3 overruns.

4 As with all DDC programs, the capital
5 funds for our library and cultural projects flow to
6 DDC through our client agencies and the City's
7 Office of Management and Budget. The initial
8 capital allocation is established through dialogue
9 between the Mayor's office, OMB, the Council, the
10 three public library systems and in the case of
11 cultural facilities, the Department of Cultural
12 Affairs. Projects included in the capital budget
13 are then transmitted to DDC over the course of the
14 fiscal year by the library system and the
15 Department of Cultural Affairs. Once this is done,
16 the pre-design process begins, in which DDC assigns
17 a team of architects and engineers to visit the
18 site and prepare detailed scoping documents.
19 Throughout the design process, DDC project managers
20 and technical staff review the work of the design
21 team and ensure it is code compliant,
22 constructable, responsive to the client's program,
23 and within budget.

24 The architects and other consultants
25 for our library and cultural projects are chosen

through the Design and Construction Excellence Program. Design and Construction Excellence is our agency's flagship program. It emphasizes high architectural standard to ensure that all city buildings, regardless of size, are creatively designed, beautiful and built to last. For these programs, we use Quality Based Selection, a Procurement Policy Board standard procurement method that is widely recognized as the best way to ensure that a public owner such as the City of New York gets the best service at prices that are fair and reasonable. Through this procurement method, architects and other consultants are selected based on their qualifications, demonstrated creative capability and relevant experience. By choosing the best qualified consultants for each project and negotiating fees that are sufficient to allow them to do all the work they are expected to perform, our projects are well planned and well coordinated when construction begins. DDC projects also undergo extensive, detailed peer and constructability reviews prior to the start of the bidding process. All of these measures have resulted in change-order rates below industry

3 standards. For example, excluding client initiated
4 scope changes, change orders for DDC new
5 construction library projects average 8.5 percent
6 of construction costs.

7 The contractors for our libraries and
8 cultural projects are selected from lists of pre-
9 qualified bidders, ensuring that projects are
10 awarded to firms that we know are fully qualified
11 to perform the work and to deliver the projects on
12 time. We also engage in extensive pre-bid
13 conferencing with these construction firms to
14 ensure that they have accurate and complete
15 information regarding the scope of work. Perhaps
16 most significantly, the agency use of Project Labor
17 Agreements allow us to award construction bids to a
18 single general contractor, rather than getting
19 separate prime contractors for plumbers,
20 electricians and HVAC contractors, which
21 significantly increases coordination on the job
22 site, resulting in fewer cost overruns.

23 Agency-wide, as we approach the end of
24 Fiscal Year 2014, I am pleased to report that the
25 department expects to meet or exceed the major
statistical indicators that reflect our mission to

2 deliver the city's construction projects in a safe,
3 expeditious cost-effective manner, while
4 maintaining the highest degree of architectural,
5 engineering and construction quality. We expect to
6 meet or exceed our construction completion
7 indicators, while maintaining a change order rate
8 well below industry standards.

9 As we move our agency forward, we will
10 strengthen the resiliency and sustainability of all
11 of our projects. We will work to strengthen our
12 relationships with our client agencies as we
13 implement Mayor de Blasio's vision for the city,
14 and we will always be mindful that our most
15 important clients are the 8.5 million residents of
16 New York. On their behalf, we'll build a new
17 generation of street infrastructure and civic
18 buildings that will bring our communities closer
19 together and enrich the built environment of this
20 great city.

21 That concludes my prepared remarks and
22 I am happy to answer any questions you may have.

23 CHAIRPERSON VAN BRAMER: Thank you very
24 much, Commissioner, and we should introduce for the
25 record, Deputy Commissioner David Resnick, who is

2 here and who we expect will be assisting with a lot
3 of the details since this is your first day. I
4 have a number of questions, but one of the things
5 that jumped out at me from your testimony was that
6 libraries are completed on time at 84 percent and
7 cultural at 98 percent. What do you account for
8 the roughly 15 percent differential in those two
9 similar areas?

10 DEPUTY COMMISSIONER RESNICK: Good
11 afternoon. The 84 percent figure tracks with what
12 our target on-time completion rate is, which is in
13 keeping with industry standards for best practices
14 and on time completion. Cultural projects have
15 been completed at higher rate of on-time completion
16 in the last five years. It does fluctuate from
17 year to year and it can be influenced by one or two
18 projects one way or the other and I think we
19 continue for the library projects to try to
20 minimize change orders, which can impact on time
21 completion and have, in certain cases, taken that
22 rate down, below what we would like to see. I
23 think that's one of the areas that does impact our
24 on-time performance for libraries perhaps a bit
25 more than cultural, and one of the reasons perhaps

for that is that we have an intermediary agency on the cultural side that doesn't really exist for libraries, so the Department of Cultural Affairs works very, very closely with the individual institutions in the programming phase so that when we get a project, the program has been you know, fully baked as it were and when you start construction then you have fewer changes during the construction phase and the project runs more smoothly, so to some extent, I think you can attribute the higher on-time percentage to the fact that there's more pre-planning work that can be done between the city and the individual institution and sometimes that pre-planning work slides into the design phase with the libraries, so there are more changes that actually happen once the project has been started.

CHAIRPERSON VAN BRAMER: I mean that's very interesting. Obviously 98 percent is a very good...

[crosstalk]

DEPUTY COMMISSIONER RESNICK: It's...

[crosstalk]

CHAIRPERSON VAN BRAMER: Number.

2 DEPUTY COMMISSIONER RESNICK: It's a
3 bit of an anomaly. I would say that, you know, if
4 we can keep our on-time percentage closer to 85
5 percent that would be a realistic target long-term.
6 I would not want to be held to a 98 percent on-time
7 completion rate because I don't think that's
8 something that is sustainable or you know.

9 CHAIRPERSON VAN BRAMER: But it would
10 be the goal to get libraries to be closer to that
11 than...

12 DEPUTY COMMISSIONER RESNICK:
13 [interposing] Correct.

14 CHAIRPERSON VAN BRAMER: The cultural
15 number to be closer to the libraries.

16 DEPUTY COMMISSIONER RESNICK:
17 Absolutely correct.

18 CHAIRPERSON VAN BRAMER: And you think
19 change orders are a big part of that.

20 DEPUTY COMMISSIONER RESNICK: As I say,
21 I think that the thoroughness of the pre-planning
22 process on the cultural side helps to make those
23 projects run a little more smoothly in
24 construction.

2 CHAIRPERSON VAN BRAMER: Okay, that's
3 very interesting. So I wanted to start with a
4 hypothetical of sorts. Let's just say a council
5 member allocates a million dollars to a library for
6 a new roof and it goes through the standard DDC
7 process. What is your role in that process and
8 then contrasting that with a pass-through or
9 another kind of contract? So maybe if you could
10 just sort of go through the...

11 [crosstalk]

12 DEPUTY COMMISSIONER RESNICK: Sure.

13 [crosstalk]

14 CHAIRPERSON VAN BRAMER: Phases and
15 talk about that and then after you do the regular
16 standard DDC contract, you can talk about how a
17 pass-through is different.

18 DEPUTY COMMISSIONER RESNICK:
19 Absolutely. So for a standard DDC managed project,
20 and I'll just take it right from the very
21 beginning, money is allocated in the City capital
22 budget for a particular project. That allocation
23 happens as the result of a discussion between the
24 client institution, whether it's a library or
25 another line City agency and the Budget Office.

2 They present what they would feel like they need
3 for their project, which they develop in-house.
4 The Budget Office then has questions. They
5 eventually come to a number that is included or not
6 included in the capital budget and once it is
7 actually included, that money is then transferred
8 by that client agency to DDC, along with the
9 program. So that's how projects come in our front
10 door, as it were, so the first time DDC sees a
11 project is when it has been included in the adopted
12 capital budget and the client agency has
13 transmitted that program with the money over to
14 DDC.

15 CHAIRPERSON VAN BRAMER: But you hold
16 the money.

17 DEPUTY COMMISSIONER RESNICK: We hold
18 the money once the program has been transmitted to
19 us and the funding has been allocated in the plan.
20 It's switched. It's called a managing agency
21 switch where the code and FMS is switched to DDC's
22 funding code at that point. So now we have the
23 money in our sort of account, as it were. We
24 then...

2 CHAIRPERSON VAN BRAMER: [interposing]

3 Which this year is about \$3.6 billion, correct?

4 DEPUTY COMMISSIONER RESNICK: Yes, that
5 sounds approximately... give or take a million
6 or...

7 CHAIRPERSON VAN BRAMER: [interposing]

8 Sure.

9 DEPUTY COMMISSIONER RESNICK: Or...

10 CHAIRPERSON VAN BRAMER: Sure.

11 DEPUTY COMMISSIONER RESNICK: [coughs]

12 Excuse me. So now we have the money and we have a
13 program. The first thing we do is we assign a team
14 of internal architects and engineers from our A&E
15 and Tech Services Department. Excuse me. [coughs]
16 It's a lingering cough. And they go out to the
17 site. They meet with the client out at the site.
18 They go through the facility. They do a very
19 thorough scoping exercise to ensure that what was
20 actually budgeted is what the need is.

21 Occasionally what happens is that it's a dynamic
22 where a project, again, goes through a planning
23 process. The project may be budgeted without full
24 information as to the real scope, so for example,
25 there may be a new reading room that's funded and

nobody has tracked to see whether the roofing is leaking above the reading room. That's making it simplistic, but there's other scope items that need to be done in order to deliver what's been funded. So that all begets flushed out and it gets written up into a scope document, which we then if presuming the funding aligns with that sort of optimized scope, as it were, we then prepare a mini RFP and we issue that RFP to our consultant architect engineering teams, and I'll talk a little bit about that in a minute, and the Commissioner mentioned that we use quality-based selection. We have a stable of architects and engineers on contract. We issue this mini RFP to those firms. They respond with their technical proposal. We have a selection committee, which the client participates in. The highest technically ranked firm we then issue them an assignment to begin the design work. They build...

[crosstalk]

CHAIRPERSON VAN BRAMER: Highest ranked versus lowest bid?

DEPUTY COMMISSIONER RESNICK: High... right. The way that the requirement contracts are

2 structured under QBS is that there is a standard
3 fee curve, which is in the underlying contract, so
4 a requirement contract has a Master Agreement with
5 each firm. That Master Agreement has a fee curve
6 that is calibrated based on the dollar amount of
7 the construction, so for smaller dollar amounts,
8 they get higher fee per you know, per dollar of
9 construction because you have a certain amount of
10 dropped charges for just doing even a very small
11 project, so the percentage is higher for a smaller
12 project than it is for a larger project, so that's
13 the curve. So you look at the construction amount;
14 figure out where that puts you on the curve.
15 There's then a complexity factor, which is applied,
16 so a project that has unusual circumstances,
17 whether it's a phased construction or it's a
18 building that has absolutely no documentation about
19 existing conditions or something of that nature,
20 there's a slight adjustment that's made to
21 compensate for that. The firm is then ranked based
22 on their technical proposal and the fee is whatever
23 it is on the curve, so it's established.

24

25

3 CHAIRPERSON VAN BRAMER: And when you
4 say the client is involved in the selection
5 process, what does that look like exactly?

6 DEPUTY COMMISSIONER RESNICK: There's a
7 committee and the Selection Committee is typically
8 headed by the head of the relevant program within
9 DDC, so the way that DDC is structured is we have
10 in our Program Management section in Public
11 Buildings, we have units, which are dedicated to
12 the portfolios of the different agencies. So they
13 develop a sort of standing body of expertise in the
14 long-range plans and priorities of that agency and
15 learn how to work with them as a client and so
16 forth. So the head of that program would sit on
17 the committee, as would the project manager that
18 runs the job, as would the client representative,
19 typically the head of the Capital Group within the
20 client entity, so in the case of the libraries, it
21 would be the head of the Capital Group you know,
22 where there's Joanna Pescow [phonetic] or Frank
23 Genese or from the relevant system, they would have
24 a seat on that committee. They review the
25 proposals; rank the firms. The highest technically

2 ranked firm would be awarded the project. Alright,
3 so I... would you like me to just...

4 CHAIRPERSON VAN BRAMER: [interposing]
5 Yes.

6 DEPUTY COMMISSIONER RESNICK: Kind of
7 keep going? Okay, so now you have the firm;
8 they've got their program; they begin design work.
9 We have a design consultant guide, which is a
10 document that we have developed, which lays out in
11 great detail the deliverables from the design firm
12 to ensure that they are looking at all the
13 parameters of the project at the right time in the
14 development of the project, so for the early design
15 phase we have a set of deliverables and schematics,
16 which have to cover certain bases. They have to
17 assess you know, code compliance, ADA, Egress.
18 They have to show that they meet the space
19 requirements of the program, et cetera, et cetera.
20 That is then incorporated in their submission.
21 They meet regularly with our project managers and
22 our technical review team because the way that we
23 staff our projects is we've got our project manager
24 that runs the job; keeps it on schedule; sets the
25 meetings; transmits all the comments and then we

1 have a professional and technical review team
2 that's assigned to that project as well. They
3 consist of specialists in the relevant disciplines
4 that the project draws upon, so you'd have a
5 mechanical person; you have a building envelope
6 person; structural, et cetera. Every time the
7 design team submits a package, whether it's a
8 schematic package or DD or construction documents,
9 that package of drawings and specifications goes to
10 that technical reviewer, who has continuing
11 involvement in the project and familiarity with it.
12 They do a thorough review. They provide red line
13 comments, which the architect then has to respond
14 to. It has to be... you know, they have to come to
15 an agreement before they're approved to move onto
16 the next step. There's a rationalization or a
17 reconciliation, I should say, of the current
18 construction funding availability with the state of
19 the design at that time and if there's an
20 adjustment needed, we go back to the client and
21 have to you know, inform them that either there's
22 more money needed or they're going to need to
23 reduce the scope. So that happens at the regular
24
25

2 intervals as you move from schematic to DD to
3 construction documents.

4 CHAIRPERSON VAN BRAMER: How often
5 would you say that that happens that at that point
6 you go to the library and say uh-oh, we need more
7 money?

8 DEPUTY COMMISSIONER RESNICK: That
9 happens you know, a reasonable percentage of the
10 time and...

11 CHAIRPERSON VAN BRAMER: [interposing]
12 A guesstimate...

13 [crosstalk]

14 DEPUTY COMMISSIONER RESNICK: I...

15 [crosstalk]

16 CHAIRPERSON VAN BRAMER: Or an actual
17 number?

18 DEPUTY COMMISSIONER RESNICK: I don't
19 have an actual number on that. I could certainly
20 look and get back to you on it, but I would say you
21 know, probably in early design for that first
22 schematic, which is really when the rubber meets
23 the road, as it were, and suddenly you're putting
24 down on paper what was a written set of
25 requirements and that's when you know, as often as

2 not, that's when you're going to have a
3 discrepancy, so I would say maybe 25, 30 percent of
4 the time, but please don't hold me to that number.
5 I would need to really go back and take a look.

6 CHAIRPERSON VAN BRAMER: Alright, so
7 assuming that the cost is there; the money is there
8 and as briefly as you can now, how quickly do we
9 get to construction and completion?

10 DEPUTY COMMISSIONER RESNICK: So you
11 now go through the rest of the steps in design and
12 you take it through to where you have a biddable
13 set of construction documents. At that point, it
14 goes through a legal review to be sure that we meet
15 all the requirements under the PPB rules and the
16 state laws that you know, require open competition
17 and so forth. That review is done; it's sent. The
18 way that we typically do our construction now is to
19 a pre-qualified list, so it's not an open city
20 record published bid any longer 'cause we've
21 already gone through an open competitive process to
22 establish a pre-qualified list and I just want to
23 you know, very briefly say that you know the
24 Commissioner mentioned the PQLs. This is a very,
25 very important tool for us now and it has increased

2 our ability to work with qualified contractors and
3 get competitive bids among equals because we can
4 pre-qualify. So once we do that that's an open
5 call. The contractors submit their qualifications;
6 they're accepted into a pool. At that point, we
7 don't have to advertise in the city record for that
8 piece of the bid because we've already done it, so
9 it's a quicker process so we now have our legal
10 review done; we issue to the pre-qualified list.
11 They're already pre-VENDEXED so we don't have to go
12 through a process where you have a low bidder and
13 then they can't pass VENDEX and you go to a second.
14 And so we've managed to constrain the period of
15 time between the completion of design and the award
16 of the construction contract by several months by
17 doing this, so now we're looking at between three
18 and four months to go from where you have completed
19 construction documents to a bid, a low bid that's
20 in hand and reviewed and ready to send to the
21 Comptroller for registration, whereupon it's a 30-
22 day mandated registration period, yeah.

