

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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May 4, 2017

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HELD AT: Council Chambers - City Hall

B E F O R E: Julissa Ferreras-Copeland
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
Steven Matteo

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

Speaker Melissa Mark-Viverito

Dean Fuleihan

Office of Management and Budget Director

Larian Angelo

OMB First Deputy Director

Feniosky Peña-Mora

Department of Design and Construction
Commissioner

Thomas Foley

DDC Deputy Commissioner

Eric Macfarlane

Deputy Commissioner at DDC

Ana Barrio

DDC Chief of Staff

Jacques Jiha

Department of Finance Commissioner

Jeffrey Shear

CHAIRPERSON FERRERAS-COPELAND: Good morning, and welcome to the first day of the City Council's hearing on the Mayor's Fiscal 2018's Executive Budget. My name is Julissa Ferreras-Copeland, and I am the Chair of the Finance Committee. This morning, the Committee is pleased to be joined by our Speaker, Melissa Mark-Viverito. I am sad to say that this will be the Speaker's final budget in the Council, but I want to thank her for all the work she has done to advocate for the Council's budgetary priorities throughout her speakership. From the highest number of youth jobs in the City's history to unprecedented investment in our immigrant population, increased hiring of police officers to innovation-- innovative criminal justice reform, she has been tireless in fighting to secure funding for essential programs and services benefitting New Yorkers across the City. I look forward to working alongside her again this year as we adopt Fiscal 2018's budget, and I will now give her the opportunity to say a few words.

SPEAKER MARK-VIVERITO: Well, good morning. Thank you, Madam Chair. To Dean and everyone else here, to my colleagues, I am Council

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2 Speaker Melissa Mark-Viverito, and I want to welcome
3 you all here, and particularly OMB Director Dean
4 Fuleihan for testifying before the Council today. As
5 the Chair noted, it is-- today is a bittersweet day
6 for me, and it represents the final Executive Budget
7 process that I will be a part of as a member of this
8 Council. Over the past three budgets as Speaker,
9 I've had the privilege of working alongside two
10 incredible women, Finance Chair Julissa Ferreras-
11 Copeland and Finance Director Latonya McKinney
12 representing the first time in the City's history
13 that three women negotiated the budget on behalf of
14 the Council. Thank you, Julissa and Latonya for
15 being vital partners and advocating on behalf of this
16 Council's priorities. I'm proud of what we
17 accomplished together, including providing free
18 school lunches to middle school students, securing
19 the hiring of over 1,000 additional police officers,
20 doubling the number of jobs in the Summer Youth
21 Employment Program, and creating year-round youth
22 employment, strengthening the City's reserves to
23 safeguard programs and services, funding anti-
24 eviction legal services to protect at-risk tenants,
25 and reaffirming our commitment to supporting our

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city's immigrants to the provision of adult literacy, programs, access to healthcare and legal services to assure due process for all. As we developed our response to the Mayor's Preliminary Budget for Fiscal Year 2018, the Council set forth 63 recommendations designed to strengthen our communities at a time when they are experiencing great uncertainty and fear as a result of the Trump Administration's harmful rhetoric and policies. We urged greater investment in our youth and seniors, expanded services for immigrant New Yorkers, reforms to the City's capital planning process and fiscal prudence to through additional savings, and increases to the City's reserves. I'm pleased to the see the Executive Budget reflect several of the Council's priorities such as increased funding for ACS to support Child Protection Supervisors and improve the preventive services referral process, funding for borough-based jails and an adolescent project facility, important steps in removing adolescents from Rikers, and ultimately closing Rikers for good, and reducing excess capital appropriations by 3.2 billion to better reflect planned commitments. However, there's still much work to be done to secure a budget that truly

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represents the priorities of both the Administration and the Council. There are a few items in particular that I want to discuss today. First, I was greatly disappointed by the Administration's failure to sufficiently expand the SYEP program. Year after year the Council has urged the Administration to fund SYEP at a level reflecting the overwhelming demand for these positions. This year, the Council called upon the Administration to expand the program from 65 to 80,000 jobs in Fiscal 2018. However, the Administration did not fund a single new SYEP slot in the Executive Budget. SYEP provides many of our city's most vulnerable youth with an opportunity to gain valuable work experience, and yet too many who want to work are turned away due to lack of funding. This is simply unacceptable. Furthermore, I was dismayed that the Council's call to eliminate school lunch fees was disregarded in this budget. It is undeniable that access to a healthy affordable is crucial for students' academic performance. However, many students who would qualify for a free lunch may be discouraged from accessing the program due to the unfortunate stigma that may be associated with its use. This proposal would benefit thousands of

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3 families by allowing all students to receive a free
4 meal at school. The Council has already successfully
5 advocated for universal lunches at the city's
6 standalone middle schools, students in public K-8,
7 and high school deserve the same benefits. These are
8 a few investments-- there are few investments more
9 important than those which promote our students'
10 health and academic success. Additionally, I remain
11 concerned that the budget fails to comprehensively
12 address the inefficiencies in the capital planning
13 progress that were highlighted by the Council during
14 the Preliminary Budget process. While we are glad
15 that the Mayor has reduced excess appropriations, my
16 colleagues and I remain worried that this budget
17 continues the practice of committing funds that
18 significantly exceed the City's ability to actually
19 execute projects. We expect that the Administration
20 will continue to work with the Council to ensure
21 accuracy and transparency in the adopted Capital
22 Commitment Plan. Finally, I continue to urge the
23 Administration to further strengthen the City's
24 reserves. We know that the risk posed by the Trump
25 Administration and Republican Congress remains
strong, and we know that our city must be prepared to

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3 withstand federal cuts or an unexpected economic
4 downturn. However, while the Administration has
5 increased the City's reserves, they're still not at
6 the level advocated for by the Council to ensure
7 stability in a time of financial difficulty. I look
8 forward to addressing all of these issues in the
9 coming weeks as we negotiate this final budget.
10 Before I conclude, I want to express my gratitude to
11 the Council's Finance Division, all the staff for all
12 of their work throughout my time here. Your tireless
13 efforts are appreciated by all of us who have had the
14 privilege of serving the people of this city, and
15 your contributions have been essential in enhancing
16 the lives of New Yorkers throughout the five
17 boroughs. So, again, thank you all. Gracias, and I
18 will turn it back over to Chair Julissa Ferreras-
19 Copeland.

20 CHAIRPERSON FERRERAS-COPELAND: Thank you,
21 Madam Speaker. I would also like to acknowledge the
22 members of the Finance Committee who are with us
23 today. We have Minority Leader Matteo, Majority
24 Leader Van Bramer, Council Members Lander and Kallos,
25 and other members will be joining us shortly. Today
we begin the process of fulfilling one of the City

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Council's most important Charter-mandated responsibilities, the review of the Mayor's proposed Executive Budget for the upcoming fiscal year. Over the next month the Finance Committee will join with several other committees to hear from over 35 agencies. We will discuss the Administration's priorities for the upcoming fiscal year as well as how the primary concerns of the Council and of the numerous advocates testifying throughout the Preliminary Budget hearings are reflected in the Executive Budget. We begin this morning with testimony from the Office of Management and Budget, allowing us to examine the overall budget structure, including new spending, savings and how the City plans to address economic challenges that it may face in the coming year. After we hear from OMB, the Council will turn its focus to the details of individual agency's budgets. Therefore, in the interest of both time and efficiency, I ask my colleagues to save their questions about specific agency budgets for those hearings. Before I turn to the Mayor's Executive Budget I would like to begin with an overview of the budget process that had lead us to today's hearing. On January 24th, Mayor de

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Blasio released his Preliminary Budget for Fiscal Year 2018 totaling approximately 84.7 billion dollars. Throughout the month of March the Council heard testimony from over 50 agencies and the public. These hearings allowed Council Members to question the agencies extensively about their priorities and to receive valuable feedback from the public about what they would like to see incorporated in their city's budget. During these hearings, Council Members expressed concerns about how the Administration was preparing for the possible impact of the Federal Government in the City budget. While continuing to call for a greater investment in our youth and seniors, greater transparency and agency operations as well as highlighting the lack of adequate funding in a number of crucial areas. After carefully considering the testimony presented at these hearings, the Council developed and released its budget response on April 3rd, setting forth many significant proposals aimed at strengthening our city's communities in these uncertain times. The Council's response was designed to address the new threats posed by the Trump Administration. We did this by calling on the City to budget in a fiscally

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prudent manner while ensuring that the vulnerable New Yorkers would continue to benefit from essential services. On April 26th, the Mayor released his Fiscal 2018 Executive Budget totaling 84.86 billion, a slight increase over the Preliminary Budget. Additionally, the Administration released a 95.85 billion 10-year capital strategy, a significant seven percent increase over the Mayor's January Plan. At the outset, I'd like to commend the Mayor for including several important proposals advocated by the Council in our budget response, including 28.7 million to provide air conditioners in all classrooms over five years, 355 million in repair facades at 150 NYCHA buildings, 79.2 million for the construction and renovation of the City's Animal Care Centers, and a reduction of excessive capital appropriations by 3.2 billion. I also would like to applaud the Mayor's 3K initiative to expand Pre-k to three year olds throughout the City. The science is clear that educating children at such a young age has a positive impact on their growth and their future growth. The sixteen million included in the Executive Budget for the pilot is an important start, but we must also be vigorous in advocating for the additional 700 million

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that the Mayor anticipates from the Federal and State Government to make the program truly universal. With that being said, the Executive Budget clearly falls short in a number of critical areas. The Council could not be clearer in its response about how the Executive Budget should address the needs New York City's communities-- the needs of New York City's communities, and yet the Executive Budget fails to include many of those important priorities voiced by the Council. This cannot simply be explained as a matter of budgetary caution. Given that the Fiscal 2018's Executive Budget continues a pattern of budget growth year over year under this Administration. This Executive Budget adds more than 700 million in new spending while neglecting critical investment advocated for by the Council. Missing from this budget among other vital priorities is 60 million dollars for essential senior services, 15,000 new Summer Youth Employment jobs, 12,000 year-round youth jobs through the Work, Learn, Grow program, and 14 million to address food insecurities and hunger throughout-- through the Emergency Food Assistant Program. The Council's response also emphasizes reform of the City's capital process, calling for a

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better alignment of the city's Capital Plan with its ability to actually execute capital projects. To the Administration's credit, the Executive Budget agrees to our request to reduce excess appropriations. We also look forward to actively partnering with the Administration to develop a taskforce to address inefficiencies in capital projects in the coming months. However, the budget is far from delivering the accountability the Council has repeatedly called for in capital planning. Despite the continued frustration felt by Council Members with the slow progress and cost over-runs of capital projects, the 10-Year Capital Strategy increases by 6.25 billion from the Preliminary Strategy without a corresponding plan for greater efficiency. The Council is also troubled that the budget does not appear to reflect the continuing threat posed by President Trump and the Republican Congress. We highlighted repeatedly throughout the Preliminary Budget hearings our concerns about the impact of possible federal cuts and the City's ability to weather such cuts. OMB Director Fuleihan pledged to work in partnership with the Council to address the challenges posed by the Trump Administration and reaffirm that the Mayor's

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commitment to a shared fiscal responsibility. As much as we know-- as much as we may hope that the impact of the Trump Administration will never be felt by our City's budget, I do not believe that we can approach the future with such certainty. This is especially the case when in addition to the potential federal risk we see in our city economy that shows signs of slowing, less dynamic revenue growth and a cost that the City continues to pass on to the City. I'm sorry, and the cost that the State continues to pass on to the City. The Council commends the Mayor for including 700 million in new savings initiatives in Fiscal 2017 and 18. We also thank the Administration for acting on our recommendations to make the majority of these savings reoccurring, as well as re-evaluate the current headcount vacancies. The partial hiring freeze announced by the Administration is an important step, but we urge the Mayor to continue to create additional savings through reducing vacancies where possible. However, the Executive Budget does not go far enough to truly display a commitment to fiscal prudence pledged by the Administration. For example, I am concerned that the City's spending continues to grow faster than the

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City's economy. This is reflected in the out-year budget gaps which includes 3.6 billion in Fiscal 19 and 2.9 billion in Fiscal 20. While this pace of spending may be fine in the short term, I would urge caution about whether it is sustainable in the long-term. Additionally, I would call on the Administration to increase the City's reserves. While the total reserves have been brought to 9.3 billion in the Executive Budget, the ratio of reserves to adjusted total spending is only at 10.7 percent below the recommended ratio of 12-- between 12 and 18 percent as use of reserves may be necessary to address the potential risk I mentioned before. This must be adequate to ensure the continued stability of vital City programs and services. The Committee looks forward to hearing from Director Fuleihan this morning on these and other important issues. Before we get started I want to first thank the Council's Finance Director, Latonya McKinney, and her entire staff, including the Budget Revenue and Economic Discretionary and Data Support and Administrative Support Units, and the Finance Counsel for all their hard work in preparing today and all the upcoming Executive Budget hearings over the next

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2 few weeks. They will be working tirelessly to ensure
3 that the budget process runs smoothly to adoption.
4 Finally, a quick reminder to my colleagues that the
5 first round of questions for OMB will be limited to
6 five minutes per Council Member. If members have
7 additional questions, we will have a second round of
8 questions at three minutes per member. We will now
9 hear from the OMB Director after you are sworn in by
10 my Counsel.

11 COMMITTEE COUNSEL: Do you affirm to tell
12 the truth, the whole truth and nothing but the truth
13 in your testimony before the committee today and to
14 respond honestly to Council Member questions?

15 DIRECTOR FULEIHAN: I do. Excuse me.
16 Thank you. Speaker Melissa Mark-Viverito, Finance
17 Chair Julissa Ferreras-Copeland, members of the
18 Finance Committee, and members of the City Council,
19 thank you for the opportunity to testify here today
20 on the Mayor's 2018 Executive Budget. I'm joined at
21 the table by the OMB First Deputy Director, Larian
22 Angelo, and many of our dedicated and hardworking OMB
23 staff are here to assist me in answering your
24 questions. On behalf of the Mayor and the
25 Administration we are grateful for our partnership

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over the past three years, including the initiatives we jointly supported in the Executive Budget which you were kind enough to, both of you, to outline this morning. I also want to join you in thanking Latonya McKinney and the entire Council Finance Staff for their cooperation with us and the partnership that we've been able to succeed in the past three years, and we know that will be ongoing through the adoption process. Since I testified before the Council in March, the City's fundamental economic indicators have remained positive. WE continue to forecast modest revenue growth of 2.3 percent in Fiscal Year 2017 due to declining non-wage income and real estate transactions. However, growth for Fiscal Year 2018 is forecasted three percent supported by wage growth and a stabilizing real estate market. On the jobs front, as both of you have mentioned, New York City is experiencing a record four percent unemployment rate, the lowest since 1976 and down from eight percent in January 2014. We saw employment growth of 342,000 jobs over the last three years, the second highest three-year period of job growth ever. All five boroughs have experienced private sector job growth during this period and real median household

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income increased citywide from 2014 to 2015 by 2,689 dollars, a 5.1 percent increase. As the Mayor highlighted in his budget presentation, our immigrant community represents over one-third of the population and continues to add strength and resiliency to the City's economy. Foreign-born workers make up 45 percent of the City's labor force and foreign-born households earned 92 billion in income in 2015, more than one-third of the City's total household earnings, and 52 percent of the City's businesses owners are immigrants. Earlier this year we spoke about the deep uncertainty and risk we face from federal actions, and you both again have cited it this morning. In March, the President released his budget proposal which threatened cuts to programs that provide vital services to our city and benefit the most vulnerable New Yorkers. Congress and the President continue in their attempt to repeal the Affordable Care Act and fundamentally change the Medicaid entitlement, and another vote on that is scheduled today. In this week, the House and Senate jointly presented an omnibus spending bill that funds the Federal Government through the end of the Federal Fiscal Year, the current Federal Fiscal Year through

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September. Fortunately, in this instance, Congress rejected deep cuts to domestic programs proposed in March by the Trump Administration. They also set aside 61 million in new funds to reimburse law enforcement costs associated with providing security to the President and the First Family. We are grateful for the joint effort we put forward to achieve this, and our federal delegation for protecting funding to these critical programs at least for the remainder of the current Federal Fiscal Year. Mindful of the continuing risk, we will continue to make strategic investments and approach our budget process with caution. And though the Federal Government has not released the budget, we do now and can make an assessment of the effects of the state enacted budget. The State did contribute another 200 million towards funding of NYCHA, another 200 million of improving the city water infrastructure, but it also shifted 68 million of cost, mandated foster care cost, mandated special education services, and childcare to the City which are reflected in the Executive Budget. We still do not have the design build authority that all of us have been asking for and which the State of New York

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has and was just re-enacted which would save city tax payers just on the handful of projects that we have identified 450 million in savings to City tax payers and accelerate complicated project completion times. So, in light of the challenges we face and our current fiscal position, we take a careful approach to the Executive Budget by maintaining historic levels of reserves, cautiously estimating revenues and debt service, expanding our savings program, making investments that strengthen New York's future. Our Fiscal Year 2018 Executive Budget is 84.86 billion. It funds New York's priorities and it does so responsibly. The Administration working with the Council, again, has maintained, has established and now maintained historical levels of reserves. We fund 1.25 billion in reserves for each year of the four-year financial plan compared to 300 million traditionally allocated by prior Administrations, and when we're measuring, as you pointed out, out-year gaps, we need to be cognizant that we're adding an-- we have reserves of a \$1,250,000 where the traditional level had been 300, and those are reflected in every year of the four-year financial plan. It includes, those reserves include the

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billion dollars in the General Reserve, and
250,000,000 a year in the Capital Stabilization
Reserve which was created jointly by this
Administration and by the Council, and we maintain
the Retiree Health Benefit Trust Fund of four billion
dollars, 3.3 billion the result of actions taken by
this Administration in this council. Since the
November Plan we have saved a total of 2.8 billion,
including 700 million in the Executive Budget
exceeding the goal set by the Mayor at the
Preliminary. Further, we have achieved one billion
in savings in Fiscal Year 2018, and we will achieve
1.3 billion in savings in Fiscal Year 2018 by working
with the Municipal Labor Committee to find more
efficient and effective ways to deliver healthcare to
our employees. The first significant changes to the
City's health plans in decades. We will identify
additional savings working with you at adoption
including our estimates from the partial hiring
freeze on perspective management and administrative
agency items. Our 95.85 billion 10-Year Capital
Strategy reflects planning and investment through
Fiscal Year 2027 that strengthens our economy. The
Capital Plan keeps infrastructure in a state of good

