

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

----- X

June 2, 2015
Start: 10:15 a.m.
Recess: 1:56 p.m.

HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E:

JULISSA FERRERAS-COPELAND
Chairperson

BEN KALLOS
Chairperson

COUNCIL MEMBERS:

Ydanis A. Rodriguez
James G. Van Bramer
Vanessa L. Gibson
Robert E. Cornegy, Jr.
Laurie A. Cumbo
Corey D. Johnson
Mark Levine
I. Daneek Miller
Helen K. Rosenthal
Vincent M. Ignizio
David G. Greenfield
Ritchie J. Torres
Steven Matteo

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

Stacey Cumberbatch
Commissioner
Department of Citywide Administrative Services (DCAS)

Rich Badillo
Deputy Commissioner Fiscal and Business Management
Department of Citywide Administrative Services (DCAS)

Suzanne Lynn
General Counsel
Department of Citywide Administrative Services (DCAS)

Ricardo Morales
Deputy Commissioner Asset Management Portfolio
Department of Citywide Administrative Services (DCAS)

Keith Kerman
Deputy Commissioner of Fleet Citywide
Department of Citywide Administrative Services (DCAS)

Dawn Pinnock
Deputy Commissioner of Human Capital
Department of Citywide Administrative Services (DCAS)

Geneith Turnbull
Deputy Commissioner
Citywide Procurement
Department of Citywide Administrative Services (DCAS)

Ozgem Ornektekin
Deputy Commissioner for Energy Management
Department of Citywide Administrative Services (DCAS)

Zachary Carter
Corporate Counsel
New York City Law Department

Michael J. Ryan
Executive Director
NYC Board of Elections

Gerald Sullivan
Director of Finance
NYC Board of Elections

Pamela Perkins
Administrative Manager
NYC Board of Elections

Georgia Kotzamanis
Operations Manager
NYC Board of Elections

Steven Richmond
General Counsel
NYC Board of Elections

Raphael Savino
Deputy General Counsel
NYC Board of Elections

Valerie Vasquez
Director of Communications and Public Affairs
NYC Board of Elections

Stanley Daley
Financial Analyst Stanley Daley
NYC Board of Elections

Amy Loprest
Executive Director
New York City Campaign Finance Board

Eric Friedman,
Assistance Executive Director for Public Affairs
New York City Campaign Finance Board

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

5

[sound check, pause]

CHAIRPERSON FERRERAS-COPELAND: --

Executive Budget Fiscal 2016. My name is Julissa Ferreras-Copeland, and I am the Chair of the Finance Committee. We are joined by the Committee on Governmental Operations, chaired by my colleague Council Member Ben Kallos who will be joining us shortly. We've been joined by Council Member Matteo. Today we will hear from the Department of Citywide Administrative Services, the Law Department, the Board of Elections and the Campaign Finance Board. Before we begin, I'd like to thank the Finance Division Staff for putting this hearing together including the Director Latonia McKinney; the Chief Counsel, Tanisha Edwards; the Assistant Counsel Rebecca Chasen; Deputy Director Regina Poreda Ryan; and Nathan Toth; Unit Head John Russell; Finance Analyst Kenny Grace; Finance Analyst Brittany Morrissey; and the Finance Division Administrative Support Unit, Nicole Anderson, Maria Pagan, and Roberta Caturano, who pulled everything together, and thank you all for your efforts.

I'd also like to acknowledge those that keep us safe in the Chambers and keep order in the

1 COMMITTEE ON FINANCE JOINTLY WITH THE
2 COMMITTEE ON GOVERNMENTAL OPERATIONS

6

3 Chambers is Sergeant-at-Arms Director Carl Diablo,
4 Chief Rafael Perez, Sergeant-at-Arms--Sergeant Colin
5 Todd and Sergeant Umberto Coriasso [sp?]. And for
6 the streaming of our live feed of this hearing,
7 Jeffery Guerrero, Patrick Ulysse, and sound is
8 Christopher Ozone. Thank you all for your efforts.
9 I'd like to remind everyone that the public will be
10 invited to testify on the last day of the budget
11 hearings on June 9th beginning at approximately 1:30
12 p.m. in this room. For members of the public who
13 wish to testify but cannot attend the hearing, you
14 can email your testimony to the Finance Division at
15 financetestimony@council.nyc.gov, and the staff will
16 make it a part of the official record.

17 Today's Executive Budget Hearing off with
18 the Department of Citywide Administrative Services.
19 The departments Fiscal 2016 Executive Budget totals
20 \$1.18 billion, which represents a \$28.6 million
21 increase for Fiscal 2015. The department's Capital
22 Budget includes planned commitments totaling \$484.3
23 million. Nearly 64% of these funds will be used for
24 energy efficient--for energy efficiency and
25 sustainability measures as part of the One City Built
to Last Initiative. The first phase of this

initiative includes a \$71.8 millions of retrofits for key city buildings and funding for solar powered roofs. While these types of projects are vital to the long-term sustainability of our city, it is important that the Administration have an implementation plan in place to ensure that the money is being spent timely and efficiently. I look forward to hearing testimony today about this initiative. I would also like to hear your testimony regarding the departments proposed efficiency pursuant to the citywide savings program. I commend the department for identifying certain actual ongoing efficiencies such as savings from the renegotiation--renegotiating a security guard contract and adjusting work schedules to reduce overtime costs. However, savings amount--however, those savings amount to less than a million dollars, and would--and I would have anticipated that an agency budget over a billion dollars would have been able to identify additional efficiencies.

Before we begin, I'd like to remind my colleagues that the first round of questions for the agency will be limited to five minutes per council member. And, if council members have additional

1 COMMITTEE ON FINANCE JOINTLY WITH THE
2 COMMITTEE ON GOVERNMENTAL OPERATIONS

8

3 questions, we will have a second round of questions
4 at three minutes per council member. I will now turn
5 the mic over to co-chair Council Member Kallos for
6 his statement, and then we will be--we will hear from
7 DCAS Commissioner Stacey Cumberbatch.

8 CHAIRPERSON KALLOS: Good morning.

9 CHAIRPERSON FERRERAS-COPELAND: Good
10 morning.

11 CHAIRPERSON KALLOS: Welcome to the
12 Committee on Governmental Operations hearing on the
13 Fiscal 2016 Executive Budget. My name is Ben Kallos.
14 You can Tweet me at Ben Kallos. I'm the Chair of the
15 committee. I'd like to first thank my Co-Chair
16 Julissa Ferreras, Chair of the Committee on Finance
17 for her leadership throughout these budge hearings.
18 She is doing a tremendous job.

19 Today, we will hear from agencies that
20 perform various citywide services. The committee
21 will review their financial plans, budget proposals,
22 cost savings plans, and other operational issues.
23 The agencies that will testify today are the
24 Department of Citywide Administrative Services, the
25 Law Department, the Board of Elections, and the
Campaign Finance Board. We look forward to working

with the agencies to further identify budget savings and operation efficiencies, and also to ensure that the city's budget is accurate and transparent. As I said during the Preliminary Budget hearings, the goal of the city--of the committee throughout these hearings is to ensure that the city's taxpayers are getting the best efficiencies for their dollars. We'll first hear from Commissioner Stacey Cumberbatch of the Department of Citywide Administrative Services or DCAS. DCAS is responsible for many citywide functions and ensures that the city agencies have the critical resources and support needed to provide the best possible services to the public. The Fiscal Year 2016 Executive Budget funding for DCAS totals \$1.8 billion with the majority allocated towards paying the heat, light and power bills for all city agencies, which is budget at \$757 million for Fiscal Year 2016. During today's hearing, we will examine many aspects of DCAS' operations and how they impact the city budget. Specifically, we would like to discuss citywide savings programs. All agencies we ask to identify efficiencies, alternative funding sources and programmatic changes that would yield budgetary savings. We would also like to discuss the

city's energy policy. Not only did the Administration find nearly \$27 million in savings in the heat, light and power budget, but they also added \$1.8 billion in capital funding to the One City Built to Last Initiative, which is a major cornerstone in the Mayor's energy efficiency platform. We would like to learn more about that as well as several other needs added to the Executive Plan. There is a lot to talk about. So whenever you're ready, we would like to hear your testimony, but first we need to swear you in.

CHAIRPERSON FERRERAS-COPELAND: Thank you. My counsel will swear you in, Commissioner and then you may begin your testimony.

COMMISSIONER CUMBERBATCH: [off mic]
Thank you.

LEGAL COUNSEL: Do you affirm that your testimony will be truthful to the best of your knowledge, information and belief?

COMMISSIONER CUMBERBATCH: I do.

LEGAL COUNSEL: Thank you.

COMMISSIONER CUMBERBATCH: Good morning Chair Ferreras-Copeland, Chair Kallos and committee member. I'm Stacey Cumberbatch, Commissioner of the

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

11

Department of Citywide Administrative Services. I'm joined by members of my senior staff today, Deputy Commissioner of Fiscal and Budget Management, Rich Badillo to my left, and General Counsel, Suzanne Lynn sitting with me at the table to discuss the planned expenditures and revenues for FY16 as well as highlights of the DCAS Capital Plan. Thank you for the opportunity to appear before you today. It's been a pleasure working with the Council, and we look forward to continuing a productive and collaborative working relationship.

DCAS serves the other city agencies by making sure they have the critical resources and support needed to provide the best possible services to the public. As the back office for City Operations, it is our job to ensure our sister agencies have the tools they need to do their jobs. Each of our six lines of services dedicated to helping support this administration's important goals of equity, growth, resiliency and sustainability in carrying out the business of the city.

I'd like to take a minute to go over just a few of our accomplishments over the past year. As part of Vision Zero, our fleet line of services is

contributing to safer streets as it oversees the installations of CANceivers in city-owned vehicles. These units help improve driving behavior and reduce collisions by collecting data such as speed, hard braking or acceleration and seat belt use. To date, more than 17,000 CANceivers have been installed. Fleet has also trained more than 19,000 city employees in safe driving techniques. As part of a pilot study, fleet is on schedule with the installation of truck side guards on 240 city vehicles. One-third of the trucks in the pilot have been outfitted with guards, including all 19 trucks at the Department of Education. The rest of the installations will be completed by the end of 2015. Our Human Capital line of service oversees the Provisional Workforce Reduction Plan. You'll recall that under the plan extension DCAS will address up to 8,600 provisionals over the next two years. As of April 30th, the provisional headcount is 21,516 staff. By the end of Fiscal Year 2015, we have administered 107 Civil Service examinations, including the largest exam in more than 25 years as more than 75,000 candidates took the Sanitation worker exam. For FY 2016, we will administer a

record high of 124 exams. Human Capital also established the Office of Citywide Recruitment, which is using workforce data to ensure that job categories with greater attrition are targeted, and that historically underrepresented communities receive information about employment opportunities offered by the City of New York. And for current city employees, Human Capital has offered more than 1,600 professional development courses to more than 20,000 employees.

Our Citywide Diversity and EEO Office launched a new computer based training module focused on diversity and inclusion training. To date, nearly 10,000 city employees have received this training. The office also established a Diversity and Best Practices group composed of EEO officers and other professionals to promote comprehensive and consistent EEO policies as well as diversity and inclusion of best practices across our city government. The group is open to nearly city--80 city agencies, the office of elected officials, board and commissions. Our Office of Citywide Procurement leverages the city's purchasing power to obtain the most competitive pricing for goods and services by aggregating demand

and consolidating contracts. We continue to maximize MWBE vendor participation by conducting outreach, and ensuring that the MWBEs are included as a normal part of the agency purchasing culture. For FY15 to date DCAS has awarded approximately \$18 million to MWBEs.

Energy Management. DCAS plays a central role in the city's efforts to reduce energy consumption--consumption and greenhouse gas emissions from city government operations by 80% by 2050, and a 35% decrease in emissions from city buildings by 2025. This year, Energy Management helped increase the city's use of renewable sources of energy with the successful installation of solar panels on P.S. 69 in Staten Island, the first of 24 solar installations at city schools, and at the Port Richmond Wastewater Treatment Plant on Staten Island, the largest solar installation on any city building. The solar panels are expected to offset 10% of that plant's electricity. Energy Management also oversaw an increase in the Demand Response Program. This program provides economic incentives to agencies who agree to reduce energy usage during peak times. In FY15, the program committed over 47 megawatts of capacity generating more than \$4.9 million in

revenues for 11 city agencies. And, in FY 2015 through round three of the Accelerated Conservation and Efficiency, also known as the ACE Program, DCAS awarded \$37 million of capital across nine agencies for projects with estimated greenhouse reductions totaling 12,500 metric tons.

Asset Management. As a cost saving measure, Asset Management has implemented a new fireguard training program. For the first time, DCAS custodians are being trained as FDNY Certified Fire Guards, eliminating the need for an outside vendor. As of May 2015, a total of 40 custodians have already passed the exam and received their certificates. Going forward, we will increase our sustainability efforts in support of One NYC as our Asset Management Team expands its preventative maintenance capabilities at DCAS buildings further reducing energy consumption and the production of greenhouse--greenhouse gases.

I would like--I would like now to discuss highlights of DCAS' Expense Budget, Expense Savings Program, the Revenue Budget and lastly the Capital Plan. DCAS's Expense Budget reflects funding of \$1.2 billion and a budgeted headcount of 2,036 staff in

the FY16. The Majority of our Plan FY '16 expenditures, \$756.8 million is allocated for citywide heat, light and power expenses. The FY16 Energy Budget is a collaborative effort between DCAS and OMB in forecasting agency energy use as well as commodity rates in the upcoming fiscal year. As previous. As previously mentioned, DCAS continues to work closely with agencies citywide to enhance the energy performance of their facilities through a range of programs. Which include retrofitting of equipment, improving operations and maintenance and training and outreach to reduce the city's energy costs.

DCAS received funding in 2015 for the following initiatives:

One NYC. DCAS' Asset Management line of service received 26 positions and \$3 million for preventative--a preventative maintenance program as a component of the One NYC initiative. Preventative maintenance will be performed in building systems including the heating, ventilation and air conditioning, HVAC equipment at all city-owned building in DCAS' portfolio with three benefits in mind. The first benefit of this program is that the

timely preventative maintenance will help building systems perform more efficiently. The second benefit is the avoidance of costly corrective maintenance repairs that occur when systems are not maintained properly. The third and most significant benefit is that improved performance of this equipment will lead to significant reductions in both energy consumption and the production of greenhouse gases.

Provisional Reduction. DCAS' Human Capital line of service is tasked with reducing the number of provisional employees citywide. The major strategy to reduce the number of provisional staff is the administration of more Civil Service examinations. One of the components of this strategy is to increase the number of computerized testing centers to augment the Brooklyn and Manhattan locations that are currently in operation. This budget allocates \$1.1 million so that DCAS can lease space for two new testing centers. One testing center will be located in Queens and the other in Staten Island. The projected opening date for both is the spring of 2017.

Capital Construction Unit. DCAS will be overseeing three capital court construction projects

at the following DCAS managed facilities: One Center Street, 210 Joralemon and 345 Adams Street. These projects also involve new leased space that has yet to be identified. DCAS receive IFA funding for eight positions in a \$750,000--and \$750,000 that will be tasked with managing these projects from inception to completion.

Expense Savings Program. DCAS identified savings that can be absorbed without adversely affecting our ability to provide services to both the public and our sister agencies. DCAS' FY16 Budget includes the following expense savings Initiatives: Attrition saved--attrition savings of ten positions and \$300,000. DCAS will identify ten positions that will be backfilled as incumbent--will not be backfilled as incumbent staff leaves the agencies in the upcoming fiscal year. The workload from identified staff will be redistributed to the remaining staff and will not affect our core functions. Overtime savings of \$200,000. Various lines of service reviewed the work that in the past required overtime with the intent of reducing overtime expenses. The review resulted in the establishment of new schedules for staff and certain

bureaus, which has resulted in a \$200,000 reduction of overtime.

Contractual Guard Savings of \$300,000.

DCAS Office of Citywide Procurement issued a new citywide security guard contract effective July 1st, 2014. The average hourly rate under this contract is approximately 7% lower than the prior contract. The savings to be realized will have no impact on DCAS' current contractual guard staffing.

Revenues. The FY16 total DCAS Revenue Budget is \$60 million--\$60.2 million. Our largest source of recurring revenue is the \$460 leases for commercial rentals of city-owned property projected to be \$42 million. Another significant revenue source is the sale of surplus vehicles and other city-owned equipment total \$6.9 million. DCAS also receives revenues from the applicant filing fees for Civil Service examination. DCAS anticipates collecting \$3.5 million in FY16 from these fees.

The Capital Plan. As you are aware, the Executive Budget reflects and updated Ten-Year Capital Plan representing FY 2016 through FY 2026. I will discuss highlights of the Ten Year Plan followed by specific projects funded--funded in the FY16

Capital Plan. \$2.5 billion for One NYC energy efficient measures in building retrofit such as the Accelerated Conservation and Efficiency, ACE Program; Local Law 87 Retrofits; and solar panel installation citywide. \$184.5 million for renovation of leased space including additional office space in both Brooklyn and Queens for the Department of Finance at \$31 million. The establishment of two DCAS computerized testing and application centers in Queens and State Island at a cost of approximately \$4.3 million. \$386 million for the reconstruction and rehabilitation of public buildings such as HVAC, fire alarm and office renovations at 345 Adams Street in Brooklyn are slated at \$48 million. Electrical and HVAC work at the municipal--Brooklyn Municipal Building at \$36.8 million. Electrical, fire alarm and HVAC and office renovations at \$253 Broadway here in Manhattan at \$25.5 million. Reconstruct space for the Taxi and Limousine Commission in Woodside, Queens at an estimated cost of \$43.7 million.

Highlights of the FY16 Capital Budget totaling \$536 million are as follows: Energy conservation projects at \$243.3 million. Construction of DCAS managed non-court facilities

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

21

\$116 million. Projects include the reconstruction of space at One Center Street to house the Office of Court Administration's Summons parts [sic] for \$21.3 million and an electrical system upgrade to the Brooklyn Municipal Building for \$22 million. Leased space renovations slated at \$46.5 million. The Citywide Courts Ten-Year Capital Plan totals \$1.5 billion. \$161 million of this amount is allocated to DCAS infrastructure projects in FY16 for projects such as The relocation of the housing and civil court parts for leased space at 141 Livingston Street in Brooklyn to 210 Joralemon Street slated at \$68.8 million. Essential infrastructure improvements such as Local Law 11 work on building facades, elevator upgrade, fire alarm systems and electrical upgrades to various court buildings estimated at \$84.4 million. Thank you for this opportunity to testify about the Department of Citywide Administrative Services planned expenditures and revenues for FY 16 as well as our Capital Budget, and I'd be pleased to take any questions at this time.

CHAIRPERSON FERRERAS-COPELAND: Thank you--[coughs] Excuse me--thank you Commissioner. The Administration has indicated on several occasions

that every agency was instructed to identify cost saving efficiencies. I note that you've highlighted some. Besides the one-shot revenue additions and the attrition and overtime reductions indicated in the Citywide Savings Program, are there any other areas in your budget where there is potential to achieve budgets now or in the future?

COMMISSIONER CUMBERBATCH: Well, this is always a challenge for an agency like DCAS, and I-- and the only reason that I say that is that I make the distinction, you know, we are a back office support agency to other agencies. So, in effect we serve the needs of other agencies. So, the way we staff and the way we budget is always has to anticipate what we need to provide in terms of service to those agencies making us a little-- different.

CHAIRPERSON FERRERAS-COPELAND: Uh-huh.

COMMISSIONER CUMBERBATCH: One of the things I'd like to highlight is many of the initiatives we do actually save money to those agencies, but we don't get credit for that in our budget, right? So, for example, we realize a

substantial energy cost savings for agencies in some
of the work we do with them.

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Uh-huh.

COMMISSIONER CUMBERBATCH: Those millions
of dollars in savings that's generated for budgeted
is not attributable to DCAS.

CHAIRPERSON FERRERAS-COPELAND: Right,
right, right because they can--they take it and they
put it--they put it in administrative services.

[sic]

COMMISSIONER CUMBERBATCH: [interposing]
I can talk to--

[background comments]

CHAIRPERSON FERRERAS-COPELAND: So, as a
follow up, how much of this was due to energy
efficiency as opposed to just oil prices going down?

COMMISSIONER CUMBERBATCH: You mean the
energy cost--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Yeah.

COMMISSIONER CUMBERBATCH: --savings that
we attributed?

CHAIRPERSON FERRERAS-COPELAND: Uh-huh.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

24

COMMISSIONER CUMBERBATCH: I think it's a
combination of both.

CHAIRPERSON FERRERAS-COPELAND: So if you
can just--we'll follow up with the committee if you
can just get me the breakdown on those.

COMMISSIONER CUMBERBATCH: [interposing]
And--and we'll have the Deputy Commissioner for
Energy to come up, and kind of explain generally
what--what's in--what--what constitutes--what's par
of that formula and where we realized the savings.
It's partly the commodity prices. It's partly energy
savings through initiatives.

CHAIRPERSON FERRERAS-COPELAND: Uh-huh.

COMMISSIONER CUMBERBATCH: To figure out
what percentage is what might be a little difficult
at this time, but it is something that we are always
studying.

CHAIRPERSON FERRERAS-COPELAND: Okay. So
I'd just like to have that breakdown on a staff level
of what we can look at--

COMMISSIONER CUMBERBATCH: [interposing]
Okay.

CHAIRPERSON FERRERAS-COPELAND: --in
conversations. And then, could you tell us more

about the contractual guard savings? And--and when I say that, how was it negotiated? What changes occurred to help the city save the \$300,000 and are there other contracts that could be looked at in order to save money in DCAS?

COMMISSIONER CUMBERBATCH: So, for that contract specifically, I want to point that the hourly rate for the guards themselves do not change. So they're still making a prevailing wage. And what was negotiated was the overhead of the contract, the--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] I'm sorry, the--?

COMMISSIONER CUMBERBATCH: Overhead expenditures--

CHAIRPERSON FERRERAS-COPELAND: Overhead, okay.

COMMISSIONER CUMBERBATCH: --costs were negotiated down. So that's where we realized the savings.

CHAIRPERSON FERRERAS-COPELAND: So is that like managers--

COMMISSIONER CUMBERBATCH: [interposing]
Exactly.

CHAIRPERSON FERRERAS-COPELAND: --
supervisors?

COMMISSIONER CUMBERBATCH: So we still
have the same level of guard coverage, and they are
still making the prevailing wage. So the savings
occurred through our negotiation--negotiating a
better management overhead fee that was less than the
contract we had previously had.

CHAIRPERSON FERRERAS-COPELAND: Okay.
So, now I want to pivot and talk about lease
negotiations.

COMMISSIONER CUMBERBATCH: Okay.

CHAIRPERSON FERRERAS-COPELAND: This has
come up throughout the hearings with a lot of other
committees.

COMMISSIONER CUMBERBATCH: Uh-huh.

CHAIRPERSON FERRERAS-COPELAND: But in--
in relation to some of the challenges that we're
having, it seems that DCAS often times takes very
long to negotiate leases. And sometimes as
determined of the programs being run by other
agencies, daycares and senior centers, for example,
are often programs that are put in limbo not knowing
if they will survive year to year because contract

negotiations would impact if it could be operated in a particular facility or not. So can you walk me through when negotiations began? Because from our perspective this is an area that really needs improvement. So if you can walk me through the process first to better understand. Because it is impacting in a very specific way these two groups.

COMMISSIONER CUMBERBATCH: Okay. So the first thing I'd like to introduce Deputy Commissioner Ricardo Morales who oversees our Asset Management Portfolio. And before he speaks, I just want to give a little context. So, as you know, we manage the back operations--back office operations for city agencies and that includes our biggest portfolio, which is asset management. Part of that responsibility besides maintaining and overseeing our 55 city buildings, which includes court facilities and--and office space city buildings, we also administer lease, private leases for agencies to try to meet their programmatic needs if city space is not available. So Ricardo will walk through what our internal process is for interacting and engaging with city agencies looking for lease space from private out--outside vendors. Go for it.