23 CHAIRPERSON VAN BRAMER: And then we're
24 off to... construction begins.

2 DEPUTY COMMISSIONER RESNICK: Then we
3 roll into construction. We give the contractor a
4 notice to proceed...

5 CHAIRPERSON VAN BRAMER: [interposing]
6 'Kay.

7 DEPUTY COMMISSIONER RESNICK: And we're
8 off to the races.

9 CHAIRPERSON VAN BRAMER: So there's a
10 pre-qualified list. I'm assuming that you check
11 those folks in order to get on that list for past
12 history...

13 DEPUTY COMMISSIONER RESNICK:
14 [interposing] Right.

15 CHAIRPERSON VAN BRAMER: And then
16 criminal history or anything...

17 [crosstalk]

18 DEPUTY COMMISSIONER RESNICK: Right.

19 [crosstalk]

20 CHAIRPERSON VAN BRAMER: Like that.

21 DEPUTY COMMISSIONER RESNICK: Yeah,
22 there's an integrity check and there's a prior
23 experience you know, check to be sure that they've
24 done projects of similar scope and complexity
25 and...

2 CHAIRPERSON VAN BRAMER: Right, so
3 forth. So that's the standard process. Then
4 there's this pass-through process, which we're
5 hearing a lot about and at the regular budget
6 testimony at the Preliminary Budget hearing where
7 you testified on behalf of DDC, I remember you were
8 asked about the pass-throughs at the Queens
9 Library...

10 [crosstalk]

11 DEPUTY COMMISSIONER RESNICK: Right.

12 [crosstalk]

13 CHAIRPERSON VAN BRAMER: In particular.

14 DEPUTY COMMISSIONER RESNICK: Mm-hm.

15 CHAIRPERSON VAN BRAMER: And I think
16 you said that there were two active and one that
17 had been either held or postponed...

18 DEPUTY COMMISSIONER RESNICK:

19 [interposing] There... there was... as I recall, at
20 the time, there had been... there was three that
21 were in progress or recently completed. These were
22 fairly small and they were post-Sandy related
23 restorations in the Rockaways.

24 CHAIRPERSON VAN BRAMER: So all three
25 of those were from Sandy libraries?

2 DEPUTY COMMISSIONER RESNICK: I believe
3 that one of them was not. One of... maybe the
4 Cambria Heights project was just a basement
5 renovation...

6 [crosstalk]

7 CHAIRPERSON VAN BRAMER: Uh-huh.

8 [crosstalk]

9 DEPUTY COMMISSIONER RESNICK: As I
10 recall.

11 CHAIRPERSON VAN BRAMER: I know you
12 said one was...

13 [crosstalk]

14 DEPUTY COMMISSIONER RESNICK: And
15 then...

16 [crosstalk]

17 CHAIRPERSON VAN BRAMER: Held.

18 DEPUTY COMMISSIONER RESNICK: The...
19 yeah, there was one that's held; currently is still
20 being held, which is...

21 CHAIRPERSON VAN BRAMER: [interposing]
22 And why is that being held?

23 DEPUTY COMMISSIONER RESNICK: It was a
24 directive through OMB to hold on the disbursement.

25 CHAIRPERSON VAN BRAMER: Got it.

2 DEPUTY COMMISSIONER RESNICK: I should
3 say that this was a reimbursement pass-through, so
4 the work is ongoing now. A lot of it has been
5 completed, but it's a reimbursement, so that
6 reimbursement is being held at the Budget Office.

7 CHAIRPERSON VAN BRAMER: So 'cause what
8 we've heard from you know, the libraries that pass-
9 throughs are important because of time and money
10 and the belief that libraries save time and money
11 by doing a pass-through.

12 DEPUTY COMMISSIONER RESNICK: Mm-hm.

13 CHAIRPERSON VAN BRAMER: A) do you
14 agree with that and B) what is the difference in
15 terms of your direct management of the funds;
16 oversight of the funds in the event that a pass-
17 through is approved?

18 DEPUTY COMMISSIONER RESNICK: Okay, so
19 I guess to the first question and as far as time
20 goes, there's a big difference between a
21 reimbursement pass-through and a prospective pass-
22 through. Obviously, if you are doing the work and
23 then negotiating a pass-through after the work is
24 done, then sure, it's fast because you'd... as the
25 library would be able to just go out; hire a

2 contractor. It wouldn't have anything really to do
3 with the City processes and then you do...

4 [crosstalk]

5 CHAIRPERSON VAN BRAMER: But you could
6 do that...

7 [crosstalk]

8 DEPUTY COMMISSIONER RESNICK: An
9 application for a pass-through.

10 CHAIRPERSON VAN BRAMER: But could you
11 do that with City money?

12 DEPUTY COMMISSIONER RESNICK: No.

13 CHAIRPERSON VAN BRAMER: Right.

14 DEPUTY COMMISSIONER RESNICK: No and
15 but what happens with reimbursement is they use
16 private money and they reimburse themselves with
17 City money. Right, so from the perspective of
18 getting started, that could be a quick way of
19 getting started; however, it does leave a
20 vulnerability because there are certain rules to
21 the disbursement of the City funds and if, in fact,
22 they didn't follow proper procurement you know,
23 practices and so forth, that pass-through
24 reimbursement could be jeopardized and so there's
25 some risk associated with that. The other thing

1
2 that goes along with that is obviously then there's
3 no eyes looking at it, so the pass-through is...
4 you know, the agreements are struck with the
5 designers; with the contractors. The City is
6 completely outside that process and then only at
7 the point when there is an agreement to fund the
8 reimbursement retrospectively do they begin to look
9 at this and that's a conversation between the
10 Budget Office and the entity; in this case the
11 library.

12 CHAIRPERSON VAN BRAMER: So let's just
13 say for like the past five years, how many pass-
14 throughs at Queens Library were reimbursement or
15 prospective and do you have a moratorium on this
16 now?

17 DEPUTY COMMISSSIONER RESNICK: As of
18 now, we are not issuing any pass-throughs of any
19 sort to Queens Library. It's all on hold.

20 CHAIRPERSON VAN BRAMER: Right.

21 DEPUTY COMMISSIONER RESNICK: So yes,
22 we have a moratorium on that.

23 CHAIRPERSON VAN BRAMER: Can you speak
24 to...
25

2 DEPUTY COMMISSIONER RESNICK:

3 [interposing] As far as how many, it's four or
4 five. I will have to get you the...

5 [crosstalk]

6 CHAIRPERSON VAN BRAMER: In the last
7 five years or so.

8 DEPUTY COMMISSIONER RESNICK: In the
9 last five years or so, yeah.

10 CHAIRPERSON VAN BRAMER: Okay, so and
11 in terms of reimbursement pass-through, any agency,
12 but...

13 DEPUTY COMMISSIONER RESNICK:
14 [interposing] Mm-hm.

15 CHAIRPERSON VAN BRAMER: Certainly a
16 library can use private money, go out and...

17 DEPUTY COMMISSIONER RESNICK:
18 [interposing] Right.

19 CHAIRPERSON VAN BRAMER: Bid it, get...

20 [crosstalk]

21 DEPUTY COMMISSIONER RESNICK: Sure.

22 [crosstalk]

23 CHAIRPERSON VAN BRAMER: Contractors,
24 do all that...

25 [crosstalk]

2 DEPUTY COMMISSIONER RESNICK: Sure.

3 [crosstalk]

4 CHAIRPERSON VAN BRAMER: Stuff on their
5 own...

6 DEPUTY COMMISSIONER RESNICK:

7 [interposing] Yes.

8 CHAIRPERSON VAN BRAMER: Without
9 anybody reviewing it, get the work done and then
10 they come to you for a reimbursement process.

11 DEPUTY COMMISSIONER RESNICK: That...

12 [crosstalk]

13 CHAIRPERSON VAN BRAMER: You and OMB.

14 [crosstalk]

15 DEPUTY COMMISSIONER RESNICK: Has
16 happened historically, yes. The Budget Office is
17 really the gatekeeper on pass-throughs and not DDC,
18 so you know the... and I don't want to speak for
19 them in this capacity, but the way that I
20 understand the process is intended to work is that
21 the entity that is planning on doing the pass-
22 through would have a conversation with the Budget
23 Office before anything happens and then if they
24 agree to fund it as a pass-through, then they would
25

2 you know, be conducting themselves in accordance
3 with the rules of the reimbursement.

4 CHAIRPERSON VAN BRAMER: Right.

5 There's a lot here and I know my colleagues have
6 some questions, but two kinds of questions before I
7 come back. In the case of multiple sources of
8 funding...

9 DEPUTY COMMISSIONER RESNICK: Right.

10 CHAIRPERSON VAN BRAMER: So you've got
11 some projects where there might be city, state,
12 federal ...

13 [crosstalk]

14 DEPUTY COMMISSIONER RESNICK: Yeah.

15 [crosstalk]

16 CHAIRPERSON VAN BRAMER: And private,
17 do you lose oversight in that case or are those
18 managed by DDC as well?

19 DEPUTY COMMISSIONER RESNICK: Yeah,
20 that's a good question. I think you know, this
21 goes really to the heart of the genesis of the
22 pass-through program. The reason that the pass-
23 through program exists at all is to enable an
24 institution to leverage private money with public
25 money and that was developed primarily for the

2 cultural institutions through the Department of
3 Cultural Affairs and you can think of the public
4 money almost like seed money in that respect and
5 there's a very rigorous process that DCLA follows
6 to determine whether an institution is eligible for
7 pass-through. It has to do with the fiscal health
8 of the institution and their internal structures
9 and controls and how much private money there is,
10 so there's typically a minimum of a 50 percent
11 match. Alright, so that's kind of the origin of
12 the straight pass-through, which has now become a
13 grant model actually in the cultural world. So
14 it's a little bit different on the library side of
15 the equation, but there are projects where there
16 are non-City funding sources where DDC manages
17 those projects directly. State money very often
18 will come in from a variety of sources.

19 CHAIRPERSON VAN BRAMER: Do you always
20 manage projects where it's state money primarily
21 funding that project?

22 DEPUTY COMMISSIONER RESNICK: From what
23 I recollect, I believe we do. I can't think of an
24 example where there's been a lot of City money and
25 State money where we haven't managed it.

2 CHAIRPERSON VAN BRAMER: Okay, since
3 the news reports, have you gone in and taken a
4 forensic look at Queens Library capital projects?
5 Has this prompted a review of the agency and have
6 you drilled down into those and taken any action
7 other than I guess holding the one pass-through and
8 then having a moratorium...

9 DEPUTY COMMISSIONER RESNICK:
10 [interposing] Right.

11 CHAIRPERSON VAN BRAMER: And maybe you
12 could talk a little bit about that and then I'm
13 going to hand it over to my co-chair and I'll come
14 back, but I know...

15 [crosstalk]

16 DEPUTY COMMISSIONER RESNICK: Yeah.

17 [crosstalk]

18 CHAIRPERSON VAN BRAMER: Council Member
19 Crowley has questions and Council Member Levin has
20 joined us; Council Member Rosenthal is in as well.

21 DEPUTY COMMISSIONER RESNICK: Yeah,
22 I...

23 CHAIRPERSON VAN BRAMER: [interposing]
24 Yeah.

25

2 DEPUTY COMMISSIONER RESNICK: Am
3 limited in how much I can say about that. Actually
4 there are other inquiries that are going on that
5 are looking at these things and we have done some
6 forensics ourselves, but this is really primarily
7 outside of DDC at this point and that's kind of all
8 I can say about it right now.

9 CHAIRPERSON VAN BRAMER: Okay, so the
10 agency before possibly being contacted by
11 authorities was looking at it or was...

12 DEPUTY COMMISSIONER RESNICK: We had
13 pulled our data.

14 CHAIRPERSON VAN BRAMER: Right.

15 DEPUTY COMMISSIONER RESNICK: And we
16 had begun looking at that data.

17 CHAIRPERSON VAN BRAMER: Okay.

18 DEPUTY COMMISSIONER RESNICK: But you
19 know, I should say it's not... we don't have access
20 to all the data on these construction projects and
21 that is one of the attributes of a pass-through is
22 that it has a degree of opacity.

23 CHAIRPERSON VAN BRAMER: But in
24 fully...

25 [crosstalk]

2 DEPUTY COMMISSIONER RESNICK: To us.

3 CHAIRPERSON VAN BRAMER: In fully
4 funded and fully run DDC projects, you do have
5 access to that...

6 [crosstalk]

7 DEPUTY COMMISSIONER RESNICK:
8 Absolutely.

9 [crosstalk]

10 CHAIRPERSON VAN BRAMER: Information.

11 DEPUTY COMMISSIONER RESNICK: Full,
12 full access. We have all the data. We manage the
13 process from suit to nuts with full transparency
14 and a full audit trail. We have an engineering
15 audit office that reviews every single payment;
16 that reviews every change order before it's
17 executed, so yes, there's a very robust control
18 system in place for that.

19 CHAIRPERSON VAN BRAMER: Got it. I
20 have a lot more, but I want to pass it off to my
21 co-chair, Costa Constantinides and Council Member
22 Rosenthal is back, so we'll start with Costa and
23 then Council Member Crowley and if Council Members
24 Levin and Rosenthal, both of them have questions.
25 Oh, I'm sorry, Council Member King is actually

2 before any of them on the list and we'll do it that
3 way, so Constantinides, King, Crowley and Levin and
4 Rosenthal.

5 CHAIRPERSON CONSTANTINIDES: Thank you,
6 Chair Van Bramer. Very quickly, just to piggyback
7 on the Chair's...

8 DEPUTY COMMISSIONER RESNICK:
9 [interposing] Sure.

10 CHAIRPERSON CONSTANTINIDES: My co-
11 Chair's question, retrospectively and when we're
12 looking at sort of what happened in these pass-
13 throughs, is that sort of a regular... I mean what
14 sort of oversight do we have there retrospectively
15 as we're doling out these City dollars? How you
16 know, rigorously do we look at what's going on in
17 those contracts and whether we're getting the bang
18 for the buck; whether you know, they're doing the
19 right things there to get those dollars reimbursed?

20 DEPUTY COMMISSIONER RESNICK: There is
21 a standard set of required paper that needs to
22 accompany the payment requisition, so we make sure
23 that those papers are there. We make sure that
24 we've got the, you know, the payment receipts from
25 the client agency; that they've actually paid out

2 the money that their clients would be reimbursed.
3 You know, that's pretty much the level that we're
4 talking about.

5 CHAIRPERSON CONSTANTINIDES: And it's
6 nowhere near what DDC does...

7 [crosstalk]

8 DEPUTY COMMISSIONER RESNICK: Yeah,
9 it's...

10 [crosstalk]

11 CHAIRPERSON CONSTANTINIDES: On a
12 regular basis.

13 DEPUTY COMMISSIONER RESNICK: Not at
14 all even close.

15 CHAIRPERSON CONSTANTINIDES: And just
16 very quick, just want to change topics. There's
17 about 51 council members. There are 51 council
18 members...

19 DEPUTY COMMISSIONER RESNICK:
20 [interposing] Yes.

21 CHAIRPERSON CONSTANTINIDES: In the
22 City Council. Not about, it's words have meaning,
23 my apologies. There are 51 members. All 51 of us
24 put in various capital requests on a yearly basis.

25 DEPUTY COMMISSIONER RESNICK: Yes.

2 CHAIRPERSON CONSTANTINIDES: How are
3 those prioritized? I mean I know that DDC is
4 managing this amazing portfolio.

5 DEPUTY COMMISSIONER RESNICK: Mm-hm.

6 CHAIRPERSON CONSTANTINIDES: How do we
7 sort of make sure that all these projects are...
8 what's the selection process? Who gets started
9 first? How does that work?

10 DEPUTY COMMISSIONER RESNICK: I would
11 have to defer that to our client agencies. We do
12 the projects as they are given to us, so what
13 happens is when the budget is adopted, and let's
14 take the example of you know, the Queens Library,
15 they get 12 projects funded in a particular capital
16 budget year. Those projects don't all come to us
17 in a big batch and then we figure out which ones to
18 do first. We get them project by project
19 transmitted to us by the library when they feel the
20 time is right to transmit them to us to start the
21 work and we start it when we get it. So the
22 prioritization is made at the client end and we
23 start the project when we get the project.