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repair, reserves affordability, promotes health and safety, and expands access to education and opportunity. And we are committed to working with the Council to reduce capital procurement design and construction timelines. To fund our capital budget, we continue to estimate debt service cautiously and ensure that city-supported debt service does not exceed 15 percent of city tax revenues, the benchmark used by the City for decades. In the Executive Budget, we build on prior investments by expanding successful programs and deepening the commitments we've made to New Yorkers. That includes giving children an opportunity, making New York City more affordable, enhancing public safety and improving our overall quality of life, and these investments are working. One of the most important investments we can make is our children's education. This Administration, this City Council have presided over an ambitious education agenda that begins with quality early education and prepares students for life after graduation. In 2016, we saw the highest-ever high school graduation rates, lowest-ever high school drop-out rates, and the class of 2015 achieved our highest-ever post-secondary enrollment, and we

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are seeing those gains in every borough. In this budget we are making key investments to build on the Mayor's vision of early education. Together we will invest 36 million in our 3K for All program that includes funding to roll-out quality 3K for All programs in two school districts this fall. The program will let two additional districts funded by the City each year of the Financial Plan with eight funded by the City through fiscal year 2021. By 2021, with assistance from the State and Federal Government, all New York families will have access to this signature program, and to be successful, our students must learn in the appropriate environment. We will spend almost 29 million dollars over each of the five years to install-- over five years, I apologize, to install air conditioning in every New York City classroom. And as every child deserves a quality education, every New Yorker needs a safe and affordable place to live. Over the past three years, we together financed more than 6,250 affordable homes, 23,200 units financed in fiscal year 2016 alone. It is the most affordable housing we have financed in a single year since 1991. We will create 15,000 supportive housing units over a 15-year

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period. We continue to build on this progress within the Executive Budget, and deepen the commits to affordable housing. We will also invest 355 million more for repairs at NYCHA to help maintain our housing stock, adding to the more than one billion the Administration committed in the Preliminary Budget to maintain NYCHA developments and improve the lives of residents. We will invest 1.9 billion to create and preserve 10,000 apartments for New Yorkers earning less than 40,000 dollars, 5,000 dedicated to seniors and 500 to veterans. Helping people remain in their homes is a critical step towards maintaining an affordable city. This is especially true for vulnerable populations. We are proposing to expand the reach of the senior citizen and disabled homeowner exemption program. It will save 32,000 seniors an average of 1,750 dollars in property taxes annually, keeping their homes that much more affordable. In keeping the promise that the Mayor made in the State of the City, the Mayor continues to advocate for a Mansion Tax in Albany that will subsidize the rent of eligible seniors. Keeping older New Yorkers in their homes includes keeping them safe and well. In Fiscal Year 2018 we're

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2 expanding PROTECT, a program that helps address the
3 underlying depression anxiety that elder abuse
4 victims face. And being safe and well in your home
5 includes protection from unlawful eviction. As the
6 Mayor highlighted in his State of the City Address,
7 together the Administration and the Council are
8 committing 93 million dollars full phase to expand
9 anti-eviction legal services. Low income facilities
10 will be represented by a lawyer on evictions and
11 legal advice will be available to all New York
12 tenants who face Housing Court. Making New York City
13 more affordable also means supporting jobs and
14 fostering growth across diverse industries. We are
15 investing 12.8 billion in a green jobs corps that
16 will train 3,000 people by fiscal year 2020 in
17 construction and efficient building maintenance.
18 Training begins this year. In addition, we are
19 transforming an underutilized city property campus at
20 Bush Terminal into Made for New York Campus.
21 Together, we have made investments in public safety
22 to make New York City one of the safest big cities in
23 America. To make our neighborhoods safer, we
24 increased patrol strength by 2,000 police officers
25 and its showing results. During the first quarter of

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2017, crime dropped five percent compared to the same time frame last year, making this the safest three-month period in New York City's modern era. In the Executive Budget we are building upon this commitment to public safety. We are expanding Shot Spotter technology into nine square miles of neighborhoods in the Bronx, Staten Island and Manhattan, increasing response times to potentially life threatening incidents. Improving public safety includes addressing problems that touch all New Yorkers. We are in the midst of an opioid crisis. In March, the Mayor and the First Lady launched Healing New York City, a new comprehensive effort to reduce opioid overdose deaths by 35 percent over the next five years. The City will invest 38 million in Fiscal year 2018 to launch this effort. To confront domestic violence we are committing 6.9 million in a comprehensive citywide strategy including Help for Traumatized Child Victims. Safety and livelihood of our immigrant communities is increasingly threatened. Adding to investments we had made to protect immigrants, the equal allocates 16 million in Fiscal Year 2018 and thereafter to fund legal counsel for eligible immigrants facing deportation, including

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undocumented children and those seeking asylum. At the same time that we are addressing public safety issues, we must continue to address New York's everyday concerns. We are paving continue a record 1,300 lane mile annually. That was in the Preliminary Budget between Fiscal 2017 and Fiscal 2019. Just this week we saw the Mayor fulfil his promise to provide ferry service to residents of Eastern Queens and Western Brooklyn, and in the Executive Budget, the Administration continues to invest in programs and infrastructure that improve the quality of our lives. These commuters of Staten Island in September were bringing lower level boarding to ferries at Whitehall and St. George Terminals. We'll expand current curbside e-ways [sic] program to neighborhoods in Brooklyn this fall and locations in the Bronx in Queens by 2019 at an annual cost of 4.1 million of full implementation, and will invest 100 million of capital to close the gap in the Manhattan Waterfront Greenway. In the Executive Budget presentation, the Mayor acknowledged that we live in a city that poses many challenges. This budget meets them head-on while maintain our shared commitment to fiscal responsibility, funding

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2 vital services and investing in infrastructure. We
3 look forward to continuing discussion to work
4 together to implement the Fiscal Year 2018 Adopted
5 Budget. I want to thank you again for the
6 opportunity to testify. We'll also like to thank the
7 speaker for the collaboration, the partnership that
8 we have all shared over the past three years, and now
9 I look forward to your questions.

10 SPEAKER MARK-VIVERITO: Thank you, Dean
11 for the-- for your testimony. I want to just focus
12 on a couple of areas, but the first one I want to do
13 is the budget growth, concern on the budget growth.
14 So between Fiscal 2017 and 2018 the adjusted city
15 fund spending grows at a rate of about 5.2 percent
16 which is a bit faster than what our Finance Division
17 in terms of the projections that we've looked at, and
18 those projections look at economic growth during
19 Fiscal Year 2018 at about 4.7 percent. So, there is
20 that gap. And so while in the short term, you know,
21 what we're seeing seems to be okay in the long term,
22 there are concerns that this could be unsustainable.
23 So, what are you-- what is your reaction to that?
24 Are there any adjustments that you're looking to do,

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2 you know, as we project further in the years? If you
3 could speak to that first.

4 DIRECTOR FULEIHAN: Sure. Several
5 answers. One of the benefits of the New York City
6 budget process that no other municipality I believe
7 does is that we come back every quarter and we have
8 that opportunity working with you to make continuing
9 and ongoing adjustments. We are, and you've
10 encouraged this, that for the first time ever in this
11 Administration have a savings plan, November,
12 January, April has never happened before by this
13 Administration and the results, and many of the
14 results you've encouraged including getting long-term
15 savings, and thank you for recognizing that, that
16 follow through the plan or other ways to address it.
17 I would disagree, but we should sit down with your
18 staff and just make sure. We actually believe that
19 adjusted growth number is 4.5 percent, but your point
20 about do we constantly need to be cautious and
21 concerned and find additional way of savings and
22 maintaining our high level of reserves, we should be
23 working with you to that goal.

24 SPEAKER MARK-VIVERITO: So, then looking
25 at-- you know, I guess the concern, and I know this

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2 conversation has come up with other colleagues, you
3 know, in prior years. Prior to this Administration,
4 we dealt with the issue of PEGS, maybe overly
5 aggressively in some cases.

6 DIRECTOR FULEIHAN: Yes.

7 SPEAKER MARK-VIVERITO: We'll acknowledge
8 that, but the issue of savings that this
9 Administration has been trying to gather from
10 agencies, not sure that it's been as effective as
11 many of us would have liked or that there has been
12 very-- a message of being more aggressive in terms of
13 looking at efficiencies and savings. A lot of it
14 from our appearance seems to be more based on re-
15 estimates than actual savings. So, in terms of that,
16 if we're looking at the long-term, yes, you have to
17 come back every quarter. We can take a look at that,
18 the numbers and whether things are slowing down and
19 adjustments have to be made, but would a PEG plan be
20 something that this Administration would look at?

21 DIRECTOR FULEIHAN: So, for the very
22 reasons that you know very well, and if we looked at
23 the PEG plans of last Administration, particularly in
24 social service providers at ACS, DFTA, we can go
25 agency by agency, and primarily in the social

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3 services there were severe cuts that were not-- that
4 did not occur across the board.

5 SPEAKER MARK-VIVERITO: Agreed.

6 DIRECTOR FULEIHAN: So even why-- even
7 while the claim is that these were across the board
8 distributed agency by agency the same way, that's not
9 the end result that any of us look at when we look at
10 what actually happened. What we have tried to do
11 with the agencies and we're-- is a more collaborative
12 process it work with agency and recognize the unique
13 nature of those agencies and see if we can achieve
14 more savings that way. Now, we have achieved some
15 more savings that way. Yes, there were estimates
16 about programs that to achieve the goals outlined did
17 not meet, did not need as much resources that had
18 been provided. There are clearly debt service
19 savings which OMB manages and we do very
20 aggressively, but there were also many more citywide
21 efficiencies which you have encouraged and we should
22 keep doing that, but we are open to additional means
23 of looking at savings and we're certainly open to
24 that between now and the Adopted Budget. Any way
25 that we can do that without hurting critical mission,
we should be doing. One of the reasons the Mayor

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2 said let's take a deeper look and more significant
3 review and let's report back at adoption on what that
4 would be, was the partially hiring freeze on
5 managerial and administrative staffs to get at the
6 very point you're raising.

7 SPEAKER MARK-VIVERITO: No, and listen, I
8 was here under eight years of the prior
9 Administration, and it was, I don't think, well
10 thought out and it was irresponsible in some ways
11 because I believe critical mission was impact in a
12 lot of agencies, and a more thoughtful approach of
13 agency by agency looking at I think is definitely
14 more responsible. So, I appreciate that aspect, but
15 you know, I guess the concern, and this will be, and
16 it's been raised by other colleagues as well is
17 because we just see the gaps increasing over time,
18 right? And that is obviously of concern. When we
19 look back at the Fiscal Year 2019 budget gap now
20 we're projecting it to be--

21 DIRECTOR FULEIHAN: [interposing] Yes.

22 SPEAKER MARK-VIVERITO: 3.6 billion when
23 it was at 2.9 billion when we adopted the budget in
24 June of 2016. Obviously those are things that we
25 have to, you know, anticipate and kind of be

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3 proactive and look at. So, this issue of revisiting
4 and looking at possibly additional ways to find
5 savings in an efficient manner. I think we definitely
6 want to engage in that.

7 DIRECTOR FULEIHAN: Okay. We agree.

8 SPEAKER MARK-VIVERITO: And then talking
9 about reserves a little bit, this is an area that we
10 really have been strong on and very forceful with you
11 at. So, by our Finance Division's calculations, we--
12 the Executive Plan adds about 672 million in
13 reserves, but when we take into account the higher
14 spending, this reserve level now is at the increase,
15 or the addition to, is less than one percent since
16 the Preliminary Budget, and it is under the level of
17 the Fiscal 2017 Adopted Budget in terms of the
18 percentage that was set aside for reserves. So, to
19 us that's a concern. You know, the increase is not--
20 the level of, percentage of commitment to reserves is
21 not there as it was in the other years. So do you
22 plan to build on, to further build on reserve for
23 Fiscal 2018? What are your-- what's your reaction to
24 that or your response to that?
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2 DIRECTOR FULEIHAN: So, two responses.

3 The first is that we should all take credit for the
4 historic level--

5 SPEAKER MARK-VIVERITO: [interposing]

6 Yes.

7 DIRECTOR FULEIHAN: by any measure that
8 we have achieved in reserves. There really is no
9 comparison to what we have put in reserves compared
10 to any prior city administration. There's nothing
11 even close. So, and that's working together and was
12 collaborative, and as I pointed out, the Capital
13 Stabilization Reserve really started, Council, at a
14 Council hearing. So, we continue to build on that
15 we're maintaining those reserves. We need to
16 maintain those reserves. We should be looking. It's
17 clearly a balancing act between the commitments and
18 the priorities we're making and how and what that
19 level of reserves are. Right now at this point in
20 time, we believe that we have significant level of
21 reserves and an adequate level of reserves. That
22 doesn't mean that we shouldn't continue to evaluate
23 that with you at adoption.

24 SPEAKER MARK-VIVERITO: Alright. So, I
25 mean, that'll be an area we continue to push on.

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2 DIRECTOR FULEIHAN: Okay.

3 SPEAKER MARK-VIVERITO: So, at minimum
4 we'd like to be at where we were in other years, if
5 not even exceed it. And then just a last question
6 and then obviously my colleagues, just on the closing
7 of Rikers.

8 DIRECTOR FULEIHAN: Yes.

9 SPEAKER MARK-VIVERITO: Based on, you
10 know, obviously what the Mayor has said, you know,
11 that he supports the concept of closing Rikers, the
12 issue of the recommendations of the independent
13 commission that we convened has set forth now with
14 the Raise the Age at the State level saying that
15 young people will no longer be at-- as of October
16 1st, 2018 and by October 2019 New York State will no
17 longer automatically prosecute 16 and 17 year olds.
18 That obviously has implications on a financial level
19 for us as well. So, just looking at between the
20 recommendations, what the Mayor has indicated he
21 supports, which is closing of Rikers, what the State
22 changes have been, what is your estimate of how this
23 will impact our overall budget? Have you looked at
24 that particularly? We don't see that it's reflected
25 in the financial plan. We're looking at, you know,

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particularly the agencies that will be impacted, NYPD, District Attorneys, ACS, Courts, those are all ones that play a role in this.

DIRECTOR FULEIHAN: Yes.

SPEAKER MARK-VIVERITO: So, if you could speak to that.

DIRECTOR FULEIHAN: So, couple answers. First of all us supported--

SPEAKER MARK-VIVERITO: [interposing] Yes.

DIRECTOR FULEIHAN: We should remember we supported Raise the Age.

SPEAKER MARK-VIVERITO: Yes.

DIRECTOR FULEIHAN: And it was a long struggle, and that's something we're all pleased to have been successful in. The legislation at the State level moves 16 year olds in the next fiscal year. So it moves them in Fiscal Year-- it's October 18 is the 16 year olds move from Corrections to ACS, and then the following year in 19--

SPEAKER MARK-VIVERITO: [interposing] Okay.

DIRECTOR FULEIHAN: they move from Corrections to ACS. So, we actually have now effectively a three-year planning period. The State

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3 law that in the budget-- you mentioned many agencies
4 that are going to be affected.

5 SPEAKER MARK-VIVERITO: Right.

6 DIRECTOR FULEIHAN: One of them is
7 obviously much more enhanced probation services to
8 try to help these young adults to try to help these
9 young-- these children effectively, give them more
10 intensive supervision and more intensive services.
11 The State did create a fund that will be budgeted in
12 future budgets. We have no idea what that's going to
13 be, but they did indicate that there would be
14 additional probation money. So there's still many
15 open questions about what the State is going to fund
16 and not fund as part of Raise the Age. So we need
17 that information. The other piece the State did
18 impose on us differently than everyone else, they
19 moved-- they indicated that everyone had to be 16 and
20 17 year olds irrespective of when they moved from
21 Corrections to Children's Services. Need to-- we
22 need to move them off Rikers by, I believe, the date--
23 - I'll be corrected-- October of 2018, and we intend
24 to comply. So, we are right now, and I don't have a
25 final answer, but we'll obviously work with you and
keep you informed of this. We intend to comply with

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that law which will still have two agencies. So part of the confusion is the 16 year olds will be under ACS, and the 17 year olds--

SPEAKER MARK-VIVERITO: [interposing]
Right.

DIRECTOR FULEIHAN: will be under
Correction. We have to move both ages off Rikers,
and we intend to comply, and we're working through
that right now, but I don't have a final--

SPEAKER MARK-VIVERITO: [interposing] The
implications may be on headcount, for instance--

DIRECTOR FULEIHAN: [interposing] Sure.

SPEAKER MARK-VIVERITO: and the cost,
obviously, that that entails, but an area that we're
going to-- you know, we had a-- we're looking
aggressively at the recommendations of the
Commission. Obviously looking to move as quickly as
we can on some of those items that we have some level
of influence over. So, appreciate that, and this
will be an ongoing point of conversation, appreciate
that that's been looked into. Those will be my
questions for now, and thank you.

DIRECTOR FULEIHAN: Thank you.

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2 CHAIRPERSON FERRERAS-COPELAND: Thank
3 you, Madam Chair. So, I'm going to ask about-- I'm
4 sorry, Madam Speaker. I'm so sorry.

5 SPEAKER MARK-VIVERITO: You're Madam
6 Chair. I'm not going to take over for you [sic]
7 right now.

8 [laughter]

9 CHAIRPERSON FERRERAS-COPELAND: I want you
10 to keep questioning. The Council could not have been
11 more clear in the call to increase the scope on SYEP
12 to serve 80,000 young people this year. We said we
13 wanted this in our Preliminary Budget response for
14 Fiscal 2017, and we said it again a month ago. Young
15 people in New York need this work experience, and
16 they want a chance to work. Last summer, DYCD
17 received more than twice as many applications as they
18 had jobs available. Why does the Administration
19 continue to not address these needs even though we've
20 engaged-- and I know, I know that you're going to say
21 that this is unprecedented, we have more jobs than
22 ever.

23 DIRECTOR FULEIHAN: I am. I am.

24 CHAIRPERSON FERRERAS-COPELAND: But the
25 reality is that even at that number we are not

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3 meeting the need. So, essentially, this agency is
4 saying no to far more young people that we are saying
5 yes to. DYCD has to send out, or-- and I don't even
6 know if they actually even send out. I don't know
7 the process at the end, but if this is the first time
8 that a young person is actually applying for these
9 jobs, you're going to hear no before you hear yes,
10 and that's what we're trying to address here in this
11 council. If we have this opportunity in a robust
12 budget, one that we're trying to do responsibly,
13 Summer Youth Employment is essential to everyone. I
14 don't think that there's one person-- or it's very
15 rarely to find a person who hasn't had an SYEP
16 experience to start off their career. So, we're
17 trying to figure out what's the thinking behind not
18 addressing or responding to our number of requests.

19 DIRECTOR FULEIHAN: So, thank you for
20 staring my answer which--

21 CHAIRPERSON FERRERAS-COPELAND:
22 [interposing] Because I know what I'm going to hear.

23 DIRECTOR FULEIHAN: It is almost a
24 doubling of the size together that we have done over
25 the past couple years with the biggest increase last
year to 65,000 from what it had been which I believe

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2 was 35,000 only a few years ago, and baselining that.