DEPUTY COMMISSIONER MORALES: Good

morning to both of the Chairpersons. I'm Ricardo Morales and again I'm the Deputy Commissioner for Asset Management at DCAS. A couple of issues that I just want to address kind of right off the bat is in terms of timing. We are, as the Commissioner indicated, back office support system for all of the city agencies. We are driven by the need to reach each one of the agencies. As their programmatic needs are developed, they come to us for space management, what kind of space they have. Either new space or existing space. So long as the programs have articulated those needs, we move onto developing either a renewable space that exists or finding new space. Part of the process I think that people kind of don't understand is built into the process in and of itself is probably with a year's worth of what I would call public accountability and transparency. Within each one of the processes, which is office space or non-office space, there's either ULURP or a least process that's built in by the City Charter. That takes anywhere between--any--on office space anywhere between nine months to a year. And on non-office space in the ULURP process on the 197 of the

City Charter, that could take anywhere between nine months to a year and a half. Overall, and just to give you and understanding of the process, on lease renewals--and those are really important because we're talking about our senior citizens, and talking about--

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Day care.

DEPUTY COMMISSIONER MORALES: --day care.

And those are two very important pieces. As you know, our seniors and our youth are very important investments on the part of the government. So on renewals, 30 months prior to the termination of any lease, in the lease termination period, ACS or DFTA comes to us and starts a process. So that we can look at the needs, make sure the demographics are still there that needs are being satisfied in whatever geographic area it is, and then that process begins.

CHAIRPERSON FERRERAS-COPELAND: So,

Deputy and I'm sorry that I'm jumping in. I just want to--

DEPUTY COMMISSIONER MORALES:

[interposing] That's okay.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

30

CHAIRPERSON FERRERAS-COPELAND: --be able
to ask quick questions. You know, I'm--I'm a
homeowner but leased an apartment--

DEPUTY COMMISSIONER MORALES:
[interposing] Yeah.

CHAIRPERSON FERRERAS-COPELAND: --and
usually my landlord engages with me about three
months, if not four months before the lease expires.
So why do you engage at 30 days? It just seems--

COMMISSIONER CUMBERBATCH: No, 30 months.

DEPUTY COMMISSIONER MORALES: No, 30
months.

CHAIRPERSON FERRERAS-COPELAND: Oh, I
thought you said-- Okay. I was like why is that 30
days?

DEPUTY COMMISSIONER MORALES: That's two
and half years.

CHAIRPERSON FERRERAS-COPELAND: Two and
half years prior to.

DEPUTY COMMISSIONER MORALES: Prior to
expiration.

CHAIRPERSON FERRERAS-COPELAND: That's a
big--Okay, okay. 30 days. Okay.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

31

DEPUTY COMMISSIONER MORALES: No, 30--now
let's be clear on that.

CHAIRPERSON FERRERAS-COPELAND: I know.
I know.

DEPUTY COMMISSIONER MORALES: 30 months.

CHAIRPERSON FERRERAS-COPELAND: Got you.
Thank you for the record. Excellent.

DEPUTY COMMISSIONER MORALES: All right,
so--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] 30 months. So what does that look like
at 30 months?

DEPUTY COMMISSIONER MORALES: At 30
months there's a notice given out to the agencies
whether it's DFTA, whether it's ACS or any other city
agency that has a need and their expiration is coming
up. And we want to know what their renewal
requirements are. It could be that they don't need a
renewal requirement--so renewal requirement. They
don't need any new space or that the program at this
particular location is not good, or they found an
alternative space that they want to look at.

CHAIRPERSON FERRERAS-COPELAND: Right.

DEPUTY COMMISSIONER MORALES: So, in that process we start developing what--what we want to, I guess, articulate to the landlord is our needs in terms of lease negotiations. That's based on what the actual needs of the program are. Once we have that, we work with them closely almost on a monthly basis with all the big agencies on a monthly basis. The smaller agencies maybe on a less than monthly basis because we're doing so much volume with either ACS or DFTA. Once we have those space requirements given to us, then we start in earnest a whole process in terms of moving forward with the ULURP applications. Moving forward with OMB. Moving forward with any other city agencies involved in terms of negotiating these leases. So what are the stumbling blocks or what are the issues that in people's mind are saying that we're taking too long, or that we actually have--? Excuse me for a second. That we actually have taken too long in these processes. A couple of things happened. Of course, when there's a change of administration, there's also a change of focus on what exactly the needs are. Either you're shrinking or expanding your needs, or-- or--or your needs are--remain the same. Once those

items are taking--taking place, we have these meetings with our sister agencies, develop what our needs are and then negotiated with the landlords. Depending on the markets in each and every one of the locations-- For instance, Brooklyn is red hot. So where years ago it was Manhattan and you couldn't touch it, and now Brooklyn is getting red hot. So a lot of areas where we had traditionally been getting substantially low rents, the next thing we know, there's a higher premium on rents just because the neighborhoods are changing. Some of the demographics are changing. Those are factors that have to be put into place with the process or the needs of--

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Do you--

DEPUTY COMMISSIONER MORALES: --the agencies.

CHAIRPERSON FERRERAS-COPELAND: --do you see historically that in neighborhoods where we are seeing more gentrification happen, are landlords committing to less long-term leases?

DEPUTY COMMISSIONER MORALES: Well, exact-- Well, there are two things. When we commit for programs for ACS and for DFTA, we're looking at

long-range leases. So, we're not looking for a year or two.

CHAIRPERSON FERRERAS-COPELAND: Right.

DEPUTY COMMISSIONER MORALES: And as you know, when you said you were negotiating leases with our landlord--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Right.

DEPUTY COMMISSIONER MORALES: --they're looking to see whether you're going to be there one-- one to two years.

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Right there.

DEPUTY COMMISSIONER MORALES: We're looking to see five, mostly ten with renewals of five and five so that we could expand and kind of a scale of the economy in terms of how long we could look out, build out, and the prospects of that program staying in place. So once we have that kind of determination made by the sister agency, then we in earnest start that process with the landlord and with OMB, et cetera, saying okay, let's--these are our spatial requirements. This is what we're either expanding the space, reducing the space, keeping the

space the same, and this is what we're looking at.
We have to make an appraisal of what the market is
like, and then we start negotiating in earnest. Then
we go through that public process of ULURP making
sure that everybody has an opportunity to get notice.
Everybody has an opportunity to have a hearing either
at the City Planning Commission, at the Borough
President's office, and then at the City Council, and
then there's the final approval. Then there's the
negotiated portion of the lease terms legally to
corporation counsel. And then, once that approval
has gone through, if there is a build-out, and the
lease is executed, then there's another period of
time where construction is being done. Or, there are
regulatory requirements by either federal, state or
city governments for particular spaces, especially
with children or the elderly are involved, there may
be special needs in terms of the space that have to
be looked at and complied in order to move the lease
on. So that give you kind of the space. So we're
looking--

CHAIRPERSON FERRERAS-COPELAND:

[interposing] So, on--on average, what are you--you

know, I want to give my Chair an opportunity to ask
his questions also--

DEPUTY COMMISSIONER MORALES:

[interposing] Right.

CHAIRPERSON FERRERAS-COPELAND: --and

Council Member Levine. But on average--I know that--
I just went through this with one of my daycares.
The landlord was just really set on--the daycare
center has been there probably 30 years, and now he's
ready to be done.

DEPUTY COMMISSIONER MORALES: [laughs]

Yes.

CHAIRPERSON FERRERAS-COPELAND: Right?

So, it seems to me in talking to my colleagues that
that's not happening just in my district. So if
you're the agency that is advocating, right, for
these programs, I just want to know are you preparing
for the challenges in neighborhood such as mine? You
know, I'm not in hot--in the hot Brooklyn market, but
I am in Corona, Queens. And we have a limited amount
of space period especially commercial space. So what
is the strategic thinking where you have
neighborhoods that have the need, don't have the

space and landlords are not interested in doing
business?

DEPUTY COMMISSIONER MORALES: So, let's
look at how we anticipate that and manage
expectations not only for the agency--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] But for the organization.

DEPUTY COMMISSIONER MORALES: The
organizations, particularly the children or the
elderly. Because you both are really the ones that
we want to service. Though all of these other
programs pieces are important, but let's look at--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Right.

DEPUTY COMMISSIONER MORALES: --those
needs. So when people come to us, at least hopefully
they come to us 30 days before the expiration of the
lease.

CHAIRPERSON FERRERAS-COPELAND: 30
months. You did say 30 days.

DEPUTY COMMISSIONER MORALES: 30 months.

CHAIRPERSON FERRERAS-COPELAND: I knew
you said 30 days. [laughs]

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

38

DEPUTY COMMISSIONER MORALES: No, no,
now, you--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] We're going to--I'm going to--

DEPUTY COMMISSIONER MORALES: --you
planted that.

CHAIRPERSON FERRERAS-COPELAND: --where's
the transcripts.

DEPUTY COMMISSIONER MORALES:
[interposing] 30 months.

CHAIRPERSON FERRERAS-COPELAND: Can we
get the transcripts. I'm going to look for that
transcript. I knew you said 30 days. Go ahead.

DEPUTY COMMISSIONER MORALES: 30--30
months, right. So what we do is we look at it. Our
leases, the vast majority of our leases build in what
we call a no holdover clause. So, for instance, they
haven't decided the programmatic needs. They're
unsure if they're going to stay in this space. There
might be violations in this space. It might be the
landlord is looking to--to re-engineer the space. We
have provided in our leases that people could
maintain themselves at the same rate with some
adjustments over a period of time until we find an

alternative space. In the interim, if we get clear direction from the sister agency, what we do is we have--we look for alternative space. First, we look at city space to see if we have any space around that area. And then, too, we do have agents that look for real estate that is adequate for the needs of the program in a similar--in the area and the location. So, as we're tracking the needs of any particular transaction, that also holds true of the negotiations thought through. That we're looking for alternative space in the event that something like that happens. In the vast majority of the cases, you're going to find that we do find a common ground with the landlord and the agency and OMB to get the deal done. It usually takes a longer period of time. But there is no interruption in service. And the idea back to what you were saying is so what happens to the agency? What happens to the organization? And most importantly, what happens to the kids and the elderly if there's an interruption in their program? We have built it into our leases in the way that we program to kind of manage that concept early on in the process. And if it gets tougher, you know, we do

have--the Law Department does support us if there are any kind of legal proceedings involved.

CHAIRPERSON FERRERAS-COPELAND: Uh-huh.

Thank you very much for that. We're going to do some following up on this particular issue. I have some other questions, but I'll just leave it for our second round. And I'm going to now pass the mic over to our Chair. Thank you.

[background comments]

CHAIRPERSON FERRERAS-COPELAND: We've been joined now by Council Member Cornegy.

CHAIRPERSON KALLOS: Thank you very much for coming before us. You're one of the biggest and best agencies we've got in the city because you're so large and everywhere and very few people can find out everything that you do on a daily basis. So thank you and thank you especially for the work we've been able to do together on the city record.

COMMISSIONER CUMBERBATCH: Thank you.

CHAIRPERSON KALLOS: I've been spending a lot of time with folks who are for the actual goals [sic] as well as your team. They've been incredibly cooperative as well as national, international standard setters as we try to work on doing something

that's never been done before, and you are leading on the issue. I wanted to follow up on the last hearing for the Preliminary Budget specifically on tracking Sanitation trucks. We're getting a garbage dump in my neighborhood, and we'd really love to know where they're going. So this follows up on the CANceiver program and having GPS on our fleet vehicles and being able to track where they are. We can already track the snow plows. Could we--where are we on tracking Sanitation trucks, and what do you call it? And street sweepers and other fleet vehicles?

COMMISSIONER CUMBERBATCH: So, I'm going to have Deputy Commissioner Keith Kerman, who's in charge of Citywide Fleet give you an update on installation of CANceivers in Sanitation vehicles.

DEPUTY COMMISSIONER KERMAN: [off mic]
Keith Kerman, Chief Fleet Officer and Deputy Commissioner--

CHAIRPERSON KALLOS: Turn on your mic.

DEPUTY COMMISSIONER KERMAN: Okay. [on mic] Keith Kerman, Deputy Commissioner for Fleet Citywide. So, we've installed 17,00 CANceivers across 40 agencies, and we have now started to install with the Department of Sanitation. We held

off in the winter so as not to disrupt interim storm operations. We have a thousand installations done. We install every night, and we expect to be done by September.

CHAIRPERSON KALLOS: Thank you very much. That's great news. So all the Department of Sanitation vehicles will have CANceivers by September?

DEPUTY COMMISSIONER KERMAN: Right.

CHAIRPERSON KALLOS: And that will allow us to track where they are using GPS?

DEPUTY COMMISSIONER KERMAN: Correct.

CHAIRPERSON KALLOS: Great. Good news. While I have you here, in order to avoid the musical chairs we will--it will probably happen no matter what. With regard to the Truck Guard Program, during the Preliminary Budget I asked about expanding that to all vehicles in an effort for Vision Zero. Since then, the City Council has passed Introduction 198 of 2014. I do not see any changes to the Executive Budget that indicates additional funding to meet the laudable goal of providing every single large fleet vehicle with side guards.

COMMISSIONER CUMBERBATCH: So the first thing we want to say is that we support that legislation. We think it's fantastic. It saves lives.

CHAIRPERSON KALLOS: Absolutely.

COMMISSIONER CUMBERBATCH: So just stepping back for a minute. As you know, DCAS with-- in conjunction with USDOT and the City's Department of Transportation really spearheaded a pilot study with Volpe to test out side guard installations on our trucks and a variety of trucks that the city runs and owns. And as we said, we have a pilot in place and we're going to install up to 240 side guards by the end of calendar year 2015. Moving forward, however, what we're doing is we're making sure as part of the new specs to purchase new trucks that side guards are part of those specs. So that would be part of the purchase of new trucks moving forward. And so you don't see it itemized specifically in the Executive Budget because part of how the city is going to about purchasing trucks in the future where side guards are going to be part of that package when we purchase those trucks.

CHAIRPERSON KALLOS: In terms of the new trucks, how many old trucks will require the retrofits versus trucks that come off the road and are replaced with new trucks that will inherently have side guards.

COMMISSIONER CUMBERBATCH: It's scheduled.

DEPUTY COMMISSIONER KERMAN: So there are--in total here are about 4,500 to 5--4,500 to 5,000 trucks that we will convert over the period allowed in the legislation. Each year we expect, you know, an average of 400 new trucks to come in with side guards. And as the Commissioner said, that's in the budget, but that will be built into each agency's vehicle acquisition program. And then, by the end of this year, we'll complete 250 retrofits. You know, we hope to do the majority of this program through original equipment, through buying new vehicles. It's a better way to do it, to let the manufacturers design this up front into the truck. But, you know, certainly we'll comply with the law as we move forward.

CHAIRPERSON KALLOS: Thank you. With regard to the PMR and MMR, during the Preliminary

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

45

Hearing I had noted that there were certain places where you were already outpacing your targets and perhaps could set new targets other places where you chose not to set targets. Do you have any updates on changes to the MMR or your goals?

COMMISSIONER CUMBERBATCH: Not at this time. We're still working with the Mayor's Office of Operations to look at maybe revising some of our indicators so they better reflect what our performance is. And some later point we'll be able to report on, you know, what we see as updates.

CHAIRPERSON KALLOS: Okay. I'd like to move over to Civil Service.

COMMISSIONER CUMBERBATCH: It's your turn, Dawn.

CHAIRPERSON KALLOS: Right and Deputy Commissioner Dawn Pinnock, please.

DEPUTY COMMISSIONER PINNOCK: Good morning.

CHAIRPERSON KALLOS: Good morning. How are you?

DEPUTY COMMISSIONER PINNOCK: I'm great. Thank you.

3 CHAIRPERSON KALLOS: Thank you so much
4 for working with us on lowering the number of days
5 after Civil Service exams and for holding so many.
6 The Preliminary Plan includes \$3.3 million in funding
7 for expenses related to efforts to convert city's
8 professional employees. Can you let us know on any
9 progress updates, and goals and whatnot?

10 DEPUTY COMMISSIONER PINNOCK: I'm sorry,
11 can you repeat the last portion of the question?

12 CHAIRPERSON KALLOS: If we can have a
13 progress update on the Civil Service exams, updated
14 timeline. If it's gotten--I believe we're currently
15 at 240 days.

16 DEPUTY COMMISSIONER PINNOCK:
17 [interposing] Uh-huh, we are.

18 CHAIRPERSON KALLOS: Are still 200--are
19 we less or more or are we--what is the new MMR goal?
20 Is it still going to be 360. All the things we've
21 been talking about for the past couple of months.

22 DEPUTY COMMISSIONER PINNOCK: We're still
23 remaining consistent at this point with the 360, but
24 at a--on a parallel track. We're still looking for
25 opportunities for--to increase automation and
continuous improvement. The reason why at this time

we want to remain consistent with the 360 is because we are still working through that backlog of other exams that have remained in our queue for some time that we have mentioned to you in a previous hearing.

CHAIRPERSON KALLOS: Great and with regard to Civil Service exam fees, a lot of people. We still have high unemployment, and people who are unemployed can get waivers. There are many different categories for people who can get waivers. How are we advertising it? How are we letting them know? What other agencies are we working with. So when somebody says I'm unemployed, I need a job, we're able to say, hey, join the Civil Service.

COMMISSIONER CUMBERBATCH: So--so the first thing you should know is when we issue a notice of examination, it's explicitly in that notice of examination. So that's the formal notice that goes to a potential applicant for Civil Service. And it outlines in high level that a waiver is available, and what the process is to--to secure one. But more importantly, as I noted in my testimony, we started a new Office of Recruitment, Citywide Recruitment. And that office is tasked with going out to many communities and maybe traditionally under-represented

communities that have not, you know, availed themselves of opportunities to apply for Civil Service. So as part of that recruitment and outreach, part of that messaging is clearly going to be about the availability of waivers and what category. What--what is the requirement to apply for a waiver, et cetera. We looked at our numbers. Approximately 14% of applicants in the past fiscal year or 17%?

DEPUTY COMMISSIONER PINNOCK: In 2014.

COMMISSIONER CUMBERBATCH: 17% in 2014.

So that's 17% of how many applicants we have total? About?

DEPUTY COMMISSIONER PINNOCK: Well, the total number of request that we received was approximately 16,000. On the numbers approved were a little over 15,000 for 2014, but the number of applications was about 80--80,000.

CHAIRPERSON KALLOS: And so, that's folks who are unemployed? What are other grounds for waivers and are those also noticed?

DEPUTY COMMISSIONER PINNOCK: Right. There are several categories, as you mentioned. It could be folks that are unemployed, and folks

receiving SSI benefits, Medicaid, public assistance, Tanith [sic]. So there are several categories someone could fall into. And we definitely have a high approval rate as long as the applicant is able to substantiate for that they are unable to pay the fee for the exam.

CHAIRPERSON KALLOS: Thank you very much. With regard to consultants, where are we on converting consultants into city--city employees?

COMMISSIONER CUMBERBATCH: So in terms of our IT shop, we start off with about ten consultants, and we've reduced about 50%. We're down to five. But in addition, I want to point out that we also last year brought in-house the maintenance and operation of one of our IT programs that support the Human Capital Department that used to be outsourced, and the consultants maintained it. We had a contract for a consultant. We now do that all in-house. So, you know, that was a very significant reduction as well.

CHAIRPERSON KALLOS: Thank you very much. With regard to Civil Service, I know that you have a contract for security guards. Is there a civil service title for security guards, and could we bring

them in as civil servants as opposed to contracting them out?

DEPUTY COMMISSIONER PINNOCK: We have a civil servant--a civil service title for a special officer, and those members of staff are dispatched throughout the city to serve whether it's in Juvenile Detention facilities. In some cases they perform work in lobbies and city-owned buildings. And so, yes, we do have a service title for Special Officer.

CHAIRPERSON KALLOS: So, how much could we save by bringing these contracted--

COMMISSIONER CUMBERBATCH: So you're saying the security guard, the Citywide--

CHAIRPERSON KALLOS: [interposing] Yes.

COMMISSIONER CUMBERBATCH: --Security Contract?

CHAIRPERSON KALLOS: Yes.

COMMISSIONER CUMBERBATCH: I don't know. We would have to look at that.

CHAIRPERSON KALLOS: If you could please look into it.

COMMISSIONER CUMBERBATCH: [interposing] Uh-huh.

CHAIRPERSON KALLOS: I'm a big supporter, as this Council is of bringing people from contracts to being civil servants so that they can work for us and we can treat them properly. I'd like to move onto procurement and contracts.

COMMISSIONER CUMBERBATCH: Okay.

CHAIRPERSON KALLOS: Thank you very much.

COMMISSIONER CUMBERBATCH: Thanks, Dawn.

DEPUTY COMMISSIONER PINNOCK: Thank you.

COMMISSIONER CUMBERBATCH: So Deputy Commissioner Geneith Turnbull runs our Citywide Procurement Citywide Contracts.

CHAIRPERSON KALLOS: With regard to Citywide Procurement, I want to just start off by asking how we are leveraging our citywide purchasing power to lower costs, and what we are doing with regards to some of the contract overruns. The Local Law 18 of 2012 requires the City to give the Council quarterly reports on significant cost overruns in capital projects. In my first term of--sorry, my first few months in office, I identified that for the \$6 billion of contracts we had, we had \$4 billion in potential overruns above and beyond that. So I was curious about (a) how we're using Citywide

Procurement to minimize costs and be--how we're
trying to avoid contract overruns?

COMMISSIONER CUMBERBATCH: So, I--just to
start off is that, you know, one of the main missions
for Citywide Procurement is--and as you know, DCAS is
responsible under the Administrative Code and Charter
for purchasing the city's good, commodities. So, we
always look for, you know, putting into place
citywide contracts that save money across agencies.
So as opposed to individual agencies seeking out
their own procurements for common goods that they're
using across the city, one of the main vehicles is
for us to do citywide contracts as opposed to
allowing, you know, individual agencies to purchase
pencils for example. So we--we leverage based on
consolidating, you know, that--that purchase of
goods. And when we set up a requirement to contract,
it's a contract that's a vehicle set up so then city
agencies draw down and purchase out of their budgets.
So, we're not purchasing the goods necessarily.
They're drawing down and purchasing the goods as they
need it. We're setting up the vehicle. And I will
let Geneith kind of talk about some other strategies
but clearly one of the strategies is to also look for

more bidders because we're--it's the lowest bid. You know, we're putting out competitive solicitations, and obviously the better we advertise--obviously we have a requirement to advertise in the City Record. But the more we learn about an industry and we're able to do some broader outreach and we're trying to solicit more bidders. So you have more bidders. Theoretically there's more competition. Theoretically the price gets driven down and is more competitive. You can pick it up, Gina.

CHAIRPERSON KALLOS: Thank you for increasing the number of bidders since we first talked. [laughter] So with regard to the lower price through the citywide and then also minimizing contract overruns.

DEPUTY COMMISSIONER TURNBULL: With respect to the contract overruns, those are managed by the individual agencies that they buy off the requirement contracts. Also, our capital projects for construction have been transferred over to DDC. So you probably have to--

COMMISSIONER CUMBERBATCH: [interposing]
So I guess we're trying to understand when you say

"contract overruns" with respect to which contracts
are you referring?

CHAIRPERSON KALLOS: The contracts for
which DCAS is responsible. I guess I'm trying to
understand the scope of--

COMMISSIONER CUMBERBATCH: [interposing]
Oh, I guess what we're trying to present is at least
from our perspective there are no contract overruns.
As I said, we put a contract in place and then
agencies then purchase off of it. Now, I don't know
if you're suggesting that they, the individual
agencies have an overrun or that's what we're trying
to understand.

CHAIRPERSON KALLOS: Okay, I think we'll
discuss that more--

COMMISSIONER CUMBERBATCH: [interposing]
Okay.