24 CHAIRPERSON CONSTANTINIDES: Okay and I
25 saw also in your testimony the renovation time.

2 DEPUTY COMMISSIONER RESNICK: Right.

3 CHAIRPERSON CONSTANTINIDES: Anywhere
4 from 18 months to five years.

5 DEPUTY COMMISSIONER RESNICK: Right.

6 CHAIRPERSON CONSTANTINIDES: Do you
7 account for sort of that sort of large...

8 [crosstalk]

9 DEPUTY COMMISSIONER RESNICK: Well, the
10 projects are as different as night and day. You
11 can have anything from a ADA handicapped ramp at
12 the building entrance and maybe a small reception
13 desk renovation at the low end of the scale or a
14 roofing project at the low end of the scale to a
15 brand new 30,000 square foot branch library. So
16 there are totally different buildings; typologies;
17 totally different scope; complexity, so that's why
18 you have a big range.

19 CHAIRPERSON CONSTANTINIDES: You know,
20 I'm just trying to liken it in a sense that I keep
21 hearing...

22 [crosstalk]

23 DEPUTY COMMISSIONER RESNICK: Yes.

24 [crosstalk]
25

2 CHAIRPERSON CONSTANTINIDES: From
3 several sources about the benefits of these pass-
4 through contracts; that they're...

5 [crosstalk]

6 DEPUTY COMMISSIONER RESNICK: Sure.

7 [crosstalk]

8 CHAIRPERSON CONSTANTINIDES: Sort of
9 the magic bullet for...

10 DEPUTY COMMISSIONER RESNICK:

11 [interposing] Mm-hm.

12 CHAIRPERSON CONSTANTINIDES: Many of us
13 that you know, they're going to decrease time and
14 they're going to increase...

15 DEPUTY COMMISSIONER RESNICK:

16 [interposing] Right.

17 CHAIRPERSON CONSTANTINIDES: The bang
18 for your buck that we're going to get and that you
19 know, they're worth the trade off and it doesn't...
20 I don't...

21 [crosstalk]

22 DEPUTY COMMISSIONER RESNICK: Mm-hm.
23 Right.

24 [crosstalk]

25

2 CHAIRPERSON CONSTANTINIDES:

3 Particularly agree with that, but I'm just trying
4 to get to the sense...

5 [crosstalk]

6 DEPUTY COMMISSIONER RESNICK: Mm-hm.

7 [crosstalk]

8 CHAIRPERSON CONSTANTINIDES: At the
9 bottom of that.

10 DEPUTY COMMISSIONER RESNICK: Well,
11 I... in terms of... I'd spoken a little bit about
12 timing, which really applies more to the you know,
13 reimbursement pass-through because there's no front
14 end dialogue, right, to determine that you know,
15 yes, we're following the right rules and so on, so
16 there's a lot of risk in that, but in terms of the
17 dollar amount, if you look at the actual data and
18 compare the square foot costs for renovation
19 projects managed under DDC to square foot cost to
20 the best we can determine it for the pass-throughs
21 because we don't always have full access to that
22 data on the project side, DDC managed projects
23 compare very, very favorably. You know, on average
24 the renovation projects have come in over the last
25 five years at \$150 a square foot, which is

2 substantially below what Queens Library has spent
3 on the past few projects on a square foot basis,
4 which I think was around \$235, as my memory serves
5 me. So I think, you know, the numbers are always a
6 bit of a dangerous thing. Statistics you can spin
7 it one way and another and I think it's very
8 important with the construction projects, just as
9 your previous question on duration, to understand
10 whether you're comparing apples and apples. You
11 can't compare renovation of you know, the public
12 spaces in a library to back office space for
13 example. You can't compare a roofing job to a
14 boiler job. So you have to really be sure that
15 you're looking at apples and apples to compare that
16 data. We've done that to the best that we can
17 knowing what we do about the scope of the pass-
18 throughs and that comparison yielded 150 square...
19 bucks a square foot for across the three library
20 systems and their numbers, as reported, are about
21 \$240 I believe.

22 CHAIRPERSON CONSTANTINIDES: Thank you.
23 Thank you, Chair Van Bramer.
24
25

2 CHAIRPERSON VAN BRAMER: Thank you very
3 much, Chair Constantinides. Just very quickly, is
4 the Hunters Point Library a pass-through?

5 DEPUTY COMMISSIONER RESNICK: No.

6 CHAIRPERSON VAN BRAMER: It doesn't
7 show up on your... I have a list of all the Queens
8 Library DDC projects and I don't think it shows up
9 here and now...

10 [crosstalk]

11 DEPUTY COMMISSIONER RESNICK: Well, it
12 should.

13 [crosstalk]

14 CHAIRPERSON VAN BRAMER: I don't know
15 where this list is, but it... it is a DDC...

16 DEPUTY COMMISSIONER RESNICK: It is a
17 DDC managed project, yes.

18 CHAIRPERSON VAN BRAMER: Okay, I'll
19 come back to that, but I want to go to Council
20 Member King.

21 COUNCIL MEMBER KING: Good afternoon,
22 Commissioner and welcome and congratulations, and
23 it was a privilege listening to you talk. I know
24 how it feels to sit in this hot seat for the first
25 time, but I want to say to the Deputy Commissioner,

2 thank you for answering all the questions so far
3 and being able to shed some light for me. I think
4 if you can continue with the success rate, even
5 though you think you might not be able to maintain
6 it or you don't want to take that responsibility
7 on, but I think if you do, you won't have as many
8 people in the gallery ready to throw you underneath
9 the bus. So I think your conversation's been quite
10 good and I just want to really just say welcome and
11 thank you, but just to go along the lines of co-
12 Chair Constantinides of this hearing about the
13 number of members that we have; 51 members putting
14 in from requests putting in funding and how do you
15 prioritize. Is there a listing that would give us
16 more information where our projects do stand
17 because you have different clients that you have to
18 do work for so we get an idea like, say for
19 instance you know, I put in my libraries... I have
20 three libraries who need new HVAC systems and
21 roofs. I got one that had to shut down because of
22 the leaks, but we want to get the roofs done now.
23 How do we make sure where we are so when I go back
24 into the library and I say listen, it's going to
25 happen in '15, '16, '17 or we got to keep it

2 closed. What kind of conversation can I give and
3 what information, what list can I get from you all
4 so I know where I stand?

5 DEPUTY COMMISSIONER RESNICK: Right. I
6 mean as of now there is not a published list of
7 that sort. I would think that the client; the
8 library systems themselves would be communicating
9 back to the Council where their projects are in the
10 pipeline. Beyond that, there is not a publicly
11 accessible list other than I can say we field
12 questions quite often from individual
13 councilpersons asking about their projects and
14 we're always happy to respond.

15 COUNCIL MEMBER KING: Mm-hm.

16 DEPUTY COMMISSIONER RESNICK: So if
17 there is a list of specific projects that you would
18 like to know where they are in the process and
19 schedule and so forth, you're more than welcome to
20 just give us a shout and we'll be happy to let you
21 know.

22 COUNCIL MEMBER KING: And I'll be doing
23 that because...

24 [crosstalk]

25 DEPUTY COMMISSIONER RESNICK: Yeah.

2 [crosstalk]

3 COUNCIL MEMBER KING: I know there's a
4 couple of projects that are happening and I just
5 need to get an idea of where they are and if there
6 are some that are happening because as council
7 members sometimes we're not informed that there's a
8 project getting ready to happen then all of sudden
9 we see construction going on and I'm like what's
10 going on you know and then we see a sign up on a
11 piece of wood, then we're scrambling around trying
12 to find out who's building something and in
13 addition didn't have this courtesy to sit down with
14 us, so I would love to be able to continue to
15 follow up on that. So but again, welcome and thank
16 you again. That's all I have and have a great day
17 and welcome again.

18 DEPUTY COMMISSIONER RESNICK: Thank
19 you.

20 CHAIRPERSON VAN BRAMER: Okay, Council
21 Member Crowley.

22 COUNCIL MEMBER CROWLEY: Thank you,
23 Chair... Chairmen. Good afternoon. I'm not going
24 to move the microphone anymore. I have... so I
25 have a number of questions. I will start with the

2 renovation where Mr. Galante had his patio or
3 private deck renovated. Was that a DDC project?

4 DEPUTY COMMISSIONER RESNICK: No, that
5 was not. The Central Library renovation was a
6 Queens Library project. It was a pass-through.
7 That is...

8 COUNCIL MEMBER CROWLEY: [interposing]
9 How much was that project?

10 DEPUTY COMMISSIONER RESNICK: I...
11 don't quote me on this, but I believe the total
12 project cost as reported was \$20 million or so and
13 of that I think the City funding was... I don't
14 know if you remember. It was like maybe somewhere
15 40 to 50 percent of it perhaps, but I must say that
16 money had not been paid to Queens Library. That is
17 currently at the Budget Office. It has been
18 stopped. It has... so no money...

19 [crosstalk]

20 COUNCIL MEMBER CROWLEY: Oh, you
21 know...

22 [crosstalk]

23 DEPUTY COMMISSIONER RESNICK:
24 [interposing] Currently has been paid out.

25 [crosstalk]

2 COUNCIL MEMBER CROWLEY: I was under
3 the impression you only had pass-throughs when you
4 have a project that is like under a million
5 dollars. Not that that is even okay, but...

6 DEPUTY COMMISSIONER RESNICK:
7 [interposing] Yes.

8 COUNCIL MEMBER CROWLEY: Do you have
9 projects that large?

10 DEPUTY COMMISSIONER RESNICK: We have
11 one with Green Sky, right? That's the only one.
12 They have not done other projects at that scale as
13 pass-throughs.

14 COUNCIL MEMBER CROWLEY: So for all the
15 other projects that DDC manages, Queens Library
16 gets a certain percentage so that they could have,
17 or any library system, so they could have oversight
18 or any cultural organization? There's a project
19 that DDC is managing; it's a million dollar project
20 let's say. Is there a percentage in that budget of
21 that project that'll let the agency that is
22 receiving the work do some type of oversight?

23 DEPUTY COMMISSIONER RESNICK: Not...

24 [crosstalk]

25 COUNCIL MEMBER CROWLEY: I was under...

2 [crosstalk]

3 DEPUTY COMMISSIONER RESNICK: So
4 much...

5 [crosstalk]

6 COUNCIL MEMBER CROWLEY: The impression
7 that I read that there was a five percent... five
8 percent of the funding allocated to a DDC project
9 is given to the agency whose work... let's say it's
10 Queens Library, that they get to hire independent
11 consultants to overlook and to make sure that
12 you're moving along on your timeline.

13 DEPUTY COMMISSIONER RESNICK: Mm-mm.
14 No, that's not accurate.

15 COUNCIL MEMBER CROWLEY: So how does it
16 work when you give the pass-through? Like what...
17 when do you say okay, you know, there are... you
18 know, we don't have the majority of the work here
19 coming from the City dollars or... I mean it seems
20 like you have a very thorough way of registering a
21 contract; managing that contract; making sure that
22 the City is not being wasteful; making sure that
23 the contractors you have a project labor agreement
24 that they must be paying prevailing wages, but you
25 don't have any oversight for these pass-throughs.

2 DEPUTY COMMISSIONER RESNICK: Our
3 degree of oversight is less. That is absolutely
4 the case. We...

5 [crosstalk]

6 COUNCIL MEMBER CROWLEY: Did you say
7 that the... how does the square footage change from
8 your projects to the pass-through projects? How
9 does the...

10 [crosstalk]

11 DEPUTY COMMISSIONER RESNICK: Why are
12 the...

13 [crosstalk]

14 COUNCIL MEMBER CROWLEY: Pass-through
15 lists...

16 [crosstalk]

17 DEPUTY COMMISSIONER RESNICK: Costs
18 different?

19 COUNCIL MEMBER CROWLEY: How are they
20 different again, not necessarily...

21 [crosstalk]

22 DEPUTY COMMISSIONER RESNICK: I...
23 well, they're... our renovation projects over the
24 last five years between the three library systems
25 has averaged \$150 a square foot.

2 COUNCIL MEMBER CROWLEY: And how
3 much...

4 DEPUTY COMMISSIONER RESNICK: What
5 we...

6 [crosstalk]

7 COUNCIL MEMBER CROWLEY: Of the pass-
8 through...

9 [crosstalk]

10 DEPUTY COMMISSIONER RESNICK: What we
11 had...

12 [crosstalk]

13 COUNCIL MEMBER CROWLEY: Average...

14 [crosstalk]

15 DEPUTY COMMISSIONER RESNICK: What we
16 had heard from Queens Library is that their last
17 four pass-throughs or three or four pass-throughs
18 had averaged I think it was \$240... well, is
19 that... \$236, thank you.

20 COUNCIL MEMBER CROWLEY: So on average,
21 the cost of construction of these pass-through
22 projects is at least 50 percent more? What's the
23 math on that?

24

25

2 DEPUTY COMMISSIONER RESNICK: That
3 sounds about right for that particular dataset,
4 yes.

5 COUNCIL MEMBER CROWLEY: Has this
6 been... pass-through process been going on for a
7 number of years? Do you know when it started?

8 DEPUTY COMMISSIONER RESNICK: I can't
9 tell you when the first pass-through was. You
10 know, it's a long-standing practice; however, as I
11 had said, the vehicle of the pass-through really
12 was developed for the large CIGs, the cultural
13 institutions that are under the scrutiny of the
14 Department of Cultural Affairs and it was intended
15 as a vehicle to allow public money to be used as
16 seed money to help in private fundraising and to
17 be... and it was always a match. So it's really a
18 different animal, but the pass-through, as
19 originally conceived for the large cultural
20 institutions and some for New York Public Library
21 as well, had been developed specifically with a
22 kind of control structure that is not necessarily
23 present in the way that it's currently being done
24 with Queens Library.

2 COUNCIL MEMBER CROWLEY: So you have
3 cultural institutions. How often do they have
4 pass-throughs?

5 DEPUTY COMMISSIONER RESNICK: There's
6 quite a few pass-throughs in the cultural...

7 [crosstalk]

8 COUNCIL MEMBER CROWLEY: Are they
9 managed... they're managed by...

10 DEPUTY COMMISSIONER RESNICK: They're
11 managed by institution, but you know, again,
12 there's a very rigorous set of controls that are
13 put in place by the Department of Cultural Affairs.

14 COUNCIL MEMBER CROWLEY: So who's
15 putting in the controls for libraries?

16 DEPUTY COMMISSIONER RESNICK: For the
17 library pass-throughs it is really... there is no
18 intermediary agency. It's just...

19 [crosstalk]

20 COUNCIL MEMBER CROWLEY: So the City
21 is...

22 [crosstalk]

23 DEPUTY COMMISSIONER RESNICK: The
24 library and...

25 [crosstalk]

2 COUNCIL MEMBER CROWLEY: Would just
3 like give our money; have....

4 [crosstalk]

5 DEPUTY COMMISSIONER RESNICK: And we
6 have...

7 [crosstalk]

8 COUNCIL MEMBER CROWLEY: Funds...

9 [crosstalk]

10 DEPUTY COMMISSIONER RESNICK: The
11 Budget Office provides the only real point of City
12 level of control and DDC then is on the
13 implementation end and we review the paperwork with
14 their acquisitions, so the Budget Office, the OMB
15 analysts and the Budget Task Force is at the front
16 end and they make a determination as to whether the
17 library can get that pass-through and they have
18 been increasingly reluctant to grant pass-throughs
19 for libraries over the years I would say from my
20 experience, so there's less and there's fewer than
21 there may have been in the past. Not that there
22 was ever a tremendous number of pass-through
23 agreements for...

24 [crosstalk]

25

2 COUNCIL MEMBER CROWLEY: And OMB makes
3 sure that these groups, the cultural groups or...

4 DEPUTY COMMISSIONER RESNICK:
5 [interposing] Right.

6 COUNCIL MEMBER CROWLEY: Queens
7 Library...

8 DEPUTY COMMISSIONER RESNICK:
9 [interposing] Yeah.

10 COUNCIL MEMBER CROWLEY: Does the
11 proper step by step procedures?

12 DEPUTY COMMISSIONER RESNICK: They
13 review the project. They review the outside
14 sources of funding. They ascertain how much non-
15 City funds are being injected into the project and
16 then they make a risk assessment and determine
17 whether it's appropriate to leverage those funds
18 with City funds and to what extent.