3 So, there was a strong commitment on both of us to

4 do--

5 CHAIRPERSON FERRERAS-COPELAND:

6 [interposing] we were going to say the baseline--

7 SPEAKER MARK-VIVERITO: [interposing] I

8 just whispered in her ear, "He's going to say

9 baseline next."

10 [laughter]

11 DIRECTOR FULEIHAN: There was also a

12 taskforce that you Co-Chaired with Deputy Mayor Buery

13 which has now released a report which recommends some

14 modifications, some focus. You know that one of the

15 Administration's focuses, one of the things that we

16 have asked as we look forward and we decide how to

17 expand the program is a concentration on vulnerable

18 youth. We see how we can focus more the program going

19 forward. Obviously, we're going to have a new RFP,

20 whatever that is, as we move forward. So, I had no

21 doubt that this was going to be another priority that

22 we're going to be working together on at adoption now

23 that we have the taskforce recommendations.

24 CHAIRPERSON FERRERAS-COPELAND: And I

25 know that the vulnerable youth has come up often and

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2 I know this is important to the Mayor. He's brought
3 it up in a lot of the briefings, but I believe that
4 we need clarity on vulnerable youth, right? Because
5 vulnerable youth from our perspective, and if you ask
6 for example, Minority Matteo, Minority Leader Matteo,
7 he can tell you what his perspective is. I can tell
8 you from my own district. So, is it based on a
9 neighborhood? Is it based on income? Is it based on
10 grade point average? Like, who is it that you're
11 speaking of when you express that we need to give
12 more opportunity to the vulnerable youth?

13 DIRECTOR FULEIHAN: So, it's about as we
14 move forward, which you would like to do in a
15 significant-- in a significant expansion, where do we
16 target that and how do we do that? We have done this
17 before, and we would simply say that we should be
18 looking at all the factors you just cited and say,
19 okay, now how are we going to make sure that this is
20 reaching the children who have the highest need for
21 this program. That's how we would like to approach
22 this.

23 CHAIRPERSON FERRERAS-COPELAND: Okay. So
24 we're going to-- we have to continue to work on this,
25 because one of the strengths, I, you know, we believe

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3 that this program has is that it does allow for an
4 opportunity for any young person regardless of where--
5 - you just have to live in New York City to
6 participate in this program. So, you know, we just
7 want to reserve some caution that as we put a lot of
8 parameters or additional limits on the program, we
9 can essentially be leaving young people out that
10 would have normally qualified. But that, you know,
11 we can kind of talk more deeply about that in the--
12 as we continue our conversations. I wanted to move
13 on to the partial hiring freeze. As part of the
14 Executive Plan released, the Mayor announced that the
15 City would implement a partial hiring freeze on some
16 administrative and managerial positions citywide, but
17 provided few details as to how this plan would be
18 implemented. How would the hiring freeze be
19 implemented, and when will see a detailed plan, and
20 have you set targets for numbers of positions that
21 will be frozen, and are there specific agencies that
22 you're looking at?

23 DIRECTOR FULEIHAN: So, as the Mayor
24 pointed out only last week when he presented this, we
25 will between now and adoption be giving you more
details including the dollar goals and so on. So

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2 we're working through that right now. The First
3 Deputy Mayor and I will be over the next few days be
4 releasing guidance to the agency so they know how to
5 approach this as well. Obviously, and I think the
6 Mayor stated this, we're not going to hurt critical
7 needs, health and safety, mandated hires, and so on.
8 So we will be putting those guidance out, and we'll
9 obviously be sharing those with you, getting your
10 input as we move to the Adopted Budget and figure out
11 what is our goal in this.

12 CHAIRPERSON FERRERAS-COPELAND: And
13 looking beyond just the hiring freeze, are you--
14 well, we'll continue to work on this, but we'd like
15 to see more of the savings be permanent by
16 eliminating some of your vacancies that have been
17 consistently reflected in many of our budget
18 conversations.

19 DIRECTOR FULEIHAN: So, there are
20 vacancies in the plan, city fund vacancies, all fund
21 vacancies. We should be talking about those as well.

22 CHAIRPERSON FERRERAS-COPELAND: Okay.
23 During the Preliminary--

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2 DIRECTOR FULEIHAN: [interposing] And I
3 believe actually the Mayor raised the vacancies in
4 the presentation last week.

5 CHAIRPERSON FERRERAS-COPELAND: Yes. We
6 just want to get it on the record. During the
7 Preliminary Budget hearing, the Finance Committee
8 expressed serious concerns over the City's ability to
9 execute the 65.1 billion commitment plan. The
10 Finance Committee called on OMB to spread out the
11 timing for the funding to create a more realistic
12 plan as well as limit its overall size. The
13 Administration has responded with an Executive
14 Capital Commitment Plan that is 4.6 billion dollars
15 larger than the Preliminary Capital Commitment Plan
16 at a massive 6.-- or 69.8 billion. How does OMB
17 intend to commit capital dollars on this level, and
18 would you consider revising the Executive Commitment
19 Plan in a way that moves front-loaded funding to
20 later in the plan to create a more reasonable
21 timeframe? And would you do this during the coming
22 September capital commitment process?

23 DIRECTOR FULEIHAN: So, the increase in
24 the capital, in the capital plan, we believe was for
25 vital services. I outlined that in my testimony. I

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2 believe the Mayor said that, as you know, a billion,
3 almost two billion dollars of that is for affordable
4 housing. The lowering the affordability in the
5 affordable housing plan in dedicating 5,000 units to
6 seniors. So, these are goals and things that we want
7 to do. These are critical maintenance that are in
8 there that had been neglected, and we've made, the
9 Administration has made a key that we need to make
10 sure that we're meeting critical maintenance. Again,
11 we look at the capital plan as affordable and given
12 any standard that the City has used for decades, and
13 it's still there. Now, can we make improvements on
14 the timing? Yes. Do we need to work together to do
15 that? Absolutely. You had actually asked us to
16 start getting rid of excess appropriations. We did
17 over three billion dollars in the Executive Budget
18 which really was a direct request that came from the
19 Council and the Council's staff. Can we do better
20 between now and September?

21 CHAIRPERSON FERRERAS-COPELAND: Yes.

22 DIRECTOR FULEIHAN: And do we need to
23 work together on items that we all share?
24 Absolutely. We need to do it carefully because we
25 don't want to jeopardize projects.

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2 CHAIRPERSON FERRERAS-COPELAND: Right.

3 DIRECTOR FULEIHAN: And we don't want to
4 put anything at risk, but can we do that between now
5 and September? Yes, we can.

6 CHAIRPERSON FERRERAS-COPELAND: And this
7 is just kind of-- I had asked the staff to give me
8 kind of a synopsis of what our commitments versus our
9 spending. So, in FY18 we committed 10.9 and
10 actually, the actual total commitments ended up being
11 6.9. The Executive Budget plan commitments were 13.2
12 in FY16, but the total commitments were 7.7. So,
13 this is why, you know, we're having this discussion,
14 because if we're actually going to be presenting
15 something in the Executive Budget, we want to be able
16 to have that reflected.

17 DIRECTOR FULEIHAN: Right. There's always
18 going to be in capital planning, there's always going
19 to be some amount that just because of the nature and
20 the complexity of many of these capital projects,
21 there's always going to be an added amount that we're
22 not going to reach. But can we improve on that
23 commitment level to actual? Of course we can, and we
24 should.

25 CHAIRPERSON FERRERAS-COPELAND: I want--

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2 DIRECTOR FULEIHAN: [interposing] And that
3 involves many aspects, right? That involves not just
4 how we stretch out and look at it, but it involves
5 the other issues the Council Members have been
6 raising which are can we speed up the process, can we
7 do a better job on procurement? Can we get design
8 build out of Albany which would help that process?
9 So there are many aspects to improve that number.

10 CHAIRPERSON FERRERAS-COPELAND: Well,
11 that's why we really need to just kick off this
12 taskforce and start engaging on the many levels of
13 how we can make this more efficient, and I think we
14 can get there and really have an opportunity--

15 DIRECTOR FULEIHAN: [interposing] Okay.

16 CHAIRPERSON FERRERAS-COPELAND: to have
17 some sound recommendations. NYPD headcount savings--
18 so, as we were reviewing all these numbers, I really
19 need you to walk us through civilian versus overall
20 headcount. Even though in Fiscal 2018's Preliminary
21 and Executive Budgets for the NYPD recognizes a
22 reduction of 292 civilian positions, the NYPD still
23 increases its overall headcount by 52 positions when
24 compared to Fiscal 2017's Adopted Budget. While on
25 the surface this savings seems like savings, yet the

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2 Department still increased its overall headcount.

3 How many other agencies have also recognized a
4 headcount reduction or PS accruals as part of the
5 citywide savings program while still increasing
6 overall headcount?

7 DIRECTOR FULEIHAN: So on NYPD there is
8 an increase in the uniformed headcount, and that
9 uniformed headcount is reflected in opioids,
10 primarily, and in homeless spending, and that adds up
11 to about 125 positions on the uniform side. To
12 offset that, there was a reduction of about 135
13 civilians that came from the very place you're
14 talking about, a significant vacancy rate on the
15 civilian side at the NYPD which did not jeopardize
16 such things as the school safety agents and other
17 things that we all care about and have added heads
18 to. On other agencies there are limited amount of
19 actually personnel reductions. I'll have to get back
20 to you on specifics. There are accrual reductions,
21 no question, in the Executive Budget, and it's very
22 possible in certain places there were also headcount
23 increases. I will have to get you the detail by
24 agency.

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2 CHAIRPERSON FERRERAS-COPELAND: So, it's
3 just-- we can follow up on the civilians versus the
4 uniforms because we understand that we need to
5 strengthen the opioid epidemic with--

6 DIRECTOR FULEIHAN: [interposing] It is,
7 if I may, and I apologize for interrupting, it is
8 partly getting at the point you raised earlier. The
9 NYPD actually said we can take some of these
10 vacancies on the civilian side while we're increasing
11 our headcount on the uniform side to address two
12 urgent needs the opioid prevention and the crisis of
13 opioids, as well as providing more resource for the
14 homeless shelters.

15 CHAIRPERSON FERRERAS-COPELAND: But the
16 issue is that, you know, I would believe it was two
17 adop-- two years ago maybe now? Three? Right. We
18 acknowledge the fact that as we increased and grew
19 our police force that we would have more civilians
20 doing the work. So it's interesting--

21 DIRECTOR FULEIHAN: [interposing] I see.

22 CHAIRPERSON FERRERAS-COPELAND: that now
23 NYPD says, "Well, guess what? We can give up these
24 civilian vacancies and we'll just hire more
25 officers."

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2 DIRECTOR FULEIHAN: So, I apologize--

3 CHAIRPERSON FERRERAS-COPELAND:

4 [interposing] So, it just seems like we're
5 contradicting ourselves.

6 DIRECTOR FULEIHAN: So, let us come back
7 to you. There has-- civilianization has occurred.
8 So, if you're-- and that's fair. So we should come
9 back to you and that's easy to do and quickly to do
10 to come back and say here's the progress that
11 civilianization has made. So, I'm told we've done
12 about half of the 415 we added in civilianization,
13 but we should give you an exact.

14 CHAIRPERSON FERRERAS-COPELAND: Right.

15 DIRECTOR FULEIHAN: And we should tell
16 you what the plan--

17 CHAIRPERSON FERRERAS-COPELAND:

18 [interposing] But one thing that the members will
19 come back to me, will come back to, you know, in any
20 BNT that we have a conversation it's going to be, "We
21 do a really good job at hiring officers, but we seem
22 to not keep pace with hiring civilians." And you
23 know, we all want our officers to be doing the job
24 that they were hired for. So, when we give up-- when
25 we express that there's a savings through civilians,

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2 but we're going to bring on additional officers for
3 enforcement of the opioid epidemic because it is the
4 component of enforcement. It's not mental health
5 and--

6 DIRECTOR FULEIHAN: [interposing] Yes,
7 correct. That's correct.

8 CHAIRPERSON FERRERAS-COPELAND: the mental
9 health numbers, I think, were like eight.

10 DIRECTOR FULEIHAN: It was for the
11 enforcement.

12 CHAIRPERSON FERRERAS-COPELAND: Right.
13 So, I think that this is what we-- we need to
14 continue to have this conversation. I would like to
15 see the numbers versus the commitment that we had,
16 and it concerns me a little that the vacancies or the
17 savings program is in the very thing that we engage
18 about.

19 DIRECTOR FULEIHAN: Yes. So, we'll come
20 back to you. They are in different-- they are
21 different positions in the civilian workforce--

22 CHAIRPERSON FERRERAS-COPELAND:
23 [interposing] Okay.

24 DIRECTOR FULEIHAN: but it's a very fair
25 question, and we should delineate for you. We can do

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2 that quickly. Here's exactly the positions that we
3 added together for civilianization. Here's the
4 progress that's been made. Here's how we're moving
5 forward versus these other civilian positions that we
6 felt we could take down.

7 CHAIRPERSON FERRERAS-COPELAND: Okay. I
8 just want-- I'm going to have one more question and
9 then I'm going to come back on the second round
10 because I want to give my colleagues and opportunity
11 to ask their questions. In Fiscal 2018's Executive
12 Budget the city's plan to sell additional yellow taxi
13 medallions continues to be delayed. At the Committee
14 of transportation Preliminary's budget hearing, the
15 TLC testified as to deferring the sale of medallions
16 until Fiscal 2019. In April it was reported that a
17 private taxi medallion sold for 241,000 dollars which
18 is less than one-fifth of what the cab ownership tags
19 were going for just four years ago. What are your
20 latest plans regarding medallion sales, and why are
21 continuing to push out the potential revenue when it
22 seems that unless something can be done about the
23 explosion of EHEL [sic], they will have, you know,--
24 the value that we have been reflecting that we would
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2 get from revenue is not necessarily going to be what
3 we're-- what we predicted years ago.

4 DIRECTOR FULEIHAN: Right.

5 CHAIRPERSON FERRERAS-COPELAND: So at
6 what time do we just adjust or say, you know, we're
7 not counting on that revenue?

8 DIRECTOR FULEIHAN: So, we have clearly
9 pushed this out on a two-year basis. The 19 revenue
10 anticipated, it's about a little over 100 million.
11 We have said at prior testimony, continue to say
12 that, that some point the hope would be that the
13 market would stabilize and that there may be actually
14 the ability to go back into the marketplace or at
15 least to start that. I should add that while that one
16 sale was reported at about 240,000, the average over
17 the past six months, there's not a lot of activity,
18 but it is more like the 550,000, 540-550,000. So,
19 that's actually been the average. So while this is a
20 significant drop from where the very highs were only
21 a few years ago, there's a much more normal price
22 range. We continue to monitor that and we continue
23 to make adjustments. The adjustment is to be
24 cautious and to move it into the out years at this

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2 point and to have a very-- and to be careful about
3 how much we book in 19.

4 CHAIRPERSON FERRERAS-COPELAND: Right.

5 DIRECTOR FULEIHAN: But is it possible
6 that we will continue to revisit this? Of course,
7 we're going to revisit this.

8 CHAIRPERSON FERRERAS-COPELAND: Okay,
9 thank you. We're going-- we've been joined by
10 Council Members Chin, Rosenthal, Levine, Rodriguez,
11 Gibson, Treyger, and Miller. We will now hear from
12 Council Member Matteo followed by Council Member Van
13 Bramer.

14 COUNCIL MEMBER MATTEO: Hello, Director.
15 How are you?

16 DIRECTOR FULEIHAN: Fine, thanks.

17 COUNCIL MEMBER MATTEO: I want to talk
18 about the Senior Citizen Disabled Homeowner
19 Exemption.

20 DIRECTOR FULEIHAN: Yes.

21 COUNCIL MEMBER MATTEO: I think it was
22 32,000 seniors you expect and 1,750 average savings.
23 Is that--

24 DIRECTOR FULEIHAN: [interposing] Yes.
25

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2 COUNCIL MEMBER MATTEO: on top of-- is
3 that total or is that an added savings?

4 DIRECTOR FULEIHAN: That's the expansion.
5 There is a base, obviously.

6 COUNCIL MEMBER MATTEO: Right.

7 DIRECTOR FULEIHAN: I didn't mean to imply
8 there wasn't a base. Obviously, the base right now--

9 COUNCIL MEMBER MATTEO: [interposing]
10 Well, that's what I'm saying. The 1,750 is an
11 expansion on that?

12 DIRECTOR FULEIHAN: Correct.

13 COUNCIL MEMBER MATTEO: Okay. And
14 obviously we need--

15 DIRECTOR FULEIHAN: [interposing] No, I'm
16 sorry. It's the expansion of the additional. It's
17 what additional seniors by raising the income
18 thresholds. So the current income threshold--

19 COUNCIL MEMBER MATTEO: [interposing]
20 Okay.

21 DIRECTOR FULEIHAN: is 37.5. We're
22 raising it to 58, and you know how the formula works.

23 COUNCIL MEMBER MATTEO: Right.
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2 DIRECTOR FULEIHAN: It had-- reaches 50
3 percent. Right now at 29,000 and we're raising that
4 50,000.

5 COUNCIL MEMBER MATTEO: Okay, alright. So
6 I was just unclear on the mechanism of that. So,
7 have we had discussions--

8 DIRECTOR FULEIHAN: [interposing] So, it's
9 whatever, because some seniors are in the program but
10 they're at a different, right?

11 COUNCIL MEMBER MATTEO: Income, okay.

12 DIRECTOR FULEIHAN: They're not getting
13 the incremental benefit that they will get under this
14 proposal.

15 COUNCIL MEMBER MATTEO: Under this one.
16 And--

17 DIRECTOR FULEIHAN: [interposing] So, it
18 affects both existing seniors and new seniors.

19 COUNCIL MEMBER MATTEO: Okay. And we need
20 enabling legislation from the State. Have we had
21 discussion?

22 DIRECTOR FULEIHAN: We do.

23 COUNCIL MEMBER MATTEO: Have we had
24 discussion with them? Are we--
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2 DIRECTOR FULEIHAN: [interposing] We are
3 in constant conversations with them. We're very
4 positive. I think the Mayor indicated this last week
5 at the presentation that he's gotten-- he believes
6 that there's strong support in Albany for this.

7 COUNCIL MEMBER MATTEO: Okay. So,
8 obviously, you know, we want to do what we can to
9 help our seniors through the exemption. I'm
10 disappointed that the Veteran's Property Tax
11 Exemption is not included in the budget. It's a
12 priority on the Council's side. We already have the
13 enabling legislation. Its' 40 million dollars a
14 year. Why isn't it included in the Executives and
15 can we be moving forward to expand and get as much
16 property tax relief for our veterans as possible? If
17 you could comment.