CHAIRPERSON KALLOS: --off line.

COMMISSIONER CUMBERBATCH: Okay.

CHAIRPERSON KALLOS: Along the same
lines, how are we working--I'm one of the only--I'm
actually the only man who serves on the Women's
Issues Committee. In terms of Minority and Women
Owned Business Enterprises, what is DCAS' overall

performance regarding supporting MWBEs, and how are you ensuring that MWBEs receive every opportunity procure city contracts.

COMMISSIONER CUMBERBATCH: [off mic] You can speak to that. [sic]

DEPUTY COMMISSIONER TURNBULL: Okay, so under Local Law 1, MWBE does apply to all goods under \$100,000 and all service contracts. There are no goals for goods over \$100,000. DCAS is responsible for purchasing citywide goods over \$100,000 and shares services for all city agencies used. We buy agencies specific goods and services for DCAS' use and these contracts are subject to Local Law 1. In FY15 to date, DCAS awarded \$18 million to MWBEs on its agency procurements, and although there were no MWBE goals for goods purchases over \$100,000, DCAS was able to aware two large citywide goods procurements to two firms for \$8.8 million. One was for a firm Even Grew, which was for promotional products, and the other one was for Afax Business Services. In an effort to increase MWBE participation, we actively train our staff on the participation and compliance goals for the DCAS projects to ensure that MWBEs are included in our one

part of the agency purchasing culture. We also post our upcoming solicitations on our website. We participate in a number of MWBE forums and fairs sponsored by city and state agencies, and we also meet with MWBEs to discuss specific issues they may have with specific solicitation. We also meet with non-MWBE prime vendors to discuss ways that they could partner with MBWEs to increase--increase utilization. As a result of these efforts, we were able to place second in the recent SBS-sponsored Small Purchase Challenge that happened in 2015.

CHAIRPERSON KALLOS: Thank you very much. I'd like to now ask a couple of questions on energy and then turn it over to my colleagues for questions. Thank you. We--we made it through the first round without musical chairs.

COMMISSIONER CUMBERBATCH: Yeah. So joining me is Ozgem Ornektekin our Deputy Commissioner for Energy Management.

CHAIRPERSON KALLOS: If you could share a little bit more information about the One City Built to Last, the Executive Plan of \$1.8 billion in capital funding. And I understand the purpose of this is to make the city more energy efficient. In

the past five years how much has the city spent in overall efficiency projects, and what kind of return on investment can we see as a city from the \$1.8 billion in investment? And then the similar question is within your testimony mentioned providing incentives to agencies for energy efficiencies, which led to \$4.9 million in revenue for 11 city agencies, and 47 megawatts of capacity. However, I'd like to understand a little better of how that came back to the agencies. Are they able to spend it on whatever they want? And will we see cost savings from those agencies where we will see that \$4.9 million for that across the rest of this.

COMMISSIONER CUMBERBATCH: Okay. So there's a lot wrapped up into that one question. So Ozgem will start with an overview of One City--One NYC, and what we're doing is moving forward. And then we'll go to what we've done in the past. And how we're building on that for our future strategy.

DEPUTY COMMISSIONER ORNEKTEKIN: And then chime in whenever I've missed something into those. So DCAS Energy Management received \$2.5 billion over 10 years, and \$51 million for FY16 on expensed funding to expand on programs and projects through

these greenhouse gas emissions from City Government Operations touching every city building with significant energy use by 2025. So that's the big goal and overarching plan for us. How do we spend our \$2.4 billion and \$55 million in expense? We have five big projects, the five big programs. On the capital side we have several programs where our goal is 100 megawatts by 2025. We have ACE Program where we actually fund competitive projects proposed by agencies implemented by agencies. We have an Excel Program similar to the ACE Program, but on the expense side where we fund agencies to implement their own expense related projects and plan it--plant programs. And we have Local Law 87 compliance. I'm sure you're familiar with Local Law 87, which is for everyone's benefit. Local Law 87 requires us to provide energy efficiency reports for buildings over 50,000 square feet, and that requires an energy audit and then a retro commissioning report. And the energy audit implementation goes through capital and the retro commission goes through expense. So all of those programs roll up to those \$2.4 billion, and \$51 million expense funding. In addition to that, we have an emergency technologies program called IDEA

where we test new technologies types of themes. Our phase one was on HVAC controls. Our phase two is on energy storage. We're working on phase three to start that process, but currently we're implementing phase one energy storage. And also we have some personal funding to support all these programs within DCAS. And we also fund positions in other agencies to help us actually implement those programs, and the agencies and be our eyes and ears to make sure we're doing the right thing. In terms of your questions--

COMMISSIONER CUMBERBATCH: [interposing]

How much do we spend over five--the past five years?

DEPUTY COMMISSIONER ORNEKTEKIN: We

spend--we committed \$336 million of capital between FY 2011 and FY 2015 to date. I'm saying to date. We still have another month. So there may be more commitments, but for now, it's \$336 million of capital commitments. And you were mentioning about savings, so as the Commissioner mentioned earlier, we have an agency budget and people, you know, and everything is eventually is per agency. And the savings at the end doesn't stay with DCAS. And if agencies go over them with the--with their energy costs, there are some years where energy consumption

1 is lower, but energy costs are higher because of the
2 rates. In those cases, agencies also are not
3 responsible for their--for that and they don't go
4 into deficits. So basically, because they don't pay
5 for the overruns, they also don't necessarily track
6 savings either. What we--keep savings either. But
7 the important role as--role we play as we're funded
8 through these wonderful programs and we're actually
9 targeting to these energy consumption citywide.
10

11 CHAIRPERSON KALLOS: So, I'm guess I'm
12 left unclear. So those agencies we have hundreds of
13 them?

14 DEPUTY COMMISSIONER ORNEKTEKIN: Uh-huh.

15 CHAIRPERSON KALLOS: How do we
16 incentivize the agencies to engage in cost savings
17 since if they go over they don't pay for it, and if
18 they go under they don't see that money. And with
19 regard to the testimony, you specifically point to
20 \$4.9 million in revenue for the agency. So what was
21 the mechanic of that so we can have a better
22 understanding?

23 DEPUTY COMMISSIONER ORNEKTEKIN: So those
24 are ACE and Excel programs. So ACE is the capital
25 program, and 5/15, we awarded agencies, nine agencies

\$37 million to implement projects. Energy related capital projects, and over the, you know, over the last year, and actually let's look at FY16 for a moment. For FY--

[background comments]

DEPUTY COMMISSIONER ORNEKTEKIN: Okay. So for--for the Excel funding for FY16 what we have done is we actually went out to agencies and said what are some of the expense related projects--energy projects that you could--

COMMISSIONER CUMBERBATCH: [interposing]
Like putting it into maintenance for example.

DEPUTY COMMISSIONER ORNEKTEKIN: Right or changing light bulbs or putting controls or occupancy sensors or things like that that doesn't require design, but they can go out and do them themselves, agencies can do them. And we actually awarded about \$10 million. As soon as this budget becomes firm, then come July 1st, all these agencies, 25 of them will have \$10 million of expense funding and go ahead and do them. So in terms of the \$4.9 million that you're talking about, it's the Demand Response and that's--

COMMISSIONER CUMBERBATCH: So that's not--
-so let's just get clear here.

DEPUTY COMMISSIONER ORNEKTEKIN: Yes.

COMMISSIONER CUMBERBATCH: So when--when
I referenced the \$4.9 million in savings that has to
do with that specific program who will Demand
Response, and that's when during peak--peak loads in
the city, we've--we've opted to switch fuel for that
time to kind of relieve the system overall. So we
participate in that, and as a result of participating
in it, we receive a lower rate, is that correct?

DEPUTY COMMISSIONER ORNEKTEKIN:

Actually, we reduce our demand. So what that means
is--

COMMISSIONER CUMBERBATCH: [interposing]

Okay.

DEPUTY COMMISSIONER ORNEKTEKIN: --two
different programs.

COMMISSIONER CUMBERBATCH: I'm sorry. My
fault. That's why you're the expert here.

DEPUTY COMMISSIONER ORNEKTEKIN: So we
have so many programs. In terms of Demand Response
funds, we committed the New York ISO that we're going
to be producing ourselves--

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

63

CHAIRPERSON FERRERAS-COPELAND: Okay, I
know.

COMMISSIONER CUMBERBATCH: [interposing]
I know, we're getting in the weeds.

CHAIRPERSON FERRERAS-COPELAND: This is
what we're going to do. [laughter] You're way in the
weeds. I need you to put this all in writing your
process for both of our committees, and then we're
going to follow up the additional questions.

COMMISSIONER CUMBERBATCH: Fine.

CHAIRPERSON FERRERAS-COPELAND: We have
members on the queue and the Chair has second rounds
of questions. So we're just going to go ahead. I'm
going to ask if you can be succinct. We have the Law
Department actually already in the room.

COMMISSIONER CUMBERBATCH: Okay.

CHAIRPERSON FERRERAS-COPELAND: And we
were queued to start with them at 11:00. If you
could be succinct in your responses, I would really
appreciate it. We will hear now from Council Member
Levine followed by Council Member Matteo, and we've
been joined by Council Member Miller.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

64

COUNCIL MEMBER LEVINE: Thank you. Thank
you, Chair Ferreras and Chair Kallos and hello
Commissioner. Great to see.

COMMISSIONER CUMBERBATCH: Good to see
you, too.

COUNCIL MEMBER LEVINE: I understand that
DCAS rents out several hundred commercial spaces to
private tenants. This is a source of income for the
city, correct?

COMMISSIONER CUMBERBATCH: That's
correct.

COUNCIL MEMBER LEVINE: These are retail
spaces?

COMMISSIONER CUMBERBATCH: I think it's a
combination of things.

COUNCIL MEMBER LEVINE: Could you
estimate what portion are retail?

COMMISSIONER CUMBERBATCH: So Ricardo
Morales, our Deputy Commissioner for Asset
Management.

DEPUTY COMMISSIONER MORALES: I--I--I
don't know that number. I could get back to you, but
it is a--I would say the vast majority.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

65

COUNCIL MEMBER LEVINE: I would assume
so.

DEPUTY COMMISSIONER MORALES: Right.

CHAIRPERSON LEVINE: And these are
distributed throughout everywhere the city has
buildings or are they mostly in Manhattan and the
central business community?

DEPUTY COMMISSIONER MORALES: Throughout
the city.

COUNCIL MEMBER LEVINE: Right, and do we
have any guidelines on what types of businesses we
will rent these retail spaces to? For example, would
we rent to chains or any sort?

DEPUTY COMMISSIONER MORALES: We--we--we
actually do. It's--it's by need and location, of
course. As you know that--that real estate is
location, location, location, and then we look to use
the highest and best use through appraisals. So
whatever the property is being rented, it's going to
be to the best and highest use based on an appraisal
from our office. So whoever comes in and wants to
rent the place, they'd have to negotiate with the
city for that highest use.

3 COUNCIL MEMBER LEVINE: But could that be
4 a fast food restaurant for example?

5 DEPUTY COMMISSIONER MORALES: It could be
6 a fast food restaurant yes.

7 COUNCIL MEMBER LEVINE: Could it be a
8 chain pharmacy, for example?

9 DEPUTY COMMISSIONER MORALES: It could--
10 it could be any of the chain pharmacies that is
11 correct.

12 COUNCIL MEMBER LEVINE: What about a bank
13 branch?

14 DEPUTY COMMISSIONER MORALES: I don't--
15 I'm not sure in our portfolio we have that, but
16 depending on the needs, I mean the branch is a little
17 difficult because you have--it depends on a number of
18 regulatory issues in terms of space. But, the answer
19 is yes we would rent out to whoever can--whoever can
20 pay the rent and use the property within it's--within
21 the geographic and building structure.

22 COUNCIL MEMBER LEVINE: Right, as--as
23 Chair Cornegy can attest, we have small businesses,
24 mom and pop businesses all over the city that are
25 disappearing because of rising rents, and chains

proliferating. Some people call it the nullification
of New York City.

DEPUTY COMMISSIONER MORALES: Right.

COUNCIL MEMBER LEVINE: And I would hope
that when the city is the landlord we can set a
higher standard. And there's--there is precedent for
this. You look at large landlords like Columbia
University, which has a policy of renting to no
chains. And so you walk around Morningside Heights
and Broadway and the one teams and you see very few
chains thanks to that policy.

DEPUTY COMMISSIONER MORALES: Well, may--
may I address that for a second? I know where you're
going on this, and we're very cognizant of the needs
of the neighborhood and we are citywide, right. So,
we do have short-term leasing where we have a myriad
of mom and pop shops in neighborhood areas where the
criteria is that the rent is less than \$5,000 a month
and you could go to a month-to-month basis where we
do allow a lot of small shops, stationary stores. I
the old days they used to be called candy stores but,
you know, delicatessens, et cetera. Where people
have a opportunity to actually lease our properties
exactly at the standards you're talking about.

COUNCIL MEMBER LEVINE: So, where are the neighborhoods where you've rented to fast food restaurants?

COMMISSIONER CUMBERBATCH: [interposing]
So, so--

DEPUTY COMMISSIONER MORALES: I don't know that.

COMMISSIONER CUMBERBATCH: --so we don't have that data for you so why don't we go back, and we can parse out and give you the whole universe of where we were renting. And the categories of businesses, and we could do a map and we'll sit down-- more than willing to sit down with you to go through that.

COUNCIL MEMBER LEVINE: Well, I would-- I would very much appreciate that.

DEPUTY COMMISSIONER MORALES: Uh-huh.

COUNCIL MEMBER LEVINE: Great. Thank you very much.

COMMISSIONER CUMBERBATCH: You're welcome.

DEPUTY COMMISSIONER MORALES: You're welcome.

1 COMMITTEE ON FINANCE JOINTLY WITH THE
2 COMMITTEE ON GOVERNMENTAL OPERATIONS

69

3 CHAIRPERSON FERRERAS-COPELAND: Thank
4 you, Council Member. We will hear from Council
5 Member Matteo followed by Council Member Miller.
6 We've been joined by Council Member Rosenthal.

7 COUNCIL MEMBER MATTEO: Thank you, Madam
8 Chair and Chair Kallos. Commissioner welcome and
9 thank you.

10 COMMISSIONER CUMBERBATCH: Thank you.

11 COUNCIL MEMBER MATTEO: A few things I
12 just want to just talk about in the testimony. One is
13 the new testing center on Staten Island.

14 COMMISSIONER CUMBERBATCH: Yes.

15 COUNCIL MEMBER MATTEO: Could you just me
16 specifics at 2017?

17 COMMISSIONER CUMBERBATCH: Yes.

18 COUNCIL MEMBER MATTEO: Where is that?
19 Is that on Saint Marks or--?

20 COMMISSIONER CUMBERBATCH: I don't think
21 we've located a location yet.

22 COUNCIL MEMBER MATTEO: Not yet, but--

23 COMMISSIONER CUMBERBATCH: [interposing]
24 But we'd be happy.

25 COUNCIL MEMBER MATTEO: But are you
looking?

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

70

COMMISSIONER CUMBERBATCH: We'd love to
work with you to--

COUNCIL MEMBER MATTEO: [interposing]
Please. I would love to stay with you offline and--

COMMISSIONER CUMBERBATCH: No definitely

COUNCIL MEMBER MATTEO: --and work and
that's going to be a--just a testing center for all
tests where--?

COMMISSIONER CUMBERBATCH: For Civil
Service.

COUNCIL MEMBER MATTEO: Okay.

COMMISSIONER CUMBERBATCH: For applicants
applying.

COUNCIL MEMBER MATTEO: Yeah, I'd love to
set up a meeting to--

COMMISSIONER CUMBERBATCH: [interposing]
Yeah, we'd love to--

COUNCIL MEMBER MATTEO: --to work
offline.

COMMISSIONER CUMBERBATCH: --make sure we
put it into a good location.

COUNCIL MEMBER MATTEO: Definitely. So
thank you. DCAS has planned commitments totaling
\$17.7 for relocation and renovation costs at NYPD

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

71

sites. One in my report says Staten Island? Do you
have any specifics on that?

DEPUTY COMMISSIONER MORALES: I don't
have any specifics at the moment, no.

COMMISSIONER CUMBERBATCH: But we could
follow up.

DEPUTY COMMISSIONER MORALES: We could
follow up with you.

COUNCIL MEMBER MATTEO: Could we just set
up a meeting offline so we could discuss a few of
these things?

COMMISSIONER CUMBERBATCH: Definitely.

COUNCIL MEMBER MATTEO: Two other points
I just want to make the P.S. 69 and the Treatment
Plant--

COMMISSIONER CUMBERBATCH: [interposing]
Uh-huh.

COUNCIL MEMBER MATTEO: --you know, I'm
extremely supportive. Just wonder--I just wonder
what the cost was of the implementation, and do we
have--do we have plans for other Staten Island
locations?

[background comments]

COMMISSIONER CUMBERBATCH: We would have
to look at the figure.

COUNCIL MEMBER MATTEO: All right, so
that's--

COMMISSIONER CUMBERBATCH: Is it EDC
installation? Who--who installed it?

[background comments]

DEPUTY COMMISSIONER ORNEKTEKIN: We will
follow up for sure, but they were done in two
different ways. So we'll make sure one of them is
for a PPA and the other one is capital expenditures.

COUNCIL MEMBER MATTEO: Right.

DEPUTY COMMISSIONER ORNEKTEKIN: So we'll
get back to you.

COUNCIL MEMBER MATTEO: There's only
three agenda items on these.

DEPUTY COMMISSIONER ORNEKTEKIN: Yep.

COUNCIL MEMBER MATTEO: And the last
issue I want to talk about I have a lot of non-profit
little leagues in my district on DCAS property. We
have short-term leases, and it's just--it's
problematic in trying to get them capital funds and
infusions to prepare and repair the fields, and it's
becoming an issue. And, you know, one I guess just

DCAS will continue with their goal of just keeping it year to year. Is there any chance that we can meet and discuss at least specific properties. I mean I have two that I think warrant-- I understand you're not looking for 20-year leases, but it's--it's very hard to get capital improvements for some--for, you know, a league that's not sure. That basically their lease could be taken away after a year. It's problematic. I know it's-- Now, look, we don't have to go back and forth here at this hearing, but it's something--

DEPUTY COMMISSIONER MORALES:

[interposing] And we can have that conversation--

COUNCIL MEMBER MATTEO: Yeah.

DEPUTY COMMISSIONER MORALES: Councilman.

I think that's an important conversation to have.

COMMISSIONER CUMBERBATCH: And--and it's an issue that's been on our radar from the beginning of us assuming the role at DCAS, and we'd love to sit down with you to see what we can do.

COUNCIL MEMBER MATTEO: Yeah, I appreciate that.

DEPUTY COMMISSIONER MORALES: And there may be a path for that.

3 COUNCIL MEMBER MATTEO: I appreciate
4 them, and that's exactly what we're looking for. You
5 know, when I was a--before I was elected, I was a
6 staff member, I had nine years of dealing with this.
7 It's been a long issue on Staten Island and I would
8 love to meet with you--

9 COMMISSIONER CUMBERBATCH: Great.

10 COUNCIL MEMBER MATTEO: --and discuss
11 these four agenda items, and everybody else has
12 questions so I'll hand it back off. Thank you.

13 COMMISSIONER CUMBERBATCH: Thank you.

14 CHAIRPERSON FERRERAS-COPELAND: Thank
15 you, Council Member. We'll have Council Member
16 Miller followed by Council Member Cornegy.

17 [background comment]

18 COUNCIL MEMBER MILLER: Thank you, Madam
19 Chair and Co-Chair. Good morning, Commissioner. How
20 are you? Good?

21 COMMISSIONER CUMBERBATCH: Good. Thank
22 you.

23 COUNCIL MEMBER MILLER: So, obviously, I
24 want to talk about human capital. All right.

25 COMMISSIONER CUMBERBATCH: [laughs] We
assumed that was the deal.

COUNCIL MEMBER MILLER: All right.

Actually, I--I did want to start somewhere else. I wanted to talk about just the budget in terms of compliance with new Local Laws requirement, the Green Laws and that where the additional dollars in the budget to make sure that the new lighting exists in city-owned buildings--

COMMISSIONER CUMBERBATCH: [interposing]

Uh-huh.

COUNCIL MEMBER MILLER: --and what's it going to look like? What we could compare it to?

COMMISSIONER CUMBERBATCH: So we--we-- stay. So we mentioned in the testimony and Deputy Commissioner Ornektekin mentioned that we have a Ten-Year Capital Commitment of 25--

DEPUTY COMMISSIONER BADILLO: [off mic]
\$1.7 billion.

COMMISSIONER CUMBERBATCH: How much?

DEPUTY COMMISSIONER BADILLO: [off mic]
\$1.7 billion.

COMMISSIONER CUMBERBATCH: \$1.7 billion.

DEPUTY COMMISSIONER BADILLO: [off mic]
And \$2.5. \$1.7 added into that budget and \$2.5 in total.

COMMISSIONER CUMBERBATCH: In total.
\$2.5 billion in total over ten years. So there are a
number of programs and strategies that DCAS utilizes
to work with city agencies to implement energy-
efficient project, which could include lighting, it
could include HVAC system. So we have programs on
the capital side, and we have programs on the expense
side a yearly basis. On the capital side, we have a
program called ACE, Accelerator Energy Conservation,
and where we solicit proposals. Usually from those
agencies that are our big energy users in the city.
We solicit proposals from them on what kind of
projects, energy conservation projects they can
implement. And we have the capital money, and we'll
reward the capital money for that project. So for
example, Department of Environmental Conservation, a
huge energy user. Right, because they run all the
wastewater treatment plant, et cetera. They usually
come up with very innovative large energy
conservation projects, which we can fund through ACE.
So they have the capital money to implement that
project, and it might be DDC is the construction arm
of the city that actually, you know, solicits, you

know, the contractor to do the work. But we're there
in conjunction working in collaboration with the--

COUNCIL MEMBER MILLER: [interposing]

So--so the budget will support that?

COMMISSIONER CUMBERBATCH: Excuse me?

COUNCIL MEMBER MILLER: The budget will
support this type of thing.

COMMISSIONER CUMBERBATCH: Yes.

COUNCIL MEMBER MILLER: Okay.

COMMISSIONER CUMBERBATCH: This is an
ongoing--so what--what has been put into DCAS' budget
allows us to really ramp up existing programs, right.
So that we can reach a larger breadth of agency, and
provide other opportunities. So not just the big
energy consumer, but maybe a smaller agency on the
expense side that wants to do--

COUNCIL MEMBER MILLER: [interposing]

Right.

COMMISSIONER CUMBERBATCH: --preventative
maintenance, train their staff in certain
preventative maintenance activities that also--

COUNCIL MEMBER MILLER: [interposing]

So.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

78

COMMISSIONER CUMBERBATCH: --help energy
conservation.

COUNCIL MEMBER MILLER: So--so that's
where--so in terms of facility maintenance since now
we can kind of segue into human capital. Facility
maintenance that the city is responsible for, does
DCAS maintain a work specific workforce that--

COMMISSIONER CUMBERBATCH: [interposing]
Okay, so let's make--

COUNCIL MEMBER MILLER: What buildings do
you--

COMMISSIONER CUMBERBATCH: [interposing]
Okay, so this is--

COUNCIL MEMBER MILLER: --manage the
facilities?

COMMISSIONER CUMBERBATCH: So, two
things. So from the asset management side of my
house--

COUNCIL MEMBER MILLER: [interposing] Uh-
huh.

COMMISSIONER CUMBERBATCH: --we over 55
city buildings. That includes all the municipal
buildings, Brooklyn Borough Hall, One Center Street,
Queens Borough Hall, et cetera. And we oversee

1 courts. So courts are half of that. So I think it's
2 27 court facilities, and 28 city facilities. So
3 those are the buildings. However, in our Energy
4 Program, we pay the utility bills for all city
5 agencies beyond those 55 buildings, all of the
6 buildings, but we don't necessarily directly manage
7 every facility, right? So in the city's portfolio of
8 buildings there are, you know, over 3,000 buildings,
9 which for example an agency like the Department of
10 Health has its own buildings. They have to title to
11 those buildings, so to speak.