19 COUNCIL MEMBER CROWLEY: Do they make
20 sure the project is properly bidded?

21 DEPUTY COMMISSIONER RESNICK: They do
22 not get directly involved in...

23 [crosstalk]

24 COUNCIL MEMBER CROWLEY: So nobody
25 does.

2 [crosstalk]

3 DEPUTY COMMISSIONER RESNICK: Any of
4 the project management functions.

5 COUNCIL MEMBER CROWLEY: So no City
6 agency is assuring that these projects are properly
7 bid and you said with... so Queens Central
8 Library it was probably over \$10 million that the
9 City had invested in that, so there was no...

10 [crosstalk]

11 DEPUTY COMMISSIONER RESNICK: That was
12 the...

13 [crosstalk]

14 COUNCIL MEMBER CROWLEY: Oversight.

15 DEPUTY COMMISSIONER RESNICK: There is
16 very limited oversight, put it that way.

17 COUNCIL MEMBER CROWLEY: And we... do
18 they have to follow Davis-Bacon Laws? Do they have
19 to pay prevailing wages?

20 DEPUTY COMMISSIONER RESNICK: Yes, they
21 have to follow the prevailing wage laws, but again,
22 in a reimbursement pass-through that is ascertained
23 at the back end after the funds would already have
24 been paid out to the vendors, so there's a risk
25 there.

2 COUNCIL MEMBER CROWLEY: But for Queens
3 Library, they had the wherewithal to fund that
4 entire project without... the City has not
5 reimbursed them for Queens Central Library?

6 DEPUTY COMMISSIONER RESNICK: To my
7 knowledge...

8 [crosstalk]

9 COUNCIL MEMBER CROWLEY: In terms of
10 the...

11 [crosstalk]

12 DEPUTY COMMISSIONER RESNICK: No.

13 [crosstalk]

14 COUNCIL MEMBER CROWLEY: Pass-through?

15 DEPUTY COMMISSIONER RESNICK: No, they
16 have not.

17 COUNCIL MEMBER CROWLEY: They're
18 waiting for \$20 million?

19 DEPUTY COMMISSIONER RESNICK: No, the
20 City funding is significantly under \$20 million. I
21 think it's closer to... I don't know, eight or 10.
22 I don't have the numbers in front of me.

23 COUNCIL MEMBER CROWLEY: As a Deputy
24 Commissioner for DDC...

25 [crosstalk]

2 DEPUTY COMMISSIONER RESNICK: Mm-hm.

3 [crosstalk]

4 COUNCIL MEMBER CROWLEY: Do you believe
5 that this process is flawed; that an agency such as
6 the library does not have to go to any oversight;
7 any agency in the City to show that projects have
8 been properly bidden and awarded or that they're
9 paying wages?

10 DEPUTY COMMISSIONER RESNICK: Right.

11 COUNCIL MEMBER CROWLEY: Like what type
12 of payroll documentation do they have to provide to
13 assure you that people on these jobs sites are
14 actually getting paid; whether they're not being
15 paid on the... off the books or under the table?
16 There's...

17 [crosstalk]

18 DEPUTY COMMISSIONER RESNICK: Right.

19 [crosstalk]

20 COUNCIL MEMBER CROWLEY: There's no
21 transparency. Is there any transparency? Like I
22 wish we were having a hearing today on all the
23 projects that were pass-through projects. One of
24 them was probably a project in my district and
25

2 would it have been library? Do you know anything?

3 Did you manage that project, DDC?

4 DEPUTY COMMISSIONER RESNICK: We have
5 several projects at Woodhaven right now, DDC
6 managed projects. They're new, so if you're...

7 [crosstalk]

8 COUNCIL MEMBER CROWLEY: Did you do...

9 [crosstalk]

10 DEPUTY COMMISSIONER RESNICK: Talking
11 about the...

12 [crosstalk]

13 COUNCIL MEMBER CROWLEY: Anything in
14 the...

15 [crosstalk]

16 DEPUTY COMMISSIONER RESNICK:
17 Completed...

18 [crosstalk]

19 COUNCIL MEMBER CROWLEY: Past three
20 years there?

21 DEPUTY COMMISSIONER RESNICK: For
22 Woodhaven, I would have to go back and check. Let
23 me see if I have it here.

24 [Pause]

25

2 DEPUTY COMMISSIONER RESNICK: I know we
3 have two projects right now that are just brand new
4 and we're starting design work on them, so.

5 COUNCIL MEMBER CROWLEY: Right and you
6 have the roof and the lower level.

7 [crosstalk]

8 DEPUTY COMMISSIONER RESNICK: Right and
9 the ADA. Let's see, where is it?

10 COUNCIL MEMBER CROWLEY: there is a
11 renovation that cost \$674,000. The majority of
12 that came through my own discretionary allocations.

13 DEPUTY COMMISSIONER RESNICK: Mm-hm.

14 COUNCIL MEMBER CROWLEY: And I want to
15 make sure that...

16 DEPUTY COMMISSIONER RESNICK:
17 [interposing] No, we did not manage the project
18 that you're talking about.

19 COUNCIL MEMBER CROWLEY: Right. So
20 you... so there's... the only other library project
21 that I've had in my district hasn't really moved.
22 Now I understand you have your...

23 DEPUTY COMMISSIONER RESNICK:
24 [interposing] Right.
25

2 COUNCIL MEMBER CROWLEY: I have a \$3
3 million Glendale library project that is in your
4 timeline process...

5 DEPUTY COMMISSIONER RESNICK:
6 [interposing] Mm-hm.

7 COUNCIL MEMBER CROWLEY: Unfortunately
8 towards the beginning.

9 DEPUTY COMMISSIONER RESNICK: Okay.

10 COUNCIL MEMBER CROWLEY: I just... you
11 know, as a council member, as we have this
12 oversight hearing today on projects that are funded
13 by City dollars, I really want to see... you know,
14 I trust that your process is one that is working,
15 but I don't think it is right that we have given
16 millions and millions of dollars to projects, be it
17 cultural...

18 [crosstalk]

19 DEPUTY COMMISSIONER RESNICK: Right.

20 [crosstalk]

21 COUNCIL MEMBER CROWLEY: Institution
22 or...

23 [crosstalk]

24 DEPUTY COMMISSIONER RESNICK: Well...

25 [crosstalk]

2 COUNCIL MEMBER CROWLEY: Libraries...

3 [crosstalk]

4 DEPUTY COMMISSIONER RESNICK: Well...

5 COUNCIL MEMBER CROWLEY: [interposing]

6 And we don't know how that money gets spent.

7 DEPUTY COMMISSIONER RESNICK: Right. I
8 hear what you're saying. I would just reiterate
9 that I think that the cultural grant process is
10 very, very different than the pass-through process
11 that we're talking about right now with Queens
12 Library. There is you know, a much higher degree
13 of control and the structure as it stands now is
14 not even as a contract. It's a grant, alright and
15 that has been worked through with the Law
16 Department and I think that you can't really
17 compare those two processes.

18 COUNCIL MEMBER CROWLEY: Right, they're
19 apart because...

20 [crosstalk]

21 DEPUTY COMMISSIONER RESNICK: Right.

22 [crosstalk]

23 COUNCIL MEMBER CROWLEY: The Department
24 of Cultural Affairs manages...

25 [crosstalk]

2 DEPUTY COMMISSIONER RESNICK: Right.

3 [crosstalk]

4 COUNCIL MEMBER CROWLEY: Both sides

5 of...

6 [crosstalk]

7 DEPUTY COMMISSIONER RESNICK: Because
8 you've got a much higher degree of scrutiny, a much
9 more intimate knowledge of the internal workings of
10 the institution who is actually being granted the
11 funds.

12 COUNCIL MEMBER CROWLEY: But what you
13 can tell me from what you know that Queens Library
14 and the other library systems have gotten a
15 significant amount of money. We don't know how
16 much money, right, and we don't know how much
17 money. We do know that that project in Queens
18 Central Library was close to \$20 million, be it
19 maybe not all from the City.

20 DEPUTY COMMISSIONER RESNICK: Right.

21 COUNCIL MEMBER CROWLEY: And that's
22 just one example, but there's a number of examples
23 and that there's no City agency that's watching
24 what's going on with all these City dollars, which
25 is completely flawed 'cause now we have an agency

2 that's you know, spending money in a questionable
3 way. I mean we can't even... we're not even
4 looking at what's going on with that money today.
5 We're just looking at what you're doing, which
6 obviously, you're doing it a lot more efficiently
7 if you're only charging... if you're only... your
8 cost is only \$150 a square foot as compared to
9 something close to twice as much. I don't... I
10 don't have any other questions. All I can say is
11 that it's obvious for years the City has been
12 letting our money be spent and possibly misspent
13 and there's no transparency and there's no watchdog
14 and if we're going to have an oversight hearing, we
15 really need to look at the pass-through dollars
16 because it's clear your process is not flawed.
17 DDC's process does not appear to be flawed, but
18 this pass-through process appears to be flawed.

19 CHAIRPERSON VAN BRAMER: Steve Levin.

20 COUNCIL MEMBER LEVIN: Thank you, Mr.
21 Chairman. Thank you, Commissioner and Deputy
22 Commissioner. Commissioner, welcome,
23 congratulations. It's a little unfair today 'cause
24 we can't really like go after you 'cause it's your
25 first day and it's not... [laughter] but...

2 COMMISSIONER PENA-MORA: Which is good.

3 COUNCIL MEMBER LEVIN: I know it's
4 probably good. It works for you, but you know,
5 we'd like to you know go after you. But anyway,
6 thank you very much for being here. I just had a
7 couple of questions somewhat with regards to some
8 broader and some more specific to my district.
9 Broadly, I was wondering if I might be able to put
10 a request that DDC... what would be helpful on our
11 side 'cause we get approached by cultural
12 organizations; small cultural organizations;
13 sometimes organizations that have not done capital
14 projects before and these are worthy projects
15 'cause they're projects that service our
16 constituents. We want to help these small
17 organizations and we want to be able to allocate
18 City capital dollars to these worthwhile programs
19 and often we're the point of contact with the City
20 government and I was wondering if it might be
21 possible... one thing that I've encountered over
22 the last couple of years is that organizations will
23 come back to me a year later or two years later and
24 say that there's cost overruns or things they
25 didn't take into account at the time and they need

2 more funding in order to make the projects whole
3 and that's happened a couple times now over the
4 last couple of years, particularly with the smaller
5 arts organizations.

6 DEPUTY COMMISSIONER RESNICK: Mm-hm.

7 COUNCIL MEMBER LEVIN: I was wondering
8 if it might be possible for DDC to develop a
9 framework or maybe you have this already, but maybe
10 if you can enhance that framework so that smaller
11 arts organizations know like you know, or know what
12 goes into these projects a little bit more robustly
13 so that they're... so that we're not getting into
14 this situation where a year later or two years
15 later we're having to scrounge around for another
16 \$500,000 in our capital budget, which is limited.
17 We don't have all that much in terms of capital
18 dollars to give out and in a district like mine I
19 have a lot of arts organizations in addition to the
20 schools, in addition to the parks, in addition to
21 the Streets programs and things like that, so can
22 you explain a little bit about how you work with
23 smaller organizations; cultural organizations and
24 maybe if there's ways in which you can enhance that
25 partnership 'cause we want to support these

2 programs. We want to see these things built. I
3 like... you know, I want to see a new dance program
4 in my district and...

5 DEPUTY COMMISSIONER RESNICK: Yes.

6 COUNCIL MEMBER LEVIN: Can you speak to
7 that?

8 DEPUTY COMMISSIONER RESNICK: No, I
9 think it's your question is great and it's
10 certainly an area where we recognize that there are
11 some real challenges with these smaller
12 institutions; that the way in which the initial
13 budgeting and programming is done is not always as
14 thorough as it would be or as professional as it
15 would be with a bigger institution and we have been
16 working closely with the Department of Cultural
17 Affairs to try to improve the degree to which we
18 can give tools to the smaller institutions so that
19 they can prepare a more informed budget at the
20 beginning of a project before it actually gets
21 included in the funding allocation and I think we
22 can do more in this area.

23 COUNCIL MEMBER LEVIN: Mm-hm.
24
25

2 DEPUTY COMMISSIONER RESNICK: That's
3 something that we're looking forward to meeting
4 with Tom Finkelpearl...

5 [crosstalk]

6 COUNCIL MEMBER LEVIN: Yeah.

7 DEPUTY COMMISSIONER RESNICK: When he
8 comes on board to really look systematically at
9 these projects because the cultural institutions
10 probably more than most of our other client
11 agencies have a tremendous range in the type of
12 work that the projects comprise, so it's very
13 difficult to come up with standards and say okay,
14 you're estimated standards are x dollars a square
15 foot because you'd be...

16 [crosstalk]

17 COUNCIL MEMBER LEVIN: Mm-hm.

18 DEPUTY COMMISSIONER RESNICK: Comparing
19 you know, Dancewave to Rod Rogers to PS 1 to... you
20 know, they're all quite different so...

21 [crosstalk]

22 COUNCIL MEMBER LEVIN: Yeah, yeah.

23 [crosstalk]

24 DEPUTY COMMISSIONER RESNICK: So it...
25

2 COUNCIL MEMBER LEVIN: [interposing]

3 Absolutely.

4 DEPUTY COMMISSIONER RESNICK: It's hard
5 to come up with a template, as it were, but I think
6 even with that said, we can do some things with...
7 in partnership with DCLA in those very early
8 planning discussions...

9 COUNCIL MEMBER LEVIN: [interposing]

10 Yeah.

11 DEPUTY COMMISSIONER RESNICK: To try to
12 get... 'cause you know, there... we get you know,
13 reactions from some of these small institutions
14 where they're like, "Oh my God, it's going to cost
15 me that much to do this? Why, I can hire you know,
16 the Joe contractor down the block and he gave..."

17 [crosstalk]

18 COUNCIL MEMBER LEVIN: Uh-huh.

19 [crosstalk]

20 DEPUTY COMMISSIONER RESNICK: "Me a
21 price and it's much, much less," and so it's... you
22 know, you're counteracting a lot of you know,
23 preconceptions about what it is to do a...

24 [crosstalk]

25 COUNCIL MEMBER LEVIN: Mm-hm.

2 DEPUTY COMMISSIONER RESNICK: Proper
3 construction project in...

4 [crosstalk]

5 COUNCIL MEMBER LEVIN: Right.

6 DEPUTY COMMISSIONER RESNICK: In New
7 York.

8 COUNCIL MEMBER LEVIN: Right. I mean
9 just things like making sure that they know about
10 prevailing wage requirement and...

11 [crosstalk]

12 DEPUTY COMMISSIONER RESNICK: Yeah,
13 exactly right.

14 [crosstalk]

15 COUNCIL MEMBER LEVIN: And...

16 [crosstalk]

17 DEPUTY COMMISSIONER RESNICK: Yeah, I
18 mean there are certain requirements so if...

19 [crosstalk]

20 COUNCIL MEMBER LEVIN: Yeah.

21 [crosstalk]

22 DEPUTY COMMISSIONER RESNICK: You're
23 going to do work that uses City capital
24 construction dollars, you know, there are things
25 which go with that such as...

2 [crosstalk]

3 COUNCIL MEMBER LEVIN: Right, just...

4 [crosstalk]

5 DEPUTY COMMISSIONER RESNICK:

6 Prevailing wage.

7 COUNCIL MEMBER LEVIN: Right, 'cause
8 they... 'cause it's really important to me and I
9 think to a lot of council members that we... that
10 the structure that's in place that we're able to
11 allocate capital dollars towards these programs
12 that...

13 [crosstalk]

14 DEPUTY COMMISSIONER RESNICK: Right.

15 [crosstalk]

16 COUNCIL MEMBER LEVIN: That stay
17 exactly like it is because the last thing I want to
18 do is go towards some type of regional thing that
19 they do...

20 [crosstalk]

21 DEPUTY COMMISSIONER RESNICK: Yeah.

22 [crosstalk]

23 COUNCIL MEMBER LEVIN: On the State
24 where they... you know, now these small
25 organizations can't compete for capital dollars.