18 DIRECTOR FULEIHAN: So, as you know, we do
19 give a significant veterans exemption under that
20 provision. It affects most of the city tax base. The
21 piece it doesn't effect is the amount for the
22 Department of Education. And we looked at our
23 priorities and said the one that we thought at this
24 time. While we care deeply about the veterans piece
25

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3 and we should keep that conversation going. We
4 thought we should move forward on the senior piece.

5 COUNCIL MEMBER MATTEO: Okay. And

6 obviously we want to have the conversation. It's an
7 important priority for us. I, you know, we've been
8 talking about property taxes and property tax reform
9 and rebates and the Administration has pushed back

10 against any type of rebate and reduction. We have to

11 do more, in my opinion, for the constituents that I

12 represent and my colleagues represent to do more for

13 property taxes. We talk about-- well, in fact, we

14 don't talk about, in my opinion, about the middle

15 classers being pushed out and having affordability

16 issues on their homes and forced to look elsewhere.

17 It happens in my district and throughout the island

18 and throughout the City. So I think we need to do

19 much more on property taxes, reductions and rebates

20 and adding the veterans rebate in. So, I look forward

21 to continuing having that conversation. The Chair

22 brought up some of the points that I wanted to make,

23 and I'll just point out that we're right around the

24 corner from a 100 billion dollar budget, you know, in

25 years coming. That's a daunting number for me to

understand the spending levels that we are-- I don't

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3 think that we are saving enough. I don't think we're
4 reaching the 12 to 18 percent that we should be. So,
5 you know, we talk about unsustainability. We talk
6 about-- and I think even the Speaker mentioned the
7 PEG plan. We have to get the budget under wraps. I
8 mean, the 100 billion dollars coming up in the next
9 few years is daunting, and I don't think we're doing
10 enough. This is more of a statement than-- you're
11 free to respond--

12 DIRECTOR FULEIHAN: [interposing] Thank
13 you.

14 COUNCIL MEMBER MATTEO: but this is more
15 of a statement for me as the Minority Leader of the
16 Council that we're-- I disagree. We're spending too
17 much. We're not putting enough reserves in, and
18 we're not giving enough property taxes back to our
19 constituents.

20 DIRECTOR FULEIHAN: So, obviously, and I
21 know you support this, the senior-- this significant
22 increase in the senior homeowner property tax
23 abatement is a significant-- is a significant step in
24 what you've been talking about. I will say, as you
25 and I have talked before, that if you compare the
property taxes in Class One in New York City to all

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2 the surrounding suburban communities, they are three
3 to five times higher than what is paid in New York
4 City. It's just worth putting that back in
5 perspective, and again, while we obviously are going
6 to continue a conversation on reserves, we have
7 levels of reserves that no Administration has ever
8 come close to before.

9 COUNCIL MEMBER MATTEO: And listen, I
10 understand that and I respect your point. I have a
11 difference of opinion. I think we need to have more
12 of these discussions, and quite frankly we have, and
13 I'm hoping we have the discussions that lead to the
14 actual implementation. So, thank you.

15 DIRECTOR FULEIHAN: Thank you.

16 COUNCIL MEMBER VAN BRAMER: Thank you,
17 very much, Director, and I wanted to start off by
18 mentioning something that I know you're aware of,
19 which is the President of the United States is going
20 to be in town today, and thrilled as the Chair of
21 Cultural Affairs that he'll be at one of our fine
22 cultural institutions later in the day, the Great
23 Intrepid Museum, for a worthy event, but I'll also
24 point out that that incredible museum has received
25 over 400,000 dollars in funding from the NEA, NEH,

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2 not to mention the National Science Foundation over
3 the last few years. So, I hope he enjoys the museum
4 and I say that to, of course, talk about culture and
5 the arts a little bit. You know that all of that
6 funding is threatened, and pointing out that great
7 cultural institutions in the City of New York receive
8 substantial funding from the NEA, the NEH--

9 DIRECTOR FULEIHAN: [interposing] Yes.

10 COUNCIL MEMBER VAN BRAMER: and so many
11 others. They are in constant threat. Last year we
12 had a 10 million dollar increase in funding for the
13 arts. We have yet to see that restored. So I want to
14 ask you, do you think we should cut the budget for
15 culture and the arts in the City of New York?

16 COUNCIL MEMBER VAN BRAMER: I-- as you
17 well know, as we move towards adoption and we're
18 having these conversations right now about what's
19 the, what level is affordable and what are the
20 priorities with the cultural institutions, and we're
21 in that conversations and that clearly is part of
22 adoption, historically been where we align our
23 various priorities.

24 COUNCIL MEMBER VAN BRAMER: So, I didn't
25 hear you say you don't think that--

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3 DIRECTOR FULEIHAN: [interposing] I'm
4 quite sure as we move to adoption we'll be addressing
5 priorities that you've established, and obviously
6 cultural are one.

7 COUNCIL MEMBER VAN BRAMER: So, I'm sure
8 you agree that culture in the arts--

9 DIRECTOR FULEIHAN: [interposing] I would
10 also-- we should continue. You know, I didn't
11 delineate as I did in the last testimony every single
12 potential federal cut in the Executive Budget, but
13 obviously as we said then and I'll say it now, and
14 I'm assuming someone's hopefully going to say
15 something on the Intrepid. These are-- these cuts
16 still need to be opposed and strongly opposed and we
17 should not assume they're-- we should not simply
18 assume they're going to happen.

19 COUNCIL MEMBER VAN BRAMER: I agree, and
20 we'll keep fighting together, and we need to make
21 sure that we fund culture and the arts in the City of
22 New York in a robust way. I wanted to talk to you a
23 little bit about library capital needs. We had a
24 great success working together to add 300 million in
25 capital funding for libraries, but as you know, the
26 need is somewhere north of a billion dollars, and I

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3 want to ask you if you believe that there's still a
4 need to do more and that there are libraries all over
5 the City of New York that need desperate, critical
6 repairs as you just pointed out in this capital
7 budget.

8 DIRECTOR FULEIHAN: So--

9 COUNCIL MEMBER VAN BRAMER: [interposing]

10 Which I agree are dealing with and funding real
11 urgent critical need. We still have a ways to go
12 with libraries, and I want to urge and encourage you
13 to go further in this budget to get closer to that
14 billion dollar in need which is still unmet.

15 DIRECTOR FULEIHAN: So, what we did last
16 year was-- I've used it a few times, I believe it was
17 unprecedented. I don't believe in a long-term basis.
18 There had been an agreement by the Administration and
19 the Council to put resources together on a multiyear
20 basis to allow the libraries to actually have not the
21 one year improvements that they do, but a much more
22 set amount of money in the capital strategy. So, we
23 still have those resources available. You know,
24 we'll have that conversation as well about whether
25 that's the appropriate level at this time or they can

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3 work within that-- within those levels at least for
4 the foreseeable future.

5 COUNCIL MEMBER VAN BRAMER: Indeed it was
6 historic to get libraries in that plan, but I think
7 there's no question that there's no question that
8 there's still more to be done and more can be done,
9 and there are opportunities in this budget to
10 increase the capital allocations for libraries. My
11 last question which obviously is something we're all
12 dealing with is the delays in capital projects, and
13 obviously we'll have Commissioner Pena-Mora here in a
14 little while, but I wonder if today you can speak to
15 ways in which OMB can improve things on its end.
16 Obviously we'll talk about DDC and all of the issues
17 there, but what more can be done at the OMB level?

18 DIRECTOR FULEIHAN: Well, it needs to be
19 done in our agency. It needs everyone participating.
20 It needs actually Council participation as well, and
21 I believe that's been offered, and we need to do
22 that, and I'm quite sure you're going to hear from the
23 Commissioner they are turning around things. They are
24 trying to do more front end design and analysis.
25 OMB, actually, is also participating in that, and we
are trying wherever possible to take projects and say

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2 is there a better way to do this. Can we get more
3 information early on that allows us to do planning?
4 In terms of the OMB process, it is dramatically
5 changed under this Administration from-- I don't-- I
6 will give you the exact numbers, but clearly about, I
7 believe the average was around 90 days to now where
8 it's maybe a little over a month in approving capital
9 projects. But that's just one component. That's
10 good component for us, but we need to do it across
11 the board. Otherwise, it doesn't get the
12 effectiveness that you're looking for and that many
13 members are looking for and that we're looking for.
14 We'd like to increase that capital commitment.

15 COUNCIL MEMBER VAN BRAMER: Now, I'll
16 pass it back to the Chair, but obviously we are not
17 there yet, and I think you acknowledge that.

18 DIRECTOR FULEIHAN: Yes.

19 COUNCIL MEMBER VAN BRAMER: There are
20 still too many delays too often, too long, too
21 costly.

22 CHAIRPERSON FERRERAS-COPELAND: Yes.

23 Council Member Kallos followed by Council Member
24 Rosenthal followed by Council Member Chin.

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2 COUNCIL MEMBER KALLOS: Thank you, Chair

3 Julissa Ferreras-Copeland for your leadership in

4 negotiating the City budget. OMB Director, Dean

5 Fuleihan, been asking some of these questions for

6 years. Each time you promise to get back to me. I

7 follow up for answers and despite progress on many

8 issues for these, but for these questions that remain

9 I've gotten nothing. So this is our last go-around

10 in my first term, and I'm hoping it shouldn't take an

11 entire City Council term to get these answers. So--

12 DIRECTOR FULEIHAN: [interposing] I'm glad

13 you're recognizing though that many of the answers--

14 I mean, you're not going to go over the ones that

15 have actually been done.

16 COUNCIL MEMBER KALLOS: I did that at

17 Preliminary, but so, and I'm also not going to do the

18 funny questions that folks may have thought were

19 funny but may have tried your patience. But so--

20 DIRECTOR FULEIHAN: [interposing] I was

21 happy answering them. You can ask anything you want.

22 I'm happy to talk about--

23 COUNCIL MEMBER KALLOS: [interposing] So,

24 these are going to be very similar to the last ones.

25 DIRECTOR FULEIHAN: Okay.

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3 COUNCIL MEMBER KALLOS: So, will you
4 agree to adopt performance budgeting, tying spending
5 to achievable goals, which is already mandated by the
6 City Charter Section 12 from the Mayor's Management
7 Report to include "a relationship between the program
8 performance goals and corresponding appropriation?"

9 DIRECTOR FULEIHAN: So, we-- the same we
10 did on the Open Portal and the information you
11 requested last year, we believe working with city
12 operations that for the September Commitment Plan, we
13 can achieve the kinds of things that you're asking
14 for, but you know, we should be sitting down and
15 having-- and we're prepared to sit. We're prepared
16 to sit. We're prepared to continue. It's between
17 now and September. We have already started this
18 process. We have been working reparations. It was
19 only in March that the question was asked. It is a
20 complicated question. It's something that comes out
21 in September, and we're prepared to make
22 modifications to get to the question and what we
23 believe we're committed. We're reaching--

24 COUNCIL MEMBER KALLOS: [interposing]
25 Right.

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2 DIRECTOR FULEIHAN: what's required in
3 the City Charter, but we-- can we do more? We
4 believe we can.

5 COUNCIL MEMBER KALLOS: Great. That's
6 really good news. Look forward to sitting down with
7 you before September. And so, similarly--

8 DIRECTOR FULEIHAN: [interposing] Right, I
9 indicated.

10 COUNCIL MEMBER KALLOS: Yeah.

11 DIRECTOR FULEIHAN: It's the change. The
12 change you're requesting is in Mayor's Management.

13 COUNCIL MEMBER KALLOS: If it's in the
14 Mayor's Management Report I'm a happy camper.

15 DIRECTOR FULEIHAN: Correct.

16 COUNCIL MEMBER KALLOS: And as is the
17 Mayor's Office of Operations, which I like to call
18 MOO. So, the-- when you buy a car you have to budget
19 for maintenance. When will the City budget reflect
20 our out-year spending to maintain the buildings and
21 new capital, for example? The City Council requested
22 169 million dollars to repair an existing park, the
23 East River Esplanade, that is literally falling into
24 the River. I got a 100 million dollar new park
25 instead. So, how much can we count on the money to

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2 repair the esplanade that's falling, and can I count
3 on out-year money to maintain the brand new park that
4 we're going to get.

5 DIRECTOR FULEIHAN: So, the Mayor when he
6 talked about the vision for the Manhattan Greenway
7 talked about for all-- that was one first step, and
8 if you recall, and I think he did this in the
9 presentation to the Council. He indicated other
10 areas where there needs to be work, and that work
11 goes from repairs to places that originally--

12 COUNCIL MEMBER KALLOS: [interposing] Our
13 actual repairs aren't funded.

14 DIRECTOR FULEIHAN: have no service. What
15 he said was there was going to be-- we were-- we had
16 put money aside for a six-month study for EDC to
17 actually look at the entire, the entire greenway and
18 see what was needed and how we move forward.

19 COUNCIL MEMBER KALLOS: Great. I will
20 follow up.

21 DIRECTOR FULEIHAN: And that ws part of
22 the vision that he presented to you.

23 COUNCIL MEMBER KALLOS: But I think just
24 as we're doing capital spending we should be putting
25 in--

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2 DIRECTOR FULEIHAN: [interposing] So, we
3 are spending significant amounts of money. When we
4 talk about that size of that capital budget, it's a
5 huge portion of that--

6 COUNCIL MEMBER KALLOS: [interposing]
7 Sorry, to cut you off, but I got--

8 DIRECTOR FULEIHAN: [interposing] I have
9 to answer the question.

10 COUNCIL MEMBER KALLOS: Sure.

11 DIRECTOR FULEIHAN: A huge portion of that
12 is about state of good repair. When we are putting
13 huge resources into DEP, we're talking about state of
14 good repair. When we're doing it in transportation,
15 we're talking about state of good repair. This
16 Administration has made a very aggressive commitment
17 to state of good repair. It doesn't mean that every
18 single capital infrastructure that we inherited is
19 going to happen tomorrow. It means planning for that
20 and recognizing that and making the energy, making
21 the efficiency moves we're doing, and we're doing
22 that throughout the entire 10-year capital strategy.

23 COUNCIL MEMBER KALLOS: Both the City
24 Council and Parks believe that we need 169 million to
25 maintain the East River Esplanade and repair it. So,

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2 I-- that was missing from the Executive, so I'd like
3 to see it--

4 DIRECTOR FULEIHAN: [interposing] Once
5 again you're going to see we have had-- the Mayor
6 asked for a different assessment.

7 COUNCIL MEMBER KALLOS: This study had
8 already been done.

9 DIRECTOR FULEIHAN: He's asked for an
10 assessment by EDC which is going to be coming back
11 within six months.

12 COUNCIL MEMBER KALLOS: So, just-- so
13 folks have touched on the contract over-runs, we've
14 ben talking about this four billion dollars and the
15 fact that we're paying more for what we contract. Do
16 we have an answer on what's happening and why we're
17 having so many over-runs, and where we are in terms
18 of life cycle counting? And then the other question I
19 applaud many of my colleagues on, is the City's
20 currently 72 billion in debt. A new plan on
21 borrowing an additional 19 billion, up two billion
22 since I sked you at the Preliminary, for 91 billion
23 by 2021, which exceeds the City's' constitutional
24 debt limit which is 90 billion. So we're actually
25 now planning to borrow more than we can now in the

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2 future. That ups us from 84,000 dollars today to
3 10,700 dollars of debt per child born in 2021. It's
4 great to borrow tens of billions of now, but what
5 will the next mayor do, and how do we reconcile this?

6 DIRECTOR FULEIHAN: So, you're asking
7 about vital city infrastructure that need to be
8 improved, and that's what we're doing. We're
9 addressing that. We are also forecasting and you
10 know this, and you note that we're maintaining all
11 benchmarks and we're certainly not going to exceed
12 any debt limits that we are forecasting a very
13 cautious, very cautious debt service forecast, very
14 high interest rate assumptions which we have not
15 achieved. We ae begin very cautious about that debt
16 level so that we know as we move forward on capital
17 planning, if we need to make adjustments where we
18 make those, but we are well below 15 percent of city
19 tax which has been the benchmark. We'll continue to
20 that benchmark. We'll continue to be pos--

21 ALEX CROHN: [interposing] You're going to
22 have 1.5 percent below. You're getting dangerously
23 close.

24 DIRECTOR FULEIHAN: I-- once again, we
25 believe that 10-Yaar Capital strategy is in

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2 aggregate, in aggregate and achievable and
3 appropriate amount. What we do agree with you on is
4 the phase-in which is part of what you're looking at
5 when you talk about the Four-Year capital financial--
6 when you talk about the final plan, that the phasing
7 in of that strategy needs to be adjusted. The Mayor
8 actually said this in his conversation with several
9 of you last week that we recognize that and that's
10 one of the things we're going to be working with our
11 on between now and September.

12 CHAIRPERSON FERRERAS-COPELAND: Thank
13 you, Council Member, and we'll add you to the second
14 round. Council Member Rosenthal followed by Council
15 Member Chin followed by Council Member followed by
16 Council Member Rodriguez.

17 COUNCIL MEMBER ROSENTHAL: Thank you so
18 much, Chair Ferreras-Copeland. You know, good to see
19 you, Director, and Larian--

20 DIRECTOR FULEIHAN: [interposing] Thank
21 you.

22 COUNCIL MEMBER ROSENTHAL: great to see
23 you. you know, in the long-run we're going to have
24 to right size the human service contracts, and this
25 Administration has done more than any other to move

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2 in that direction, but it's simply not sustainable to
3 ask these human service providers to continue to
4 provide essential services, but ask private
5 philanthropy to step in for the cost of increased
6 cost in maintenance, for example. So, again, I just
7 want to say this Administration unlike all other, all
8 others, has increased the budget for personnel, for
9 the people working for the salaries, which is
10 extraordinary, and it really is the case. In some of
11 these contracts it's been 20, 25 years since these
12 workers have seen increases which is beyond
13 admirable. It's the honorable and right thing to do.
14 But we have to keep moving toward right-sizing, and I
15 think we should commitment ourselves to matching the
16 investment in the workforce with the investment on
17 OTPS, other than personal services, maintenance, rent
18 going up, technology, and what I'd ask you to
19 consider is an increase of the same magnitude. In
20 other words, o parallel the COLA of a two percent
21 increase. Now, it's my understanding that a one
22 percent increase would be 10 million dollars.

23 DIRECTOR FULEIHAN: Roughly.

24 COUNCIL MEMBER ROSENTHAL: Roughly. So,
25 what I'm asking-- now that we've been able to settle

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2 what that number is, would you, would the city
3 consider-- so two percent next year would be 20
4 million. The year after would increase by 20 more.
5 So you'd be at 40 and then the year after it, 60
6 million just to mirror the COLA.