12
13 COUNCIL MEMBER MILLER: Right.

14 COMMISSIONER CUMBERBATCH: They have the
15 staff that they directly manage that facility. Our
16 Energy staff will work with those facilities and
17 manage them.

18 COUNCIL MEMBER MILLER: So, so that's
19 what I was getting to, and because of limited time--

20 COMMISSIONER CUMBERBATCH: [interposing]
21 Okay.

22 COUNCIL MEMBER MILLER: --I want to talk
23 about that, but I was more alluding to Local Law 63,
24 which you guys had done a great job in reporting
25 where you guys are at with that. But there are other

city agencies that could have 35 pages of contracts and 10, 20 contracts per page, and never do they lose a single headcount because they are not comparable titles. Are you--are they consulting with DCAS say the Police Department not specifically but other agencies. Do they consult with you around titles before--before moving forward without--with contracting out. So to ensure that they're in compliance with Local Law 63. Obviously, you have a lot to do with any title.

COMMISSIONER CUMBERBATCH: [interposing]
Yeah, I--I have to be honest with you. I'm--I'm totally confused at this point. [bell] So you're asking about if an agency wants to contract our a certain service do they consult with DCAS first before they can do that?

COUNCIL MEMBER MILLER: That is there--if a part of the--if part of the--the--the criteria is that there is not a comparable title available--

COMMISSIONER CUMBERBATCH: [interposing]
Right.

COUNCIL MEMBER MILLER: --do they then consult with DCAS to ensure that there is not a

comparable title that can do the work. And--and I
just want to say the Police Department is--

COMMISSIONER CUMBERBATCH: [interposing]
Yeah.

COUNCIL MEMBER MILLER: --talking about
doing a--a bimonthly or quarterly cleanup beyond what
they normally do when they want to contract some
others.

COMMISSIONER CUMBERBATCH: [interposing]
In--in their--in their facilities?

COUNCIL MEMBER MILLER: In their
facilities. Do we--do we then have comparable titles
that can do the steam cleaning and the type of
cleaning that's happening there? How do we kind of
oversee that?

DEPUTY COMMISSIONER PINNOCK: When an
agency is embarking on any type of initiative and not
necessarily even they're thinking about contract out,
they do consult with us to explain the nature of the
work, potentially the duration of the work. And they
ask for our guidance and counsel on the types of
titles that are appropriate as well as the salaries.
And so, while I would not necessarily say they come
to us saying I'm seeking to potentially contract out

1 this service, the conversation is definitely more
2 broad in nature where they explain the nature of the
3 work, the scope of the work, the duration, the demand
4 for this type of work. And we do provide them with
5 information with respect to that request.
6

7 COMMISSIONER CUMBERBATCH: What you're
8 asking more is there a formal process in place in
9 which we went in on this issue?

10 DEPUTY COMMISSIONER PINNOCK: We
11 generally wouldn't know.

12 COMMISSIONER CUMBERBATCH: We wouldn't
13 know and we can back and look because it seems to me
14 that it would be a combination of a few of our sister
15 agencies or even the Mayor's Office or OLR, MOCS,
16 etc. But we can go through that process, but there's
17 a piece of it, not all of it, but the issue around is
18 there--just the first question, is there a comparable
19 title in the Civil Service system, apparatus that
20 could do that job before?

21 COUNCIL MEMBER MILLER: Right.

22 CHAIRPERSON FERRERAS-COPELAND:
23 [interposing] So, we're going to ask for a follow-up
24 meeting specifically on this.

25 COMMISSIONER CUMBERBATCH: Yes.

1 COMMITTEE ON FINANCE JOINTLY WITH THE
2 COMMITTEE ON GOVERNMENTAL OPERATIONS

83

3 CHAIRPERSON FERRERAS-COPELAND: So not a
4 letter meeting.

5 COMMISSIONER CUMBERBATCH: No, I got you.

6 CHAIRPERSON FERRERAS-COPELAND: Okay, and
7 it will be this committee--our committees together.

8 COMMISSIONER CUMBERBATCH: Okay.

9 CHAIRPERSON FERRERAS-COPELAND: All
10 three.

11 COMMISSIONER CUMBERBATCH: Right.

12 CHAIRPERSON FERRERAS-COPELAND: Council
13 Member Cornegy followed by Council Member Rosenthal.
14 We've been joined by Council Member Greenfield.

15 COUNCIL MEMBER CORNEGY: So thank you
16 very much Chairs. Commissioner, good morning.

17 COMMISSIONER CUMBERBATCH: Good morning.

18 COUNCIL MEMBER CORNEGY: I'm curious
19 about a couple of things. Well, I'm excited to hear
20 that you have this wealth of commercial property that
21 you're using for--

22 COMMISSIONER CUMBERBATCH: [interposing]
23 Uh-huh.

24 COUNCIL MEMBER CORNEGY: --small moms and
25 pops.

COMMISSIONER CUMBERBATCH: Okay.

COUNCIL MEMBER CORNEGY: We are trying to establish under the crunch of the G word in districts like mine some retail diversity.

COMMISSIONER CUMBERBATCH: Yeah.

COUNCIL MEMBER CORNEGY: I'd really like to sit and talk with you about what that stock looks like--

COMMISSIONER CUMBERBATCH: [interposing]
Sure.

COUNCIL MEMBER CORNEGY: --where it's located--

COMMISSIONER CUMBERBATCH: [interposing]
Sure.

COUNCIL MEMBER CORNEGY: --and whether or not it could actually play a role in, you know, the city's responsibility for trying to stem the tide of doubling, tripling and quadrupling rent.

COMMISSIONER CUMBERBATCH: [interposing]
So we'd love to sit down--

COUNCIL MEMBER CORNEGY: Right.

COMMISSIONER CUMBERBATCH: --and actually map out in a map. Look at your district, see what we have in terms of our portfolio, what's available. We can, you know, give you an itemization if we have

stuff what's being rented currently, what might be available. We'd love to sit down with you and do that.

COUNCIL MEMBER CORNEGY: I think that's incredibly important because--

COMMISSIONER CUMBERBATCH: [interposing]
Yes.

COUNCIL MEMBER CORNEGY: --you know, we're all one city and--

COMMISSIONER CUMBERBATCH: [interposing]
That's right.

COUNCIL MEMBER CORNEGY: --and we have these resources that are available to us that we actually have control over the rents. Some of the moms and pops that are suffering tremendously could benefit from a coordinated effort. I feel like as the Chair of Small Business--

COMMISSIONER CUMBERBATCH: [interposing]
Uh-huh.

COUNCIL MEMBER CORNEGY: --I'm during bound to find every creative way possible to keep small business and business in this city. And this seems like a way--

COMMISSIONER CUMBERBATCH: [interposing]
Uh-huh.

COUNCIL MEMBER CORNEGY: --to begin to
coordinate that effort.

COMMISSIONER CUMBERBATCH: Right. So
we'd live to sit down.

COUNCIL MEMBER CORNEGY: I would love
that. So I don't know if I got the answer that my
colleague posed earlier, which is--to me is very
simple. You know, he's a way more complicated man
than I am, but for me it's very simple. Is there a
baseline number, percentage that DCAS is responsible
for or has a mandate to or in their efforts for MWBE
contracting? So the State has a 20% number.
Agencies within the city are able to operate without
an overall number. So there's--there's discrepancies
with the agencies.

COMMISSIONER CUMBERBATCH: [interposing]
Right.

COUNCIL MEMBER CORNEGY: I just want to
know do you have a percentage number that you can
target, and if so, how do you go about evaluating and
meeting those goals?

COMMISSIONER CUMBERBATCH: Right. So-so the first thing, you know, as we've stated before under Local Law 1 is that most of our citywide procurement because it's goods is exempted from the MWBE requirement, and that's a function of the law that was amended in 2013 following a disparate impact study why goods over \$100,000 were exempt. So remember we do citywide procurement of goods. That's the bulk of what we do.

COUNCIL MEMBER CORNEGY: [interposing]
But, I just want to let you know that this not an indictment of the work--

COMMISSIONER CUMBERBATCH: [interposing]
No, no, I---

COUNCIL MEMBER CORNEGY: --that you're doing. Because I believe that you're attempting to do good work.

COMMISSIONER CUMBERBATCH: [interposing]
No.

COUNCIL MEMBER CORNEGY: However, if there's no real number--

COMMISSIONER CUMBERBATCH: [interposing]
Right.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

88

COUNCIL MEMBER CORNEGY: --that you can
point to, then it's very hard to evaluate--

COMMISSIONER CUMBERBATCH: [interposing]
Right.

COUNCIL MEMBER CORNEGY: --whether you're
meeting it or not meeting so--

COMMISSIONER CUMBERBATCH: Okay, so this
is the issue. So most of our portfolio what I'm
saying to you is not subject to MWBE requirements.
So maybe with the new disparate study that there's an
RFP on the street that's going to be awarded, they're
going to look at and evaluate the market. And
perhaps goods of certain amounts will be included as
part of the new amended law, but currently they are
not. So what happens is for most of our citywide
contracts we do competitive sealed bids. For goods
over \$100,000 there is no MWBE requirement because
it's not required. However, having said that, we
still affirmatively try to look for opportunities to
get MWBEs that might be in a particular industry to
respond to the competitive bid for example. Okay, so
we affirmatively do that, and as a result we do have
two significant MWBEs that got awarded contracts over
\$100,000 for goods even though it's not subject to

the MWBE requirement. Now, having said that,
everything else in our shop that's under \$100,000 for
goods or for services is subject to MWBE, and we
actively as the Deputy Commissioner Turnbull said, we
actively look for MWBE participation. We don't
specifically have a goal.

CHAIRPERSON FERRERAS-COPELAND: Okay,
Commissioner--

COMMISSIONER CUMBERBATCH: I'm sorry.

CHAIRPERSON FERRERAS-COPELAND: --is
there a rate--in the ones that are, I understand that
not all of them are--

COMMISSIONER CUMBERBATCH: [interposing]
Right.

CHAIRPERSON FERRERAS-COPELAND: --but the
ones that are, is there a rate that you have to meet?
Is there a goal? Oh, there is okay. Oh, we have
answer.

[background comment]

COUNCIL MEMBER CORNEGY: Thank you, Madam
Chair.

DEPUTY COMMISSIONER TURNBULL: Good
afternoon--

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

90

COMMISSIONER CUMBERBATCH: There's the
bell.

DEPUTY COMMISSIONER TURNBULL: --I didn't
stay. We were here earlier, but the goal is broken
up in different industries to different agencies by
SBS. So for an industry of standard services for the
goal for DCAS is 31%, and we've met that goal for
FY15 to date. Professional services unfortunately
the goal is 37%, and therefore, I'm short on the
metric and at this point we're at zero percent.
However, with construction--

CHAIRPERSON FERRERAS-COPELAND: I'm
sorry. You're falling short by how much?

COMMISSIONER CUMBERBATCH: We're zero at
37%.

DEPUTY COMMISSIONER TURNBULL: We're
zero.

CHAIRPERSON FERRERAS-COPELAND: You're
zero at 37%. Okay. So, you haven't met that goal at
all.

DEPUTY COMMISSIONER TURNBULL: No.

CHAIRPERSON FERRERAS-COPELAND: Okay.

DEPUTY COMMISSIONER TURNBULL: For
Professional Services.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

91

CHAIRPERSON FERRERAS-COPELAND: Keep
going.

COUNCIL MEMBER CORNEGY: Well, I've got
to ask really quickly. Is there a way that myself, my
office, the Chair of Finance can help you meet that
goal.

DEPUTY COMMISSIONER TURNBULL:
Absolutely, we're always willing to talk.

COMMISSIONER CUMBERBATCH: [interposing]
Absolutely. So remember, I don't know if that's a
function that we haven't had an RFP on the street why
we didn't make that goal. [bell] So remember it's
assuming that we put out a solicitation in the past
year and a half for Professional Services, which I'm
not clear we have.

DEPUTY COMMISSIONER TURNBULL: No. we
have not.

COMMISSIONER CUMBERBATCH: Right.

COUNCIL MEMBER CORNEGY: The bell usually
never rings on me so--

CHAIRPERSON FERRERAS-COPELAND: I--I took
some of your time so I'll give you some. Go ahead.

DEPUTY COMMISSIONER TURNBULL: And then
for Construction Services the goal that was set was

38%, and we met it by 50%. So we're over it. So we have some successes in various areas and then we have a couple of shortages, which has been mainly Professional Services, but we are working on it. We can only get a goal if we have professional services to put on the street, and at this point we have not had that in the last fiscal year.

COUNCIL MEMBER CORNEGY: So, I thank you for that information, and in the interest of time, Commissioner, I'd certainly like my office to be able to come and sit with you.

COMMISSIONER CUMBERBATCH: Absolutely.

COUNCIL MEMBER CORNEGY: And again be able to collaborate on where you fell short, and celebrate where you have had successes--

COMMISSIONER CUMBERBATCH: [interposing]
Yep, right.

COUNCIL MEMBER CORNEGY: --and sooner than later, though.

COMMISSIONER CUMBERBATCH: Okay.

COUNCIL MEMBER CORNEGY: You'll get a call from me very soon.

COMMISSIONER CUMBERBATCH: And we'll call you first.

3 COUNCIL MEMBER CORNEGY: Thank you.

4 CHAIRPERSON FERRERAS-COPELAND: [laughs]

5 All right. I like that. Council Member Rosenthal
6 followed by Council Member Greenfield and then we
7 will call this meeting adjourned. This part of the
8 meeting adjourned.

9 COUNCIL MEMBER ROSENTHAL: Thank you so
10 much, Chairs. Commissioner, it's great to see you.

11 COMMISSIONER CUMBERBATCH: It's great to
12 see you again, too.

13 COUNCIL MEMBER ROSENTHAL:
14 Congratulations on your good work. It sounds like
15 you're hitting your MWBE targets actually. I'd love
16 to learn more about that as well--

17 COMMISSIONER CUMBERBATCH: [interposing]
18 Uh-huh.

19 COUNCIL MEMBER ROSENTHAL: --and help
20 carry your successes to some of other agencies.

21 COMMISSIONER CUMBERBATCH: Right.

22 COUNCIL MEMBER ROSENTHAL: I wanted to
23 ask specifically two things. One On One NYC with
24 your maintenance teams that are going to be going the
25 --Asset Management maintenance teams. What are the--
what are the guide posts they're using in order to do

the preventive maintenance, and specifically what I'm
getting at is I've been meeting with some people from
NYSERDA who's talked--who talk about--

COMMISSIONER CUMBERBATCH: [interposing]

Uh-huh.

COUNCIL MEMBER ROSENTHAL: --minimum

preventive maintenance, and then doing a lot--

COMMISSIONER CUMBERBATCH: [interposing]

Right.

COUNCIL MEMBER ROSENTHAL: --of

preventative maintenance.

COMMISSIONER CUMBERBATCH: [interposing]

Right.

COUNCIL MEMBER ROSENTHAL: One layer of

insulation versus five layers with the results being
five times as good.

COMMISSIONER CUMBERBATCH: [interposing]

Right.

COUNCIL MEMBER ROSENTHAL: To what extent

are the preventative maintenance people--what
benchmarks are they using and how are they trained?

Thank you.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

95

COMMISSIONER CUMBERBATCH: So Deputy
Commissioner Ricardo Morales, I know we're adding 26
new heads, right.

DEPUTY COMMISSIONER BADILLO: [off mic]
We're adding 26 new heads at \$21 million.

DEPUTY COMMISSIONER MORALES: Right.
Right. So what these teams are going to do is
they're going to be divided up into boroughs, and
they're going to go into different--looking at both
the heating and cooling systems. Instead of using
outside contractors to come in when we have needs,
they're going to go in there and do preventive
maintenance to ensure that the energy efficiency and
the reduction of use of fuel will happen. What's
happening now is that any time something comes down
outside of our--

COUNCIL MEMBER ROSENTHAL: May I
interrupt. Well, we've got this clock thing going.

DEPUTY COMMISSIONER MORALES: Okay.

COUNCIL MEMBER ROSENTHAL: So I just want
to target specifically, are you--are--do you have
mechanism set up to track the impact of the
preventive maintenance workers?

DEPUTY COMMISSIONER MORALES: Yes, we will have the mechanism set up on this. We just got the award. We still haven't put the teams together yet. So, we should be by--

COUNCIL MEMBER ROSENTHAL: [interposing]
And how will you measure their efficiencies? Here's the point I'm getting at--

COMMISSIONER CUMBERBATCH: [interposing]
Uh-huh.

DEPUTY COMMISSIONER MORALES:
[interposing] Right.

COUNCIL MEMBER ROSENTHAL: Preventative maintenance you can do some stuff and get here.

DEPUTY COMMISSIONER MORALES: Right.

COUNCIL MEMBER ROSENTHAL: You can do a lot more and get here.

DEPUTY COMMISSIONER MORALES: Right.

COUNCIL MEMBER ROSENTHAL. And what I'm trying to understand is how these people are being trained to get here.

DEPUTY COMMISSIONER MORALES:
[interposing] Right.

COUNCIL MEMBER ROSENTHAL: Who's training them?

COMMISSIONER CUMBERBATCH: [interposing]
Uh-huh.

COUNCIL MEMBER ROSENTHAL: What are their
criteria for success? Are you studying real
benchmarks like we want a 50% improvement in energy
use, or a 50% reduction. How are you going to
measure your success?

DEPUTY COMMISSIONER MORALES: So
measuring our success are a couple of things. One is
that we are using highly trained, my stationary
engineers, maintenance folks that have a big--there's
also funding for training. So that when we are doing
our energy efficiency things, we're doing that best
practices--

COUNCIL MEMBER ROSENTHAL: [interposing]
As measured by who? We can use these words highest
standards--

DEPUTY COMMISSIONER MORALES:
[interposing] Right.

COUNCIL MEMBER ROSENTHAL: --best
practices.

COMMISSIONER CUMBERBATCH: [interposing]
So, so, so--

COUNCIL MEMBER ROSENTHAL: Are these
NYSERDA standards?

COMMISSIONER CUMBERBATCH: [interposing]
Yes, I want to--

COUNCIL MEMBER ROSENTHAL: Are they Gold
LEED standards, which apparently these days are
really not maximum efficiency?

COMMISSIONER CUMBERBATCH: [interposing]
Right. So, one of the benefits of DCAS so we run the
Department of Energy Management, which is citywide.

DEPUTY COMMISSIONER MORALES: Right.

COMMISSIONER CUMBERBATCH: And Ozgem can
come up to talk about the best practices that we--

COUNCIL MEMBER ROSENTHAL: [interposing]
Great.

COMMISSIONER CUMBERBATCH: --researched
to deploy to agencies, and then where you have the
benefit of being DCAS when we run our buildings.

COUNCIL MEMBER ROSENTHAL: Okay.

COMMISSIONER CUMBERBATCH: So in this
instance, we're going to kind of highlight where
preventative maintenance would be in DCAS buildings--

COUNCIL MEMBER ROSENTHAL: [interposing]
So--

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

99

COMMISSIONER CUMBERBATCH: --and I'll let
Ozgem about it--

COUNCIL MEMBER ROSENTHAL: Sure, and
that's exactly--

COMMISSIONER CUMBERBATCH: --because she
deals with NYSERA on a regular basis.

COUNCIL MEMBER ROSENTHAL: Great.
Because that's exactly what I'm getting at.

COMMISSIONER CUMBERBATCH: Right.

COUNCIL MEMBER ROSENTHAL: DCAS should be
the low hanging fruit--

COMMISSIONER CUMBERBATCH: [interposing]
Yes, we are.

COUNCIL MEMBER ROSENTHAL: --in the city

COMMISSIONER CUMBERBATCH: We are and
we're taking on that position with the funding of
these 26 additional positions in our house to do
preventative maintenance on our 55 buildings. So why
don't you first talk about training. Talk about the
standards. Where do we get the standards for
deciding what preventative maintenance programs
should go for a second or a third--high level.

DEPUTY COMMISSIONER ORNEKTEKIN: Okay.
We have a robust training program, and we run it out

of CUNY. We have a wonderful partnership with them. We have a building operating certificate program, and most of our stationary engineers and facility managers go through that. And energy management is a big part of it. That's why we're funding those. In addition to that, we have a certified energy management training, and that's for most of the facility managers specifically, not going down the level. In addition, we have also [bell]--I'm going to stop it. But quickly, we can get back to you on the rest of all the regulations.

COMMISSIONER CUMBERBATCH: [interposing]

But we don't need to stop. How do we decide what preventative projects or activities to engage in, and what sets the standard? Where do we draw those best practices from?

DEPUTY COMMISSIONER ORNEKTEKIN: We form an energy management--we have an energy manager position at DCAS who looks at all the--all the buildings and decides which buildings actually have opportunities for more preventive maintenance. And then the Asset Management's staff actually targets those buildings. They use FEMP Guidelines, Federal Energy Management Protocols. There's a lot of

preventive maintenance items from that, and we use those in addition to what they learn in the BOC classes and CEM classes.

COMMISSIONER CUMBERBATCH: So--

COUNCIL MEMBER ROSENTHAL: In deference to my colleagues--

COMMISSIONER CUMBERBATCH: [interposing]
We'll follow up.

COUNCIL MEMBER ROSENTHAL: Could you?

COMMISSIONER CUMBERBATCH: Yes, we'll follow up.

COUNCIL MEMBER ROSENTHAL: Thanks so much.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Rosenthal. Council Member Greenfield.

COUNCIL MEMBER GREENFIELD: Thank you, Madam Chair. Thank good folks from the Department of Citywide Administrative Services. It's good to see you today. I'm curious about somewhat--an issued that I don't think we touched upon yet, and that is vacant land within the City of New York that is under your domain. You folks came up with a list of vacant land, and I guess I'm curious how you define vacant

land. Because I know some of the land, for example, is leased out temporarily. I think you guys have 364-day leases.

COMMISSIONER CUMBERBATCH: Uh-huh.

COUNCIL MEMBER GREENFIELD: Is that part of that list? And if so, how does that list compiled or not relate to the discussions that we're having about building affordable housing on vacant land, and are you in touch with the other appropriate agencies like HPD or EDC to engage in those conversations at this point?

COMMISSIONER CUMBERBATCH: So we work in close collaboration through the Mayor's Office with HPD and EDC early on in this administration to look at what was in DCAS' portfolio that could potentially be part of the affordable housing--the Mayor's Affordable Housing Initiative. So the answer is yes. We've been engaged on a regular basis from day one. I'll let Deputy Commissioner Morales talk about specifically the inventory of vacant land, whether it's vacant, vacant or whether its under some kind of license agreement.

DEPUTY COMMISSIONER MORALES: Right. So we do have a list, and we can share that list with

you of all the vacant land we have. But as the Commissioner has indicated, we clearly have in terms of the administration given them the opportunities along with our sister agencies to look at development for not only the affordable housing, but also economic development.

COMMISSIONER CUMBERBATCH: Right.

DEPUTY COMMISSIONER MORALES: These vacant lands also if they're slivers or small pieces of land are available to adjacent to property owners in the event that they want to buy it. But, we'll give you a list of all those vacant properties.

COUNCIL MEMBER GREENFIELD: So you have a catalog? You have a list of everything?

DEPUTY COMMISSIONER MORALES: Yes, we do.

COMMISSIONER CUMBERBATCH: [interposing]
Yeah, we do.

DEPUTY COMMISSIONER MORALES: Absolutely.

COUNCIL MEMBER GREENFIELD: Roughly, how many pieces?

COMMISSIONER CUMBERBATCH: About 2,000 more or less. Now, you have to also understand that the vacant land per se could be both maritime land.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

104

That there's land under water that we add, and
slivers all over the city--

COUNCIL MEMBER GREENFIELD: [interposing]

Sure.