2 DEPUTY COMMISSIONER RESNICK: Right.

3 COUNCIL MEMBER LEVIN: This is really
4 the... the... we're the last place; us and the
5 borough presidents; where they can go and feel like
6 there's an opportunity for a small organization to
7 get their capital needs or allocations met. So it
8 would be great to kind of work with you on
9 developing a framework just 'cause it's...

10 [crosstalk]

11 DEPUTY COMMISSIONER RESNICK: Yeah.

12 [crosstalk]

13 COUNCIL MEMBER LEVIN: Something I've
14 been noticing a lot in the last couple years...

15 DEPUTY COMMISSIONER RESNICK:

16 [interposing] Right.

17 COUNCIL MEMBER LEVIN: And I love these
18 organizations and I want them to succeed. I want
19 these projects to get off the ground. I don't want
20 also OMB to come back to us every year saying...

21 DEPUTY COMMISSIONER RESNICK:

22 [interposing] Right.

23 COUNCIL MEMBER LEVIN: You know, we're
24 going to yank it unless it's... unless it gets off
25 the ground, so...

2 DEPUTY COMMISSIONER RESNICK:

3 [interposing] Right.

4 COUNCIL MEMBER LEVIN: And then the
5 other question I had was about Brooklyn Public
6 Library.

7 DEPUTY COMMISSIONER RESNICK: Mm-hm.

8 COUNCIL MEMBER LEVIN: I represent the
9 Brooklyn Heights Branch. Obviously, you're aware
10 of the issues surrounding that and one thing that I
11 wanted... I think that DDC can play a very
12 constructive role in this discussion is in coming
13 out and talking to the community around capital
14 costs associated with what it would take to bring
15 that library up to a working condition. As you're
16 aware, the air conditioning does not work for most
17 of the building except for the auditorium.

18 DEPUTY COMMISSIONER RESNICK:

19 [interposing] Mm-hm.

20 COUNCIL MEMBER LEVIN: That means that
21 in the summer months... I see DC 37 is here;
22 there's... it's unbearable for librarians and...

23 DEPUTY COMMISSIONER RESNICK:

24 [interposing] Right.
25

2 COUNCIL MEMBER LEVIN: And clients;
3 patrons alike and the library is closed for a good
4 portion of the summer anytime that the heat index
5 gets above 82 or something; 80 or 82. So what
6 would be helpful is knowing exactly... 'cause and
7 then I don't want to get into the whole controversy
8 here, but what they're proposing is that there's a
9 new library. It's a condo and a large scale
10 development...

11 [crosstalk]

12 DEPUTY COMMISSIONER RESNICK: Yeah,
13 right.

14 [crosstalk]

15 COUNCIL MEMBER LEVIN: Selling
16 development rights. What would be helpful is
17 knowing exactly from DDC's perspective what
18 different scenarios would cost, so and what... and
19 how DDC views those scenarios.

20 DEPUTY COMMISSIONER RESNICK: It's...

21 COUNCIL MEMBER LEVIN: [interposing] In
22 other words, if...

23 DEPUTY COMMISSIONER RESNICK:
24 [interposing] Scenarios in terms of...
25

2 COUNCIL MEMBER LEVIN: [interposing]

3 Like...

4 DEPUTY COMMISSIONER RESNICK:

5 [interposing] Bringing the current...

6 [crosstalk]

7 COUNCIL MEMBER LEVIN: Fixing, yes.

8 [crosstalk]

9 DEPUTY COMMISSIONER RESNICK: Facility
10 into a state of good repair.

11 COUNCIL MEMBER LEVIN: Yeah, fixing the
12 A/C system; replacing the A/C system; x, y and z
13 just...

14 DEPUTY COMMISSIONER RESNICK:

15 [interposing] Mm-hm.

16 COUNCIL MEMBER LEVIN: Just so that we
17 have a complete picture so that we're not going
18 on... we're not having a situation where you know,
19 the library's saying one thing; the community's not
20 accepting of that number.

21 DEPUTY COMMISSIONER RESNICK: Mm-hm.

22 COUNCIL MEMBER LEVIN: We're going back
23 and forth and it would be helpful from my
24 perspective if it's a \$1 million allocation that
25 would bring the library into a state of good

2 repair, that's one thing. If it's a \$75 million
3 number, then it's something different, so or you
4 know, that's extremes, but what would be very
5 helpful is for DDC to play an active role in this
6 conversation...

7 DEPUTY COMMISSIONER RESNICK:

8 [interposing] Mm-hm.

9 COUNCIL MEMBER LEVIN: And tell us how
10 much things in your estimation are going to cost.

11 DEPUTY COMMISSIONER RESNICK: 'Kay.

12 COUNCIL MEMBER LEVIN: 'Kay.

13 DEPUTY COMMISSIONER RESNICK: Thank you
14 for that suggestion and we'll...

15 COUNCIL MEMBER LEVIN: [interposing] I
16 appreciate it. Thank you. Thank you, Mr.
17 Chairman.

18 CHAIRPERSON VAN BRAMER: Thank you...

19 COUNCIL MEMBER LEVIN: [interposing]
20 Congratulations, Commissioner.

21 CHAIRPERSON VAN BRAMER: Very much. I
22 think the Commissioner's learning an awful lot here
23 today... [laughter]

24 COMMISSIONER PENA-MORA: [interposing]
25 Apparently so.

2 CHAIRPERSON VAN BRAMER: About DDC.
3 Council Member Rosenthal.

4 COUNCIL MEMBER ROSENTHAL: Thank you
5 very much. Just a couple of questions. I'm a
6 member of this committee, but with my hat on as
7 chair of the Contracts Committee, if I could ask a
8 couple of things. First, you mentioned in your
9 testimony that 85 percent of the library's budgets;
10 DDC library budgets come within budget. Could you
11 tell me a little bit about the other 15 percent?

12 DEPUTY COMMISSIONER RESNICK: Well, I
13 can tell you just that it would vary from project
14 to project. There are circumstances that might
15 affect the schedule on a particular project,
16 whether it's late breaking changes that happened
17 during construction that pushed things out or in
18 some instances, there have been circumstances that
19 have made it hard for the library to vacate so that
20 we haven't actually been able to begin the physical
21 construction, although the clock is already ticking
22 and we have a couple of examples of that.

23 COUNCIL MEMBER ROSENTHAL: Oh, I
24 thought... I don't have your testimony right in
25 front of me, but I thought you said 85 percent of

2 the... 84 percent of the DDC completed library
3 projects over the last five years were delivered on
4 budget, so not the issue of on time.

5 DEPUTY COMMISSIONER RESNICK: Oh, I'm
6 sorry.

7 COUNCIL MEMBER ROSENTHAL: On budget.

8 DEPUTY COMMISSIONER RESNICK: So well,
9 some similar...

10 [crosstalk]

11 COUNCIL MEMBER ROSENTHAL: The... the
12 other...

13 [crosstalk]

14 DEPUTY COMMISSIONER RESNICK: Very
15 similar actually, both cost and time are impacted
16 by those kinds of facts. For example, with one
17 library that I'm thinking of where the library
18 wasn't able to vacate and we had already given a
19 notice to proceed because we were under the
20 understanding that they were vacating the space, so
21 our contractor is actually claiming delayed costs.
22 Those costs add to the cost of the project, so any
23 change in the schedule will bring with it an
24 increase in cost. That's...

2 COUNCIL MEMBER ROSENTHAL:

3 [interposing] Sure.

4 DEPUTY COMMISSIONER RESNICK: One
5 thing. The other things that or the other factors
6 that can play into it would be unforeseen field
7 conditions where you go into the ground and even
8 though you have geotechnical information prior to
9 construction, sometimes there's an unforeseen you
10 know, obstruction. For...

11 [crosstalk]

12 COUNCIL MEMBER ROSENTHAL: Sure.

13 [crosstalk]

14 DEPUTY COMMISSIONER RESNICK: Example,
15 we did a library in Brooklyn where there were
16 buried fuel tanks that didn't show up on any
17 survey; they didn't show up when we did the borings
18 or the test pits and that required a DEC process.
19 The DEC process was both costly and time consuming,
20 so unforeseen conditions during construction,
21 client changes during construction...

22 COUNCIL MEMBER ROSENTHAL:

23 [interposing] Sure.

24 DEPUTY COMMISSIONER RESNICK: All of
25 those things...

2 [crosstalk]

3 COUNCIL MEMBER ROSENTHAL: Do you know
4 if...

5 [crosstalk]

6 DEPUTY COMMISSIONER RESNICK: Cause...

7 [crosstalk]

8 COUNCIL MEMBER ROSENTHAL: Any of those
9 projects came in over 20 percent over budget?

10 DEPUTY COMMISSIONER RESNICK: It's
11 possible. I don't have the data in front of me.
12 That's...

13 COUNCIL MEMBER ROSENTHAL: Do you mind
14 checking?

15 [crosstalk]

16 DEPUTY COMMISSIONER RESNICK: It's
17 possible.

18 [crosstalk]

19 COUNCIL MEMBER ROSENTHAL: And getting
20 back to the committee?

21 DEPUTY COMMISSIONER RESNICK: Sure.

22 COUNCIL MEMBER ROSENTHAL: Thanks and
23 then on the pass-through contracts are you... I'm
24 less familiar with these altogether and so just to
25 say out loud again what... how you describe them,

2 these are ones where there are private and public
3 money. You're using the public money to leverage
4 more private dollars.

5 DEPUTY COMMISSIONER RESNICK: Right.

6 COUNCIL MEMBER ROSENTHAL: And the
7 institution themselves oversees the expenditures
8 and monitors cost and then OMB does a final look
9 retroactively about in terms of the reimbursement.

10 DEPUTY COMMISSIONER RESNICK: Right.

11 Well, OMB actually does a hard look at the point
12 where they decide that a pass-through is something
13 that they will entertain, so...

14 [crosstalk]

15 COUNCIL MEMBER ROSENTHAL: Okay...

16 [crosstalk]

17 DEPUTY COMMISSIONER RESNICK: That may
18 be...

19 [crosstalk]

20 COUNCIL MEMBER ROSENTHAL: So there's a
21 group at OMB that does that work?

22 DEPUTY COMMISSIONER RESNICK: It would
23 be the task force, yeah. There are individual task
24 forces that serve the different agencies and
25 entities that the City gives funding to.

2 COUNCIL MEMBER ROSENTHAL: Right. That
3 makes sense.

4 DEPUTY COMMISSIONER RESNICK: So.

5 COUNCIL MEMBER ROSENTHAL: And then but
6 at the end of the day, those tend to be, as Council
7 Member Crowley mentioned, about 50 percent higher
8 in cost.

9 DEPUTY COMMISSIONER RESNICK: I don't
10 think you can generalize like that...

11 COUNCIL MEMBER ROSENTHAL:
12 [interposing] Oh.

13 DEPUTY COMMISSIONER RESNICK: Across
14 the board. I think what we can say is that for...

15 [crosstalk]

16 COUNCIL MEMBER ROSENTHAL: She was just
17 doing...

18 [crosstalk]

19 DEPUTY COMMISSIONER RESNICK: The
20 particular...

21 [crosstalk]

22 COUNCIL MEMBER ROSENTHAL: The math
23 from \$150 to...

24 [crosstalk]

25

2 DEPUTY COMMISSIONER RESNICK: Yeah,
3 right, well...

4 [crosstalk]

5 COUNCIL MEMBER ROSENTHAL: \$230.

6 DEPUTY COMMISSIONER RESNICK: That's a
7 particular dataset. That...

8 [crosstalk]

9 COUNCIL MEMBER ROSENTHAL: Oh, okay.

10 [crosstalk]

11 DEPUTY COMMISSIONER RESNICK: That
12 dataset was library projects for the Queens system
13 completed over the last five years in the category
14 of general renovations, so it's not...

15 COUNCIL MEMBER ROSENTHAL:

16 [interposing] Can you...

17 [crosstalk]

18 DEPUTY COMMISSIONER RESNICK: Across
19 the board.

20 COUNCIL MEMBER ROSENTHAL: So on
21 those...

22 DEPUTY COMMISSIONER RESNICK:
23 [interposing] Mm-hm.

24 COUNCIL MEMBER ROSENTHAL: Projects
25 more broadly based and I definitely have... I feel

2 a hearing coming on from the Contracts Committee
3 that'll be specifically on DDC projects, so perhaps
4 in preparation...

5 DEPUTY COMMISSIONER RESNICK:

6 [interposing] Okay.

7 COUNCIL MEMBER ROSENTHAL: For that
8 hearing, but I would be interested in seeing a
9 wider range, maybe not just for the Queens
10 libraries...

11 [crosstalk]

12 DEPUTY COMMISSIONER RESNICK: Okay.

13 COUNCIL MEMBER ROSENTHAL: But about
14 the pass-through projects compared...

15 [crosstalk]

16 DEPUTY COMMISSIONER RESNICK: Sure.

17 [crosstalk]

18 COUNCIL MEMBER ROSENTHAL: To the DDC
19 controlled projects and then have you noticed in
20 your time at DDC that there's a pattern at all on
21 the project overages?

22 DEPUTY COMMISSIONER RESNICK: By
23 pattern you mean like per...

24 COUNCIL MEMBER ROSENTHAL:
25 [interposing] Certain agencies...

2 DEPUTY COMMISSIONER RESNICK: Per
3 agency or...

4 [crosstalk]

5 COUNCIL MEMBER ROSENTHAL: Certain...

6 [crosstalk]

7 DEPUTY COMMISSIONER RESNICK: Over
8 time...

9 [crosstalk]

10 COUNCIL MEMBER ROSENTHAL: Contractors.

11 [crosstalk]

12 DEPUTY COMMISSIONER RESNICK: And that
13 kind of thing?

14 COUNCIL MEMBER ROSENTHAL: Stuff like
15 that?

16 DEPUTY COMMISSIONER RESNICK: I would
17 say that there are probably more overages on
18 certain building types if they're occupied
19 buildings.

20 COUNCIL MEMBER ROSENTHAL: Sure.

21 DEPUTY COMMISSIONER RESNICK: And this
22 cuts across different agencies.

23 COUNCIL MEMBER ROSENTHAL: Sure.

24 DEPUTY COMMISSIONER RESNICK: It's
25 not... I wouldn't necessarily say it's cultural for

2 a particular agency whether it... and by cultural I
3 mean that there's something about the culture of an
4 agency that would tend to drive costs up. I think
5 it's really more about the project type and if you
6 have renovation projects, the cost...

7 [crosstalk]

8 COUNCIL MEMBER ROSENTHAL: Sure.

9 [crosstalk]

10 DEPUTY COMMISSIONER RESNICK: Overruns
11 are more you know, likely to happen.

12 COUNCIL MEMBER ROSENTHAL: Yep, okay
13 well, to be continued at a Contracts hearing. I
14 don't want to take anymore of your time on this,
15 but just real quickly, and this comes from
16 constituents, so help me out with this, with these
17 numbers, okay? The Central Library plan is using
18 again, and you can validate this for me, \$150
19 million of new taxpayer dollars...

20 DEPUTY COMMISSIONER RESNICK:

21 [interposing] And we're talking now about NYPL.

22 COUNCIL MEMBER ROSENTHAL: We're back
23 at NYPL.

24 DEPUTY COMMISSIONER RESNICK: Gotcha,
25 okay.

2 COUNCIL MEMBER ROSENTHAL: Thank you.

3 Plus the \$200 million from selling the two
4 libraries, right, so we're at \$350 million to
5 renovate the 42nd Street Book Stacks of 100,000
6 square feet. Is that... are those numbers roughly
7 right...

8 [crosstalk]

9 DEPUTY COMMISSIONER RESNICK: I...

10 [crosstalk]

11 COUNCIL MEMBER ROSENTHAL: To start?

12 DEPUTY COMMISSIONER RESNICK: I really
13 couldn't tell you. The Central Library plan for
14 NYPL has not been something... it's not something
15 DDC is managing actively. Right now, I don't have
16 that information to share with you.

17 COUNCIL MEMBER ROSENTHAL: Oh, so is
18 that one of those where it'll be a pass-through?

19 DEPUTY COMMISSIONER RESNICK: There is
20 a pass-through that's been discussed for that. I
21 am not sure what the current status of it is. As I
22 say, it's not currently in DDC's court.

23 COUNCIL MEMBER ROSENTHAL: Okay, so Mr.
24 Chair, you might want to come back on that one
25

2 because just using your numbers, about \$150 for a
3 square foot for renovation...

