

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Alan Maisel
Chair, Committee on Standards & Ethics



Report on the Fiscal 2016 Preliminary Budget and the Fiscal 2015 Preliminary Mayor's Management Report

Conflict of Interest Board

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Conflicts of Interest Board (COIB) Overview

The Conflicts of Interest Board (COIB or the Board) implements and interprets the Conflicts of Interest Provisions of Chapter 68 of the New York City Charter. This is accomplished through the training and education of City employees regarding ethical standards and through the issuance of advisory opinions to prospective, current, and former City employees. The Board processes complaints concerning alleged violations of the provisions of Chapter 68, and receives and reviews financial disclosure statements.

This report provides a review of COIB's Preliminary Budget for Fiscal 2016. In the first section the highlights of the Fiscal 2016 Preliminary Budget are presented, along with a discussion of COIB's scope of responsibility. The report then discusses the changes to COIB's budget, including all new needs and other adjustments, that were included in the November and Preliminary Financial Plans. Also included is a brief examination of COIB's current budget and staff needs driven by recent City Charter requirements. COIB has no capital budget or Preliminary Mayor's Management Report indicators.

Financial Summary

COIB Financial Summary						
<i>Dollars in Thousands</i>	2013 Actual	2014 Actual	2015 Adopted	2015 Current Modified	2016 Preliminary	*Difference 2015 - 2016
Spending						
Personal Services	\$1,846	\$1,902	\$1,961	\$2,028	\$2,050	\$89
Other Than Personal Services	186	152	156	169	163	6
TOTAL	\$2,032	\$2,054	\$2,117	\$2,197	\$2,213	\$95
Funding						
City Funds	\$2,032	\$2,054	\$2,117	\$2,197	\$2,213	\$95
TOTAL	\$2,032	\$2,054	\$2,117	\$2,197	\$2,213	\$95
Budgeted Headcount						
Full-Time Positions - Civilian	1	20	22	22	22	0
TOTAL	21	20	22	22	22	0

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

Financial Plan Actions

The Fiscal 2016 Preliminary Budget for the Conflicts of Interest Board is \$95,000 or 4.5 percent higher than the agency's Fiscal 2015 Adopted Budget of \$2.1 million. The Agency's increase is due to a new need and two other adjustments which are indicated below.

- **VoIP Startup.** In the Preliminary Plan, \$13,000 was added in Fiscal 2015 and \$6,400 in Fiscal 2016 to operate the Voice over Internet Protocol (VoIP) system for the agency.
- **DC37 Collective Bargaining Agreement.** The Preliminary Plan includes increases of \$5,900 in Fiscal 2015 and \$9,200 in Fiscal 2016 to fund the City's negotiated collective bargaining agreement for District Council 37 workers in the Agency.
- **Personal Services (PS) Adjustment.** The Preliminary Plan includes an across-the-board PS adjustment which increased the Fiscal 2015 Budget by \$60,950 and the Fiscal 2016 by \$79,720. This added funding is also related to collective bargaining agreements.

Other Highlights

Miscellaneous Revenue

Revenue Sources	2013 Actual	2014 Actual	2015 Adopted	2015 Current Modified	2016 Preliminary	*Difference 2015 - 2016
Late Filing Fees	204,755	123,837	99,000	99,000	99,000	0
TOTAL	\$204,755	\$123,837	\$99,000	\$99,000	\$99,000	\$0

The COIB generates a small amount of revenue from the collection of late filing fees of financial disclosure forms. The Preliminary Plan projects late filing fees totaling \$99,000 in Fiscal 2015 and 2016. However, the actuals in recent years have been significantly higher and this information is reflected in the chart above.

Budget Protection and Current Issues

COIB continues to advocate for the enactment of a Charter amendment providing it with an independent budget. Such protection has been one of the Board's highest legislative priorities for many years. COIB has the power to sanction violations of the law by the very public officials who set its budget and could serve to undermine the Board's independence in the eyes of the public and of public servants. This could be rectified through a Charter amendment removing the Board's budget from the discretion of the public officials who are subject to the Board's jurisdiction.

COIB is required to provide ethics training to all public servants every two years. Those public servants most at risk of conflicts of interest (such as elected officials, agency heads and their deputies, as well as those without access to a computer, among others) must receive live training, which is, according to COIB, the most effective form of training.

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

<i>Dollars in Thousands</i>	FY 2015			FY 2016		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Adopted 2015 Budget	\$2,117	\$0	\$2,117	\$2,117	\$0	\$2,117
New Needs						
VoIP Start Up	\$13	\$0	\$13	\$6	\$0	\$6
Subtotal New Needs	\$13	\$0	\$13	\$7	\$0	\$6
Other Adjustments						
DC37 Collective Bargaining Increase	\$6	\$0	\$6	\$9	\$0	\$9
PS Adjustment	61	0	61	80	0	80
Subtotal Other Adjustments	\$67	\$0	\$67	\$89	\$0	\$89
Total All Changes	\$80	\$0	\$80	\$96	\$0	\$95
Agency Budget as of the Preliminary 2016 Budget	\$2,197	\$0	\$2,197	\$2,213	\$0	\$2,212

Appendix B: Contract Budget

COIB Fiscal 2016 Preliminary Contract Budget				
Category	Number	FY 2015 Budgeted	Number	FY 2016 Budgeted
Cleaning Services	1	\$4,300	1	\$4,300
Data Processing Equipment Maintenance	1	1,000	1	1,000
Maintenance and Repairs - General	1	600	1	600
Office Equipment Maintenance	3	20,703	3	20,703
Prof. Services - Other	1	3,000	1	3,000
TOTAL	7	\$29,603	7	\$29,603

COIB's Contract Budget for Fiscal 2016 totals \$29,603 and accounts for less than one percent of COIB's total operating budget. As indicated in the chart above, COIB's Contract Budget provides funding for cleaning services, data processing equipment, office equipment and the maintenance of the facility in which the agency is housed.