7 DIRECTOR FULEIHAN: So, you know that we
8 are in serious conversations with the human service
9 providers. We've recognized how important they are
10 to those things that we all care about and that we
11 really do care about in this Administration--

12 COUNCIL MEMBER ROSENTHAL: Yeah

13 DIRECTOR FULEIHAN: and this Council.
14 Those very agencies we talked about that had been
15 hurt in the prior, the prior seven years, however
16 many years for starting with 2009, are those same
17 agencies that are providing services. We have been--
18 so, yes, we took care of the wages. Thank you for
19 recognizing that. That was a major factor, and in
20 the--

21 COUNCIL MEMBER ROSENTHAL: [interposing]

22 And if I can interrupt you. Again, I believe the
23 Governor has still not stepped up to include in the
24 budget his share. So, we are--

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2 DIRECTOR FULEIHAN: [interposing] The
3 state has not made a comparable judge-- modification.

4 COUNCIL MEMBER ROSENTHAL: Yeah.

5 DIRECTOR FULEIHAN: I don't believe the
6 state in most human service providers has taken care
7 of the minimum wage increase.

8 COUNCIL MEMBER ROSENTHAL: That's right.

9 DIRECTOR FULEIHAN: So, we did both.

10 COUNCIL MEMBER ROSENTHAL: And by the way
11 I--

12 DIRECTOR FULEIHAN: [interposing] We took
13 care of the minimum wage increase and--

14 COUNCIL MEMBER ROSENTHAL: [interposing]
15 heard again from a provider who's going to have to
16 lay off somebody because the state did not step up.
17 But anyway, to be continued.

18 DIRECTOR FULEIHAN: So, we are talking
19 through with them what kind of savings they can
20 achieve, how we can provide additional resources, and
21 we're in that conversation--

22 COUNCIL MEMBER ROSENTHAL: [interposing]
23 Great.

24 DIRECTOR FULEIHAN: and it's very active.
25 The other piece, though, we're not simply siting

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2 still on that. While we're talking, in this
3 Executive Budget there is a right sizing of
4 Department of Home Services--

5 COUNCIL MEMBER ROSENTHAL: [interposing]
6 Yep.

7 DIRECTOR FULEIHAN: providers, and over
8 two years that grows to 34 million dollars.

9 COUNCIL MEMBER ROSENTHAL: I've heard
10 about that, and you budgeted--

11 DIRECTOR FULEIHAN: [interposing] Correct.

12 COUNCIL MEMBER ROSENTHAL: it already, I
13 see that, and--

14 DIRECTOR FULEIHAN: [interposing] And last
15 year, as you know--

16 COUNCIL MEMBER ROSENTHAL: [interposing]
17 That's the commitment.

18 DIRECTOR FULEIHAN: that the beacons, the
19 major change of the beacons.

20 COUNCIL MEMBER ROSENTHAL: Yep.

21 DIRECTOR FULEIHAN: So we are looking at
22 this where we can to say, okay, how do we look at
23 section-- at service--

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3 COUNCIL MEMBER ROSENTHAL: [interposing]

4 You're already answering my second question, but I'm
5 going to cut in because I only have a minute.

6 DIRECTOR FULEIHAN: Thank you.

7 COUNCIL MEMBER ROSENTHAL: So, you've
8 answered my second question which is a commitment to
9 right size going forward which you're already doing,
10 so thank you. I do want to talk though about how--
11 well, this isn't really under your bailiwick, but
12 just so you're aware, the trouble then comes in
13 implementing those increases, and it's still a mess,
14 and we've been talking about this for years. The
15 agencies have moved along. Some are spectacular.
16 Overall, we're at 85 percent have implemented the
17 wage increases that you've already budgeted for. Some
18 are at 100 percent.

19 DIRECTOR FULEIHAN: Yes.

20 COUNCIL MEMBER ROSENTHAL: Or close to it.
21 DYCD-- well, not DYCD, but MOCJ, HRA and HPD are well
22 over 90 percent, but the problem is that for DFTA
23 [sic] they're at 45 percent, and actually DHS is
24 around 65 percent. Now, I understand some of that is
25 because of registration, sorry--

DIRECTOR FULEIHAN: Correct.

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3 COUNCIL MEMBER ROSENTHAL: with the
4 Comptroller, that it's sitting there, but you know,
5 what's frustrating about it is that here you are,
6 this Administration, this Council passing budgets to
7 support our workers, and they're not getting to the
8 workers.

9 DIRECTOR FULEIHAN: So, that number since
10 the last time we discussed this has improved
11 dramatically. Many agencies now are completely done.
12 DHS intends to be done by the end of this fiscal
13 year. I'll go back and we'll have a conversation with
14 DFTA and anyone else. The goal has been to move this
15 along, and we do have a role here in trying to
16 streamline it for the agencies. So there is an OMB
17 responsibility to make sure that even where we do
18 need information that we separate that so that the
19 contracts can move forward. So we do share in that
20 responsibility and we are making adjustments on what
21 we request as well to allow the agencies to move
22 forward.

23 COUNCIL MEMBER ROSENTHAL: Thank you.

24 DIRECTOR FULEIHAN: So, it's something we
25 care about deeply, and we need to have-- it needs to
happen. We don't--

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3 COUNCIL MEMBER ROSENTHAL: [interposing]
4 Really appreciate that, and I think our legislation
5 to put VENDEX online and--

6 DIRECTOR FULEIHAN: [interposing] Agreed.

7 COUNCIL MEMBER ROSENTHAL: making
8 everything electronic is going to expedite all that.

9 CHAIRPERSON FERRERAS-COPELAND: Thank you,
10 Council Member.

11 COUNCIL MEMBER ROSENTHAL: Thank you.

12 CHAIRPERSON FERRERAS-COPELAND: Council
13 Member Chin followed by Council Member Rodriguez
14 followed by Council Member Gibson.

15 COUNCIL MEMBER CHIN: Thank you, Madam
16 Chair. Good morning.

17 DIRECTOR FULEIHAN: Good morning.

18 COUNCIL MEMBER CHIN: As Chair of the
19 Aging Committee, Director Fuleihan, first I do want
20 to thank you and the Mayor for your commitment to
21 build more affordable housing for our seniors and
22 your commitment to keep seniors in their homes
23 through rent freeze program, tax abatement program
24 and legal services, and that is why I was
25 disappointed to see that the Executive Budget
contains so little funding for senior programs, and

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3 nothing, no funding for the services and the item
4 that was listed in the council response. For the
5 "Year of the Seniors," and I thought you heard me
6 loud and clear that this is the year of the senior.

7 DIRECTOR FULEIHAN: I do.

8 COUNCIL MEMBER CHIN: And advocates,
9 Council Staff and us, Council Member, we work very
10 hard to develop this year of the senior budget, and
11 we didn't see anything in the Executive Budget, and
12 the services that we continue to advocate affects all
13 New Yorkers, and the senior population is growing for
14 everyone who's blessed enough to get there. We go to
15 make sure that we continue to provide the quality
16 care for them so they continue to be healthy and
17 strong, and when seniors are healthy and strong it
18 save the government money, and that's the best return
19 on our investment, right? So, and then also have
20 caregivers, majority are women. We didn't see
21 anything for them, and the only funding we have
22 gotten so far historically has been from the Federal
23 Government, and right now how knows that's going to
24 happen, right? So-- and furthermore, you heard me
25 say it over and over again, no senior should be on
waiting list, and we still got 1,700 seniors waiting

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2 for case management and 900 waiting for HomeCare. So,
3 Dean, as we move towards adoption, alright, I'm still
4 giving you some time. You know, I didn't want to
5 just give up. I can't. Because the seniors are
6 counting on us. So, how are we going to get there,
7 Dean?

8 DIRECTOR FULEIHAN: So--

9 COUNCIL MEMBER CHIN: [interposing] How
10 are we going to get there to make sure that before is
11 budget is adopted that seniors will feel that they
12 are taken care of, that this is their year finally,
13 and even basic, when we talk about-- when we met and
14 talked about right-sizing senior center, because
15 every year, the Council put in-- I mean, last about
16 30 million just to support senior centers and
17 essential services that are core programs. So, why
18 couldn't you just even start by baselining?

19 DIRECTOR FULEIHAN: So, I have a feeling
20 that we will be talking about this over many days
21 between now-- practically everyone-- between now and
22 adoption. I do want to just step back. That doesn't
23 mean that we can't do more and that we should not
24 work to get there at adoption, but we have over a 40
25 percent increase in the DFTA budget that we've worked

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2 on together now in the past three years, versus-- and
3 I could be corrected on the number-- a 20 percent cut
4 that we inherited when we came into office. So we
5 have done things, many of which you've encouraged us
6 to do, most of which you've encouraged us to do. We
7 did make-- I do want to emphasize that the Executive
8 Budget did make an enormous commitment of almost two
9 billion dollars in changing the affordable housing
10 plan of which-- and those 10,000 units, 5,000 were
11 being dedicated to seniors. So, that I-- I'm not
12 suggesting that we should be working together towards
13 adoption and that there aren't other things we should
14 be achieving, but that was a very significant move,
15 and that was coupled with the 60 million dollars for
16 the homeowner relief for seniors, which parallels
17 what we had done for renters a couple of years ago.
18 So, those are significant movements, but I-- look, we
19 hear, we understand and we know that we're going to
20 be working on this with you towards adoption.

21 COUNCIL MEMBER CHIN: Dean, the budget
22 for DFTA is still less than half a percent. Yes, we
23 have made great stride in the last three years
24 working together, but the Council is still supporting
25 a lot of core services, right? So,--

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3 DIRECTOR FULEIHAN: [interposing] And one-

4 -

5 COUNCIL MEMBER CHIN: [interposing] Start
6 by right-sizing the senior center budget. It is a
7 long-term process, I agree with you.

8 DIRECTOR FULEIHAN: I--

9 COUNCIL MEMBER CHIN: [interposing] That
10 it's not an overnight thing.

11 DIRECTOR FULEIHAN: I do believe-- I
12 apologize, but I do believe we should get together
13 with you because we are in the process of right-
14 sizing, of right-sizing those rates. One of--
15 another area that we are trying to do the right-
16 sizing of those rates, so I think we should talk in
17 the next couple of days because I think we are trying
18 to achieve that, that goal.

19 COUNCIL MEMBER CHIN: Alright. I'm going
20 to come back on my second round. Thank you.

21 CHAIRPERSON FERRERAS-COPELAND: [off mic]

22 COUNCIL MEMBER RODRIGUEZ: Thank you,
23 Chair. First of all, I'd like to thank Mayor de
24 Blasio and Commissioner Trottenberg and also NYPD
25 Commissioner for everything that we've been doing on
Vision Zero. You know, one more time we can say that

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2 a good amount of money begin dedicated to repair the
3 road, the lane miles as you say in this testimony
4 like, we have a funding for continue repair-- repave
5 roads for 1,300 miles, lane miles, but this is only
6 for 17 and 18. Like, after those, when we look at
7 those amount of mile that we have funding right now,
8 how many miles are we leaving out that we don't have
9 the funding to be sure that they would be repaired in
10 17 and 18?

11 DIRECTOR FULEIHAN: So, I just-- let's
12 clarify two different things. For Vision Zero, we
13 have 1.7 billion dollars over the next--

14 COUNCIL MEMBER RODRIGUEZ: [interposing] I
15 get it.

16 DIRECTOR FULEIHAN: five years.

17 COUNCIL MEMBER RODRIGUEZ: And, yeah--

18 DIRECTOR FULEIHAN: [interposing] But I do
19 want to separate these--

20 COUNCIL MEMBER RODRIGUEZ: [interposing] I
21 specifically on the number, yeah. I want to be sure
22 that-- we already thought that we had this money--

23 DIRECTOR FULEIHAN: [interposing] So, we
24 have-- so,--

25 COUNCIL MEMBER RODRIGUEZ: for 17, 18--

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3 DIRECTOR FULEIHAN: [interposing] Right.

4 COUNCIL MEMBER RODRIGUEZ: to repave
5 roads.

6 DIRECTOR FULEIHAN: So, what--

7 COUNCIL MEMBER RODRIGUEZ: [interposing]
8 Like, how many-- I want to, you know, how many miles
9 are we leaving out because of whatever reason we
10 don't have the finding to repave all by 17, 18?

11 DIRECTOR FULEIHAN: Yes, right. First we
12 did it for 17, 18 and 19. So the way we have
13 budgeting with DOT on the lane3 miles, on many things
14 that we do with DOT it's literally on a bridge. It's
15 a 10-year--

16 COUNCIL MEMBER RODRIGUEZ: [interposing]
17 But Dean, Dean--

18 DIRECTOR FULEIHAN: [interposing]
19 Literally a 10-year project.

20 COUNCIL MEMBER RODRIGUEZ: Because of the
21 use of my time, I just want to know how many miles?

22 DIRECTOR FULEIHAN: Well, we actually
23 think we're meeting the needs.

24 COUNCIL MEMBER RODRIGUEZ: Okay.
25

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3 DIRECTOR FULEIHAN: And the planning
4 needs that transportation has for repaving versus
5 major reconstruction of a road or a bridge.

6 COUNCIL MEMBER RODRIGUEZ: That's fine. I
7 just want to know if--

8 DIRECTOR FULEIHAN: [interposing] Where
9 we do the 10-year--

10 COUNCIL MEMBER RODRIGUEZ: [interposing]
11 we are, you know, if we are targeting.

12 DIRECTOR FULEIHAN: No, we actually
13 believe we're achieving what needs to and giving
14 enough planning time which is a two-year horizon for
15 DOT to make those miles.

16 COUNCIL MEMBER RODRIGUEZ: Great. So, we
17 are on target on whatever lanes, miles,--

18 DIRECTOR FULEIHAN: [interposing] Yes, we
19 believe.

20 COUNCIL MEMBER RODRIGUEZ: we need to be
21 paving, that's great. My second thing is, is the
22 advisory again a bias [sic]? You know, why we had to
23 come back one more time not including the funding the
24 for the educational awareness, that we at the end
25 it's like, we, working to get the Administration, the
Administration know that we would fight for this, we

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an
2 will restore the tree million dollars for the
3 Education Awareness Fund, Why we don't even double ha
4 amount knowing that this is top priority for this
5 Administration?

6 DIRECTOR FULEIHAN: Look, if-- we have
7 made a huge investment. We continue to make expanded
8 investments in Vision Vero in both --

9 COUNCIL MEMBER RODRIGUEZ: [interposing]
10 Sorry, I'm talking about the three million dollars.

11 DIRECTOR FULEIHAN: In both expenses, both
12 expenses, both expenses--

13 COUNCIL MEMBER RODRIGUEZ: [interposing] I
14 am specific about the three million dollars for the
15 education awareness fund.

16 DIRECTOR FULEIHAN: And the way we have
17 approached this is we make an evaluation on an annual
18 basis whether we need more advertising at this point,
19 and we decided at this point that we had made the
20 investments we needed to in Vision Zero. Obviously,
21 it's something that you're raising and that we're
22 going to discuss between now and adoption. We
23 understand that.

24 COUNCIL MEMBER RODRIGUEZ: So while it is
25 in the budget we don't have any funding --

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2 DIRECTOR FULEIHAN: [interposing] For next
3 year.

4 COUNCIL MEMBER RODRIGUEZ: for the
5 educat-- exactly for next year. We don't have any
6 funding for the educational awareness problem that we
7 have in the budget that we're able to get--

8 DIRECTOR FULEIHAN: [interposing] That's
9 correct.

10 COUNCIL MEMBER RODRIGUEZ: in that last
11 year.

12 DIRECTOR FULEIHAN: That's correct.

13 COUNCIL MEMBER RODRIGUEZ: Great. And I
14 think--

15 DIRECTOR FULEIHAN: [interposing] There is
16 funding in the current year. There is not funding for
17 next year.

18 COUNCIL MEMBER RODRIGUEZ: Yeah, but where
19 this goes in the 2018 budget?

20 DIRECTOR FULEIHAN: That's correct.

21 COUNCIL MEMBER RODRIGUEZ: we want to talk
22 about this year.

23 DIRECTOR FULEIHAN: That's correct.

24 COUNCIL MEMBER RODRIGUEZ: So, I assume
25 that not only for this year, but I don't think that

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we should come back for the 2019 budget, you know, without including that important investment that we have to make on the educational awareness, because the only way or how we will achieve our goal in our City to reduce it there by 2024 is by changing the culture. Right? Any particularly area, any, any particular area where the city has identified as target. It can be the anti-smoking campaign. It can be against obesity. That's always funding for the education of this, and we know right now that probably we would not get the funding from the Federal Government. So I think it is important that we from the city perspective being able to say we are putting this money for this. You know, hit and run is killing our city. You know this is something again, we inherit. This is not something that we created by knowing that we have 40,000 last year, 45,000, and 50,000 of those ending with people being sent to the hospital in critical condition, and I know that the Administration is started putting the resources. They want PD doing more enforcement. We need to put some money in the educational piece on the hit-and-run. You know, so people, they should know every one should be part. This is an epidemic that we're

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3 dealing. Five thousand individual New Yorkers sent
4 to a hospital in critical condition, and an average
5 one person dying per week. We don't know whose family
6 member that is going to be. So, what I hope, again,
7 that the Administration, the great partner that we're
8 so lucky to have, put the money for the educational
9 awareness for those campaign.

10 DIRECTOR FULEIHAN: Thank you.

11 CHAIRPERSON FERRERAS-COPELAND: Thank
12 you, Council Member. We will hear from Council
13 Member Gibson followed by Council Member Miller, and
14 we've been joined by Council Member Cornegy.

15 COUNCIL MEMBER GIBSON: Thank you, Chair.
16 Good afternoon to all my colleagues. Good afternoon,
17 Dean, to you and the OMB team. Thank you so much for
18 being there.