4 DEPUTY COMMISSIONER RESNICK:

5 [interposing] That's a completely different kind of
6 project. I would not compare that... that...

7 [crosstalk]

8 COUNCIL MEMBER ROSENTHAL: Okay.

9 [crosstalk]

10 DEPUTY COMMISSIONER RESNICK: Project
11 at all to the Queens...

12 [crosstalk]

13 COUNCIL MEMBER ROSENTHAL: Only
14 because...

15 [crosstalk]

16 DEPUTY COMMISSIONER RESNICK: Library
17 renovation.

18 [crosstalk]

19 COUNCIL MEMBER ROSENTHAL: It comes up
20 to \$3,500 per square foot.

21 DEPUTY COMMISSIONER RESNICK: It's a...

22 [crosstalk]

23 COUNCIL MEMBER ROSENTHAL: So...

24 [crosstalk]

25

2 DEPUTY COMMISSIONER RESNICK: Totally
3 different...

4 [crosstalk]

5 COUNCIL MEMBER ROSENTHAL: Totally
6 different project.

7 [crosstalk]

8 DEPUTY COMMISSIONER RESNICK: Kind of
9 project.

10 COUNCIL MEMBER ROSENTHAL: Great, okay
11 so...

12 [crosstalk]

13 DEPUTY COMMISSIONER RESNICK: Yeah.

14 [crosstalk]

15 COUNCIL MEMBER ROSENTHAL: Let's...
16 another hearing.

17 DEPUTY COMMISSIONER RESNICK: Sure.

18 COUNCIL MEMBER ROSENTHAL: Thank you.

19 CHAIRPERSON VAN BRAMER: Thank you very
20 much, Council Member Rosenthal and I do have in my
21 list some questions about the NYPL Central Library
22 project as well, so absolutely we're going to
23 follow up. I have a few more questions for you.
24 The Hunters Point Library; we referenced it before.

25 DEPUTY COMMISSIONER RESNICK: Right.

2 CHAIRPERSON VAN BRAMER: I was talking
3 with our Borough President Melinda Katz and there
4 seems to be some discrepancies in how much money
5 there is for the project; how much money is needed;
6 where we're at, so I was hoping that you could
7 clarify since this is...

8 [crosstalk]

9 DEPUTY COMMISSIONER RESNICK: Right.

10 [crosstalk]

11 CHAIRPERSON VAN BRAMER: In your...

12 DEPUTY COMMISSIONER RESNICK:

13 [interposing] Sure.

14 CHAIRPERSON VAN BRAMER: In your court.
15 As far as I know, there's roughly \$28 million that
16 are into this project.

17 DEPUTY COMMISSIONER RESNICK: Mm-hm.

18 CHAIRPERSON VAN BRAMER: Obviously the
19 initial bids were over in the range of \$34 million.
20 Value Engineering took it down to \$32, but I
21 believe DDC in their reconciled estimate shows a
22 construction cost of just under \$20 million. This
23 is...

24 DEPUTY COMMISSIONER RESNICK:

25 [interposing] Right.

2 CHAIRPERSON VAN BRAMER: From our
3 borough president so...

4 DEPUTY COMMISSIONER RESNICK: Yeah.

5 CHAIRPERSON VAN BRAMER: If there's \$28
6 million in the project and your estimate is...

7 [crosstalk]

8 DEPUTY COMMISSIONER RESNICK:
9 There's...

10 [crosstalk]

11 CHAIRPERSON VAN BRAMER: \$120...

12 [crosstalk]

13 DEPUTY COMMISSIONER RESNICK: Yeah,
14 currently there's... did I cut you off?

15 [crosstalk]

16 CHAIRPERSON VAN BRAMER: No, no, please
17 go ahead.

18 DEPUTY COMMISSIONER RESNICK: Sorry.
19 There's currently \$22.5 million roughly in
20 construction funds allocated to the project. Our
21 reconciled estimate right now is just under \$20, as
22 you've said. That is an estimate that's been
23 compared and reconciled between our construction
24 manager, the design engineer and our own internal
25 DDC estimators. So we feel pretty good that that

2 is an accurate reflection of the bricks and mortar
3 cost of the current design. With that said, we are
4 currently going out on the street, not on... not to
5 an open bid, but to our pre-qualified list of
6 vendors that's going to be issued this week to
7 those vendors and we engaged in a very aggressive
8 outreach effort to educate those pre-qualified
9 contractors on the changes that we've made to try
10 to reduce the cost. So I think one of the dynamics
11 that we're fighting here is once you bid a project
12 and there's a number that's out in the air, that
13 it's hard to get past the psychological effects of
14 that number. So even though you make changes,
15 unless you change it from you know, a rabbit into a
16 duck, you know there's a perception that it's the
17 same project with tweaks, so we've tried to dispel
18 that through education. I am not 100 percent sure;
19 obviously you never can be; that the numbers are
20 going to come in on that budget; that we still may
21 well have a gap, partly because of that
22 psychological factor and you know, and the bid
23 climate, which is increasingly hot, so...

24 CHAIRPERSON VAN BRAMER: [interposing]

25 Right.

2 DEPUTY COMMISSIONER RESNICK: We want
3 to get the bids as soon as we possibly can and
4 right now, the schedule is issued this week; open
5 the bids by the end of May.

6 CHAIRPERSON VAN BRAMER: But there is
7 \$28 million into the project, right, from previous
8 sources?

9 DEPUTY COMMISSIONER RESNICK: That's
10 correct. There's \$22 million in construction
11 funds. The \$28 is total.

12 CHAIRPERSON VAN BRAMER: Oh, total
13 cost.

14 DEPUTY COMMISSIONER RESNICK: Right.

15 CHAIRPERSON VAN BRAMER: So we have \$28
16 million.

17 DEPUTY COMMISSIONER RESNICK: We have
18 \$28 million.

19 CHAIRPERSON VAN BRAMER: And the bids,
20 which are going to be released in early May.

21 DEPUTY COMMISSIONER RESNICK: We're
22 going to open the bids in at the end May.

23 CHAIRPERSON VAN BRAMER: Right, at the
24 end of May, okay and then we'll know what the...

25 [crosstalk]

2 DEPUTY COMMISSIONER RESNICK: Right.

3 [crosstalk]

4 CHAIRPERSON VAN BRAMER: Adjusted cost
5 is and that'll be a project that you are, as DDC,
6 completely managing...

7 DEPUTY COMMISSIONER RESNICK:
8 [interposing] Absolutely.

9 CHAIRPERSON VAN BRAMER: Running,
10 operating...

11 DEPUTY COMMISSIONER RESNICK:
12 [interposing] Yes.

13 CHAIRPERSON VAN BRAMER: Monitoring.
14 Obviously you know that the library in my district
15 we have a funding into that library and it is long
16 delayed. Someone tried to get at this before. In
17 your experience, and I don't know if you have
18 documents or numbers to this, does one library
19 system over another have more delays or overruns
20 than other libraries?

21 DEPUTY COMMISSIONER RESNICK: It's not
22 something that jumps off the page for me. I think
23 it's so specific to particular projects. There are
24 certain dynamics that have been let's say
25 challenging with the Queens Library system and

2 they're different than the issues in the Brooklyn
3 and New York. I think one of the things that's
4 been tough is that Queens Library is really
5 committed to ensuring that they don't shut
6 branches, which is admirable and I think it's what
7 they should be doing, but the net result of it is
8 that it's sometimes difficult to get a vacated
9 space that we can do construction in and that's
10 caused projects to be delayed from time to time.
11 So there are some dynamics like that that make
12 working with the different systems challenging in
13 different ways.

14 CHAIRPERSON VAN BRAMER: In terms of
15 the Central Library Queens project and the ban on
16 reimbursing through pass-throughs, does that apply
17 to the Central Library project?

18 DEPUTY COMMISSIONER RESNICK: Yeah.

19 CHAIRPERSON VAN BRAMER: It does.

20 DEPUTY COMMISSIONER RESNICK: It does,
21 yeah.

22 CHAIRPERSON VAN BRAMER: So and it's
23 roughly a \$20 million...

24 DEPUTY COMMISSIONER RESNICK:
25 [interposing] No, the \$20 million is the number

2 that I believe was reported as being the total
3 project cost. The City allocation is significantly
4 below that amount.

5 CHAIRPERSON VAN BRAMER: Right and
6 that's the freeze.

7 DEPUTY COMMISSIONER RESNICK: That's
8 the freeze.

9 CHAIRPERSON VAN BRAMER: That is on the
10 city...

11 DEPUTY COMMISSIONER RESNICK: Yeah, the
12 private money they've...

13 CHAIRPERSON VAN BRAMER: [interposing]
14 Right.

15 DEPUTY COMMISSIONER RESNICK: They've
16 I'm sure you know, already spent it.

17 CHAIRPERSON VAN BRAMER: Are there any
18 other projects that have been frozen?

19 DEPUTY COMMISSIONER RESNICK: Yes,
20 there are a few other pass-throughs that have been
21 frozen.

22 CHAIRPERSON VAN BRAMER: Okay, before
23 they started or we're talking about reimbursed
24 again?

25

2 DEPUTY COMMISSIONER RESNICK: I believe
3 they are reimbursements as well. If you just let
4 me just take a look.

5 [Pause]

6 DEPUTY COMMISSIONER RESNICK: [off mic]
7 David, do you know? No? Yeah, can I get back to
8 you on that? I don't want to...

9 [crosstalk]

10 CHAIRPERSON VAN BRAMER: Yes.

11 [crosstalk]

12 DEPUTY COMMISSIONER RESNICK: Misspeak,
13 so.

14 CHAIRPERSON VAN BRAMER: That would be
15 very good to know. I mean I think...

16 [crosstalk]

17 DEPUTY COMMISSIONER RESNICK: Sure.

18 CHAIRPERSON VAN BRAMER: Certainly I
19 don't want to speak for my co-chair, but we're very
20 interested in what we can get in terms of
21 information on all the pass-throughs at the Queens
22 Library; where they're at. Obviously you've told
23 us today that there's a moratorium and the
24 reimbursements have been halted, which is tens of
25 millions of dollars. If you put a couple of

2 projects together, we're talking about a lot of
3 money that's been frozen and I just want to say I
4 think that that's the prudent thing to do, given
5 where we find ourselves. I do also want to say
6 that it sounds to me when we talk about the
7 cultural versus the libraries that the impact of
8 having an agency, DCLA, is very substantial in
9 ensuring quality control as a form of that and that
10 fundamental difference between cultural, pass-
11 throughs and the library pass-throughs.

12 DEPUTY COMMISSIONER RESNICK: Right.
13 Yes, I think that that is accurate. You know, I
14 will say that you know, there are very distinct
15 differences between the institutions that are out
16 there doing projects and those differences extend
17 from their... you know, their... the board
18 structure to the internal spending and fiscal
19 controls to the project management capabilities, so
20 DCLA plays a very important role in keeping their
21 finger on the pulse of you know, what the culture
22 of the individual agencies are.

23 CHAIRPERSON VAN BRAMER: Right.
24 Speaking of the NYPL Central Library project, so
25 that is scheduled to be a pass-through or you said

2 there's some discussions about the pass-through
3 nature of it.

4 DEPUTY COMMISSIONER RESNICK: Mm-hm.

5 CHAIRPERSON VAN BRAMER: What does that
6 mean from the agency, DDC's perspective? What does
7 that mean?

8 DEPUTY COMMISSIONER RESNICK: Well,
9 this is a conversation between the Budget Office
10 and the library and I'm not really familiar with
11 you know, where that conversation stands right now.
12 I don't know if you have any, David. [background
13 voice] Yeah, yeah, there are some substantive
14 questions right now about the actual design itself
15 and...

16 [crosstalk]

17 CHAIRPERSON VAN BRAMER: Right.

18 [crosstalk]

19 DEPUTY COMMISSIONER RESNICK: There's
20 some conversation that's happening with the
21 administration.

22 CHAIRPERSON VAN BRAMER: But from DDC's
23 perspective and vantage point, you are not involved
24 in it at this point, as you normally...

25 [crosstalk]

2 DEPUTY COMMISSIONER RESNICK: No, we're
3 not.

4 [crosstalk]

5 CHAIRPERSON VAN BRAMER: Would be...

6 [crosstalk]

7 DEPUTY COMMISSIONER RESNICK: We're
8 not.

9 [crosstalk]

10 CHAIRPERSON VAN BRAMER: In a...

11 [crosstalk]

12 DEPUTY COMMISSIONER RESNICK: If it
13 were a DDC managed project, yes, but we would not
14 anticipate that would be a common DDC managed
15 project because of the various substantial amount
16 of private money and the...

17 CHAIRPERSON VAN BRAMER: [interposing]
18 Sure.

19 DEPUTY COMMISSIONER RESNICK: You know,
20 ability of NYPL to manage projects.

21 CHAIRPERSON VAN BRAMER: Right and so
22 there is approximately \$150 million in City funding
23 into that project. That would be a reimbursement
24 pass-through?
25

2 DEPUTY COMMISSIONER RESNICK: No, I
3 think this would be a prospective pass-through
4 where the money would be transmitted to the library
5 in advance.

6 CHAIRPERSON VAN BRAMER: Okay, so this
7 would be a...

8 [crosstalk]

9 DEPUTY COMMISSIONER RESNICK: That's my
10 understanding.

11 [crosstalk]

12 CHAIRPERSON VAN BRAMER: Prospective
13 pass-through. [background voice]

14 [Pause]

15 DEPUTY COMMISSIONER RESNICK: So...

16 [crosstalk]

17 CHAIRPERSON VAN BRAMER: If you're
18 going to answer the full question...

19 [crosstalk]

20 DEPUTY COMMISSIONER RESNICK: This is
21 our general counsel. Yeah, do you mind, David,
22 just...

23 CHAIRPERSON VAN BRAMER: Yeah, just
24 because you were going a little bit longer than we
25 thought you were going to go and...

3 DAVID VAROLI: [interposing] Sorry.

4 CHAIRPERSON VAN BRAMER: You're giving
5 some details that we probably should hear on the
6 record, so...

7 [crosstalk]

8 DAVID VAROLI: Right.

9 CHAIRPERSON VAN BRAMER: So why don't
10 you identify yourself and then answer?

11 DAVID VAROLI: David Varoli, DDC
12 General Counsel. I was just trying to describe the
13 process for the New York Public Library pass-
14 through is a pass-through where it's a prospective
15 pass-through, so the agency, as Deputy Commissioner
16 Resnick had mentioned, were not involved in the
17 minute details of what the design will be. That is
18 something that's being worked out between NYPL and
19 the OMB Budget Office, but this is a pass-through
20 that's going forward, so if and when it comes to
21 us, they will then submit to us bills for the work
22 that's being done and then we reimburse them. We
23 don't advance them the dollars. I think the
24 example Deputy Commissioner Resnick was using
25 before with the Queens Central Library; there
they've actually done the actual project. The

2 construction is done and then they're coming to the
3 City and asking for basically one payment; one
4 large reimbursement, so I'm not sure if that... if
5 you understand that distinction.

6 CHAIRPERSON VAN BRAMER: I do.

7 DAVID VAROLI: Okay.

8 CHAIRPERSON VAN BRAMER: I do, which I
9 think just highlights the problems that could be
10 inherent, in particular the reimburse where an
11 agency... let's just say the library is coming to
12 at the end of the process after everything is done;
13 essentially submitting a receipt saying I got a
14 receipt for \$10 million; pay up and that's City
15 funding and that's on OMB, right?

16 DAVID VAROLI: Mm-hm.

17 CHAIRPERSON VAN BRAMER: To decipher
18 the validity of those receipts or the
19 appropriateness of the work and so there is a huge
20 vacuum in that process where it just seems like
21 it's incredibly problematic because I don't know
22 how at this point and maybe David, you could talk
23 to this, how OMB then goes through that process of
24 looking at \$10 million worth of expense and saying
25 okay, this is great. We're going to pay you back.

2 Clearly, we've got a freeze on this project, but if
3 there wasn't what is... and I realize this may be
4 more appropriate for OMB to answer the...

5 [crosstalk]

6 DAVID VAROLI: Yes.

7 [crosstalk]

8 CHAIRPERSON VAN BRAMER: Question, but
9 what is the level of scrutiny?

10 DAVID VAROLI: Right.

11 CHAIRPERSON VAN BRAMER: And it could
12 be years in between a large capital project where
13 money is expended and then you're coming back with
14 the receipt five years later. I mean capital...