COMMISSIONER CUMBERBATCH: [interposing]

Right.

DEPUTY COMMISSIONER MORALES: --that

could 20 feet to 10 feet to--

COUNCIL MEMBER GREENFIELD: [interposing]

So, have you broken that down by how many parcels of
that 2,000 are actually developable?

COMMISSIONER CUMBERBATCH: [interposing]

Absolutely.

DEPUTY COMMISSIONER MORALES: Yes, we

have. Yes.

COUNCIL MEMBER GREENFIELD: How many of

those 2,000 are?

COMMISSIONER CUMBERBATCH: We'll get back

to you on that.

COMMISSIONER CUMBERBATCH: [interposing]

That's the work that we've been doing in
collaboration with HPD. I must say that the majority
of our vacant land is these slivers and slices.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

105

COUNCIL MEMBER GREENFIELD: Okay. I mean
I--no I certainly understand that--

COMMISSIONER CUMBERBATCH: [interposing]
And we have--we have--

COUNCIL MEMBER GREENFIELD: --but I'm
curious to if we can get the list where we can get it
broken down by properties that you believe are
developable versus properties that slivers--

COMMISSIONER CUMBERBATCH: [interposing]
Yeah.

COUNCIL MEMBER GREENFIELD: --I think
that would be helpful for us to understand.

COMMISSIONER CUMBERBATCH: Certainly.

COUNCIL MEMBER GREENFIELD: I'm also--I'm
also curious about the question that I asked in terms
of when we say vacant, how do we define vacant?
Vacant means that there's no lease current at all?
Are they short term or long term? Or vacant is
property that is vacant and may be leased short term
or long term?

DEPUTY COMMISSIONER MORALES: It's--it's
usually vacant is that there is no lease term on it.
No occupant but as the properties become available
then they turn into what you would call vacant.

COUNCIL MEMBER GREENFIELD: [interposing]

Well, you had--

DEPUTY COMMISSIONER MORALES:

[interposing] But we would define that for you once you look at the--once we give you the list of properties and we could go through those definitions.

COUNCIL MEMBER GREENFIELD: And that list will say whether the property is currently being leased and whether it's short term or long term?

COMMISSIONER CUMBERBATCH: That's correct.

DEPUTY COMMISSIONER MORALES: That's correct.

COUNCIL MEMBER GREENFIELD: Okay, great and so you are going to send it to--?

COMMISSIONER CUMBERBATCH: We'll follow up with you following this--

COUNCIL MEMBER GREENFIELD: [interposing]
Great.

COMMISSIONER CUMBERBATCH: --and we'll either set up a meeting or we'll send it to you directly.

COUNCIL MEMBER GREENFIELD: No, we don't need a meeting. You could just send it over to me

and the chair. I appreciate it. I'm Council Member David Greenfield. Thank you very much.

COMMISSIONER CUMBERBATCH: You're welcome.

DEPUTY COMMISSIONER MORALES: Okay, you're welcome.

COUNCIL MEMBER GREENFIELD: Take care

CHAIRPERSON FERRERAS-COPELAND: Thank you, council member. I have a question on human capital. Keeping track of the important work at the Division of Human Capital, it appears that that there is a million dollar reduction in the division's expense for personnel, and another \$1.7 million reduction in its other than personal service expense budget. Last year the divisions direct expense budget shrank by about \$640,000. Now, we have another \$2.7 million loss this year. Is this a sustainable model to do more with less despite our investment in Civil Service compliance?

COMMISSIONER CUMBERBATCH: I'm going to have Rich Badillo, our Chief Financial Officer address that.

DEPUTY COMMISSIONER BADILLO: Correct.

Well, a lot of the money that was not carried over to

the next fiscal year had to do with funding for the DSOI exam. It was a one-time funding source because of the large number of applicants we had that took the exam. That money again was only needed for FY15. There were other exams that we had hired some outside consultants to help us with where we also received one-time funding from OMB for those exams, managerial exams, development, et cetera. So, there is no reduction per se in the budget other than the one-time funding sources. There is the Attrition Program. Human Capital is slated to lose two positions from the Citywide Energy Program--Attrition Program that we had implemented in DCAS as it relates to the Savings Program that was called upon by OMB. Those two positions are eliminated in the budget.

COMMISSIONER CUMBERBATCH: So most of the expense reductions, from what I'm hearing, is not attributable to like a reduction in human capital, is that correct?

DEPUTY COMMISSIONER BADILLO: Right.

DEPUTY COMMISSIONER PINNOCK: Right, and those positions that Rich mentioned, they're not specifically in my Exams Bureau. They're in other areas in my line of service.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

109

CHAIRPERSON FERRERAS-COPELAND: Are these
done by attrition or--

DEPUTY COMMISSIONER BADILLO: Completely
by attrition.

COMMISSIONER CUMBERBATCH: [interposing]
Uh-huh, yes.

CHAIRPERSON FERRERAS-COPELAND: Okay.
All right, thank you very much. Council Member--
Chair Kallos.

CHAIRPERSON KALLOS: Thank you very much
for all the questions. Generally, what we try to do,
just for those in the audience and the agencies, is
we try to schedule it with the least controversial
agencies, smallest agencies first. We have a small
scheduling staff, and that is why we are on time
versus at our last hearing we actually had DCAS
towards the very end because you were so large and
everyone has questions for you. I wanted to--I'm
going to have questions about capital as well as
fiscal assets. So whoever wants it. Let's do
capital first. With regard to the capital budget in
the current form, DCAS' capital budget documents
provide little detail regarding capital projects.
What steps do you plan to take, if any, to increase

transparency of the Capital Budget? And with regard to capital contracts management, what important improvements have been implemented so as to avoid substantial costs associated with management--mismanagement of major capital projects by some of the agencies for which you are contracting? As well as with regard to management of large-scale capital projects where--and what protocols do you have to prevent fraud and corruption and waste?

COMMISSIONER CUMBERBATCH: So --so, the first thing is--is, you know, we don't manage the capital budgets for other agencies. That's, you know the construction capital budgets is really a function of DDC. In terms of transparency, as I understand, OMB through their publications and process everything regarding the ten-year capital plan and where it touches on DCAS is all, you know, part of the public record and part of those--that reporting.

CHAIRPERSON KALLOS: Correct.

COMMISSIONER CUMBERBATCH: Currently, we are undertaking three major court related capital projects that are detailed in our budget that deal with the relocation of, you know, the Housing Court in Brooklyn to 210 Joralemon as well as the

relocation of the Summons Court to--from 346 Broadway to One Center Street. So those three projects we are actually going to undertake directly as DCAS. Those are going to be DCAS managed construction projects. And, you know, we're just beginning those projects, and you know-- Do you want to add anything, Ricardo?

DEPUTY COMMISSIONER MORALES: Right. So to the extent that this is new--new to our portfolio in the last couple of years, some of the issues that you're talking about the length of which and the cost of which of these projects we're managing. We had an estimated time for our SAP [sic] position at One Center Street was supposed to take close to 3-1/2 years to do. We cut that to two years. What we're doing is closely monitoring both the consultants and the construction, and making sure that we're--we're on top of it on a weekly basis. Now, the overall construction at 210 Joralemon and 345 it's in the beginning stages of planning. So we haven't started the construction yet, but at least at One Center on the 16th floor, we've already started with some abatement. And we have a very tight time scheduled that we're keeping to.

CHAIRPERSON KALLOS: With regards to disabled New Yorkers, we're an aging--with regards to disabled New Yorkers, we're an aging city, and more people are seeing disabilities. Following the New York Lawyers for Public Interest suit and making sure ADA accommodations are being made of this \$663.5 million budget for DCAS managed courts capital projects how much of that will be used to bring these courthouses into ADA compliances? What kind of repairs or retrofits does DCAS plan to make to these courthouses. And the department has previously testified to--of its intention to extend its lease for the Brooklyn Housing Court located at 141 Livingston Street. Has the lease been--renewal been signed? Is it going to spend an additional \$11 million renovating the space, and how much of that budget will be used to repair or retrofit the Housing Court to make it ADA compliant. And if we could have a precise answer on that. I'm going to have one follow-up questions regarding other properties.

DEPUTY COMMISSIONER MORALES: I don't think I have a concise--for the period of time that I have here, a concise answer. But the ADA is a very important issue to us. We are actually going to be

1 doing an RFP to get some architectural and
2 engineering pieces for it. We have in terms of low-
3 hanging fruit--I hate to use that expression--but we
4 have created in terms of signage and a myriad of
5 other things for the ADA. We're looking at those
6 areas and changing the signs where it's necessary to
7 help out. In terms of 141, we have just had the--we
8 just had the license deemed registered for the--for
9 141 Livingston. We are looking to see that the
10 elevators and a number of other of the infrastructure
11 pieces are being looked at, and ADA is an important
12 piece. I can't tell what portion of that--of the
13 budget is dedicated to it, but we'll get back to you
14 on that.
15

16 CHAIRPERSON KALLOS: On the topic of the
17 properties that DCAS manages, which are so very
18 many, and there have been a lot of questions about
19 making the spaces available. We've been working for
20 more than a year on trying to make some of the
21 storefront properties and other properties that are
22 vacant available to non-profits, arts, performers
23 throughout the city. Where are we on getting those
24 listed on the New York City PA, Public Arts spaces
25 website or through partnerships? So that the city

can actually use the city properties that we're not currently using?

DEPUTY COMMISSIONER MORALES: Right and we spoke about that, and thank you for your leadership on that piece. I think that you saw the major push by this administration in terms of the cultural affairs defined spaces for our artists not only studios and living quarters for artists on the visual arts, but also on all performing arts. So we've been moving and having very robust discussions with the Department of Cultural Affairs on space. I think that you saw that we supplied for the halls of the city that are made available I think we added one more piece. And hopefully they'll be a piece in Queens as soon as we have a substantial completion on it, which actually brings the stage and some other performing arts facilities into that--that area. But we are moving very aggressively looking for space. I think that our Commissioner and I have a kind of like assured you that there is a good plan for some big space, but we can't say that as of yet.

CHAIRPERSON KALLOS: I look forward to announcing that to the broader city to use. One question seems to be that we have vacant city-owned

properties at the same time as we are leasing private properties. Is there any way to reconcile that so that we use existing city properties before we give city money to the private sector?

COMMISSIONER CUMBERBATCH: So under this administration when I came in, our first cut any time there is a space need, whether it is DCAS has a need or it's another sister agency, we always go to look to see whether there is city property available in the right place, in the right location for that particular functionality. So that is part of our protocol on how we do space management. Let me just start there. So we will not have instance in where we would need to go out to the private sector first. We would always look at the inventory of what's available, and it's always a question of is it in the right location to serve the particular programmatic purpose of the agency? If city property is available and we can use it, obviously we will use it. If not, then we have to go out and look at what private market, you know, what's available in the private market in that area.

DEPUTY COMMISSIONER MORALES: And what we're trying to do also is to maintain the super footprint.

COMMISSIONER CUMBERBATCH: Right.

DEPUTY COMMISSIONER MORALES: So those agencies that have needs that have public facing have the top priority of vacant space in our buildings.

COMMISSIONER CUMBERBATCH: Right.

DEPUTY COMMISSIONER MORALES: Those agencies that have back office, would probably be more fitted towards the private landlord or the leased area. So we make that determination early on to make sure that we have public facing agencies get the first cut. So that there is a continuity of services throughout a civic center. If people need to go from one agency to the other, they don't have to go outside, take a train or bus, and all of the facilities are close enough. So that's the first cut that we do on it.

CHAIRPERSON KALLOS: Thank you very much.

At 250 Broadway, Elevator No. 10 feels like a death trap, if that could please be fixed so that it is not so scary when folks come and go from 250.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

117

DEPUTY COMMISSIONER MORALES: I'll take a
ride on that. 250 is managed by somebody else, but
we'll take a look at it.

COMMISSIONER CUMBERBATCH: We'll take a
look at it.

CHAIRPERSON KALLOS: Thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank you
very much for your testimony, Commissioner. We'll be
following up with a letter.

COMMISSIONER CUMBERBATCH: Yes.

CHAIRPERSON FERRERAS-COPELAND: Yes, and
several meetings that we'll be scheduling.

COMMISSIONER CUMBERBATCH: Okay.

CHAIRPERSON FERRERAS-COPELAND: So thank
you for your testimony.

COMMISSIONER CUMBERBATCH: Thank you very
much.

CHAIRPERSON FERRERAS-COPELAND: We will
take a two-minute break while we shift documents, and
we will hear from the Law Department.

[pause, off-record conversation]

CHAIRPERSON FERRERAS-COPELAND: We will
now resume the City Council's hearing on the Mayor's
Executive Budget for FY 2016. The Finance Division

1 COMMITTEE ON FINANCE JOINTLY WITH THE
2 COMMITTEE ON GOVERNMENTAL OPERATIONS

118

3 is joined by the Committee on Governmental Relations
4 or Operations, Chaired by my colleague, Council
5 Member Kallos. We just heard from the Department of
6 Citywide Administrative Services, and now we will
7 hear from the Law Department's Corporation Counsel
8 Zachary Carter. In the interest of time, I will
9 forego making an opening statement, but before we
10 hear testimony, I will open the mic to my Co-Chair,
11 Council Member Kallos.

12 CHAIRPERSON KALLOS: I would like to
13 welcome Corporation Counsel Zachary Carter, if we
14 will be having him. Otherwise, I'm happy to
15 recognize his deputies.

16 CHAIRPERSON FERRERAS-COPELAND: [off mic]
17 He's not here yet.

18 CHAIRPERSON KALLOS: Okay, then we will
19 recess a moment for--

20 CHAIRPERSON FERRERAS-COPELAND: Can you
21 do your opening statement?

22 CHAIRPERSON KALLOS: Sure. I--I will do
23 my opening statement while we wait for the
24 corporation counsel. The New York City Law
25 Department is responsible for all the legal affairs
of the city. It represents the city, the Mayor,

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

119

other elected officials and the city's many agencies and all affirmative and defensive civil litigation, as well as juvenile delinquency prosecutions brought in Family Court, and Administrative Code enforcement proceedings in Criminal Court. The Law Department's proposed budget for Fiscal Year 2016 totals \$185.8 million including \$124.9 million to support 1,475 budgeted positions. Including the Fiscal Year 2016 Executive Plan for the Law Department, significant funding to provide litigation support relating to major cases. The plan also added staff that work with the Office of Special Enforcement and help the department to address increased needs for discovery. We are here to hear details about these and other new initiatives. In addition to discussing the intricacies of the Law Department's budget, we will examine how it is handling the various judgments and claims against the city and delve into its strategy for creating a more effective department. During today's hearing, we will also review several topics and budget actions addressed at our Preliminary Budget hearing including vertical case handling. We are now joined by our corporate counsel and welcome. Our counsel will now swear you in.

1 COMMITTEE ON FINANCE JOINTLY WITH THE
2 COMMITTEE ON GOVERNMENTAL OPERATIONS

120

3 CHAIRPERSON FERRERAS-COPELAND: Right on
4 time.

5 LEGAL COUNSEL: Do you affirm that your
6 testimony will be truthful to the best of your
7 knowledge, information and belief.

8 CHAIRPERSON FERRERAS-COPELAND: Thank you
9 and again, I'd like to advise the Law Department
10 we're running an hour behind, and I appreciate you
11 considering our time. It's not habitual that it
12 happens in these budget hearings, but I'd like to
13 keep us in queue. You may begin your testimony.

14 [background comments]

15 ZACHARY CARTER: Can you hear me? Okay.
16 I have submitted a short statement and have attached
17 the statement that we had submitted previously. And
18 so, if you'd like to go directly to questions, I'm
19 prepared.

20 CHAIRPERSON FERRERAS-COPELAND: Thank you
21 very much for that. I wanted to ask about two
22 topics. One is the U of A and then the Environmental
23 Control Board's outstanding fines. In our budget
24 response the Council recommended the Law Department
25 restructure its budget to include additional units of
appropriations for better--to better reflect its

1
2 programmatic nature. Specifically to create U of As
3 for legal services and support services. If you
4 could just let--you know, we were hoping to see these
5 U of As in the budget, but they were in the Executive
6 Budget. And what discussions has the Law Department
7 regarding this issue.

8 ZACHARY CARTER: Well, this is a bit new
9 to us. I have not been, at least I have not been
10 contacted by anyone asking for more U of As.

11 CHAIRPERSON FERRERAS-COPELAND: So, it
12 was included in our Preliminary Budget Response. So
13 our response to the Preliminary Budget included the
14 request for more clarity on the U of As. Well, then
15 we are making it clear, and I hope that we can work
16 with both yourselves and OMB so that we can get
17 specific--these specific U of As broken out. It's
18 just more transparent for us to be able to follow the
19 spending.

20 ZACHARY CARTER: [off mic] Sure, and we
21 will definitely look at that.

22 CHAIRPERSON FERRERAS-COPELAND: So, I'm
23 going to--I'm going to take the--the--the point of
24 view of not being aware of it as something that will
25

mean that you are going to aggressively negotiate
with OMB to get it.

ZACHARY CARTER: [laughs]

CHAIRPERSON FERRERAS-COPELAND: Yes?

Okay, great. So the Environmental Control Board
dockets default judgments in Civil Court when
respondents fail to remit payment. Docket cases go
to the Department of Finance for collection and
undocketed cases go the Law Department for
collection. For Fiscal 2015 there was a \$76 million--
there were \$76 million in outstanding ECB fines that
were sent to the Law Department for collection. To
date, how many ECD judgments are still outstanding
with your aging.

ZACHARY CARTER: [off mic] Do you want
that question, Kelly. [sic] [on mic] Again, this is
not a--we can get back to you with the--with the--
with what the--what the actual--actual number is. I
don't know if that's here.

CHAIRPERSON FERRERAS-COPELAND: Okay,
then can you walk me through the Law Department's
process beginning with receipt of an undocketed
judgment for ECB and concluding with writing off the
debt for failure to collect?

ZACHARY CARTER: Well, we have outside
collection counsel, which we send much of what these-
-

CHAIRPERSON FERRERAS-COPELAND:
[interposing] So what point has that triggered? So
from our perspective, the Law Department debts so we
have no idea what happens. So can you just walk me
through.

ZACHARY CARTER: Well, again it's--we get
the data from Department of Finance or whoever else
it might be. It comes in a particular format. The
format has to get sort of massaged so that we can
write a report to our outside collection counsel. At
that point, the outside collection counsel knows what
debt there is, knows from whom we think we should be
collecting it, and then they start their process for
collecting that debt.

CHAIRPERSON FERRERAS-COPELAND: So if
ECD's judgment is sent to your agency, which is sent
to an outside collection agency, but the collection
efforts are unsuccessful and the statute of
limitation has passed the eight years, how do you
communicate to the ECB to write off the debt?

ZACHARY CARTER: That's a question I'll have to ask the Chief of the Affirmative Litigation Division.

CHAIRPERSON FERRERAS-COPELAND: So none of my questions have gotten great answers today, and I'm going to follow up with this. We had a whole hearing about this and, you know, this is some serious money that's left. And we're trying to figure out what the agencies have to do who are ticketing or who are issuing the summonses to better give you--empower you to collect. But also, those collection agencies that you're--that you're contracting with, how do we follow up if they're doing their job if there's in FY16--15 there's \$76 million of outstanding debt? And then eight years later we still don't have a way or mechanism that you can testify to today. There might be one, but we are not aware of it at this moment on how do we write off the debt. So it seems that we just have this ticking debt that is in the billions of dollars and we still don't have a remedy (1) to eliminate it or (2) how to make it more efficient or correct on the front end. So I was hoping that you could come here and say, Council Member, these are the three things, if the

summonses were being written differently. If we had more information. The collections contractors have this problem, these problems collecting. So, I'm going to ask that we engage in those conversations, and in the next coming months so that we can have a strategy from your perspective. We're working with everybody else on the other side, but from your perspective on how we can collect on this debt or improve the way we summons.

ZACHARY CARTER: Very well.

CHAIRPERSON FERRERAS-COPELAND: Okay.

[background comments] Council Member Kallos.

COUNCIL MEMBER KALLOS: Welcome. I wanted to make sure I thanked you for putting out the RFP on the Law Online and filing and Amended RFP in order to address concerns so that it would be in compliance with the local law that we were able to pass last year. I'm looking forward to work with you to make sure the Administrative Code as well as the New York City Rules and Regulations are accessible to everyone for free online and that they can download it and interact with it as they choose. So first, thank you very much for that, and the great work of your team.

With regard to the Preliminary Mayor's Management Report and the Mayor's Management Report, during Preliminary Budget hearing I noted that you had several performance indicators that you were consistently out-performing. Do you plan to update the department's targets and/or change the targets for the MMR?

ZACHARY CARTER: [off mic] As I said--[on mic] Yep, there we go. As I said--as I said in the last hearing, we've added in several other questions that came up with PMMR. We have started talks with the Mayor's Office of Operations on doing exactly that. We haven't gotten quite to the end of those discussions yet, but we are--we are talking with them about updating targets [coughs], establishing targets where there aren't any now, which is the other question.

CHAIRPERSON KALLOS: Will that be completed before the MMR is?

ZACHARY CARTER: I think so, yeah.

CHAIRPERSON KALLOS: Great. With regard to Local Law 71 of 2013, which I was honestly afraid to ask originally and I'm pleasantly surprised about only hearing of one such lawsuit with regard to the

law which was aimed to strengthen the city's ban on bias based profiling especially stop and frisk. Have there been additional cases? What has been--what is the current status of the one case that is there?

ZACHARY CARTER: There are--there have been two additional cases. So there's a total of three. So for the entire pendency of the law, there have been only three actions that we're aware of that have been filed.

CHAIRPERSON KALLOS: And none of them have been disposed of yet?

ZACHARY CARTER: To my knowledge no.

CHAIRPERSON KALLOS: Okay, that's still very good information. Thank you very much for that update. If you could share with us a little bit about the Siebel Project. You currently have \$173,000, which is part of a baselining of \$1.5 million beginning in 2015. Can you explain the purpose of the Siebel Project, how it works and how that money is being used, and--

ZACHARY CARTER: [interposing] Yes, and--

CHAIRPERSON KALLOS: --what the return on investment will be?

1
2 ZACHARY CARTER: The--the Siebel Project
3 is--well, we discovered that it is best for us to get
4 the documents, both electronic and paper documents
5 from our clients in order to defend our cases. It is
6 best for us to have our own staff out in the offices
7 of our clients to oversee the document assembly so
8 they could send over all the documents that we need
9 for the litigation in a timely way. And the--the
10 Siebel money, which is--which we're speaking of
11 allowed us over the past few years to hire some folks
12 to send out their--we still have a couple of contract
13 paras and contract lawyers who we don't think we're
14 going to need for all that much longer. Which is why
15 the \$173,000 is there and not going out all through
16 the plan. But we think we've gotten the--the
17 mechanism by which we get documents out of our
18 biggest clients and shape now through this program.

19 CHAIRPERSON KALLOS: With regard to
20 judgment and claims, we have a Fiscal 2015 amount for
21 judgment claims payouts of \$695 millions. It's
22 expected that payouts will reach \$817 million by
23 Fiscal Year 2019. This is at the same time as in our
24 first year in--in government with a new progressive
25 government, we've settled a lot of the larger

outstanding cases. So, what's going on that we're expecting more liability not less? Why isn't it going down now that we've settled some of our larger looming outstanding liabilities that have been hanging over our head including the--the Central Park Five Zone and so on and so forth?

ZACHARY CARTER: I wish I had a better answer for you, but this is a projection made by OMB, which we don't have any particular part of. So I think directing it to them would probably be the--

CHAIRPERSON KALLOS: [interposing] What would your--

ZACHARY CARTER: --answer there.

CHAIRPERSON KALLOS: --projection of our liabilities be?

ZACHARY CARTER: I'm--we're not--we're not in the projection business really. We--we--we litigate cases. We settle them. We get to the end of them. OMB does the--does budget projections.