19 DIRECTOR FULEIHAN: Thank you.

20 COUNCIL MEMBER GIBSON: So, I first want
21 to always begin by complimenting before I criticize,
22 but I want to thank you for the incredible
23 investment, 4.9 million in anti-gun violence and Cure
24 Violence, the crisis management work incredible
25 partners doing great work to save young people and
give them jobs. The new creation of the Office to

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3 Create Gun Violence under MOCJ is incredible, and I
4 want to thank certainly Liz Glazer and Eric
5 Cumberbatch for their amazing work. Right to
6 Council, historic. Land ground-- landmark, Civil
7 Legal Services and the work we're doing in that is
8 amazing. The 10,000 set aside units of affordable
9 housing, 5,000 for seniors and 5,000 for veterans is
10 also an incredible investment, and my favorite topic
11 that I always talk about, school crossing guards.
12 We're hiring 200 additional school crossing guards
13 and 100 supervisors which is unheard of. So, I'm
14 really grateful for that because they do provide an
15 incredible public service for our children. I wanted
16 to also echo the sentiments of our Chair Ferreras-
17 Copeland in talking about Summer Youth Employment
18 program and making sure that we can do everything
19 possible to expand the capacity for DYCD. The number
20 of slots on average, we get about 135,000
21 applications, and as we grow in the City, we know
22 that there are many more children that are applying.
23 So, certainly we'll keep talking about that to make
24 sure that it's prioritized in the final budget. I
25 wanted to just quickly ask a little bit about
civilianization. The Chair talked a little bit about

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2 that, and I do know that the Department had focused
3 on uniformed hiring and the headcount which was the
4 main priority, and it needed to be, but now that
5 we're at 2,000 additional officers, civilianization
6 is equally as important. The 415 slots that we passed
7 in FY17, as I understand NYPD is at about 223 to
8 date.

9 DIRECTOR FULEIHAN: Very good, yes.

10 COUNCIL MEMBER GIBSON: I talk to them
11 all the time, but what I also wanted to understand is
12 a lot of those new positions are not just PAAAs. The
13 PAAS that work in the precincts, but they're also
14 specialty criminologist and other associated
15 positions. Are you aware of that?

16 DIRECTOR FULEIHAN: Yes.

17 COUNCIL MEMBER GIBSON: In terms of the
18 specialty? Okay. So, we'll talk to the NYPD when
19 they come later on this month about specific
20 timelines on how we can get to 415.

21 DIRECTOR FULEIHAN: Yes, and we're--

22 COUNCIL MEMBER GIBSON: [interposing]
23 Because certainly we want to get further.

24 DIRECTOR FULEIHAN: And from the
25 questions earlier, we'll also make sure--

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2 COUNCIL MEMBER GIBSON: [interposing]

3 Okay.

4 DIRECTOR FULEIHAN: they're aware of that,
5 and that we get the information to you.

6 COUNCIL MEMBER GIBSON: Okay. In the
7 City Council's budget response, we talked about our
8 efforts to increase capacity for the Hate Crimes
9 Unit. So, I don't know where we are with that. If
10 you have anything to share, certainly we'll ask the
11 NYPD, but we've put an incredible focus on sex
12 trafficking, human trafficking, domestic violence,
13 the opioid epidemic as well as healing NYC, DHS and
14 the security measures. We've given the Department
15 funding--

16 DIRECTOR FULEIHAN: [interposing] Yes.

17 COUNCIL MEMBER GIBSON: for hiring more
18 officers for those particular units, but I don't know
19 that we've really done that with hate crimes.

20 DIRECTOR FULEIHAN: So, we will come back
21 to you on the PD's answer on that.

22 COUNCIL MEMBER GIBSON: Okay.

23 DIRECTOR FULEIHAN: And both on how
24 they're deploying, and what--
25

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2 COUNCIL MEMBER GIBSON: [interposing]
3 Okay.

4 DIRECTOR FULEIHAN: they've done on
5 personnel.

6 COUNCIL MEMBER GIBSON: Okay, and I
7 wanted to talk about NYCHA very quickly.

8 DIRECTOR FULEIHAN: Sure.

9 COUNCIL MEMBER GIBSON: We're investing
10 355 million to do capital work. I don't know if
11 that's all replacement of roofs, but the State gave
12 us 200 million. I'm assuming that's capital, right?

13 DIRECTOR FULEIHAN: So, the roofs are the
14 billion dollars that we added.

15 COUNCIL MEMBER GIBSON: Okay.

16 DIRECTOR FULEIHAN: At the Preliminary
17 Budget. This additional 355 million is for the
18 façade improvements.

19 COUNCIL MEMBER GIBSON: Okay. So--

20 DIRECTOR FULEIHAN: [interposing] And the
21 State, 200 million.

22 COUNCIL MEMBER GIBSON: Right.

23 DIRECTOR FULEIHAN: As you know, we've--
24 hopefully the State money can start flowing now and
25 we'll see what that's exactly for.

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2 COUNCIL MEMBER GIBSON: If it's still--

3 DIRECTOR FULEIHAN: [interposing] But it
4 is for NYCHA capital improvements.

5 COUNCIL MEMBER GIBSON: going through
6 DASNY, then it's still going through the same
7 process.

8 DIRECTOR FULEIHAN: I believe it is not.

9 COUNCIL MEMBER GIBSON: Is it coming
10 directly to NYCHA or is it going through DASNY again?

11 DIRECTOR FULEIHAN: Alright, so we still
12 need apparently clarification.

13 COUNCIL MEMBER GIBSON: Clarification,
14 okay.

15 DIRECTOR FULEIHAN: I had thought that the
16 Dormitory Authority had been taken out of the
17 process.

18 COUNCIL MEMBER GIBSON: Okay.

19 DIRECTOR FULEIHAN: We certainly made
20 that request. NYCHA made that request.

21 COUNCIL MEMBER GIBSON: Okay.

22 DIRECTOR FULEIHAN: I know that was the
23 Assembly position, but we will get clarification on
24 it.

25

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2 COUNCIL MEMBER GIBSON: Okay. And then
3 my other concern is with the Federal Proposed Budget,
4 NYCHA stands to lose about 150 million in operating
5 which is important and critical for maintenance and
6 staff. So, I'd love to continue to talk about how we
7 can help the Housing Authority. Capital is great,
8 but operating is equally as important.

9 DIRECTOR FULEIHAN: Yes, as we move to
10 the next federal budget, obviously, the additional
11 cuts that we--

12 COUNCIL MEMBER GIBSON: [interposing]
13 Okay.

14 DIRECTOR FULEIHAN: were worried about for
15 NYCHA and the continuing resolution did not happen.

16 COUNCIL MEMBER GIBSON: Okay.

17 DIRECTOR FULEIHAN: But clearly the
18 President proposes significant cuts in programs that
19 NYCHA residents rely on.

20 COUNCIL MEMBER GIBSON: Okay. And then my
21 final comment as my time runs out, I just wanted to
22 go on record. Many of us are very, very supportive
23 of EFAP and where we're calling on an additional, I
24 believe it was, 14 million dollars that we wanted for
25 so many New Yorkers that are going to bed hungry

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2 every night. I have an oversaturation of food
3 pantries that are necessary, but they're bursting at
4 the seams. So, food pantries, EFAP, cannot talk
5 about that enough, and we'll keep talking about it
6 until we make sure that it's in the final budget
7 because that's important.

8 DIRECTOR FULEIHAN: Right. I mean, the
9 Mayor made the commitment that we would be working
10 together to adoption to determine what is that
11 appropriate level for next year.

12 COUNCIL MEMBER GIBSON: Okay, we'll keep
13 talking. Thank you very much. Thank you, Chair.

14 CHAIRPERSON FERRERAS-COPELAND: Thank
15 you, Council Member. Council Member Miller followed
16 by Council Member Lander.

17 COUNCIL MEMBER MILLER: Thank you, Madam
18 Chair. Good morning, Director and to you and your
19 team there.

20 DIRECTOR FULEIHAN: Good morning.

21 COUNCIL MEMBER MILLER: So, I'm going to
22 put on the labor hat for a moment and talk about the
23 City's workforce, municipal as well as private
24 sector. So, let's talk about the management freeze,
25 temporary freeze, and its impact on the City in terms

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2 of services being delivered, and does that have an
3 impact on the reduction of the provisional workforce?
4 Are we going to see that as well?

5 DIRECTOR FULEIHAN: So, as I indicated
6 earlier, we will be coming back with more details on
7 the partial hiring freeze, management and
8 administrative positions. There are things that
9 were-- and we will be doing that at adoption. There
10 are clearly things that we're not going to touch, and
11 we're certainly not going to touch health and safety,
12 and where there's been a determination that the
13 provisional issue is being taken care of with civil
14 service-- off the civil service exams, we're going to
15 allow those to go forward.

16 COUNCIL MEMBER MILLER: Okay, great. In
17 terms of in-sourcing that, we've identified certain
18 savings over the last few years--

19 DIRECTOR FULEIHAN: [interposing] Yes.

20 COUNCIL MEMBER MILLER: which is great.
21 Do you foresee any-- do you have any future plans for
22 those--

23 DIRECTOR FULEIHAN: [interposing] Yeah, we
24 keep encouraging this. The Department of Education
25 did some IT in-sourcing in the Executive Budget,

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2 which was-- we're very pleased with, I know you're
3 familiar with, and we're going to keep encouraging
4 agencies to do more and more of this.

5 COUNCIL MEMBER MILLER: So, there's also
6 been some savings in terms of the health benefits
7 around the 345,000--

8 DIRECTOR FULEIHAN: [interposing] Yes, as
9 I--

10 COUNCIL MEMBER MILLER: employees--

11 DIRECTOR FULEIHAN: As I had stated in my
12 testimony, we have achieved the billion dollars for
13 the current year, and next year, which is the last
14 year of the agreement where it escalates is--

15 COUNCIL MEMBER MILLER: [interposing]
16 Right.

17 DIRECTOR FULEIHAN: 1.3 billion. We
18 expect with our partnership with the MLC which is
19 another historic event--

20 COUNCIL MEMBER MILLER: [interposing] So--

21 DIRECTOR FULEIHAN: where we achieve 1.3
22 billion and that continues every year thereafter.

23 COUNCIL MEMBER MILLER: Considering that
24 we are coming up on the last year of that agreement,
25 notwithstanding the current fiscal woes of the

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2 current provider, I think that everyone in the
3 industry and around the City knows that there are
4 some opportunities to achieve a greater savings as
5 well as divide probably better services at the same
6 is. Is-- will we be considering an RFP to go outside
7 and look at other providers that can provide
8 services?

9 DIRECTOR FULEIHAN: So, as you know, the
10 goal of the-- the goal of the negotiation with the
11 MLC and the agreement with the MLC, was to provide
12 better care, better services and to reduce our cost,
13 and we achieved that, and we--

14 COUNCIL MEMBER MILLER: [interposing] So,
15 we would be--

16 DIRECTOR FULEIHAN: [interposing] And we--
17 and to your point, we agree and the Mayor has said
18 that we need to pursue that in the next round of
19 labor contracts. We need to continue the healthcare
20 savings, both goals, we need to continue to provide
21 better care which is actually what you're asking.

22 COUNCIL MEMBER MILLER: Okay.

23 DIRECTOR FULEIHAN: And to find the kind
24 of healthcare savings that we also need to achieve.
25 So our goals are there. How that is actually going

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2 to be delineated, what is the process, that's
3 something that-- and I think you'll support this--
4 that's something we want to work with the Municipal
5 Labor Committee to achieve the same kind of success.

6 COUNCIL MEMBER MILLER: Okay. So,
7 certainly I look forward to continuing to have those
8 conversations. So, in terms of job growth, the
9 decal-- what we've seen in terms of job growth and
10 deceleration over the past few years, aside from
11 employer tax and there's contributions and its
12 funding around transportation, what kind of impacts
13 are we seeing on diminishing of benefits and services
14 because of that, and what are we doing to offset
15 that?

16 DIRECTOR FULEIHAN: Well, I mean, we
17 continue to see just on the past-- 14, 15 and 16 had
18 an unprecedented set-- those three years had the
19 second highest job growth in the City history. Yes,
20 the first two years were exceedingly high, but last
21 year, I could be corrected, I believe it was 89,000
22 job growth. Eighty-six, I apologize. So we still
23 had significant job growth. We're still hoping that
24 while we think that's lowing because of where we are
25 in the economy, we still hope that's there. Wages

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increased in the-- in 2015. So we saw a significant wage increase, and you know, we have one of the mission of every single budget the Mayor's put forward and that we've worked with you on is on affordability, and you've seen where we've tried and successfully put forward programs that address the affordability issue. The biggest one, of course, is the affordable housing plan.

COUNCIL MEMBER MILLER: So, certainly there are some things that-- some opportunities that we've had. Obviously we've talked about it at the Executive Budget briefing about being able to leverage some of these major contracts that are going out throughout the City. For example, in my district there's 1.7 billion dollars of infrastructure that are being done, not a single MWBE contract, a major contract. Obviously MWBE's tend to hire locally, therefore there are no locals involved in the workforce there as well. Certainly something that I would like to have further conversation about, leveraging not creating-- not reinventing the wheel, but just taking advantage of what we're already doing.

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2 DIRECTOR FULEIHAN: And we agree, and you
3 know the Mayor agrees, and you know he's set the
4 ambitious goal of 30 percent on contracts, and you
5 know Richard Buery is now the Deputy Mayor who is
6 heading that up, and we're happy to sit down with you
7 and look at every opportunity that's available.

8 COUNCIL MEMBER MILLER: Thank you so
9 much. Thank you, Madam Chair.

10 CHAIRPERSON FERRERAS-COPELAND: Thank
11 you, Council Member Miller. Council Member Lander
12 followed by Council Member Crowley, then Council
13 Member Levin.

14 COUNCIL MEMBER LANDER: Thank you, Madam
15 Chair. It's good to see you as always, Budget
16 Director, and I'm going to--

17 DIRECTOR FULEIHAN: [interposing] Thank
18 you.

19 COUNCIL MEMBER LANDER: start with the
20 question you and I've mostly talked about in these
21 hearings, and I know the Chair spoke about capital
22 projects, management and need for reform, and many of
23 my colleagues, you know, Council Member Borelli and
24 I, we don't agree on a lot of things, but one thing
25 we really agree on is that there is a need for

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2 systemic reform of capital projects management in New
3 York City, and we appreciate that you have taken some
4 steps in that direction, but we don't see a systemic
5 reform process. You know, we crunched some numbers
6 from the capital projects dashboard which shows-- and
7 that's just for projects over 25 million. Of those,
8 for example, 46 percent are on or under budget, 12
9 percent moderately over budget, and 42 percent
10 severely over budget. These are-- and we have no
11 idea where things stand for projects under 25 million
12 because that information is not available to the
13 Council or to the public, and those are
14 overwhelmingly concentrated at DDC, EDC and SCA.
15 [inaudible] a significantly better performance. So,
16 in the Council's budget response to the Preliminary
17 Budget, we asked for a taskforce to work with Council
18 Members to really take a systemic look at the areas,
19 and I know you guys are doing some pieces of that,
20 but I guess I'm just going to ask again, will you
21 form with the Council a taskforce to look
22 systemically at capital projects, management reform?

23 DIRECTOR FULEIHAN: So, what I committed
24 to earlier and what the Mayor committed to last week
25 is that between now and the commitment plan-- it's a

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2 good benchmark, the September commitment plan-- to
3 addressing many of these issues in working with you,
4 and we should discuss what's the best way to do that.
5 We're already having numerous staff conversations and
6 member conversations about how to move forward. We
7 have-- we have made progress. There's a long list
8 that you've articulated before that we have started
9 to make progress on. We certainly had a process that
10 involved City Planning much more than it ever had
11 with City agencies. We have reduced at OMB our
12 review process. There are time periods that have
13 been reduced to DDC. So there are places where we
14 have made those improvements,--

15 COUNCIL MEMBER LANDER: [interposing]

16 There are places where you have--

17 DIRECTOR FULEIHAN: [interposing] But,

18 we're not-- we're not-- we're accepting, and the
19 Mayor said this to you last week, that while we think
20 the size is appropriate, there are problems in the
21 distribution of that, in the timeline of that, and we
22 need to work with you between now and September to
23 see how we can make those adjustments, and that
24 doesn't mean there can't also be improvements in the
25 process. In addition, I'm just going to keep saying

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2 it because we only have about a month left in the
3 Albany sessions, it would be very helpful on some of
4 those very big projects--

5 COUNCIL MEMBER LANDER: [interposing]

6 Amen.

7 DIRECTOR FULEIHAN: that take many, many
8 years and are time consuming to get design build, and
9 we've seen actual savings in State projects.

10 COUNCIL MEMBER LANDER: We are on board.

11 DIRECTOR FULEIHAN: which have similar
12 procurement--

13 COUNCIL MEMBER LANDER: [interposing] I
14 commit today to organize another Council letter from
15 as many of our--

16 DIRECTOR FULEIHAN: [interposing] Thank
17 you.

18 COUNCIL MEMBER LANDER: colleagues as we
19 can, you know, making clear our support of design
20 build. But I'm just going to say again, you know,
21 what-- I'm not confident we can do what needs to be
22 done by September. Like, I think there is actually a
23 need for-- and partly the reason why I think
24 something like a taskforce is critical is to make
25 sure that we agree with questions we're asking.

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2 DIRECTOR FULEIHAN: Okay, that's fair.

3 COUNCIL MEMBER LANDER: We agree what
4 benchmarks we're looking at. And I don't-- we know--
5 I think we all know we're frustrated, but I don't
6 know that we all have the same understanding of what
7 we're looking at in terms of reform, and I just-- we
8 need to find some way to do that which is more than a
9 lot of individual conversations.

10 DIRECTOR FULEIHAN: So between now and
11 adoption, we should certainly delineate what those
12 questions are, that we agree that we should be
13 addressing. That's fair.

14 COUNCIL MEMBER LANDER: Okay. Thank you.
15 The other area I'm going to ask about is the Human
16 Rights Commission. In the Preliminary Budget it
17 became clear that for the good reason that the Human
18 Rights Commission is doing its work--

19 DIRECTOR FULEIHAN: [interposing] Yes.

20 COUNCIL MEMBER LANDER: people are
21 bringing forward complaints and claims, and so, you
22 know, claims having to do with race, religion and
23 citizen status discrimination are up 46 percent.

24 DIRECTOR FULEIHAN: Yes.
25

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2 COUNCIL MEMBER LANDER: So, that's a-- I
3 mean, we're sorry that there are the discrimination,
4 but we're glad people are going to the Human Rights
5 Commission. Unfortunately, that has meant long
6 increases in wait times from 297 days at the start of
7 the Administration now to 375 days, and not just more
8 than a year is too long to wait for New Yorkers to
9 have their discrimination cases processed. So, I was
10 disappointed to see that there was not any addressing
11 of that or increase of headcount. I think there may
12 even be a modest decrease in funding for Human Rights
13 from Prelim to Exec, but-- how, you know, how do we,
14 you know, make sure for New Yorkers--

15 DIRECTOR FULEIHAN: [interposing] Yeah, I
16 mean, there--

17 COUNCIL MEMBER LANDER: that there are--

18 DIRECTOR FULEIHAN: [interposing] There
19 almost is no agency that this Administration with you
20 has increased at a higher level than this Commission.
21 It was clearly underfunded, and we've been making
22 strides to do that--

23 COUNCIL MEMBER LANDER: [interposing] It
24 had been cut--

25 DIRECTOR FULEIHAN: [interposing] We did--

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2 COUNCIL MEMBER LANDER: [interposing] nine
3 hundred percent. We funded it back up some, so.