15 [crosstalk]

16 DAVID VAROLI: It... it...

17 [crosstalk]

18 CHAIRPERSON VAN BRAMER: Projects take
19 a long time.

20 DAVID VAROLI: It presents a number of
21 issues and it's not so much 100 percent on OMB.
22 It's really also on DDC.

23 [crosstalk]

24 DEPUTY COMMISSIONER RESNICK: It
25 falls... it's a partnership, yeah.

2 [crosstalk]

3 DAVID VAROLI: It's... yeah. So we
4 will get the documents; hopefully there are
5 documents and I believe the co-Chair said that
6 there were some issues with prevailing wages; the
7 payment for prevailing wages. That has been a
8 problem that we have discovered on some of the
9 pass-throughs where they don't have the
10 documentation on those prevailing wages and so it
11 really becomes a long prolonged process to get that
12 money reimbursed.

13 DEPUTY COMMISSIONER RESNICK: Right.

14 CHAIRPERSON VAN BRAMER: And if there's
15 no reimbursement let's just say...

16 DAVID VAROLI: Mm-hm.

17 CHAIRPERSON VAN BRAMER: And I don't
18 know if this has ever happened before. You decide
19 you can't reimburse it, then the institution would
20 be out that public money, correct?

21 DAVID VAROLI: Yeah, all in all, that's
22 true.

23 [crosstalk]

24 CHAIRPERSON VAN BRAMER: Having already
25 expended it.

2 [crosstalk]

3 DAVID VAROLI: That's true, yeah.

4 [crosstalk]

5 CHAIRPERSON VAN BRAMER: Yeah and then
6 needing...

7 DAVID VAROLI: Right.

8 CHAIRPERSON VAN BRAMERS: With the
9 proper organization you would...

10 [crosstalk]

11 DAVID VAROLI: Right.

12 [crosstalk]

13 CHAIRPERSON VAN BRAMER: Think they
14 need they need the \$10 million back, but you could
15 conceivably deny that.

16 DAVID VAROLI: That's correct and I
17 think it's important to note that there's risk on
18 both sides of the ledger with the pass-through
19 process. There's a risk to the City in that
20 there's less control to ensure that all appropriate
21 rules and procedures are followed, et cetera, but
22 there's also a risk for the entity that's doing the
23 pass-through because change orders are not
24 contemplated. The City doesn't pay additional
25 costs if there are additional costs. That risk is

2 borne solely by the entity that's granted the pass-
3 through.

4 CHAIRPERSON VAN BRAMER: Well, I think
5 we've exposed a great deal of risk with in
6 particular the reimbursement pass-through in this
7 hearing, which I know I will follow up on and my
8 co-chair, Costa Constantinides and it is very
9 alarming and particularly problematic that we would
10 have so much money spent at the libraries and I do
11 think there's a distinction between the cultural...

12 [crosstalk]

13 DAVID VAROLI: Yes, yes.

14 [crosstalk]

15 CHAIRPERSON VAN BRAMER: And library
16 piece because there is an agency that is in between
17 and is monitoring, but particularly on the library
18 piece that is particularly problematic and this
19 hearing has, in fact, been a lot about pass-
20 throughs.

21 DAVID VAROLI: Yes.

22 CHAIRPERSON VAN BRAMER: And drilling
23 down and I look forward to some more of the detail
24 from you. I have one more question about the small
25 cultural, which Council Member Levin referenced.

2 DAVID VAROLI: Mm-hm.

3 CHAIRPERSON VAN BRAMER: Are they
4 eligible for soft costs or do you hold them to a
5 different standard 'cause small cultural have a
6 hard time accessing capital or working through
7 capital grants in particular.

8 DAVID VAROLI: I'm not sure I follow
9 what you mean by soft costs in that context.

10 CHAIRPERSON VAN BRAMER: Uhm...

11 DEPUTY COMMISSIONER RESNICK: Are you
12 talking about in the realm of pass-through or
13 grants or are you talking about management costs?

14 [crosstalk]

15 CHAIRPERSON VAN BRAMER: So how would
16 you define soft cost and...

17 [crosstalk]

18 DEPUTY COMMISSIONER RESNICK: Well...

19 [crosstalk]

20 CHAIRPERSON VAN BRAMER: Are all
21 institutions, both small or large, cultural or non,
22 eligible for them; to be reimbursed for them?

23 DEPUTY COMMISSIONER RESNICK: So for
24 their own staffing costs you mean to have an
25 internal project...

3 [crosstalk]

4 CHAIRPERSON VAN BRAMER: That's right.

5 [crosstalk]

6 DEPUTY COMMISSIONER RESNICK: Manager
7 and... I'm really not...

8 [crosstalk]

9 DAVID VAROLI: No, I...

10 [crosstalk]

11 DEPUTY COMMISSIONER RESNICK: Sure how
12 that works.

13 [crosstalk]

14 DAVID VAROLI: Think usually what OMB
15 does with cultural affairs and with DDC is they
16 look at the capital eligibility and it's fairly
17 rare that soft costs would be included and what
18 sometimes happens with the larger cultural
19 institutions is they work with a construction
20 management firm that they really like and does a
21 lot of their older other work, they will pay for
22 that separately, so even though there'll be a
23 construction firm on an xyz project that is a pass-
24 through project, we will not be paying those fees
25 and that allows them to contract directly with the

2 CM and not have to go through a competitive
3 procurement.

4 DEPUTY COMMISSIONER RESNICK: Right.

5 The only thing I would add to that is that DCLA
6 provides operating support to these institutions
7 and that the determination as to the extent of
8 operating support is to some extent I would imagine
9 influenced by whether they have a very large
10 capital project going on and might need to be
11 supplemented. I'm not sure. That's not something
12 DDC's involved in, but I would imagine that would
13 be part of the conversation.

14 CHAIRPERSON VAN BRAMER: Well, that
15 could be a whole other hearing topic.

16 DEPUTY COMMISSIONER RESNICK:
17 [interposing] Yeah.

18 CHAIRPERSON VAN BRAMER: Small
19 culturals and capital and we should do that. That
20 was included in the Council's budget response.
21 Last question and this time I mean it. [laughter]
22 Moving funding around is something that's been
23 mentioned a couple of times. Can and... as I used
24 in the beginning, Council Member A allocates \$1
25 million for a roof project at a certain library in

2 their district. You hold that funding, right? If
3 it's a DDC project...

4 [crosstalk]

5 DEPUTY COMMISSIONER RESNICK: Yes.

6 CHAIRPERSON VAN BRAMER: Will you hold
7 the funding?

8 DEPUTY COMMISSIONER RESNICK: Yes.

9 CHAIRPERSON VAN BRAMER: Can a library
10 move that money let's say to another project or to
11 another library? If so, how is that done and how
12 do you monitor that?

13 DEPUTY COMMISSIONER RESNICK: It does
14 change over the evolution of the project, so once
15 money is actually registered at the Comptroller's
16 office, it's City capital money; it's registered;
17 it's locked in; it's there; it's allocated to that
18 project via the registration number. Before that,
19 if the library chooses to move money from one
20 project to another, that would be their
21 determination. DDC is not party to those
22 determinations at all. It would... you know, so
23 it's either the library might decide to move
24 something, in which case one would assume that they
25 would be doing that in conversation with the

2 Council, or it's locked in and registered at the
3 Comptroller and it's not going to move.

4 CHAIRPERSON VAN BRAMER: So I certainly
5 hear the council member piece, right, that...

6 DEPUTY COMMISSIONER RESNICK:
7 [interposing] Yeah.

8 CHAIRPERSON VAN BRAMER: You think the
9 agency if I've allocated \$1 million and the agency
10 wants to move it to another library, either in my
11 district or not, that that would at a minimum be a
12 consultation...

13 [crosstalk]

14 DEPUTY COMMISSIONER RESNICK: Well, I
15 imagine there would be a conversation.

16 CHAIRPERSON VAN BRAMER: [interposing]
17 But from the agency's perspective, and I mean that
18 the DDC, you don't have to approve it before it's
19 gone to the Comptroller?

20 DEPUTY COMMISSIONER RESNICK: We treat
21 projects.

22 CHAIRPERSON VAN BRAMER: Right.

23 DEPUTY COMMISSIONER RESNICK: Right, so
24 we look at the estimate for the project; the
25 funding allocation for the project, regardless of

2 whether part of that is Councilmatic and part is
3 from some other source and provided the funding is
4 there, regardless of source, as long as it's you
5 know, capital money, we go ahead and register it.
6 If there's a deficit in funding, then we would
7 bring that to the attention of the library or
8 whatever the client agency is and they would
9 provide it in one way or another, and whether that
10 means that they behind... you know, not in our
11 bailiwick, but in their own, shift money from you
12 know, one project to another internally, that has
13 happened in the past I'm sure and probably is part
14 of the dynamic, but I would imagine it's done in
15 consultation with the affected councilperson.

16 CHAIRPERSON VAN BRAMER: Okay, but you
17 don't have to approve...

18 DEPUTY COMMISSIONER RESNICK:
19 [interposing] No.

20 CHAIRPERSON VAN BRAMER: That.

21 DEPUTY COMMISSIONER RESNICK: As long
22 as we have the funding in the project...

23 CHAIRPERSON VAN BRAMER: [interposing]
24 Right.

2 DEPUTY COMMISSIONER RESNICK: We can
3 move ahead.

4 CHAIRPERSON VAN BRAMER: Okay, so
5 there's... so once funding is allocated 'cause as
6 you know, these capital projects take years and it
7 could take years for it to pop up while another one
8 may go or be closer to completion or fruition and
9 the library could then move funding from to another
10 and you don't necessarily or at all have any
11 oversight of that internal process even though it's
12 City money and you've got it registered, right, and
13 it's... it's...

14 DEPUTY COMMISSIONER RESNICK: So once
15 it's registered, as I say, that money is there. If
16 they...

17 CHAIRPERSON VAN BRAMER: [interposing]
18 Right.

19 DEPUTY COMMISSIONER RESNICK: You know,
20 if they switch funding, it would have to be before
21 a contract is registered. They can't...

22 [crosstalk]

23 CHAIRPERSON VAN BRAMER: Right.

24 [crosstalk]
25

2 DEPUTY COMMISSIONER RESNICK: Pull
3 money out of a registered contract.

4 CHAIRPERSON VAN BRAMER: Okay, so
5 there's a lot more here and I think we've got
6 serious, serious problems with the reimbursement
7 pass-through. I also think it's probably a really
8 good idea to have a publicly accessible tracking
9 database of capital projects, both funding wise and
10 then construction wise and that's something we will
11 pursue out of this hearing for sure; in
12 conversation in the hearing we talked about that.
13 So I know we have a few members of the public who
14 would like to talk. I suspect the Central Library
15 at NYPL will be coming up and I wanted to thank you
16 and apologize, Commissioner, on your first day and
17 I realize this is a lot and you've just begun, so
18 we didn't really get to talk very much, but at
19 subsequent hearings I know that we will and I want
20 to thank Deputy Commissioner Resnick and your
21 general counsel for helping to fill out this very
22 complicated picture for us as we continue
23 aggressive oversight on all of these projects, but
24 in particular the Queens Library. So with that, I
25

2 want to thank all of you and excuse me, but the
3 Commissioner might have something to say.

4 COMMISSIONER PENA-MORA: Yeah, I would
5 like again to thank you both, Chairpersons, for
6 giving me the opportunity. As you said, a lot of
7 the questions pertained to institutional knowledge
8 that David has more than me, but I appreciate the
9 comments that were made, particularly by Councilman
10 King and Councilman Levin in terms of how to make
11 sure that the councilmen and councilwomen how they
12 all do understand the priorities and the schedule
13 of the projects, so I think it's something that we
14 will be working in our agency with respect to the
15 projects that are within our realm, as well as how
16 to build capacity for the small cultural
17 institutions so that they know when they are
18 looking for capital projects what they should be
19 thinking and how they should be doing. So I think
20 this has been very valuable for me to understand
21 some of those needs and be able to try to implement
22 them within the agency, so thank you for giving me
23 this opportunity.

24 CHAIRPERSON VAN BRAMER: Great. Thank
25 you very much, Commissioner, and we will hear from

2 the public. We have two panels. I believe it's
3 Lauren Rudich. Could it be Lauren Rudich from
4 Citizens Defending Libraries. If I said that name
5 wrong... Carolyn McIntyre, Citizens Defending
6 Libraries; Veronika Conant, Committee to Save NYPL
7 and Charles Warren, Committee to Save NYPL as well.
8 We'll hold Lauren and then actually if Lauren is
9 not here, there's only one other person to testify
10 and that's C.M. Pyle, so if all four of you will go
11 to the dais together, that will be our last panel
12 for today. C.M. Pyle, Carolyn McIntyre, Veronika
13 Conant and Charles Warren.

14 [Pause]

15 CHAIRPERSON CONSTANTINIDES: Alright,
16 good afternoon. Thank you. Who would like to
17 go... [background voices] Okay, great.

18 VERONIKA CONANT: Shall I turn this on?
19 Can you...

20 [crosstalk]

21 CHAIRPERSON CONSTANTINIDES: Yes.

22 VERONIKA CONANT: Hear me? Yes.

23 CHAIRPERSON CONSTANTINIDES: Just give
24 me one moment just to let you know that we are
25 going to have a three minute clock.

3 VERONIKA CONANT: I'll start, okay.

4 CHAIRPERSON CONSTANTINIDES: Okay,
5 great, thank you.

6 VERONIKA CONANT: So you will let me
7 know when I can start?

8 CHAIRPERSON CONSTANTINIDES: Yes, we're
9 ready to go.

10 VERONIKA CONANT: Shall I start?

11 CHAIRPERSON CONSTANTINIDES: Yes,
12 please.

13 VERONIKA CONANT: Okay, I'm Veronika
14 Conant. I am a retired public librarian and a
15 member of the Committee to Save the New York Public
16 Library and I'm also a past president of the West
17 54-55 Street Block Association, which was very
18 active during the sale of the Donnell Library,
19 unfortunately unsuccessfully, just so you know the
20 background. Having listened, this was a very
21 interesting hearing and it was really interesting
22 for us to hear the actual numbers quoted by the DDC
23 and I'm here to talk about the cost of the Central
24 Library plan and sort of tied to what we were told.
25 The cost of the library plan at \$350 million would
create about 100,000 square foot circulating

2 library inside the 42nd Street building where the
3 Book Stacks are now and also the sale of two public
4 libraries and the cost would be \$350 million. Now,
5 the DDC was talking about interior renovations
6 costing \$150 per square foot, which adds up to for
7 the 100,000 square foot produced only \$30 million,
8 while the \$350 million, if you divided that it
9 creates 100,000 square foot comes to \$3,500 to
10 create every square foot of this new library. This
11 is incredibly many times, 20 times the number you
12 know of what the Central... so can I just repeat it
13 because I would like you to hear it; that the
14 Central Library costs \$350 million and creates
15 100,000 square foot new space. If you divide the
16 \$350 million by the 100,000, you get that it comes
17 to \$3,500 to create every square foot of new space
18 in that whole space. While the DDC's cost estimate
19 for... was \$150 million for interior renovations
20 and \$700 to \$850 for a brand new library, so what I
21 want to sort of point out that in the Book Stacks,
22 the Book Stacks have a perfectly fine existing...
23 we have... they are in okay condition and they have
24 already air conditioning and sprinklers, so if an
25 air conditioner and sprinkler is updated for a cost

2 of \$150 million by DDC, it comes to me \$24 million,
3 so that's a very small amount. In addition, if the
4 Mid-Manhattan would be renovated at again, \$150 per
5 square foot for even 100... and even if I assume it
6 is 200,000 square foot, which I don't remember, not
7 by yard, but it comes to only \$30 million and if it
8 were brand new, it would come to \$160 million, so
9 the total even at the highest [chime] figure is
10 half of the amount as what the CLP is costing now.
11 So we are bringing in the alternatives and asking
12 could the DDC do some of this and if not, can they
13 give an independent estimate or who could give an
14 independent estimate for the cost of simply
15 upgrading the existing library system and you don't
16 have to destroy anything. The books can remain
17 there and the book category system can work
18 perfecting fine, as it did for 100 and whatever
19 years...