CHAIRPERSON KALLOS: And how often do you see yourself paying out all of the judgment claims payouts? How does that work? Do you look at your judgment claims payouts from OMB and say, okay, we

have this much to settle cases, or how often do we
turn money back to the budget that are not paid out.

ZACHARY CARTER: At--at--at the end of
the day, these judgments are not made in the
aggregate. We are a litigation public law firm for
the city. And these cases or these determinations
are made on a case-by-case basis. They are not
constrained, and they cannot be constrained by budget
considerations because we are responding to the
court, and we are litigating cases with a--in
consideration of the strength and weakness of our
claims and defenses. These are things that are going
to vary from case to case, which are unique. And
there are years in which we have large numbers of
filings, but perhaps cases of great consequence. On
the other hand, there are going to be years in which
you have a few filings that are of great consequence
that--that have large budget--budget consequences.
And those things are beyond our control.

CHAIRPERSON KALLOS: Correct. However,
what is in your control is analyzing the outstanding
liabilities or the likely liabilities with the
confidence index of what your current backlog is, and
what your potential liabilities are. And then using

that to actually form an opinion with OMB versus
saying that OMB sets the number we don't know.

ZACHARY CARTER: Well, OMB does set the
number. Our analysis is based on a case-by-case
basis, what we believe the risk of a liability
finding and a damages finding in any particular case
and then we aggregate those numbers. That's the only
way it can be done on a case-by-case basis.

CHAIRPERSON KALLOS: Can that be shared
with our committees under OMB so that their number
can be tied and related to and related to any
existing cases, and what the perceived risk is?

ZACHARY CARTER: I think we all have to
understand the sensitivity of these numbers. We are--
we are making a very educated guesses as lawyers as
to what a liability might be and that will change
over time as this case gets litigated. What OMB
function in this context is to take what we say is
our best guess at the moment, and to do the
projection. And we do that with them. We
communicate with them and let them know these sorts
of things. We--we try not to have those kinds of--of
estimates to sort of go out any farther than that.

CHAIRPERSON KALLOS: Okay, so just for clarification, you originally said that this number was set by OMB. You're now saying it was set by OMB after consultation with you, after reviewing the aggregate case load and your existing liability.

ZACHARY CARTER: And whatever it is--else that they put into it that we may or may not know about. I don't what exactly what goes in. I know some of what goes in, just some of what we tell them is we think what we think the liability might be on a case-by-case basis. How they turn that into the judgment and claims number that you're looking at for 2017, that I really don't know.

CHAIRPERSON KALLOS: I--I--I'm certainly concerned about this. So this is \$817 million that we don't--we do or do not have to pay. We don't know. It's up to the courts and hopefully you'll do an amazing job, and we may not have any of it out because you're the best lawyers on the planet. With that being said, that's \$817 million that isn't feeding every feeding every child in New York City, isn't fixing NYCHA, isn't doing so many things that are programmatic. So to know that you have money set aside for you, and not be willing to work with us to

engage OMB. And to say, you know what, we only need \$695, we don't need \$817. I think that is important and that is in terms of our role as oversight remaining to bring you and OMB back to get a better sense of that. But in the meantime, if we could get a written response jointly between you and OMB explaining this number. How much of it represents the perceived risk. How much of it represents other factors that you don't know about from OMB, that would definitely be satisfactory. Can you commit to that?

ZACHARY CARTER: We--we will certainly make that attempt, and this is not a new issue. As you'll recall, we discussed this in the last budget season. OMB takes factors into consideration that are not the same as the factor we take into consideration analyzing the risk of liability and the amount of judgments, which is something again that is changeable all the time.

CHAIRPERSON KALLOS: And then I'm just wrap up. I'd like to recognize we've been joined by Finance Committee member Laurie Cumbo and Jimmy Van Bramer. The last question is with regard to Office of Special Enforcement, we've advocated for a lot

1 funding from the City Council. From that the
2 Executive Budget added \$385,000 in baseline funding
3 beginning Fiscal Year 2016, and provides five full-
4 time positions. Can you tell us what the new five
5 positions are for the Office of Special Enforcement.
6 Describe their role on the task force. Is this
7 sufficient staffing and what will the impact be on
8 providing actual affordable housing, and eliminating
9 the use of air [sic] being in places where it
10 shouldn't be.
11

12 ZACHARY CARTER: These--these heads are
13 going to be under the [coughs] sort of direct
14 auspices of MOCJ, the Mayor's Office of Criminal
15 Justice. We will oversee their legal work. MOCJ is
16 the--are the folks who tell them essentially what to
17 do. And what they are going to be doing is nuisance
18 abatement actions for such things as counterfeit
19 goods sellers, and illegal hotels and so forth. As
20 for the--whether they're sufficient or not, we'll
21 see. We'll see how much they--how much they can do
22 to--to satisfy the demand for bringing these nuisance
23 abatement actions. If they're not enough, we'll come
24 back for more. I'm not sure. But that's what we
25 have for now.

CHAIRPERSON KALLOS: We'd love to give
you more the Office of Special Enforcement. I'd like
to pass it back to our Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you
Chair Kallos, and I just wanted to follow up that DOF
has--uses several measures on uncollected debt from
income execution, wage garnishment, to the sale of
personal property, referral of debt collections to
agencies, dunning letters, the sheriffs and marshals.
So in our conversation, I just want to be able to
express the--what the pattern is and how it's being
used by the agency. So we're going to follow up.
Thank you for coming to testify today. And we are
going to take a two-minute break before we move onto
the Board of Elections.

ZACHARY CARTER: Thank you.

[pause]

[gavel]

SERGEANT-A-ARMS: Quiet please.

CHAIRPERSON FERRERAS-COPELAND: We will
now resume the City Council's hearing on the Mayor's
Executive Budget for FY 2016. The Finance Committee
is joined by the Committee on Governmental Operations
chaired by my colleague Council Member Kallos. We

just head from the Board of Elections, and now we
will hear from Amy Loprest, Executive Director.

CHAIRPERSON KALLOS: [off mic] No, we're
on the Board of Elections.

CHAIRPERSON FERRERAS-COPELAND: Oh,
sorry. I am really skipping today. Rewind.
Correction.

CHAIRPERSON KALLOS: Thank you, Mike,
you're of the hook. [laughter]

MICHAEL RYAN: Okay, I gotta go.
[laughs]

CHAIRPERSON FERRERAS-COPELAND: Look at
that, you're done. We will now resume the City
Council's hearing on the Mayor's Executive Budget
2016. We just heard from the Law Department, and now
we will hear from Michael Ryan, Executive Director of
the Board of Elections. My apologies. In the
interest of time, I will forego making an opening
stated, but before we hear testimony, I will open the
mic to my Co-Chair Council Member Kallos.

CHAIRPERSON KALLOS: We are now joined by
Michael J. Ryan, Executive Director for the Board of
Elections. The Board's Fiscal 2016 proposed budget
totals \$11.2 million including \$46 million to support

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

137

355 full-time positions and over 30,000 poll workers.
In Fiscal Year 2016, the Board foresees conducting as
many as four citywide election events including a
local primary, general presidential primary, and
federal office primary elections. Because of the
heavy election schedule in Fiscal 2016, the Board may
require additional resources to fulfill its mandate,
or Albany to actually consolidate some of our
primaries. As a result, the BOE's budget may be
modified to meet additional demands. The Board's
Executive Budget includes \$24.4 in new needs
including \$8.2 million added for surveying citywide
poll sites for the Americans with Disabilities Act
compliance. At our Preliminary Budget hearing, the
Board projected a Fiscal 2016 budget of \$144.8
million. This figure is \$33.6 million more than the
Board's Fiscal 2016 Executive Budget, and the
committee would like to hear the areas where the
Board anticipates budget shortfalls. Along with
examining its budget needs for the upcoming fiscal
year, we will discuss the Board's strategy for
improving operations, preparing for future elections
including what it is doing to improve election day
operations. Finally, the committee is anxious to

hear about any of the Board's achievements since the Preliminary Budget hearing. We look forward to hearing your testimony. Please proceed with your prepared remarks once you've been sworn in--sworn in by counsel.

LEGAL COUNSEL: Do you affirm that your testimony will be truthful to the best of your knowledge, information and belief?

MICHAEL RYAN: I do.

LEGAL COUNSEL: Thank you.

MICHAEL RYAN: Chair Ferreras, you are not eh only one who requires an apology today. We will be submitting an updated testimony as we neglected to include the Finance Committee as a joint committee. We only did Governmental Operations. So we apologize for that, and the updated copies are on their way. [laughter] Chair Ferreras, Chair Kallos and members of the New York City Council's Committee on Governmental Operations and Finance, thank you for the opportunity to be--to appear before you on behalf of the Board of Elections. As you know, I am Michael Ryan, the Executive Director at the Board. Present at today's hearing and seated to my right is our Director of Finance, Gerald Sullivan as well as our

Administrative Manager, Pamela Perkins; Operations Manager Georgia Kotzamanis, and I practiced that and I'm doing better. General Counsel Steven Richmond, Deputy General Counsel Raphael Savino; Director of Communications and Public Affairs Valerie Vasquez; and Financial Analyst Stanley Daley.

Before I begin discussing--hold on a second. I think it's right here. Before I begin discussing the Mayor's Executive Budget for Fiscal Year 2016, I would like to again thank the City Council and the Mayor for providing the necessary funding to the Board in 2015 to meet its constitutional and statutory mandates, as well as the needs of the voters of the City of New York. This responsible funding partnership has allowed the Board to conduct the business of election administration properly, manage its finances, and engage in more effective short-term and long-term budget planning. I look forward to continuing in our collective work and to ensuring that public resources are utilized judiciously and responsibly while at the same time affording all eligible voters the opportunity freely and independently exercise the voting franchise.

As was mentioned in our Fiscal Year 2016 Preliminary Budget, during the November 2014 general election, the Board successfully conducted a--a pilot to transmit unofficial election night results directly from over 200 poll sites using handheld electronic tablets. The Board assessed the November 2014 pilot as a success, as the unofficial election results from these poll sites were entered into the system by 9:40 p.m. and the Board Commissioners directed the continuation of the pilot with a view towards implementation in all poll sites as expeditiously as possible. In furtherance of the Board's efforts to evaluate and implement the utilization of tablets citywide, they were utilized again during the May 5th, 2015 special elections for the 11th Congressional District and the 43rd Assembly District covering all of Staten Island and parts of Brooklyn. The results from the scanners were uploaded commencing at the close of polls. By 9:32 p.m. the results from 90% of the scanners were unofficially reported. And I might add as side note by 9:22, the AP had called the contest in Staten Island for now Congressman Dan Donovan. That is an amazing results as far as I'm concerned. All the

results were uploaded from the scanners that were received were reported by 11:05 p.m. The outcome was an expedited distribution of unofficial election results to the various interested parties, including the public, the State Board of Elections and the media. By all accounts this marks a vast improvement from the publishing of unofficial election results in prior elections. The Board is confident that this process can continue to be utilized and improved over the course of the intervening months. In addition, based upon reviewing the manner in which unofficial results are reported elsewhere on election night as well as comparing information with other election administrators, the board is further confident that this advancement will place New York City at the forefront of technological innovation in the reporting of unofficial election results. It is truly an exciting time to be an election administrator in New York City.

In addition to the reporting of election results, the Board will be utilizing tablets for various other functions phased in over several election events including poll worker check-in and check-out. That will improve the assignment of

standby poll workers in the morning as we will know in more real time where the shortfalls area. And as well at the back end of the process it will improve our ability to use technology to process poll worker payroll. Thereby reducing OCRs and such in the manual processing of poll worker payroll. The information clerks will utilize the tablets to assist voters in identifying the correct election district and Assembly district table and/or poll site. This will expedite the process and reduce the use of paper or street finder books or other reference materials at the poll site. In addition, it will permit the expansion of the boards quote "intellect system" to fully implement technology assisted dispatching of technical staff to resolve scanner related problems on election day. And that is important not only to fixe the--the problem machines on election day, but also to reduce the wait times at poll sites.

With the funding provided by the Mayor's Office and the City Council, the Board plans to expand the new reporting process citywide. The Board fully expects to implement the new election night reporting process no later than the 2016 general election. With respect to the 2016--the Fiscal Year

2016 Budget, the Board would like to take this opportunity to extend its gratitude to Mayor de Blasio, his Administration and the New York City Council for partnering with the Board. The funding provided in the Mayor's FY16 Budget is \$111.2 million, of which \$46 million was allocated for personal services, and \$65.2 million was allocated for other than personal services. The Board acknowledges that its fiscal needs are fully met through the end of calendar year 2015. The Board continues to work closely with the Mayor's Administration to ensure that all fiscal needs will be provided for through the end of FY 2016. The Board and the Administration have conducted regular meetings throughout this process. It is anticipated that the pattern of consistent communication will continue throughout the fiscal year. This will allow for periodic adjustments based upon the needs of individual election events, and for any special elections that may occur due to vacancies. And I might add it's also in response to concerns raised by this body acknowledging that our budget, not unlike some other budgets--you just heard from the Law Department--needs to make estimates based on election

events. We also need to make estimates based on election events. We had done that a certain way for many years and now we're working with the Administration not the least part of it being calls by the City Council saying, hey, let's try to do this more smart--in a smarter way. So we're not simply obligating funds at the beginning of a fiscal year that may or may not be realized. So, we believe that the process that we've come up with in working with the Administration is a good one. Acknowledging that there may be tweaks and adjustments, but they will be just that as the year moves on and as our needs may change depending upon the election event itself. Often, we will be able to scale back as candidates may drop out. But special elections are special elections. They are by definition come up without scheduling or advanced anticipation. So we think that we're embarking on a better process that will improve the utilization of resources--taxpayer resources.

In Fiscal Year 2016, the Board anticipates conducting as many as four election events including the State and Local Primary. In 2015, a General in 2015; a Presidential Primary in

2016; and Federal Office Primary in 2016. There is some talk that the State may be coalescing around a merged date for both the Presidential and the Federal. But there's an old Irish saying, It's a long way from the lip to the cup. So, until that happens, it hasn't happened, but if it does, certainly that will be a significant reduction in the resources necessary.

Offices included in the elections are the District Attorney, the Civil and Supreme Court Justices, presidential candidates, delegates to the national conventions, one contest for U.S. Senate candidates and all members of Congress along with numerous party positions. As always, the potential for special elections remains. Barring any unforeseeable election events in the next fiscal year, an effective budget--budget strategy will allow the Board to operate more efficiently and effectively serve the voters of the City of New York. The Board remains sensitive to the fiscal challenge faced by the Mayor's administration, and the New York City Council and is mindful of its obligations to serve the voters of the City of New York. The Board remains committed to the partnership that has been

1 forged with this administration and this Council.
2
3 The Board reaffirms its commitment to this Council
4 that any allocated resources will be wisely utilized.
5 And, as I always say, the public trust will continue
6 to be our guidepost. My colleagues and I are
7 available to answer any questions that you may have,
8 and we are always available post-hearing for any
9 additional information that may be required.

10 CHAIRPERSON FERRERAS-COPELAND: Excellent
11 and we will definitely be forwarding additional
12 questions to you after. But I wanted to ask you in
13 reference to, and I know you alluded to some of this
14 in your testimony. But here in this body we know two
15 Council Members that we're seeing now so they will be
16 leaving the Council for other positions. Which means
17 that at least two special elections will be held this
18 year. How does the Board budget for these types of
19 elections. We know that you stated in your opening
20 statement, but if you could just walk us through that
21 process for the record.

22 MICHAEL RYAN: With respect to special
23 elections, it's almost impossible for us to budget
24 for those things. We do budget on a four-year budget
25 cycle. So what we did for this year was we went back

four years ago and tried to determine what the resources that were used then, and project that moving forward with some adjustment moving upward for inflation, as there always is. In this particular situation, however, the--because of the timing of the vacancies of these two City Council positions, it is not likely that there will be any net budget effect--

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Right.

MICHAEL RYAN: because what will--what appears is going to happen depending upon when the vacancies occur is that it will fold because of the timing into the normal primary and general schedule.

CHAIRPERSON FERRERAS-COPELAND: Right.

But I just wanted you to kind of help me understand. You know, obviously you can't plan special elections, but what does that mean when you hear a council member voluntarily sometimes or an elected involuntarily about this? What happens in your shop when those things are triggered?

MICHAEL RYAN: Well, first of all, it depends on the size of the district because the size of the district will then tell us--

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Let's just say a Council District for
better understand. [sic]

MICHAEL RYAN: Right, a small Council
District, well, I can--I can more easily speak to the
Congressional vacancy that just occurred, which
resulted in the special. That turned out to be a
full island wide--Staten Island wide election plus a
portion of Brooklyn, and that ended up costing us
about \$1.2 million. But basically, what we have to
do is we have to give some thought to projected
turnout. See where we can do some consolidations in
terms of our equipment deployment, and make a
determination how many poll sites need to be opened.
Once we do that, the rest of the process follows a
regular pattern. Obviously, we would make a
determination with the Commissioners how--the ballot
purchase. Okay, so there's X number of voters
registered in that particular district, and we're
going to have to purchase ballots so that they have
the opportunity to be able to vote, and we'll have to
deploy equipment. All of that depends again on the
size of the district and how equipment needs to be
deployed. How many trucks we need to deploy to get

the equipment to the--to the poll sites. So, it really a case-by-case basis. We had project, you know, that it would be about a million dollars for the Staten Island race. And it's a little bit difficult for us to parse out the 11th Congressional and the 43rd Assembly, but it turned out to be about \$1.2 million.

CHAIRPERSON FERRERAS-COPELAND: Okay.

MICHAEL RYAN: So it's a--it's a fluid process, but it's not a--it's not a mystery once we know, which, you know, particular subdivision we're dealing with.

CHAIRPERSON FERRERAS-COPELAND: And in your testimony, I was very excited to see that we can actually perhaps lead the nation when we talk about election night totals. And for us, well, most--we're elected officials. That is like the hardest evening and the longest hour after 9 o'clock. And the fact that you're making that more truncated, and that we can actually get results a lot sooner than that is really a step in the right direction. But I have a question on when we use technology especially in some of the facilities where we our elections, which is usually schools and I think a couple of churches in

1 some cases. Or, we call them non-traditional because
2 they aren't in public schools. I'm really excited to
3 hear that we might be eventually getting into the
4 space where we do away with the street binder. I
5 think it's one of the most--it's a horrible process.
6 It's probably the place where voters spend the most
7 time is at that first table going through the street
8 binder. And figuring out are you an odd street, are
9 you on the odd side of the street or are you on the
10 end. Well, that's not your street. It's an avenue,
11 it's a road. The whole process and sometimes the
12 workers who aren't familiar with the community. So
13 they don't know the--the Jackson Road or Jackson
14 Avenue and all that. I'm not telling you anything
15 you don't already know. So, when you introduce the
16 tablets, which I'm really excited, do you anticipate
17 at some point there will be a Wi-Fi capacity issue
18 that we may face within these facilities? Because
19 some of our schools just by its own technology needs
20 don't necessarily have Wi-Fi now. So what do you
21 think in the future as we become more technology, you
22 know, more savvy and use technology there's probably
23 needs that we need to meet also. So what are those
24 from your projection.

MICHAEL RYAN: Well, we are pleasantly surprised to find that some of the locations that we thought might be--present difficulties in terms of Wi-Fi are actually coming along. And we do meet regularly with our primary--the primary host of our election events, which is the Department of Education. But to overcome that, we have built into the process--some of you may remember we had rolled out the--Vicki, which was the old voting machine that we had retrofitting to--to use as a kiosk station. Obviously, the cost associated with that, the length of time to retrofit all of those machines pushed us in another direction, which is why we ended up with the Tablets. But--but the good thing about our staff developing that was we looked at things that we would need separate and apart from the Tablet. And one of the things that we determined we needed was our own individual capacity to create a hot spot. And that kiosk was going to be a standalone hot spot. What we've done now is we've taken that idea, and we have purchased--we're in the process of purchasing commercial grade antennas that could potentially serve as up to 24 devices, but reasonably 15. And we've fold a hollow in our--in our supply carts where

1 that antenna could be mounted and plugged into the
2 wall, which would then make a hot spot out of every
3 poll site in a--in a relatively inexpensive way. So
4 we have accommodated that--that concern so that we
5 didn't--it saved us from having to survey all 1,241
6 poll sites and make a determination what the--what
7 the Wi-Fi capability was in each location. So,
8 again, this is--this is a moment in time where it's
9 very easy to be me. Because I have a staff that has
10 been working for years on these innovations, and it's
11 all coming to fruition at a--at a good time for not
12 only myself, but for the voters of the City of New
13 York. And to be really ready to display our wares
14 without question in 2016.

16 CHAIRPERSON FERRERAS-COPELAND: Well, I
17 think that's great, and we probably could have told
18 you that without having to do Vicki. We could you,
19 too, that you could just get the hot spot you walk
20 around with, and it's yours and your phone could be a
21 hot spot. But data plan this also is a new budget
22 issue, right? Like, you're not currently thinking
23 about data plans and running these hot spots. So it
24 would be interesting to see in the budget an update
25 as you consider these. I think it's a great idea to

step in the right direction, but there is a budget need that you're going to have with running these hot spots that I would think has to be reflected in the budget.

MICHAEL RYAN: Yes, and--and the fact is, though, I know that our tech people are working closely with the administration. Because it's something that Department of Information and Telecommunications and Technology has already been working on. And this administration is really taking the lead in trying to overhaul and reform the way technology is procured. So I know without specifics. I do know that as a general concept that we should be able to work with DOITT on those things to make sure that the cost is compressed as much as we can make it.

CHAIRPERSON FERRERAS-COPELAND: Great and I will not turn my mic over to Chair Kallos. I'm sorry, we've been joined by Council Members Miller, Johnson and Rodriguez.

CHAIRPERSON KALLOS: Thank you very much for joining us. To touch on the--the fact that we'll have four elections at least in the coming fiscal year. Has the City Board of Elections already begun

to mobilize to issue their annual legislative campaign for Albany and working with the State Board of Elections to request a consolidation of presidential, federal and state into just one?

MICHAEL RYAN: Well, the answer is yes, and we've been doing that on an ongoing basis. There was on consensus among the Board of Commissioners with respect to a--an exact date or a preferred time of year. However, it is clear that a single date is better than no date.

CHAIRPERSON KALLOS: So there's still an internal date between June and August?

MICHAEL RYAN: I don't know that it was between June and August. It was--as I knew it, it was between June and September. I didn't know that August was on the table, but there's a lot of dates going around it.

CHAIRPERSON KALLOS: In our previous leadership in the--in Albany they had originally been fighting between June and August, but the people involved in those fights are no longer there. They are there, but they are no longer in leadership. With regard to the ADA compliance, the Executive Budget added \$8.2 million to serving poll sites

1 throughout the city. For compliance with the ADA,
2 are you currently working with the Department of
3 Education so that you can anticipate their capital
4 improvements and your capital improvements. So that
5 you can actually make improvements that improve the
6 sites for not only election day but for out students?
7

8 MICHAEL RYAN: I must tell you that the--
9 the administration is taking this issue very, very
10 seriously. I reached out to Mindy Tarlow, the
11 Director of the Mayor's Office of Operations, and
12 through her leadership and through Henry Burger's
13 leadership, we put together a task force--I'll call
14 it a task force. It wasn't formally called that, but
15 a task force not only involving the Department of
16 Education. But I recently hosted a meeting where
17 over 30 employees of the City of New York were in
18 attendance separate and apart from the Board
19 employees involving the Department of Transportation,
20 the Department of Education, NYCHA and so on down the
21 line. And every entity that a poll site touches was
22 present at that table. We have begun a process where
23 information sharing is already underway in terms of
24 us sharing our survey--surveys that we get from Evan
25 Terry Association--Associates through--I'm going to

remember it. You--you would know it. It's a SharePoint site that we're putting all of that information into so that the agencies know what Evan Terry has found at these sites. And we're going to be plugging back and forth and exchanging information. So that they could let us know what minor improvements are on the horizon, what major improvements are on the horizon. And the other entity that was involved was the Mayor's--OEM because they have some of the same concerns that we do. There was a separate lawsuit filed with respect to access to evacuation sites, which typically turn out to be schools. So there's a lot of interplay and a lot of overlap with these things, and we also have been working closely with the Law Department to make a determination if we can kind of link the Eastern District decision with the Southern District lawsuit that was going in. And maybe come up with one consolidated process that both courts can--can agree would adequately service the disabled community.