4 DIRECTOR FULEIHAN: So, I think we funded
5 it, we funded it 200 percent. We've certainly done a
6 significant increase, but we did hear you and we'll
7 obviously be working with you between now and
8 adoption to talk about that and how we best move
9 forward.

10 COUNCIL MEMBER LANDER: Thank you.

11 CHAIRPERSON FERRERAS-COPELAND: Thank
12 you, Council Member Lander. Council Member Crowley
13 followed by Council Member Levin.

14 COUNCIL MEMBER CROWLEY: Thank you to our
15 Chair. Good morning. I--

16 DIRECTOR FULEIHAN: [interposing] Good
17 morning.

18 COUNCIL MEMBER CROWLEY: have a question
19 about this current group that has a lawsuit against
20 the City which is backed by Chief Judge Lippman.
21 It's called Tax Equity Now New York. Are you
22 familiar with that suit?

23 DIRECTOR FULEIHAN: I've not read the
24 suit. I know the law-- the suit has occurred, but I
25 have not gone into detail on it.

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2 COUNCIL MEMBER CROWLEY: Okay. Well,
3 pretty much, I'm thinking about joining into the suit
4 myself because a lot of my constituents including
5 myself, I pay about twice as much in property taxes
6 as someone let's say in Park Slope, Brooklyn, like
7 where the Mayor has property. In fact, my property
8 is only worth a fraction, and whether it's Glendale,
9 Meadow Village or Laurelton in Queens, it's pretty
10 much happening throughout the whole borough of Queens
11 when we compare the rate to that of Brooklyn and
12 other affluent areas of the City where you have
13 properties upwards of a million, two million paying
14 much, much less in property taxes than those of us in
15 working class neighborhoods, and it's certainly not
16 fair, and this Administration doesn't seem to be
17 doing anything to address that. Can you speak to
18 what--

19 DIRECTOR FULEIHAN: [interposing] Well,
20 we--

21 COUNCIL MEMBER CROWLEY: [interposing]
22 what you can do, what your knowledge of this inequity
23 is, and what I could go back to my constituents
24 saying that this Mayor and this Administration
25

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2 understands the inequity and is going to do something
3 about it.

4 DIRECTOR FULEIHAN: Well, this Mayor and
5 this Administration just put forward as part of the
6 Executive Budget that we would expand significantly
7 the senior homeowner and disabled homeowner tax
8 abatement, and that's 61 million dollars a year, and
9 that affects another-- how many-- 20-- how many?

10 Thirty-two, I was actually going to underestimate it,
11 so I wanted to make sure I gave you the right number.

12 So, that puts another 32,000 seniors into this
13 benefit, which is currently at 38 and is going to--
14 it's going to 58 and a half. On income eligibility,
15 so that's significant, and that's an annual increase.

16 As I said earlier on the property tax, I mean, we
17 should remember that on Class One, compared to all
18 surrounding communities outside of New York, they are
19 paying three to five times more than what homeowners
20 pay on Class One in New York City. And New York City
21 has for 32 years a cap on the amount of increase and
22 an averaging on the amount of increase in Class One.

23 So, that does not mean-- and the Mayor has said this--
24 - that there are-- he said this last week-- that
25 there aren't problems and that he's committed to a

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2 long-term looking at this, but there are many ups and
3 downs, and it has to be very carefully reviewed.

4 COUNCIL MEMBER CROWLEY: Right. Well, I
5 appreciate the benefit to the seniors and to those
6 with disabilities. It's just a small fraction. I'm
7 talking about the vast majority of working class
8 families in New York City who are homeowners, and
9 they're in Class One just like affluent homeowners in
10 Class One and they're paying far too much than they
11 should, and it's just not fair, and the
12 Administration has said things like it's just too
13 political to address, but there's nothing that we're
14 doing now that's addressing this inequity, and
15 there's nothing that I could go back to my
16 constituents with and say like, "You could rest
17 assured that something will get done sometime soon."
18 And the movement against this inequity is growing
19 stronger and stronger, and I really would like to go
20 back to my constituents and the people of Queens and
21 tell them that there is going to be something
22 substantial done to rectify the wrong that is
23 happening in Class One properties.

24 DIRECTOR FULEIHAN: We should remember
25 that the class system is under State law, so it's not

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2 any changes to this, are very complicated and do take
3 significant amount of time.

4 COUNCIL MEMBER CROWLEY: We are often
5 having to do complicated things that involve working
6 with the State, and it's up to us to prioritize what
7 those issues and concerns are, and this is very
8 important to me, and I would like to see it become
9 very important to the Administration as well, and
10 once that is happening and once the Administration
11 decides to take this up and rectify these wrongs,
12 then I believe you'll see a change happen, but until
13 they bring it up to the State and say this is unfair,
14 nothing is happening. And so something-- and I
15 implore you to work with the Mayor, and I will do
16 what I can to work with your administration to
17 highlight these areas of inequity, because it's not
18 fair for our working families.

19 DIRECTOR FULEIHAN: Yep. Once again, the
20 Mayor said that this is a challenge. He recognizes
21 that challenge.

22 CHAIRPERSON FERRERAS-COPELAND: Thank
23 you, Council Member. Council Member Levin, and then
24 we will begin our second round.

25

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2 COUNCIL MEMBER LEVIN: Thank you very
3 much, Madam Chair. Hi, Director Fuleihan. Thank you
4 very much for being here today.

5 DIRECTOR FULEIHAN: Thank you.

6 COUNCIL MEMBER LEVIN: So, here's a
7 letter that we are sending out today from the New
8 York City Council, 50 members of the New York City
9 Council calling for 22 million dollars in EFAP
10 funding. This Executive Budget actually represents
11 the decrease in EFAP funding from the Adopted Budget
12 in 2017. When we talked to the Mayor when he rolled
13 out the Executive Budget he said that in consultation
14 with Commissioner Banks that they believe that the
15 emergency food procurement out there is
16 oversaturated. What analysis has OMB-- that's a
17 direct quote.

18 DIRECTOR FULEIHAN: That's not the way I
19 remember it.

20 COUNCIL MEMBER LEVIN: I-- anybody that's
21 here that was at OMB can tell you that was the word
22 they used. So--

23 DIRECTOR FULEIHAN: [interposing] I
24 thought the-- so, let me clarify.
25

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2 COUNCIL MEMBER LEVIN: Saturated or
3 oversaturated.

4 DIRECTOR FULEIHAN: No, let me--

5 COUNCIL MEMBER LEVIN: [interposing]
6 Oversaturated or just saturated.

7 DIRECTOR FULEIHAN: I thought what the
8 Mayor had said was that we would work together on the
9 appropriate amount next year, and we'd make sure we
10 funded that. We'd make sure we funded that, and that
11 on the current year that we believed, and I believe
12 that's what he was referencing with Commissioner
13 Banks, that we had the level that we had done
14 together at adoption satisfied the current fiscal
15 year need. I believe that's all that was said.

16 COUNCIL MEMBER LEVIN: HE said-- I could
17 read you the quote: "In consultation with
18 Commissioner Banks, the emergency food supply is
19 oversaturated and upon analysis, there's no need for
20 additional resources for emergency food procurement."

21 DIRECTOR FULEIHAN: Once again, I'm--

22 COUNCIL MEMBER LEVIN: [interposing] What
23 I'm asking is how has-- is OMB working in conjunction
24 with HRA to determine how much capacity, how much--
25

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2 DIRECTOR FULEIHAN: [interposing] What the
3 Mayor--

4 COUNCIL MEMBER LEVIN: [interposing] Just
5 to be clear, Dean.

6 DIRECTOR FULEIHAN: Sure.

7 COUNCIL MEMBER LEVIN: I'm sorry.

8 DIRECTOR FULEIHAN: I apologize.

9 COUNCIL MEMBER LEVIN: A good portion of
10 the funding in this year's Adopted Budget, in FY17's
11 Adopted Budget, went to study. It didn't even go to
12 food procurement. And so is there a pantry by pantry
13 analysis out there that's showing that some of--
14 like, for instance, West Side Campaign Against
15 Hunger, do we really believe that they are
16 oversaturated with food, or Bed-Stuy Campaign Against
17 Hunger are oversaturated with emergency food right
18 now? I can't imagine that's the case, particularly
19 in this economic climate.

20 DIRECTOR FULEIHAN: So, what I thought
21 came out of last week, what we're committing to have
22 come out of last week was a commitment to work not
23 just with Commissioner Banks, but also with the
24 Council to-- as we did last year, what is the
25 appropriate level, what is the level of need for the

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2 upcoming fiscal year, and that's the commitment we
3 believe we made. That's the commitment I'm under
4 direction under. So, and we're happy-- and that
5 wasn't just us in working with Commissioner Banks, it
6 was working with the Council, working with you to see
7 what is going forward, that need which is exactly
8 what we did last year. We didn't take some static
9 number. We looked at what we thought we needed going
10 forward.

11 COUNCIL MEMBER LEVIN: But it's not-- the
12 Executive Budget doesn't build on the Adopted Budget
13 of 17. It actually cuts back--

14 DIRECTOR FULEIHAN: [interposing] But we--

15 COUNCIL MEMBER LEVIN: and so at, you
16 know, right now, it sets up a situation where we'll
17 be lucky under-- if in negotiations to get back to
18 the 17 number. We really should be doing more.

19 DIRECTOR FULEIHAN: Well, I--

20 COUNCIL MEMBER LEVIN: [interposing] We
21 really should be doing more.

22 DIRECTOR FULEIHAN: Again, again, I'm--
23 and very respectfully, and you're right to care about
24 this, and I don't-- we are-- what we are saying is
25

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2 that we will work with you on what's the appropriate
3 funding level for the upcoming fiscal year.

4 COUNCIL MEMBER LEVIN: Okay, there are 50
5 Council Members--

6 DIRECTOR FULEIHAN: [interposing] I don't
7 know how--

8 COUNCIL MEMBER LEVIN: [interposing] and
9 the only one is--

10 DIRECTOR FULEIHAN: [cross-talk] stronger.

11 COUNCIL MEMBER LEVIN: The Speaker
12 doesn't go on these letters. So, there's 50 Council
13 Members including all the Republicans, every single
14 Democrat in the City Council saying that the number
15 should be 22 million dollars.

16 DIRECTOR FULEIHAN: Well, we should have
17 that conversation.

18 COUNCIL MEMBER LEVIN: Okay.

19 DIRECTOR FULEIHAN: I mean, I-- once
20 again, you're asking me-- what I'm saying--

21 COUNCIL MEMBER LEVIN: [interposing] This
22 was in our Preliminary Budget Response--

23 DIRECTOR FULEIHAN: in response to a
24 technical inquiry you gave me is that we would work
25

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2 with you and we would work with the agency. I think
3 that's fair.

4 COUNCIL MEMBER LEVIN: Okay. With regard
5 to DHS' capital plan, there's additional money set
6 out in the Capital Plan for 130 million dollars in
7 new capital in the Executive Budget, is that right
8 for the Capital Plan, the Five-Year Capital Plan?

9 DIRECTOR FULEIHAN: I-- so, I thought
10 there-- and I'll clarify-- believe it's 300.

11 COUNCIL MEMBER LEVIN: Okay.

12 DIRECTOR FULEIHAN: So, I-- We'll get you--

13 -

14 COUNCIL MEMBER LEVIN: [interposing] There
15 is--

16 DIRECTOR FULEIHAN: [interposing] We'll
17 get you the spread of that.

18 COUNCIL MEMBER LEVIN: In the Capital
19 Plan, nothing, there's no funds labeled for expansion
20 or new capacity? So, right now when we're looking
21 ahead, the Administration has plans to open 90 new
22 shelters across the City or expand. The money that's
23 right now in the Capital Plan is labeled for existing
24 projects, new roof for that shelter, new kitchen for
25 that shelter. New capacity is not-- or expansion is

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not identified. How-- how are you looking to identify that?

DIRECTOR FULEIHAN: So, the-- that, the 300 million is for existing facilities. It's both for renovation of existing facilities and expansion of the existing facilities where they can be expanded.

COUNCIL MEMBER LEVIN: But nothing is-- nothing is identified as expansion. It's all-- it's all existing capacity.

DIRECTOR FULEIHAN: Yeah, we're-- that is a plan. It's part of the strategy. They're doing an assessment right now of-- and we're, you know, we will work with Commissioner Banks and you to give you updated information of where we think we can do that, how much will be for improvement, how much we think we can-- will be needed for expansion.

COUNCIL MEMBER LEVIN: But there's nothing that's ID'd [sic] as like in the holding code. There's nothing. There's nothing that's where it specifically says this is going to be the money for expansion.

DIRECTOR FULEIHAN: Versus-- versus repair, that's correct.

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2 COUNCIL MEMBER LEVIN: Right, so repairs
3 are very specifically identified.

4 DIRECTOR FULEIHAN: So, we will come back
5 to you with as much delineation as we can give you,
6 and we'll keep updating that, because they're in the
7 process right now.

8 COUNCIL MEMBER LEVIN: Right, I know.
9 I'm just saying that if the money is identified in
10 the Capital Plan, it should probably be identified
11 that this is going to be the set-aside for this new
12 capacity for expansion.

13 DIRECTOR FULEIHAN: Let me see if we can
14 answer. Let me talk to Commissioner Banks, see if we
15 can answer your questions.

16 CHAIRPERSON FERRERAS-COPELAND: Council
17 Member, we can add you to the second round.

18 COUNCIL MEMBER LEVIN: Okay, I'd like to.
19 Thank you.

20 CHAIRPERSON FERRERAS-COPELAND: Council
21 Member Kallos followed by Council Member Chin-- oh,
22 wait, I have my own second round questions. I'm in a
23 zone. I was wondering who that one Council Member was
24 that didn't join the letter, but it makes absolute
25 sense. The Department of Corrections capital

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2 appropriations for acquisitions and construction has
3 a billion dollars in Fiscal Year 2019 and 90 mil--
4 2018, and--

5 DIRECTOR FULEIHAN: [interposing] 2018,
6 yes.

7 CHAIRPERSON FERRERAS-COPELAND: Right,
8 and 90 million in 2019 and nothing in the years
9 beyond that. So it's all front-loaded. Now, we
10 compare that to NYCHA roof repair program which has a
11 billion dollars over 10 years. NYCHA has indicated
12 that they could implement their repairs in five
13 years, and so the Council asked for the
14 Administration to fast-track these changes, but the
15 Executive Budget does not do that. If you can lump
16 up all the DOC capital construction money in one
17 year, why is the City unable to fast-track NYCHA's
18 repairs?

19 DIRECTOR FULEIHAN: So, the Corrections
20 budget, as you know very well, was done as part of
21 the conversations that have occurred over the past
22 couple months to change what had originally been
23 dedicated of a new jail at Rikers, and long-term
24 commitments at Rikers into a lump that we can then do
25 design and beginning construction on, and that's part

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2 of a process. The same we've talked about what's the
3 reasonable amount of money, and every year we
4 actually don't know that. That's what we're going to
5 be talking about with you over the next month. I
6 mean, that is a complicated a process that now has
7 been over a year's discussion about the future of
8 Rikers. So, that's pretty unique. On NYCHA, we'll
9 go back and have a conversation with NYCHA. We
10 actually are-- my, certainly my understanding was
11 that this was the rate that NYCHA could actually
12 commit to, and that's what we funded. So, we-- I
13 mean, we did a billion dollar new commitment, so
14 obviously the Mayor cares deeply as does the Council
15 about the future of NYCHA and doing capital repair at
16 NYCHA. So, we'll have a conversation together. I'm
17 happy to do that--

18 CHAIRPERSON FERRERAS-COPELAND:

19 [interposing] Yeah.

20 DIRECTOR FULEIHAN: with NYCHA to see
21 what's capable of doing. What we didn't want to do
22 was put goals that were not sustainable or could not
23 be met.

24 CHAIRPERSON FERRERAS-COPELAND: Okay,
25 well, we'll follow up and kind of have this example.

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2 We're just trying to understand why some are front-
3 loaded, others aren't--

4 DIRECTOR FULEIHAN: [interposing] The--
5 once again--

6 CHAIRPERSON FERRERAS-COPELAND:
7 [interposing] And the billion dollar was--

8 DIRECTOR FULEIHAN: [interposing] I
9 believe that--

10 CHAIRPERSON FERRERAS-COPELAND:
11 [interposing] We know you're not going to spend a
12 billion dollars between FY18 and FY19.

13 DIRECTOR FULEIHAN: Correct, but the
14 correction budget was very unique because of the
15 dynamic that occurred, and we had to quickly the--
16 when the agreement had occurred, we quickly made an
17 adjustment in the Executive Budget, and that reflects
18 really-- that quick action was reflected in that
19 billion.

20 CHAIRPERSON FERRERAS-COPELAND: Okay, and
21 I'm just going to ask another question on worker
22 compensation. During OMB's Preliminary Budget
23 hearing, the Council inquired about significant
24 increases in the budget city's contributions for
25 workers compensation. The Administration responded,

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lowering their expectations of what the City will pay over the plan. Although lower than previously forecasted, city contributions for workers' comp are still expected to grow roughly eight percent annually through Fiscal 2021 suggesting injuries and respective claims remain a problem. Can you please provide more detail as to the nature of these problems and what steps is the Administration taking to prevent injury and illness among our dedicated workforce, especially at agencies with the highest workers' comp utilization such as DOC?

DIRECTOR FULEIHAN: Right. So, you've identified an appropriate-- an appropriate concern. I do believe that our out-year forecast was too high and simply reflecting a trend and a recent trend increase in workers' compensation claims, and we're working with the Law Department and we're working with city agencies to make sure that we're providing a safe environment or if there's some other reason for the increase in the workers' comp claims, we're going to be investigating that, but we're starting that. As you indicated appropriately in your response in the Preliminary Budget and we're responding. I don't have at this point a complete

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2 answer. Right now we're working with-- we're working
3 directly with the Law Department and we're working
4 through it with agencies.

5 CHAIRPERSON FERRERAS-COPELAND: Okay,--

6 DIRECTOR FULEIHAN: [interposing] So we
7 will at some point be able to come back.

8 CHAIRPERSON FERRERAS-COPELAND: Okay. Do
9 you have like a timeline when you think [sic]--

10 DIRECTOR FULEIHAN: [interposing] We're
11 trying to do this as quickly as possible.

12 CHAIRPERSON FERRERAS-COPELAND: Okay,
13 alright. Very--

14 DIRECTOR FULEIHAN: [interposing] Because
15 we are concerned about what happened and an unusual
16 rate increase.

17 CHAIRPERSON FERRERAS-COPELAND: Right.
18 Okay. Council Member Kallos followed by Council
19 Member Chin followed by Council Member Rosenthal. I
20 got to say, your team is really happy to get off that
21 hot seat next to you.