20 CHAIRPERSON VAN BRAMER: Thank you.

21 VERONIKA CONANT: so that...

22 [crosstalk]

23 CHAIRPERSON VAN BRAMER: Have you
24 heard...

25 [crosstalk]

2 VERONIKA CONANT: That's the essence,
3 okay? So and...

4 [crosstalk]

5 CHAIRPERSON VAN BRAMER: Thank you very
6 much.

7 VERONIKA CONANT: Yeah, so...

8 [crosstalk]

9 CHAIRPERSON VAN BRAMER: Whoever's next
10 and we're keeping to a...

11 [crosstalk]

12 VERONIKA CONANT: So can I can just ask
13 one question? I do have one question to you. So
14 the DDC said that when it is a pass-through after
15 the... a contract has registered it cannot be
16 changed and what is the status of this \$150
17 million? It is before and it's not been registered
18 yet, so can it be... again, could the budget be
19 modified to... you know, yes.

20 CHAIRPERSON VAN BRAMER: Well, I think
21 we'd need DDC back, but I think DDC...

22 VERONIKA CONANT: [interposing] Yes.

23 CHAIRPERSON VAN BRAMER: Is not as
24 involved in this project at this point, as they
25 normally would be so...

2 VERONIKA CONANT: But there still are
3 pass-throughs, so they are involved in a certain
4 level, low levels.

5 CHAIRPERSON VAN BRAMER: Yes.

6 VERONIKA CONANT: Yes, they will...

7 [crosstalk]

8 CHAIRPERSON VAN BRAMER: We will trim
9 it down to that and get the full answer from both
10 NYPL and DDC on that.

11 VERONIKA CONANT: Okay, thank you.

12 CHAIRPERSON VAN BRAMER: Who's next?

13 CAROLYN MCINTYRE: [off mic] Carolyn
14 McIntyre with Citizens Defending Libraries. We have
15 over 16...

16 [Pause]

17 CAROLYN MCINTYRE: I'm sorry, I'm
18 Carolyn McIntyre. I'm with Citizens Defending
19 Libraries and we have 16,000 petition signers to
20 stop the sell-off of our public libraries to stop
21 the exploitation of our public assets, which are
22 driven by greed and we do not trust the NYPL BPL
23 leadership. What Carol just said when... in
24 running these numbers is that the Central Library
25 plan... the NYPL's plan proposes \$150 million of

2 new taxpayer money and \$200 million from selling
3 Mid-Manhattan, the most well-used library in the
4 entire country and sibil [sic] in order to renovate
5 100,000 square feet in the 42nd Street Library. So
6 that would cost, if you run those numbers, \$3,500
7 per square foot to renovate that library. That's
8 what they want to do. The DDC just testified that
9 at their highest cost estimate they spend a maximum
10 of \$850 per square feet for a renovation. It
11 sounds to me like the DDC would be doing a much
12 better job with our money than what the NYPL is
13 proposing at spending at \$3,500 per square feet.
14 The DDC, if you run those numbers and you add them
15 up, would be around what Carol said was about \$24
16 million. That is nothing compared to \$350 million.
17 This is outrageous in the fact that we are even
18 here right now talking about this. I also want you
19 to look at what is happening in the Brooklyn
20 system. Steve Levin said... asked if the DDC
21 should take a look at the Brooklyn Heights Library.
22 The BPL released a private firm's report, not a DDC
23 report on how much it would cost to fix the air
24 conditioner at the Brooklyn Heights Library. That
25 report is up to \$9 million. They first told the DC

2 37 librarians it would cost \$350,000 to fix the air
3 conditioner. They raised that to \$750,000 when
4 people started to offer money. Then they raised it
5 to \$3.5 million. Now it's between nine and \$10
6 million through a private firm report that we had
7 architects look at that report and said it was
8 laughable. Now do you see why the public does not
9 trust the BPL and NYPL leadership? Now do you see
10 why we're here? We will not go away. We will
11 continue to stop the exploitation and greed of our
12 public resources; our public. It's humiliating to
13 our communities. It's destroying our communities
14 and I wish that you could look in the eyes of
15 people when I tell them that they're closing and
16 selling our libraries. I was standing outside the
17 Brooklyn Heights Library on a day when it was
18 closed because they haven't fixed the air
19 conditioner. There was a woman who came up there
20 with her son. Her 19-year old son was there; had
21 just come from another library that was also closed
22 because they refused to fix the air conditioner.
23 She was trying to help him get a job. You can't
24 tell me that this leadership is doing what's in the
25 best interests of the public because we don't trust

2 them and we need that trust restored, so we are
3 turning to you now to ask [chime] that we stop
4 fueling inequality in our society by selling off
5 our public assets and by exploiting our children
6 and our children's future.

7 CHAIRPERSON CONSTANTINIDES: Thank you.
8 We've also... just one moment. We've been joined
9 by Council Member Laurie Cumbo from Brooklyn.
10 Thank you, Laurie. Go ahead.

11 CYNTHIA PYLE: Thank you. I am Cynthia
12 Pyle, an independent scholar and lifelong user of
13 the main research branch of the New York Public
14 Library. Over the past 30 or 40 years, since
15 Reagan and Thatcher, we have witnessed the erosion
16 of oversight of the running of private and
17 government institutions, oversight set up by people
18 like Franklin Delano Roosevelt and Mayor La Guardia
19 and other governments, which were responsive to the
20 needs of us, the people. We, the people of the
21 City of New York harbor high hopes for the newly
22 installed City government of Mayor de Blasio and
23 the City Council, of which this committee and
24 subcommittee are important components and to which
25 we are extremely grateful for the hearings like the

2 one today and the others you've held. Today's
3 hearing aims at the roots of the problems
4 confronting the institution like the New York
5 Public and particularly its main research branch,
6 which was founded so that the people of our city
7 and the world could raise their standards of
8 understanding and knowledge in order to contribute
9 to the democratic governance of such... of all
10 places. This has always been... and of society.
11 This has always been a deeply democratic
12 institution, founded, it is true, by wealthy donor,
13 but in the late 19th and early 20th Century, such
14 people were themselves highly and deeply educated
15 and realized the importance of education to
16 democracy. The original Boards of Directors of the
17 New York Public Library included clergymen;
18 architects; civic leaders. These too were highly
19 and deeply educated people and they too understood
20 the critical importance of the gifts of books and
21 documents they were overseeing. These gifts, in
22 other words, while overseen by the wealthy, were
23 not in the hands of what may perhaps be best
24 described as Philistines, those ignorant and
25 sometimes anti-intellectual and neglectful wealthy

2 people we are often confronted with today. Elite
3 did not mean only rich. It meant civically
4 responsible and trained people, people trained not
5 only in how to make ever more money; ever higher
6 buildings; people trained in and cognizant of the
7 needs for a democratically responsible society.
8 Over the past 20 years, especially the 18 years
9 from 1994 to 2012, there was essentially no
10 oversight of the Presidents' and Boards' decisions
11 on plans for development of the New York Public
12 Library research branch and those concerned. Or if
13 there was, it appears to have been on behalf of
14 real estate interests, one of the great interests
15 of the previous administration. One of the most
16 interesting questions that first occurred to me
17 when I became aware of the then proposed Central
18 Library plan two years ago, was exactly where...
19 how exactly were all these real estate interests
20 appointed to the Board of Directors of the New York
21 Public Library. That is a question I have still
22 been unable to answer. So the concomitant question
23 of why I have not been able to learn this is of
24 great interest in terms of transparency. I propose
25 then, but perhaps [chime] you will have other

2 suggestions, a sub subcommittee of this committee,
3 of members charged specifically with oversight and
4 placement of board members, perhaps adding one
5 member for each borough to this committee on
6 oversight of the libraries of our great city.
7 Thank you.

8 CHAIRPERSON VAN BRAMER: Thank you.

9 CHARLES WARREN: I'm Charles Warren.
10 I'm an architect. I co-wrote the two volume book
11 on Carrere & Hastings, the architects of the New
12 York Public Library, but hovering over this hearing
13 is what's going on at the Queens Public Library,
14 and that should be an object lesson for all of you
15 about what could happen at the New York Public
16 Library. Now, Member Crowley asked for
17 transparency and Member Levin asked for
18 alternatives. We have had testimony from the DDC,
19 which is entirely competent in delivering public
20 projects and public buildings. The New York Public
21 Library 42nd Street building is owned by you and by
22 me, by all of us. It belongs to the city. It does
23 not belong to the New York Public Library, and it
24 seems to me that DDC is the appropriate agency to
25 be following through on any construction project

2 and we would ask, as Member Levin had, that DDC be
3 in charge of exploring alternatives, exploring
4 costs and making it clear that we have an
5 independent agency; we have the people's agency
6 looking after our interest in this building. We've
7 been waiting for nearly a year for a promised
8 analysis from the public library of the cost
9 involved in the Central Library plan and the cost
10 of alternatives. We've been waiting a year and
11 still they stall and stonewall. There is no
12 transparency in this process and it is incumbent
13 upon this committee, upon all of you and upon us as
14 citizens to demand that this desecration of one of
15 the great buildings in the City of New York; this
16 emptying out of its resources and sending them off
17 to another state be examined; carefully examined
18 beforehand prospectively, not retrospectively and
19 you have the power with \$151 million of our money
20 to with... you can withhold that money, you can
21 stop this process cold and you can maintain this
22 building. You can maintain this civic resource.
23 You can maintain this cultural treasure. You must.
24 It is incumbent upon you to make this a
25 transparent, open process so that our resources;

2 our cultural resources they do not belong to this
3 board. They belong to the City of New York. You
4 must oversee this process. I insist and it's time
5 now that you demand from the New York Public
6 Library transparency in this process; openness, not
7 we are going to produce some new plans and we'll
8 let you know, not we're going to analyze these
9 costs and we'll let you know, not oh, we've looked
10 at all the alternatives and we've picked the best
11 one. Trust us, that is not the way this should
12 work. The way this should work is they should be
13 before this committee. They should be asked every
14 question and DDC, the great resource of this city,
15 in analyzing construction costs, should be part of
16 this process now, prospectively, retrospectively,
17 during the process. They should be looking after
18 our pocketbooks and you should be looking after our
19 cultural resources. [chime]

20 CHAIRPERSON CONSTANTINIDES: Alright
21 well, thank you for your good testimony. We
22 definitely appreciate you know, all of your
23 activism on behalf of the people of the City of New
24 York and I don't want to... I will see if I can
25 speak for my co-chair 'cause he's demonstrated that

2 we hold the protection of our libraries and their
3 great spaces and of course, what they bring to our
4 city as far as community hubs, so I take that
5 charge very seriously and we can continue to have
6 good conversations about that. Thank you.

7 [background voices] It's our pleasure. Thank you.

8 CHAIRPERSON VAN BRAMER: And while
9 we're closing out this hearing, Council Member
10 Cumbo, did you want to add something? Council
11 Member Laurie Cumbo.

12 COUNCIL MEMBER CUMBO: I wanted to ask
13 you very briefly... I know that we're in the midst
14 of time constraints, but the real estate interests
15 that were brought up in your testimony in terms of
16 service to the Boards, I wanted to ask and through
17 the transparency process, were you able to see or
18 to acquire or to learn if those real estate
19 interests that are serving on the Board are also
20 contributing Board members to the vitality of the
21 library system or is that not clear to you at this
22 time?

23 CYNTHIA PYLE: I would say nothing is
24 clear to us at this time about the Board.

25 COUNCIL MEMBER CUMBO: Okay.

2 CAROLYN MCINTYRE: Here I would like to
3 say I know a few things about the NYPL and BPL
4 Board.

5 COUNCIL MEMBER CUMBO: Mm-hm.

6 CAROLYN MCINTYRE: Steve Schwarzman is
7 CEO of the Blackstone Group. He's the main... he's
8 on the Nominating Committee of the NYPL as CEO of
9 the Blackstone Group. The Blackstone Group is
10 invested in luxury condos and high-rises, but
11 because it's a hedge fund, we're talking about
12 concealed assets so it's harder to take a look at
13 these things.

14 COUNCIL MEMBER CUMBO: Mm-hm.

15 CAROLYN MCINTYRE: They're also
16 invested in foreclosed homes. They're also
17 investing in fracking. They're also invested in
18 privatizing prisons. I'd like to tell you that the
19 best predictor of how many people go to prison is
20 how many 10 and 11-year olds can read and write.

21 COUNCIL MEMBER CUMBO: Mm-hm.

22 CAROLYN MCINTYRE: I think you have a
23 conflict of interest if you're on the NYPL Board
24 and you're involved in real estate that involves
25 luxury condos and high-rises and they are also

2 involved in the Donnell indirectly because of the
3 Starwood and the companies that are building the
4 luxury high-rise that's replacing Donnell Library
5 as we speak. At the top of that library's going to
6 be a \$60 million penthouse apartment and the
7 pictures in *The New York Times* have a picture of a
8 private library in that apartment. They'll have
9 more books probably in the library that they'll put
10 in the basement. That's the blueprint for what
11 we're talking about and they're talking about
12 digital. They have people on the Board now that
13 are about involving digital services. Hank Gutman,
14 who was just appointed to the BPL Board of Trustees
15 is with Simpson Thatcher. Simpson Thatcher is the
16 main law firm that has been servicing Blackstone
17 since it began. We have the Durst Organization on
18 the Board of Directors. Shall I go on? And we're
19 talking about real estate people; we're talking
20 about hedge funds. We're talking about people who
21 are there to exploit who will benefit. How we can
22 prove that; I can't prove that directly, but it
23 seems pretty obvious.

24 COUNCIL MEMBER CUMBO: I think you
25 bring up an excellent point in terms of the

2 conflict of interest of these Board members with
3 the interest that they have in further development
4 and I appreciate you bringing that to our
5 attention.

6 CAROLYN MCINTYRE: Yep and I'll send
7 you an email before.

8 CHARLES WARREN: Excuse me.

9 COUNCIL MEMBER CUMBO: Thank you.

10 CHARLES WARREN: Could I just add one
11 more thing?

12 COUNCIL MEMBER CUMBO: Yes, sir.

13 CHARLES WARREN: The Mayor and the
14 Council and the Comptroller each have the
15 opportunity to appoint a Board member at the New
16 York Public Library. In the past, those people who
17 should be our watchdogs have gone along with
18 whatever's gone on at that library. I urge you,
19 since you do have one appointment in the control of
20 the Speaker...

21 COUNCIL MEMBER CUMBO: [interposing]
22 Mm-hm.

23 CHARLES WARREN: And you, I assume,
24 have an opportunity to speak to the other leaders
25 of our city to make sure that this time there are

2 three people appointed with a backbone with a
3 knowledge of the library with an interest of
4 representing our interest on those Boards to
5 make... and with the possibility of reporting back
6 to us what's going on on those Boards when they're
7 so often having meetings that are behind closed
8 doors in executive session, quietly taking care
9 of... you all, that's in your power, to speak to
10 Speaker Mark-Viverito, to ask the Mayor and to talk
11 to the Comptroller to make sure that we get
12 representation on the NYPL Board.

13 CAROLYN MCINTYRE: And on the BPL Board
14 the Mayor and the borough president can both
15 appoint one-third of the Board of Trustees.

16 COUNCIL MEMBER CUMBO: Mm-hm.

17 CAROLYN MCINTYRE: We don't understand
18 why they have not exercised their right to appoint
19 Board of Trustees. Instead, we... like I said we
20 have Hank Gutman being appointed. We have you
21 know, people... somebody from Goldman Sachs has
22 been appointed who's an expert in digital. Of
23 course, the way they're going is they're talking
24 about digitizing everything so then they're not
25

2 going to need the library space so then they can
3 sell them off to create more real estate deals.

4 COUNCIL MEMBER CUMBO: Thank you.

5 CHAIPERSON VAN BRAMER: Thank you very
6 much, Council Member Cumbo. I just want to say
7 that we are actually talking about our appointment
8 process to the boards of organizations, myself and
9 Speaker Mark-Viverito and the entire Council, so
10 that process is currently unfolding. I want to
11 thank all of you for being here today and I also
12 want to thank in the audience three of our DC 37
13 local presidents of representing library workers
14 for both the Queens, Brooklyn and New York Public
15 Library systems. They're not testifying today, but
16 they're three of my favorite people and we thank
17 them all for being here and for representing the
18 hardworking men and women of our public library
19 system. And with that, unless anyone else has
20 anything to add, we will end this hearing of the
21 Cultural Affairs, Libraries and International
22 Intergroup Relations Committee. Thank you all.

23 [gavel]
24
25

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Date: 05/06/2014