CHAIRPERSON KALLOS: Thank you and with regard to that SharePoint data, is that publicly available?

MICHAEL RYAN: Right now, keep in mind it's--we're sharing things in draft form, but as drafts become finals, then yes, that will be publicly available information. So in--in the preliminary stage when it's still a draft and we're working back and forth with Evan Terry acknowledging the fact that it is still part of an ongoing litigation, we are a little bit careful to share that. Actually, a lot care to share that and then as those draft reports become final reports, then it's public--publicly accessible information.

CHAIRPERSON KALLOS: And will there be an opportunity for the disabled community and the Education and Emergency Management and so many other stakeholders to play a role during the draft process so that you don't end up in a situation where the community gets something final. And, oh, my God it's the wrong final and we need to make changes. How will the community, how will the Council, how will the city have the ability to be involved in the public process?

MICHAEL RYAN: Well, it's--it's interesting. We had this--this kind of topic came up in--in our roundtable discussion task force meeting

that we had. And the consensus amongst folks that have much more experience with ADA compliance than I do is that Evan Terry Associates is one of the preeminent experts in this area in the country. And there really isn't a lot of ability on what I'll call this side of the table sitting across from Evan Terry to challenge their findings. And so, the consensus was that we have to take their findings basically at face value since they're the--the experts. And then work towards implementation of their recommendations.

CHAIRPERSON KALLOS: To the extent that their findings are public and won't be changed anyway if their findings in between your draft plan and final plan. If the initial findings could be shared publicly, that would be helpful. With regard to hiring transparency, and I do have to give first a thank you to you for webcasting your meetings and putting them online for us to watch. Please know that we are watching and enjoying. And the League of Women Voters also is along with many other Good Government groups. At the May 19th meeting, the BOE Commissioner announced that a new Director of Payroll, Amanda Baranato [sp?] was hired with a salary of \$85,120 with a retroactive hire date to

1 March 15th as she began as acting director. Was this
2 position publicly posted, and is it not your
3 intention to publicly post all available DOE
4 positions. And just along that line, I just hired a
5 new position in my office. We had an internal
6 candidate. I'm proud to say that we have a strong
7 internship program, and I think a lot of my staff I
8 think six out of seven came in as volunteers or
9 interns before they got brought on. And we actually
10 had a public process where we received hundreds if
11 not thousands of candidates that we reviewed and put
12 up against our internal candidate.

14 MICHAEL RYAN: Ms. Baranato was an
15 internal hire.

16 CHAIRPERSON KALLOS: Was it publicly
17 advertised?

18 MICHAEL RYAN: No.

19 CHAIRPERSON KALLOS: So we've had
20 numerous hearings about this and conversations. Is
21 it possible to make sure that every single position
22 is publicly posted?

23 MICHAEL RYAN: As we had discussed on
24 numerous occasions, you and I, Chair Kallos, I will
25 certainly bring your concerns back to the

Commissioners and reiterate that this remains an issue of concern for you. However, pursuant to 3-300 of the New York State Election Law, the Commissioners and the Commissioners alone have the unilateral authority collectively to make appointments to employees at the City Board of Elections. We do post certain positions. Those are the technical positions. Typically our MIS Department, our EVS Department, Electronic Voting Systems. We recently made a hire from--into our Electronic Voting Systems Department that was the result of a publicly posted. And several candidates were interviewed. Myself and Ms. Sandow interviewed--it was either the two or three finalists. And from that process ultimately the individual who received the employment with us was chosen. So it is inaccurate to say that we don't post any jobs, but it's also not accurate to say that we post all jobs.

CHAIRPERSON KALLOS: Did Amanda Baranato pass a conflicts check--did she pass a conflicts check? Was there a background check done as per the DOI report?

MICHAEL RYAN: Ms. Baranato was long-term employee with the--with the City Board of Elections.

I can personally attest to--to her character as I have worked closely with her for the last at least year and a half. So, no, there was no background check, and I--the issue, however, with respects to-- with respect to a process for background checks vis-a-vis our interplay with the Department of Education--I mean the Department of Investigation. And that was an issue that we had discussed prior to the hearing persists. There's no process in place for that to occur.

CHAIRPERSON KALLOS: What needs to happen for us to finally get the resolution on the background checks recommended by the DOI?

MICHAEL RYAN: We had solicited advice from the Department of Investigation with respect to helping us conduct background checks because it's not an area of our expertise, and it came--the response came with some condition precedent. Those conditions precedent were the public positing of all jobs. And there was one other item that is escaping me presently. And if the Board did not meet those two conditions precedent, the Department of Investigation was not willing to--to help in the area of background checks. We have not met those two conditions

precedent by virtue of my testimony a few minutes ago. So we're at a bit of a standstill in that regard.

CHAIRPERSON KALLOS: With regard to the buff guards, which you did remove and you did recycle 136 tons of paper. Disposing of those buff guards are we realizing any savings with regard to warehousing costs and how is the newly freed warehousing space being used.

MICHAEL RYAN: Well, with the--with the buff guards, the buff guards weren't warehoused. They were actually in otherwise usable office space. So what we have been able to do in the boroughs where--actually in all of the boroughs where the--the buff guards we are--we have either converted or are in the process of converting that space to be used by employees. And I've got to tell you, one of the things that was present before I got here and it is-- it is something that I've been really harping on with tour facility staff. Is that we were using the bad stuff. I mean the bad space for people and the good space for stuff. We're flipping that around now, and we're going to be using the good space for people and the bad space stuff, or eliminating stuff altogether.

1 And--and the good thing about this buff guard as well
2 it--it brought to the forefront that we were also,
3 you know, the government equivalent to an episode of
4 an *Hoarders*. And we had a lot of other paper that we
5 didn't necessarily or don't necessarily need. And
6 we're in--we had someone assigned to the task of
7 document retention, and we are adhering more
8 stringently to state and city document retention
9 requirements. So that we're getting rid of things
10 that we don't need.

12 CHAIRPERSON KALLOS: To the extent those
13 can be translated into cost savings that would be
14 great as well documents being given to the Department
15 of Records Information Services. I'm going to close--
16 -

17 MICHAEL RYAN: [interposing] Councilman
18 on that regard, we are working with DORIS. We have
19 books that have been very well kept. They go back to
20 the turn of the century. And we have handwritten
21 voting ledgers that we are in the process of
22 developing a plan to turn over to DORIS so that they
23 can be appropriately archived, appropriately
24 preserved. Although they're in good shape, and our
25 staff has done a good job particularly in the Borough

1 of Manhattan, in preserving these documents, we want
2 to make them available for the types of research than
3 can be done with old voter records. And it's--it's
4 quite amazing. I'm excited about it particularly,
5 you know, it's not that far off until we get to 2020,
6 which is the hundred year anniversary of Women's
7 Suffrage. And I looked at some of those books, and
8 it's really interesting from an historical
9 perspective to see occupation: Housewife. And then,
10 all of those, you know, little changes in the--really
11 subtle changes in a way, but really big changes from
12 a societal perspective how those things are
13 incorporated into the old voting records. So, I'll
14 be happy to give that information over to DORIS as
15 quickly as we can, but it's a monumental process.
16 It's not something that you just box up and ship off.

18 CHAIRPERSON KALLOS: All right,
19 understood. I have two more questions, and I'd like
20 to turn it over to Council Miller who's been waiting
21 very patiently. With regard to staffing, the
22 Executive Budget sets aside \$1.7 million for seasonal
23 temporary workers. And as the Civil Service and
24 Labor Chair Miller will share with you, as I do,
25 temporary workers are one of areas when we would like

to fix that. It's not fair for people doing civil servant or government jobs to be doing a temporary job, and not have any guarantees and not knowing long their job is going to be there. And so, to the extent there are seasonal and temporary positions that have been there for years, where the people are being there season in and season out, can we use this Executive Budget to bring people on in full-time living wage jobs as opposed to classifying them as temporary though they may have been there for a decade?

MICHAEL RYAN: Well, the answer is yes and no. We have to clarify that we have 318 lines of full-time--allocation for 318 full-time employees that fall into our temporary worker category. Those are folks that fall into the category that you are concerned with Councilman that are employees of ours 365 days a year and stay with us year after year after year. Those folks, and we're addressing with the Commissioners, and if they come to some consensus as to what allocation of those individuals should be come permanent employees. Or, at least treated more like a, you know, provisional employee, and get the full panoply of available benefits and get a better

wage. That's one group. The seasonal temps that you're referring to, the answer to your question is no. We only need them for an election event. We're kind of like Macy's not that I'm advertising for Macy's. But they staff up at Christmas time and the holidays, and they need extra workers because that's when the people are showing up to shop. We only need some of those workers to be around--in and around an election event. And it would an improper use, in my opinion, of taxpayer resources to take that otherwise temporary need and now expand that and make it into a full year, you know, employment opportunity for some folks. But that having been said, and it brings us b back to the advertising of jobs. Those folks often are the folks that we pull from to make our full-time employees because they've come and they've worked several events, and they're interested in the process and they do a good job. And they were able to migrate from that temporary position into a full-time position. So we have two distinct category of temporary workers. You know, the government service is often full of oxymorons, right? We have an oxymoron in an internal title know as a "permanent

3 temp." Those are the folks that we really need to
4 deal with. The seasonal temps we're good.

5 CHAIRPERSON KALLOS: I'll reserve one
6 question and pass it onto Chair--our Civil Service
7 and Labor Chair Miller for his questions.

8 COUNCIL MEMBER MILLER: Thank you, Chair
9 Kallos and thank you, Madam Chair. Thanks for being
10 here. And so this is--I think that Chair Kallos kind
11 of initiated the conversation about the human capital
12 side, which is obviously what I want to talk about.
13 And so, I do want to talk about your--your headcount
14 including your managerial staff. How many people do
15 you employ over at the Board?

16 [background comments]

17 MICHAEL RYAN: We have 300 and--as of the
18 most recent number, 360 permanent employees and 268
19 temporary employee.

20 [background comments]

21 MICHAEL RYAN: We're about 303 as of the
22 last count last week--

23 COUNCIL MEMBER MILLER: [interposing] And
24 that includes--

25 MICHAEL RYAN: --on the temporary
employees.

3 COUNCIL MEMBER MILLER: And that includes
4 the managerial employees?

5 MICHAEL RYAN: That includes all
6 headcount. So we have 360 permanent and 303
7 temporaries not including the seasonal temps that
8 will be hire some time in July.

9 COUNCIL MEMBER MILLER: So that's 663?

10 MICHAEL RYAN: 663 is about right. So I
11 mean it's a moving target because people leave.

12 COUNCIL MEMBER MILLER: And--and what is
13 the criteria to become a permanent employee?

14 MICHAEL RYAN: It depends on--it largely
15 depends on the title of the position that you're
16 being considered for. So what's happened to us over
17 the course of time is, you know, this misnomer that
18 the introduction of technology is going to increase
19 the workforce and put people out of jobs, it's--it's
20 not true. So we've analyzed, and I've only been here
21 for the last two years as the Executive Director,
22 almost two years anyway. Since 2010 when the new
23 voting machines were put in, we have retained-- It
24 used to be that we had permanent employees, and
25 temporary employees, and the temporary employees were
let go after the election site. But as the--over the

course of time, and especially after 2010 when the new machines were brought into play, more and more temporary employees were retained after an election. So now we're in this kind of 60/40 split where we have 60% permanent employees and 40% temporary employees.

COUNCIL MEMBER MILLER: So again, what is the process by which a temporary employee becomes a permanent employee?

MICHAEL RYAN: If there is a vacancy in the permanent line, and typically the Commissioner from the borough believes that that person should be moved from the temporary line to a permanent line upon vacancy, then that--that will happen. It is purely a commissioner level discretion.

COUNCIL MEMBER MILLER: Yeah, because obviously this is not a merit based institution here, and that we take an exam or--and that you are obviously hired and promoted based on that. So not to take too much time because obviously that is a convoluted and questionable process and not always, as Chair Kallos said, very transparent. Is--how do we--is the pay consistent that method? Is the pay based on the commissioner's discretion as well?

3 MICHAEL RYAN: Well, even the temporary
4 workers are covered by the collective bargaining
5 agreement. So depending on the title, there is a
6 salary associated with that title. You know, the
7 hourly rates are the hourly rates. The ones that
8 have salaries typically have a range. Some of them
9 are small ranges say like within \$26 and \$28,000.
10 And as you move up the ladder, some of those ranges
11 broaden a little bit, you know, maybe between \$45 and
12 \$50,000.

13 COUNCIL MEMBER MILLER: And all of the--
14 and--and--and all of these salaries are collectively
15 bargained?

16 MICHAEL RYAN: Any of the--the vast
17 majority of our employees, save for a handful, at the
18 Board of Elections are covered by CWA Local 1183. So,
19 yes, almost--I--I would say with the exception of
20 executive management and a few managerial positions
21 at the general office as well as the borough chiefs
22 and deputies, everyone is a CWA covered employee.

23 COUNCIL MEMBER MILLER: And those
24 collective bargaining agreements provide pay
25 progressions? So if a person is in a non-permanent

title, do they automatically get raises when a
collective bargaining agreements is achieved?

MICHAEL RYAN: Yes. So they're part of
that raise package that was just collective.
bargained, which is the 1%, 1%, 1%, and 1.5, 2.5 and
3 and I think they're getting [bell] .56 in 2017. So
that counts. Yes, they were entitled to the
retroactive pay associated with the--with those--with
that contract as well as the--the raises that were
incorporated into the process. But they do start at
a--typically start at a lower rate for the vast
majority of our temporary workers. But some of our
temporary workers, a very small percentage earn \$25
an hour, but they're still considered to be a
temporary employee.

COUNCIL MEMBER MILLER: Do they have a
full benefit package?

MICHAEL RYAN: They have a full benefit
package and we're working with OLR to this extent.
They have--we reimburse the City of New York out of
budget \$77.94 for every 28-day cycle for every
employee, but that covers only vision and dental.

COUNCIL MEMBER MILLER: Right. so what--
what titles are we talking about here?

MICHAEL RYAN: Typically, you'd be talking about our trainer assistants, financial clerk and temporary clerks.

COUNCIL MEMBER MILLER: So because I've received numerous letters, numerous walk-ins from constituents who are employees of the City Board of Elections and complain often about lack of pay, lack of employment opportunity, that they haven't had a raise in years, and no one was earning \$25 an hour.

MICHAEL RYAN: [interposing] Well, the person that you spoke with--

COUNCIL MEMBER MILLER: I mean living wage is the folks who were earning \$12 an hour.

[gavel]

COUNCIL MEMBER MILLER: Could you--could we have a--could we receive copies of the titles that are represented and the salaries--

MICHAEL RYAN: [interposing] Absolutely.

COUNCIL MEMBER MILLER: --that they are?

MICHAEL RYAN: Yep.

COUNCIL MEMBER MILLER: Okay.

MICHAEL RYAN: We haven't gotten the final version of the most recent contract. However,

I can get you a copy of the prior contract, or you prefer, we can put it together in a package for you.

COUNCIL MEMBER MILLER: I would appreciate that, and I would also appreciate that we have this information for the non-represented employees as well including managerial.

MICHAEL RYAN: No problem.

COUNCIL MEMBER MILLER: Thank you so much.

MICHAEL RYAN: And you just want that by title, correct? Title and salary and an aggregate headcount for each title?

COUNCIL MEMBER MILLER: Yes.

MICHAEL RYAN: Okay. Very good.

COUNCIL MEMBER MILLER: Thank you.

CHAIRPERSON FERRERAS-COPELAND: And we will just ask that you share it with both of the committees also.

MICHAEL RYAN: Yes.

CHAIRPERSON FERRERAS-COPELAND: We've been joined by Council Member Torres. Chair.

CHAIRPERSON KALLOS: The question I reserved--So first, thank you Civil Service and Labor Chair Miller. It is a pleasure to work with you and

1 have you for committee hearings and doing great work
2 together on taking care of our city's 350,000
3 employers. I want to touch base on contracts
4 budgeting. During the Preliminary Budget hearing, we
5 talked about the fact that printing contractors
6 represent 46% of DOE's total contract budget. In the
7 preliminary hearing, you testified that it would be
8 reducing printing costs through a competitive bidding
9 process for procurement of balance. This potential
10 savings was not reflected in the Executive Budget.
11 Has DOE awarded the printing contract? In your
12 preliminary hearing, you anticipated reduction of all
13 printing costs through competitive bid. So what cost
14 savings are there, and should be changed in the
15 Executive Budget?
16

17 MICHAEL RYAN: Well, I want to clear up a
18 misconception. We don't award the contract. What we
19 did so that all of the city's interests were
20 preserved, we turned the entire process to the
21 Department of Citywide Administrative Services. So
22 DCAS handled the RFP for us. We certainly
23 participated in that process, and we advised them on
24 what our needs would be. But it was a DCAS awarded
25 contract, and what's happened is we now have three

vendors. Bradford Bigalow. It is Phoenix Graphics under their umbrella contract with their provider is ES&S, as well as Fort Orange Press. And the contract has been divided pursuant to directions from the Department of Citywide Administrative Services. We anticipate that there will be an adjustment moving forward, a downward adjustment. However, that hasn't been made yet, but it's part of the ongoing process that we're talking with the Mayor's Office where various adjustments need to be made.

CHAIRPERSON KALLOS: Will those adjustments be reflected before the budget is passed or--

MICHAEL RYAN: No, those--we've only--we only had one election event utilizing a vendor other than Phoenix Graphics, which is the small election event that just occurred in--in May. We utilized Fort Orange Press, and we utilized Bradford Bigelow based--because those two vendors were assigned to those geographic locations. We're going to have the work split up amongst the boroughs. Phoenix Graphics will be doing Queens, and the other--I don't remember the--the split, but the other two vendors will be handling the other four boroughs. So it is something

that we're anticipating having to adjust, but we really needed to hold off on that until we get to an election event and see what the adjustment really needs to be.

CHAIRPERSON KALLOS: And will you see any cost savings from on-demand printing.

MICHAEL RYAN: There will be cost savings from that absolutely. You know, instead of printing over a million ballots, we will print probably about 100,000. So just from that alone, we're going to realize a tremendous savings. And certainly, once that's fully implemented, we will bring those savings back to the City Council and report on that. But I will tell you we used the on-demand for absentee balloting in this--in this special election. And it came back at least in the two boroughs that used it to very good reviews.

CHAIRPERSON KALLOS: With regard to surpluses at the preliminary hearing, BOE stated that it anticipates a budget surplus but was unsure of the amount at that point in time. Now, that you've had more time, as you move closer to the end of Fiscal Year 2015, do you have a better idea of what BOE's

Fiscal Year 2016 Budget surplus will be, and how do we avoid a future surplus.

MICHAEL RYAN: Well, I think if--if you look at the adjustment from our prior budget testimony to now, what we've done here is we have accepted the Mayor's figure as our budget moving forward with the understand that we'll make adjustments upwardly as needed. So as we're sitting here right this minute, I'm not anticipating budget surpluses because of the structure of the current budget. We anticipate this to be a work in progress with the administration to figure out those spots where we have a little bit of mean on the bone and make that adjustment moving forward. As well as addressing any shortfalls that may be present as a result of the 111.2.

CHAIRPERSON KALLOS: Thank you very much for your testimony today and just to reiterate, we strong encourage that the Commissioners please agree to post all jobs moving forward. Please remind them that we are watching, and please remind at least three of them that they swore under oath that they would agree to public post. And yes.

MICHAEL RYAN: The other thing that--that I--I would like to say is we recently got some--some attention and I--and I think it's a big deal with respect to the manner in which we post information on our website. We have made a determination that in order to be fully compliant with the Americans with Disabilities Act, all of the information that we post on our website will be posted in machine-readable way. And I know, Chair Kallos, that that was something that you have certainly commented on publicly. And we are going to be going in reverse chronological order, and going back in time to any of the election data that was previously posted will also be converted to a machine-readable format. So we started with the most recent election, the special election in May of 2015, and we'll be working backwards to make our entire website machine-readable and accessible to everyone.

CHAIRPERSON KALLOS: Thank you and if you can include precinct level data in that disclosure that would be amazing.

MICHAEL RYAN: We already did.

CHAIRPERSON KALLOS: Great.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

179

MICHAEL RYAN: By election--election
district by election district no more summaries.
You're going to be able to look at all of it.

CHAIRPERSON FERRERAS-COPELAND: Thank you
very much for testifying. We will have some
questions from the Finance Division that you'll get--

MICHAEL RYAN: [interposing] Okay.

CHAIRPERSON FERRERAS-COPELAND: -at this
committee. So if you can get the responses to us
expeditiously as it will help us during the
negotiating.

MICHAEL RYAN: I appreciate it. Thank
you very much for your time.

CHAIRPERSON FERRERAS-COPELAND:
Excellent. Thank you for coming to testify. We will
take a two-minute break just to change documents. So
we're going to ask CFB to please approach the desk.
Thank you.

[pause]

[gavel]

SERGEANT-A-ARMS: Quiet please.

CHAIRPERSON FERRERAS-COPELAND: I will--
[coughs]--I will now resume the City Council's
hearing on the Mayor's Executive Budget for FY 2016.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

180

The Finance Committee is joined by the Committee on Governmental Operations, chaired by my colleague Council Member Kallos. We just heard from the City Board of Elections, and now we will hear from Amy-- [coughs] excuse me--from Amy Loprest, Executive Director of the Campaign Finance Board. In the interest of time, I will forego an opening statement, but before we hear testimony I'm going to ask--Actually, no, we're not going to swear you because you're not--it's a little different. So, we're just going to go right into your testimony. Thank you.

AMY LOPREST: Okay, that's on? We're good. Good afternoon Chairs, Council Members Kallos and Ferreras-Copeland and committee member. I'm Amy Loprest, Executive Director of the New York City Campaign Finance Board. I'm joined today by Eric Friedman, the CFB's Assistance Executive Director for Public Affairs. I want to start by congratulating you, Council Member Ferreras-Copeland on your wedding this spring. As I do every year at this time, I want to thank the Council for your continued support of the Campaign Finance Program, and for the opportunity to testify today.

Our budget for Fiscal Year '16 will support the CFB's dual mission of preventing actual or apparent corruption or apparent corruption in city government and spurring greater voter participation in city elections. Before I turn to our specific budget request, I want to invite all of you to a conference on Campaign Finance Reform that CFB will host with the Brennan Center for Justice on July 22nd. We will gather nationally recognized legal experts, scholars, elected officials and other stakeholders to discuss how public campaign finance may help restore citizens' confidence in our elections and courage more voters to participate in them. I'm excited to share that Public Advocate Letitia James will be participating as a panelist, and our keynote speaker for the day is Ann Ravel, the Chair of the Federal Elections Commission. I hope all of you will join us for this important discussion on July 22nd at the Greenburg Lounge at the New York--NYU School of Law.

The Board's Fiscal Year 2016 Budget is \$14.5 million. Pursuant to New York City Charter §1052(c), the Board submitted its budget for the City Fiscal Year 2016 to the Mayor on April 6th, and it

was included in its Executive Budget. The CFB's Budget requests \$1 million for the New York City Campaign Finance Fund to pay public funds to participating campaigns and special elections in the coming fiscal year. Based on media reports, we anticipate we--we anticipate elections will be held to fill vacancies in at least two city election districts this fall. Based on our experience we believe our public funds request will be sufficient for those elections and any other special elections that may arise later on. The CFB returns any funds remaining Campaign Finance Fund to the General Fund at the end of each fiscal year. The Personal Services Budget reflects salary increases arising from settled labor contracts as well as additional staff requests. Specifically, the CFB plans to hire additional staff auditors to further improve the core agency function. The CFB is focused intensively on making our Post-Election Audit Program for the 2013 elections more efficient and more effective. Before the audits began roughly 18 months ago, we conducted a comprehensive risk analysis to allow auditors to focus their reviews on the most risk intensive items. We are beginning to see the results of those efforts.

COMMITTEE ON FINANCE JOINTLY WITH THE
COMMITTEE ON GOVERNMENTAL OPERATIONS

183

As of Jun 1st, the CFB has completed draft audit reports to 185 campaigns. That's 37 more than the CFB had issued at the same date in 2011 for the 2009 elections. The CFB has also concluded the number of audit reviews for the 2000 elections full final audits for ten campaigns whose audits did not result in enforcement actions. Limited reviews for another 46 campaigns had minimal activity during the 2013 election cycle have also been closed.

The Board has taken action on audit findings for eight campaigns for 2013 elections to date. The Board has completed enforcement actions for seven campaigns, two of which did not have any penalties, only public fund repayment resulting from a final bank balance. The Board determined that the eighth campaign was eligible to receive a public funds payment without any penalties assessed. By the end of the process, the CFB will have--will complete full audits for slightly more than 200 campaigns. The CFB's personnel services request will also allow the agency to add software developers and other IT staff. We plan to overhaul and enhance all the systems candidates use before the 2017 elections. Many of these upgrades will take place behind the

scenes to improve functions within our candidate disclosure systems, CSMART and C-Access, but will in the long term allow for greater enhancements. One key public facing enhancement currently in the works will provide expanded disclosure of independent expenditures in city elections. The CFB's disclosure worked very well in 2013. They were adding significantly to what will be available to city voters in 2017.

The CFB's requests including funding in its operations for budget in 2016. The bulk of the increase will cover construction costs in our offices to meet current and future agency needs that were not adequately addressed in the original design. We are also working to expand the reach of some of our core programs over the next few months. The CFB's website is just weeks away from a new and exciting re-launch. Among the many benefits of the new design we believe it will do a better job of highlighting the benefits New Yorkers will receive through their investment in the Campaign Finance Program. Other projects on the horizon include the re-launch of our new and improved NYC Votes online contribution tool, and expansion of our non-partisan Get Out the Vote effort.

NYCvotes.org, which we launched on a trial basis in the 2013 elections will help candidates reach and engage new supporters and contributors online and on their Smart Phones. It will process credit card contributions, connect seamlessly to CSMART and transmit all the information candidates need for compliance directly to the CFB. Our Get Out the Vote direct mail and phone banking effort in the 2014 general election helped boost turnout among newly registered voters. We plan to expand the program for the 2016 elections beginning next spring. As always, the CFB strives for efficiency in everything it does. New Yorkers have made an important and remarkable investment in our elections through the Campaign Finance Program. The Board and the CFB staff are committed to ensuring that the city receives maximum return on that investment. On behalf of the Board and CFB staff, we look forward to continuing work with the Council to empower more New Yorkers to make their voices heard in city elections. Thank you for your time and I'm happy to answer any of your questions.

CHAIRPERSON FERRERAS-COPELAND: Thank you so much. I got very excited when I heard they're

1 credit card processing because it is very daunting
2 for campaigns especially when people want to give you
3 money, and they're like, you don't have a credit card
4 set up. And then you don't--what I found is that
5 when you engage with companies that do it, their
6 rules are so focused on merchant service as opposed
7 to this very niche service so that you have engaged
8 and taken out some of the guesswork for candidates, I
9 think is remarkable. So I thank you for your
10 leadership on that.
11

12 AMY LOPREST: And that was definitely our
13 intent to make it as easy as possible for candidates.

14 CHAIRPERSON FERRERAS-COPELAND: Yeah, and
15 I think it also speaks to sometimes it's easier when
16 people want to give in this way and have the tracking
17 be so seamless as opposed to having to collect so
18 many documents. So the more we go in that direction
19 the better. So, I wanted to talk about specifically,
20 I know we have a \$14.5 million request including a
21 million for campaign matching funds, and \$8.1 million
22 for Personal Services funding to support 96 full-time
23 positions. How does the CFB calculate your fiscal--
24 how did you calculate your fiscal 2016 submission,
25

and do you believe that you have sufficient staffing to monitor compliance of campaign finance rules?

AMY LOPREST: As I mentioned, I mean we haven't requested an increase in our staff. Namely, what we're going to do is add a new audit team or auditor working in teams. And, we'll be adding a new audit team to make sure that we have enough staff to make sure the audits are completed in a timely fashion. The audits are being done quicker. But that required a lot of overtime on our current staff. And we are recommending increasing that staff to make sure that we don't have to do that amount of overtime, and the audits are done expeditiously as need be.

CHAIRPERSON FERRERAS-COPELAND: And that's good because we are constantly talking about overtime and agencies going overtime. But I've got to say that your team, your audit team and everyone that we interact with--that is my experience and I'm sure our council members--they are very responsive. We might now always agree on what we hear back, but they do respond. They're timely. You're running a great ship over there in CFB when it comes to engagement, and sometimes the questions are tough and

1 they can be--we really don't get it. I means one
2 thing on our end. It means another thing on your
3 end, but being able to bring clarity expeditiously I
4 think is the focus and you do that very well.

5
6 So there is some talks about statewide
7 campaign finance reform, and often, too, it's pivoted
8 to what we do here. So what had been your
9 relationship? Although the governor talked about it,
10 it's not in the state budget. What is the level of
11 engagement. Have you found that you needed resources
12 to engage in those conversations, or what has been
13 the engagement, the level of engagement.

14 AMY LOPREST: Well, we have provided both
15 legislative and administrative support for the people
16 in Albany. I testified in previous years before both
17 houses of the State Legislature, as well as the
18 Moreland Commission when they were reviewing the
19 possibility of state campaign finance reform. We
20 also I think worked with to--with the New York State
21 Board of Elections to help them, you know, with
22 whatever they can--need. They've gotten a grant in
23 the state government--state budget to rebuild their
24 disclosure software. And so we've been working with
25 them to assist them in their rebuild of their state

disclosure software, and we will be providing them with our--the code for CSMART to the extent that that will help them rebuild the way that they do their software. So we've helped them both administratively and legislatively.

CHAIRPERSON FERRERAS-COPELAND: So we still have a ways to go I think in the conversation with the state in getting reform at this level.

AMY LOPREST: Yes.

CHAIRPERSON FERRERAS-COPELAND: Okay. I want to talk about disclosure and independent expenditures. As elected officials, Council members, we're keenly aware of the many issues surrounding independent expenditures and there affects on campaigns. Can you talk about your efforts to implement the independent expenditure disclosure requirements, and what efforts you take to reach out to educating individuals and groups who have to file with CFB? What trainings, if any, do you provide?

AMY LOPREST: Well, I think that our website and searchable database provided an excellent level of detail about independent expenditures in the 2013 election. We are working, as I said to make some enhancements in that disclosure process in

addition to implementing the expanded disclosure requirements that were passed by the City Council last August. We do--do a large amount of outreach. 2013 was the first election that entities were required to disclosed. We advertised and did a large amount of training. Our new website will have information and additional training materials for people to look at who need to file disclosure. But we also have a staff that holds trainings for independent vendors and provides guidance documents and answers questions.

CHAIRPERSON FERRERAS-COPELAND: Have you done any of the trainings outside of your offices? Do you go to the boroughs. Because I, you know, everyone has treasurers. Candidates have to get trained, and I've got to believe that as we incentivize more people to get into running for office-- Have you ever funded--have you ever tried doing it outside of the--downtown?

AMY LOPREST: We have done some candidate focused trainings. We did some work with the League of Women Voters when they had their candidate school in the past. But, we also are working on making more web-based training. So do more web. We have a new

webinar for statement review, answering your questions on your statement review. And we'll be developing more webinars and more web-based training so that people can look at them not only out in the boroughs, but whenever they need assistance.

CHAIRPERSON FERRERAS-COPELAND: Right.
As opposed to just in business hours.

AMY LOPREST: Yeah.

CHAIRPERSON FERRERAS-COPELAND: Yeah,
that makes sense. So I'm glad that you mentioned working with the women's groups because although this is not completely budget related, we see trends that are happening. So what trends, if any, has the Board identified with respect to female candidates for city office? I guess I'm being very--this is a very private--not private, but it's a very personal issue that we're facing. This is something the Speaker and I speak about all the time. Is the number of female candidates increasing, decreasing or staying the same. I have my own opinion and I've looked around and I know that it's decreasing. But what, if any, is the Campaign Finance Board's role on helping support women. Because, you know, I always thought that the program would help because it's been

identified that women have a challenge raising money.
So if you come in and you support female candidates
in that way then it's supposed to help. But we now
have less women in the City Council.

AMY LOPREST: Well, you know, my personal
opinion--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Right.

AMY LOPREST: --and this is not the
Board, you know, I think more women running things
would be always an improvement. [laughs]

CHAIRPERSON FERRERAS-COPELAND: Agreed.

AMY LOPREST: But the--I think that
actually, you know, in our just, you know, casual
observation, the number of women in the City Council
actually has increased slightly from after the 2001
elections from 11 to 15 today, which is not a large
percentage.

CHAIRPERSON FERRERAS-COPELAND: Right,
but just before that, it was higher.

AMY LOPREST: So I think it goes up and
down but, of course, the program as you pointed out
is designed to help all--any New Yorker who from all
different walks of life to step forward and run for

office including women. And the matching funds help prospective candidates enter the arena with just the support from their own neighbors and friends rather than having a big institutional support. So it's not--while the specific intention is not to help women run, it definitely helps lower the barriers of entry for all different kinds of New Yorkers who might want to run for office.

CHAIRPERSON FERRERAS-COPELAND: You know, for us it's an--it's an interesting phenomenon to study, and though the increase, there is an increase we think it's not enough and it's not happening fast enough when we look at the voting base. So I'm hoping that we can continue in conversations as we work with other groups because you are part of that election process, and figuring from the women's perspective how we can get more women into this battle. Right, Madam Gibson? Yes.

COUNCIL MEMBER GIBSON: [off mic]
Totally.

CHAIRPERSON FERRERAS-COPELAND: All right, we're in. I'm sorry, Chair Kallos, I know you feel the same.

CHAIRPERSON KALLOS: I do.

CHAIRPERSON FERRERAS-COPELAND: Great.

[laughs] And I'm done with my questions. I will
hand it over to our Chair Ben Kallos.

CHAIRPERSON KALLOS: I'd like to echo
the--my Co-Chair's sentiments. The more we can make
sure we can elect a body that is more reflective of
our population, where incidentally according to the
U.S. Census there are more women in New York City
than men.

CHAIRPERSON FERRERAS-COPELAND: I agree.

[off mic] I've heard that before. [sic]

CHAIRPERSON KALLOS: Exactly and that is--
-that is a problem for our Legislature and
legislators across the country including our own
Congress. But hopefully what we do here can be
modeled elsewhere. Along those lines, is it
possible--I commend the fact that you're offering
CSMART to the State Board of Elections. There is
something called a Free and Open Source Software
License where you could actually take your software
code, put it out to the world and then developers
from all the country, if not planet, could use your
software to improve campaign finance anywhere they
have a system. And then whatever changes and

improvements they made would be released back to you.

Is there any interest in doing so with releasing
CSMART as a Free and Open Source License as well as
Vote NYC?

AMY LOPREST: Well, NYC Votes is an open
source software and so you could look on--I'm going
to get the name of it.

CHAIRPERSON KALLOS: It helps.

AMY LOPREST: It helps [laughs] and look
at the source code and tinker with it, if you would
like. We have--we will look into making--doing the
same with CSMART, but NYC Votes no. Currently, it's
an Open Source platform.

CHAIRPERSON KALLOS: Great. With regard
to the Voter Assistance Commission, I was curious
about-- First I want to thank you for your
participation with the Student Voter Registration
Day, and was also interested in working with on mock
voting. If we have somebody who can speak on their
behalf, I would like to hear a report on how Student
Voter Registration Day did. As well as the
opportunity to do--expand the pilot that I've been
doing in my district for years now where we print out
a copy of the ballot, the actual ballot for each

1 school. And then let the kids learn and then engage
2 them in class time and vote on the different races on
3 the ballot. And sometimes depending on how advanced
4 the kids are they do the whole ballot or they just
5 pick one race and each class takes a different race.
6 And learns about what a judge is or a district leader
7 or what have you. And the theory here is that if a
8 child engages in a mock election every year from
9 Universal Pre-K all the way to graduation, after 12
10 years of doing so, they are more likely to vote once
11 they graduate. And similarly, a program we've been
12 working on called Built With Kids, which follows
13 social science, research and political science that
14 says that voting is actually a hereditary trait. And
15 that if a parent takes a child to vote, they are more
16 likely to vote once they become an adult.

18 AMY LOPREST: So, I can report on our--
19 the success for Student Voter Registration Day, which
20 was quite successful for a first time event. Fifteen
21 council members participated. We had programs at 25
22 different schools, and we registered over 2,000
23 graduating students. So, you know, very impressive
24 results for a first time effort. And all these
25 other--you're correct. The research definitely does

show that people get in the habit of voting either again by their parents taking them or knowing about voting. So it is very important to get young people involved and in the habit of voting as early as possible. And so, you know, I'm not familiar with those other programs but we'll look into them.

CHAIRPERSON KALLOS: I look forward to that partnership. Fortunately, you're coming after Board of Elections, which I just got bad news about their posting. The Campaign Finance Board does post everything. You post everything. Do you post all of the job openings.

AMY LOPREST: Yes.

CHAIRPERSON KALLOS: Thank you. That is--that is good news. So I want to touch base a little bit about your budget. So in Fiscal Year 2013, you were at \$9.69 million. In Fiscal Year '14 you went up to \$53.5 million, and between those two years those were your busiest years. And the for Fiscal Year '15 Adopted, you're at 12.9 with 7.6. And, your Personal Services have steadily been going up, and now what we're seeing is an increase of about \$1.5 million in an out year. Can you let us know what the needs are in the out years?

AMY LOPREST: Well, obviously in the out years we prepare for the election. So as I said in my testimony, most of the increase in Personal Services is into parts. One is to increase our audit staff, which is definitely an out year functions because they're finishing the audits from the previous election. Also, we are increasing our IT staff, which are people who work on building the systems upon with the 2017 election will be run.

CHAIRPERSON KALLOS: In terms of audits, how many audits have been completed and are outstanding for 2009 and 2013? And actually I hate to ask this, is there anything outstanding from 2006?

AMY LOPREST: No.

CHAIRPERSON KALLOS: Okay.

AMY LOPREST: So I--I'd have to get back to you with that number for 2009. I think it's five, but I just want to make sure that that is correct. For 2013, we have completed 135 draft audits. We have issued final audits for 10 campaigns that had no penalties assessed at all, and then 46 campaigns that were small campaigns that had only minimal activity during the 2013 election. Also, the Board has already taken action on eight campaigns for the 2013

election. Seven of them--for two of they had no penalties for--and they only had to repay their public funds final bank balance. An eighth campaign received a payment of public funds without any penalties assessed. So we are moving apace.

CHAIRPERSON KALLOS: So that--is that 64 campaigns that are--are done and 135 that you're still working on?

AMY LOPREST: Well, yeah, 135 had their draft audits. So there's going to be at the end of the--we'll have completed audits for slightly more than 200 campaigns. Sorry. I'm sorry. That's our Director of Auditor. He's totally fine. [laughs]

CHAIRPERSON KALLOS: He can come up.
It's fine.

AMY LOPREST: The number of--the total number of audits, full audits that we'll be doing 185.

CHAIRPERSON KALLOS: So, 185 full audits and 50 of them are--

AMY LOPREST: [interposing] About.

CHAIRPERSON KALLOS: Say again.

AMY LOPREST: About--

CHAIRPERSON KALLOS: [interposing] 50 of
them have been completed. There's 135 in draft form.

[background comments]

AMY LOPREST: Oh, I'm sorry. The number--
the 185 number. I'm sorry, I had the wrong-- I
didn't do the factor thing. I'm so sorry. I--I well
actually it's correct in the testimony. I just said
the wrong number. [laughs] So it is correct. It's
100--We finished on drafts on 185 campaigns out of
approximately 200 that we'll do. So there's only 15
draft audits left about done. And--

CHAIRPERSON KALLOS: [interposing] And
more than 15 draft audits?

AMY LOPREST: And then we've done--we've
completed 10 campaigns didn't have any findings that
had a draft audit.

CHAIRPERSON KALLOS: So what's the total
number done and outstanding?

AMY LOPREST: Let me--because it's--
there's different kinds of audits so I think it's--it
should be--[background comments] 64.

CHAIRPERSON KALLOS: You can get back to
us on that number.

AMY LOPREST: 64. It's 64 should be
done. I wanted to make sure I did my math correctly.
[laughs]

CHAIRPERSON KALLOS: No worries.

AMY LOPREST: So I will get back to you.

CHAIRPERSON KALLOS: No worries. That's
the same math I had. So 64 done.

AMY LOPREST: Yes.

CHAIRPERSON KALLOS: So, theoretically
that should--and the goal is to--and how soon will
you complete the remaining 135?

AMY LOPREST: Because at the--at this
part of the process when the draft audits are done
and we're proceeding to the enforcement actions and
penal phase of the audits, they're--they tend to
spread out and we have little less control of that.
Because we want to give the candidates a sufficient
amount of time to respond to the draft audits. To
respond to any enforcement findings, and so we will
be meeting all the deadlines that are in the Act,
which is the deadline for issuing the enforcement
notices. But we also want to allow the candidates
enough time to respond. So this is when the--this
when there's a little bit less in our control to push

ahead because we don't want to force candidates to answer, you know, sometimes complicated audit question without a sufficient amount of time to answer.

CHAIRPERSON KALLOS: Within the budget to you have a projection for how much you would expect to receive in penalties and public funds repayments?

AMY LOPREST: No.

CHAIRPERSON KALLOS: Would it be possible to have that number projected so that that would be part of your budget, and we could pull that out. Because otherwise you end up with more money than you need given the fact that you're getting the public funds repayment.

AMY LOPREST: Well, what we do is we actually every quarter we turn that money to the general fund. So we actually turn it back in. So we don't keep it in our budget. We turn it back to the city.

CHAIRPERSON KALLOS: With regard to the penalty, I had a great experience during my campaign with the auditing process, but then things that were okay within the original audits all of a sudden weren't or there had been items where we've been

audited. My campaign was audited for things were we provided definitively proof in six different ways, and now they want it in eight more different ways. And we now have to go to OATH, which is another agency that we oversee at more cost to the city for things that are-- We've provided certified documents and if CFB says we want this, we give you that. And then they say, oh no that's not good enough any more. So what cost savings could we appreciate by working with the campaigns a little bit better so you're not forcing people to go into costly litigation through OATH? And how can we make it a little bit easier on the campaigns to not have to hire lawyers just to settle audits. At the end of the day, do people have to raise the money to pay for the penalties anyway?

AMY LOPREST: As I've said, we have undergone a review to make sure that our processes are efficient. Obviously, candidates are always under the law entitled to select going to an OATH proceed or a proceeding before Board. And it's completely at the discretion of the campaign which one they choose. So we don't have any say in that at all. So that is certainly a selection, a choice made by a campaign--an individual campaign based on, I'm

1 assuming, many different factors. But one thing that
2 we have done is we have gone into--we did after our
3 last meeting here at the City Council. One council
4 member suggested that we look into the question about
5 whether candidate who have paid professional
6 assistants have better enforcement outcomes than
7 candidates that do not spend money on that. We have
8 spent some months figuring out a statistical model
9 for analyzing that question. And we looked at the
10 data for the 2009 election because most of those
11 campaigns have already--the audit is completed. And
12 what we discovered in our research is that actually
13 hiring and paying for a compliance consultant doesn't
14 actually make any difference in your compliance
15 outcome. So we're going to be publishing this
16 research. But that is one of the things we found. I
17 mean just for your information other things we found
18 that didn't make any difference is whether or not
19 you're a first-time candidate or a repeat candidate.
20 Whether you won or lost or whether you started
21 fundraising early or you started later. None of
22 those things seemed to have a reflection on what your
23 compliance outcome was. But we will, as I said, be
24 publishing the results of this study.
25

CHAIRPERSON KALLOS: I--I think just from first hand experience if you're able to work with your candidate services unit so that you can make sure that the advice that they're giving is in line with the audit unit, that would help things. The number of times the CSU has said that's okay, and they audit you and say not that's not is staggering. And just making sure that the audit unit says, you know what, if the campaign tried to do the thing and best efforts and there's no mens rea. They didn't mean to violate the law, and the CUS counseled them and they worked together and so on and so forth, then that would be great. The other concern I have is looking at some of the fines and penalties that are coming out. There are situations where I think the worst thing anyone could possibly is coordination with an independent expenditure because then they're able to completely avoid campaign spending when it's while they're working with money that is reported in a very different way. And those--the fines that we're seeing for people coordinated with independent expenditures or alleged to have, are almost in line with people who may have made a minor infraction here and there. So what penalties or what can CFB do to

make sure that disincentivize independent expenditures. But also disincentivize people from coordinating because otherwise it's like okay, a five figure fine here, but I'll be in office?

AMY LOPREST: Well, there--I mean the penalties are--there's a maximum penalty that can be assessed for any single violation. But also people who have been found to coordinate with spenders that are independent can also be found in breach of certification and be required to repay all of the public funds that they received, which can be a substantial amount. So there is definitely any specific case is--you know each case is obviously handled and enforced by the Board and the facts before the Board are judged based on what--the individual facts of those cases. But--so I don't--I'm not going to speak about any particular case, but the penalties are usually much more significant and the potential for having to repay all the public funds is a significant possible outcome for people who are found to be coordinating with those who are supposedly independent. And that has been--that has happened in the past.

CHAIRPERSON KALLOS: Thank you very much and thank you for all the great work that you do with the campaign finance system here in New York. It's a model for the country, and you're just trying to get to the next level. Perfectionist, perfectionist.

AMY LOPREST: Always room for improvement.

CHAIRPERSON FERRERAS-COPELAND: Thank you, and we're actually really looking forward to your report or however you're going to do it of--of, you know, whether you win or lose it doesn't matter whether you fundraise early or not. Because I'm sure there are some consultants out there that are giving--giving us all the wrong information. [laughter]

CHAIRPERSON KALLOS: [off mic] I'm about to close.

CHAIRPERSON FERRERAS-COPELAND: Sure. So I'm about to close so--

CHAIRPERSON KALLOS: I'd like to just recognize we've been joined by Citizens Union. We were initially hoping to have the Commission on Public Information and Communication come and testify, and we were also hoping to have a public session. However, that has been reserved for the end

of the budget hearings. So I just wanted to thank Citizens Union for joining us as well as for putting in a memorandum with several other Good Government groups, as well as technology groups seeking a quarter million dollars for the Commission on Public Information and Communication. Which is an amazing agency that would actually be able to help citizens know what is going on in our government. That letter is available to anyone who needs it. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you so much and thank you for coming to testify today. This concludes our hearings for today. The Finance Committee will resume Executive Budget hearings for Fiscal 2016 on Thursday, June 4th at 10:00 a.m. in this room. On Thursday, the Finance Committee will hear from the Department of Information Technology and Telecommunications, the Department of Aging, the Department of Housing Preservation and Development and the Department of Buildings.

As a reminder, the public will be invited to testify again next Tuesday, June 9th, the last day of the budget hearings at approximately 1:30 p.m. in this room. For any member of the public who wishes to testify but cannot make it to this hearing, you can

email your testimony to the Finance Division at
financetestiomy@council.nyc.gov and the staff will
make it a part of the official record. Thank you.
This hearing is now adjourned.

[gavel]

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. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date June 5, 2015