22 COUNCIL MEMBER KALLOS: So, I--

23 DIRECTOR FULEIHAN: [interposing] You
24 didn't give me that opportunity.

25

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2 COUNCIL MEMBER KALLOS: SO, just to go
3 into the problem with the contracts and the capital
4 that I think a lot of folks have alluded to, I'm now
5 going into my fourth year. I don't know if any of my
6 capital projects have actually happened yet-- I think
7 one or two-- and what ends up happening is we're
8 doing a green roof so we set aside two million
9 dollars. They do scope, now it's three million
10 dollars. So we give them another million. Then they
11 do design. Now it's going to be five million dollars
12 and it's one of those situations where we can never
13 catch up with it and there's something wrong with the
14 system where the costs double and triple on us. So,
15 just please, if we can get that done and focus on the
16 small dollars because when we're doing participatory
17 budgeting where-

18 DIRECTOR FULEIHAN: [interposing] Right.

19 COUNCIL MEMBER KALLOS: two thousand four
20 hundred-- did you vote on PB [sic], Dean?

21 DIRECTOR FULEIHAN: [interposing] May I
22 respond?

23 COUNCIL MEMBER KALLOS: Yes.

24 DIRECTOR FULEIHAN: To--
25

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2 COUNCIL MEMBER KALLOS: [interposing] But
3 did you vote in PB [sic]?

4 DIRECTOR FULEIHAN: I did not. I don't
5 know if I--

6 COUNCIL MEMBER KALLOS: [interposing]
7 Okay, let the record reflect two people from OMB
8 voted in PB, but next time we want to see every hand
9 up.

10 DIRECTOR FULEIHAN: It will never happen
11 again. The-- but I want to respond to your point.
12 The-- one of the-- when I said we need to work with
13 you on this, when your project comes forward we
14 actually do need to see if there's a way for when
15 members initiate that we are doing-- that there's
16 some way to work together with Council staff and us
17 to understand is that the right amount to actually
18 effectuate the project.

19 COUNCIL MEMBER KALLOS: Will OMB--

20 DIRECTOR FULEIHAN: [interposing] So that
21 you don't get caught up at the end.

22 COUNCIL MEMBER KALLOS: Will OMB allow us
23 to just allocate the capital for scope so that we can
24 allocate for scope, then once we see what the project
25

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2 is, then allocate for design, because right now we're
3 allocating the whole amount of money and it--

4 DIRECTOR FULEIHAN: [interposing]

5 Understood, and--

6 COUNCIL MEMBER KALLOS: [interposing] sits
7 there and the money does nothing for anyone.

8 DIRECTOR FULEIHAN: And it's one of the
9 things I've said to the Chair. We should talk as
10 we're moving forward.

11 COUNCIL MEMBER KALLOS: Okay.

12 DIRECTOR FULEIHAN: One of the things we
13 should talk about is how to address that problem.

14 COUNCIL MEMBER KALLOS: So--

15 DIRECTOR FULEIHAN: [interposing] And
16 there may be many ways--

17 COUNCIL MEMBER KALLOS: [interposing] So,
18 let me just-- I'm going to follow up with--

19 DIRECTOR FULEIHAN: [interposing] Sure.

20 COUNCIL MEMBER KALLOS: Just assume I've
21 asked the question about the capital reserve, and I
22 join my voice with others. We're at 10.7 percent.

23 The recommendation is 18 percent. We should be
24 included in the reserves by at least 50 percent.

25 This morning, 596 Acres authored an opinion editorial

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2 on city and state warning that the City is planning
3 to lien sale, a lienning [sic] that will jeopardize
4 349 nonprofits that own properties that should not be
5 subjected to taxes, let alone sold. Additionally,
6 1,155 vacant lots that the City can use from
7 everything affordable housing to school seats. Will
8 you protect these properties? They go on sale next
9 week?

10 DIRECTOR FULEIHAN: We will-- I'll get
11 back to you on where that is-- you're giving me
12 information I have to get familiar with, to be fair.
13 So, let me get familiar with it

14 COUNCIL MEMBER KALLOS: [interposing]
15 [cross-talk] with the refrain [sic] is they need
16 school seats. The City needs school seats.

17 DIRECTOR FULEIHAN: Yes.

18 COUNCIL MEMBER KALLOS: The Mayor just
19 announced--

20 DIRECTOR FULEIHAN: [interposing] We do
21 understand.

22 COUNCIL MEMBER KALLOS: The Mayor just
23 announced Three-K. 2025 is further along than either
24 of us will be in office. It needs to be 2021, and
25 will you amend the SCA Capital Plan from the 80,000

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2 seats to now, I guess, 160,000 seats to reflect the
3 additional--

4 DIRECTOR FULEIHAN: [interposing] No--

5 COUNCIL MEMBER KALLOS: [interposing]
6 three year olds?

7 DIRECTOR FULEIHAN: We-- I think--

8 COUNCIL MEMBER KALLOS: [interposing] We
9 can add those three year olds without new seats?

10 DIRECTOR FULEIHAN: No, I think we are in
11 the early stages of this and we need to see what
12 capacity we need for the three year olds, and what
13 capacity we can use within the existing SCA Capital
14 Pan. So, I think you of all people given your
15 traditional line of questioning on this is, is that
16 we should step back as we move forward on 3K, what
17 seats are available. It doesn't mean that we're not
18 going to have to add capital seats, but I don't think
19 we should tomorrow add those capital seats without
20 knowing where we need them and what other resources
21 we have. Once again, we're going to be using provider
22 networks as well as we did on UPK.

23 COUNCIL MEMBER KALLOS: Can you commit to
24 getting to a fully-funded and fully-filled pre-k in
25

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2 my district at least, and that making sure we have
3 Pre-K for All on the East Side?

4 DIRECTOR FULEIHAN: We're going to have
5 to work with you to achieve that. As I know, the UPK
6 team is working with you to make sure you have UPK
7 seats.

8 COUNCIL MEMBER KALLOS: I just-- I don't
9 think you get to--

10 COUNCIL MEMBER CHIN: [interposing]
11 Council Member Kallos, your time's up, okay? The
12 Chair told me I'm next, so.

13 COUNCIL MEMBER KALLOS: You got it, but
14 you say year--

15 COUNCIL MEMBER CHIN: [interposing] Seeing
16 yours is important.

17 COUNCIL MEMBER KALLOS: Year of the
18 Senior, I say Year of the Four-year-old, and so we're
19 hoping to get Pre-K for all.

20 COUNCIL MEMBER CHIN: Well, you got
21 Universal Pre-K, we haven't gotten--

22 COUNCIL MEMBER KALLOS: [interposing] We
23 don't. We don't in my disparities. We have 300 four
24 year olds going to school in your district.

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2 COUNCIL MEMBER CHIN: They keep answering
3 your questions. So, time? Alright. I have two more
4 follow up questions, Dean.

5 DIRECTOR FULEIHAN: I apologize.

6 COUNCIL MEMBER CHIN: On the six
7 congregate meals, the Administration in the Fiscal
8 Year 2017 agreed with us and put in 1.2 million,
9 right, for the six congregate meal and Meals on
10 Wheels. Now, federal-- we heard that there's going
11 to be federal cuts on the Meals and Wheel program.
12 So, it's so important. We want to make sure that
13 money is baselined, because we can't tell a senior
14 that you can't have a meal over the weekend. We
15 can't ask them to fast over the weekend, alright? So
16 that is critical and we need to make sure that is
17 baselined. And then--

18 DIRECTOR FULEIHAN: [interposing] I'm
19 taking notes.

20 COUNCIL MEMBER CHIN: Yeah. And the
21 other one is wait lists. No senior should be on
22 waitlist. So right now as I said earlier, we still
23 have 1,700 seniors waiting for case management, 900
24 seniors waiting for Homecare, and I know that DFTA
25 has put in a big request for new needs, and they only

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2 got 445,000 which is clearly not what they asked for.

3 But what I'm asking is like what information, what

4 documentation do you need from us to make you

5 understand that we need additional funding to address

6 the waitlist issue for case management and Homecare,

7 because the seniors who's waiting for these services

8 are the vulnerable seniors. So, how do we get there?

9 Every year we continue to have this waitlist, and you

10 haven't, you know, put in the funding to address it

11 in the next budget.

12 DIRECTOR FULEIHAN: We did not put in the

13 funding to address the increase. We did agree with

14 you last year to a baselining of the wait list.

15 COUNCIL MEMBER CHIN: Yes, but we still

16 got a big wait list.

17 DIRECTOR FULEIHAN: I understand, and I

18 understand that's the convers--

19 COUNCIL MEMBER CHIN: [interposing] So,

20 what I'm asking is like the provider wants to work

21 with us, right? Let's get, you know, the information

22 that you need.

23 DIRECTOR FULEIHAN: Okay.

24 COUNCIL MEMBER CHIN: So that we can once

25 for all-- so let us know what documentation.

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2 DIRECTOR FULEIHAN: Fair.

3 COUNCIL MEMBER CHIN: What information d
4 you need?

5 DIRECTOR FULEIHAN: Fair enough.

6 COUNCIL MEMBER CHIN: So that we can--

7 DIRECTOR FULEIHAN: [interposing] I--

8 COUNCIL MEMBER CHIN: [interposing] get
9 the seniors off the waiting list.

10 DIRECTOR FULEIHAN: I will come back to
11 you. I will come back to you.

12 COUNCIL MEMBER CHIN: You'll come back to
13 me. Alright. You know how many weeks we have until?

14 DIRECTOR FULEIHAN: I have a feeling we'll
15 be talking within the next couple days.

16 COUNCIL MEMBER CHIN: Well, you're my
17 priority Dean. I am going to open up my schedule to
18 meet with you as much as you need.

19 DIRECTOR FULEIHAN: Thank you.

20 COUNCIL MEMBER CHIN: Because you already--
21 - we talked about right-sizing the senior center.

22 DIRECTOR FULEIHAN: Yes.

23 COUNCIL MEMBER CHIN: I think that is
24 critical. I know that it's a long process, but we
25 got to start somewhere.

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2 DIRECTOR FULEIHAN: And that we have
3 agreed to, and I apologize for not raising that with
4 you earlier.

5 COUNCIL MEMBER CHIN: And then the other
6 thing, too, besides right-sizing senior center, since
7 I still got 25 seconds, the Council's been putting in
8 this new initiative for a center that supports
9 immigrant population, and historically they haven't
10 gotten funding from the City, and we have identified
11 quite a few of them that serve the new immigrant
12 population. So, the Council's been providing funding
13 for them, but we got to get to a point where the City
14 needs to pick it up.

15 DIRECTOR FULEIHAN: So, let's look at
16 that as part of this process we're in on right-sizing
17 the senior centers.

18 COUNCIL MEMBER CHIN: I hope so. I'm glad
19 to hear that. Alright, I look forward to meeting
20 with you. Thank you.

21 COUNCIL MEMBER CHIN: Rosenthal?

22 COUNCIL MEMBER ROSENTHAL: I think I'm
23 next. How are you? Second round same as the first.
24 No, I'm kidding. Actually, I'd like to talk about
25 the savings that you have and the plan you've

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2 budgeted. I forget the number. Is it 100 million
3 for procurement savings? Could you just tell us a
4 little bit more about those details?

5 DIRECTOR FULEIHAN: So, several November,
6 January and in the Executive. We have, and you know
7 Larian heads this up, we have at OMB said that we
8 should start centralizing things and look at things
9 that we can do, and we're doing this obviously with
10 the First Deputy Mayor's staff. There are things
11 that we can do that are interagency and cross
12 agencies, and are there savings we can do? One of
13 those areas is procurement. So, in the Executive
14 Budget there are attempts to streamline, and you've
15 raised this, the online processing with VENDEX and
16 with vendors to see if we can streamline and speed up
17 the procurement process. So that's part of the
18 procurement piece. There are other innovations that
19 we've also done. There's a reverse auction that
20 allows automatic bidding to occur among many vendors
21 at one time. These are things the city was not
22 doing. It wasn't modernizing all other
23 municipalities. So we've been looking around at what
24 other municipalities are doing and how we can both
25 speed up the procurement process and actually make

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2 it-- to both speed up the process, making it more
3 efficient and hopefully to save money, and we have
4 found and we do believe that we can actually save
5 funds.

6 COUNCIL MEMBER ROSENTHAL: So, after you
7 meet with Margaret, could you meet with me to go
8 through those details?

9 DIRECTOR FULEIHAN: Sure, I'm happy to,
10 and we're-- and you're very interested in this and
11 we're looking for new ways to keep-- to continue to
12 expand that.

13 COUNCIL MEMBER ROSENTHAL: You know,
14 maybe what we can do is go through the 70 steps that
15 Department of Parks laid out for how long-- for why it
16 takes so long to get to a finished product, and you
17 can help me understand where in those 70 steps you're
18 looking to consolidate or--

19 DIRECTOR FULEIHAN: [interposing] So, I
20 believe they have shortened after they looked at
21 that.

22 COUNCIL MEMBER ROSENTHAL: Two months
23 they have.

24 DIRECTOR FULEIHAN: They have shortened
25 it, so that is something, and they-- so that's--

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2 we're now getting back to the Capital Budget process-

3 -

4 COUNCIL MEMBER ROSENTHAL: [interposing]

5 Yeah.

6 DIRECTOR FULEIHAN: which is different
7 than the savings that I was just articulating with
8 you. So, we should talk about both, but in the
9 Capital Budgeting process that's what we've heard now
10 from many members, and that's a process that we're
11 committed to working with you on, and those steps and
12 how we-- and Parks was simply saying the two-month
13 increase was the end of that process. They were
14 looking for additional ways to do that, just as OMB
15 reducing the time period that an approval occurs at
16 OMB is not the end of the process either.

17 COUNCIL MEMBER ROSENTHAL: So, I guess
18 what I'm asking specifically is I'd like to
19 understand when you say OMB is reducing the time
20 period, let's go through those details together
21 because we're not seeing it in our procurement
22 meetings, and I would-- I guess I'm out of the loop.
23 So I'd like to learn more. Thank you.

24 DIRECTOR FULEIHAN: So, I'm happy to do
25 that.

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2 COUNCIL MEMBER ROSENTHAL: Thank you.

3 COUNCIL MEMBER RODRIGUEZ: I have two

4 recommendations and then a question. Recommendation

5 is having in mind that 35 Council Members have signed

6 a letter supporting for all-- to put public dollar to

7 for a bike share program. I hope that the

8 Administration continue working together, especially

9 to DOT and the company who own the bike share because

10 I think that having in mind that 35 Council Members

11 have spread [sic] support, that's important. My

12 second recommendation is also based on the number of

13 Council Members, 37 who also we signed a letter

14 calling for support-- the fair fares. I know that in

15 conversation with the Mayor he understands that it's

16 good based on the merit, but also this should be the

17 shared responsibility for many of us for those 38

18 Council Members who signed that letter. We believe

19 that as the city has done in other area, we should

20 step up and bring in subsidy for those New Yorkers

21 living on the poverty line. My other suggestion is

22 after school program for elementary children. I

23 think that we at the Council we respond asking for

24 increase for that area. There's not a middle class

25 families in our city where we don't live pay check by

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pay check, being sure that our children get involved in music, in art and swimming, some type of support. Our children, they're busy, because we know it is under the first year that we make a difference. So, not [sic] in our history we have seen the Administration so committed to, you know, guarantee after school program for all junior high school, computer for all, but I think that this could be another area where we as a city, and I hope that we can be able to say we can put this money to guarantee that all elementary students, especially on the five grades, that's when they need it the most, and I think that as we've been expanded to the UPK, I just hope that before we finalize this budget we should see some increase on the after school program and improve of the quality after school program for all middle and high school, because you know, we are committing. I know that-- that's why I support and I'm proud to be working together with this Administration, but I'm all about how can we close a gap? And it will be through education that we can build a strong middle class city, and we know that that's happening among middle class and upper class, but then we have the 50 percent that, you know, you

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2 have said like three years ago that we have close to
3 50 percent New Yorker living on the poverty line.

4 You know, those-- how can we continue improving the
5 quality after school program to the middle school, to
6 the high school, but to guarantee that every single
7 children who go to elementary, he or she, they should
8 get after school programs?

9 DIRECTOR FULEIHAN: So, a few answers if I
10 may. City Bike, as you know, is not subsidized by
11 the City at this point. On the MTA, the City, we
12 together have committed an unprecedented amount of
13 money to the MTA that the City has never done before,
14 2.5 billion was the agreement last year. What the
15 Mayor has said, there's an obligation certainly
16 worthy, but it's an obligation of the MTA, and the
17 MTA should be doing this as part of their fair [sic]
18 rating [sic], and that's where that obligation
19 belongs, and we have made our significant
20 contribution and one much higher than anyone has ever
21 made to the MTA to allow them to move forward. On
22 the last piece in the Executive Budget, we have
23 actually expanded. SONYC programs for afterschool to
24 expand to middle school programs that wanted to take
25 on the additional after school, so we-- that's one of

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2 the major initiatives actually in the Executive
3 Budget which gets right to your point, and you know
4 working together nothing has been a higher priority
5 than education, than turning around our school
6 system, whether it's through community schools or
7 it's through UPK or it's at the afterschool program.
8 So we'll continue to work with you on these issues.

9 CHAIRPERSON FERRERAS-COPELAND: Thank
10 you, Council Member. We will hear from Council
11 Member Gibson followed by Council Member Levin.

12 COUNCIL MEMBER GIBSON: Thank you very
13 much, Chair, and thank you, Dean, I'm so glad you
14 mentioned SONYC and COMPASS, two of my favorite
15 programs for middle school, after school and summer
16 camp. I appreciate there's an additional 3,600 slots
17 for SONYC.

18 DIRECTOR FULEIHAN: Yes.

19 COUNCIL MEMBER GIBSON: It is an eight
20 million dollar allocation for COMPASS. The only
21 frustration that we have on many occasions is as we
22 get ready for the summertime, you know, parents are
23 making plans in April and May for their children for
24 the summertime. So it's a little challenging for
25 providers to know exactly how many slots they have,

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2 because we're still negotiating the final number.

3 So, it would be great if in this budget year we can
4 talk about baselining some of these slots because I
5 think as we continue to grow and the demand is
6 obviously increased, we need to make sure that we
7 have more SONYC and COMPASS slots.

8 DIRECTOR FULEIHAN: Right. We did listen
9 to you, and it wasn't the-- it was funded.

10 COUNCIL MEMBER GIBSON: Yes, I'm grateful.

11 DIRECTOR FULEIHAN: So, you actually did--
12 - there was planning--

13 COUNCIL MEMBER GIBSON: [interposing] I'm
14 grateful.

15 DIRECTOR FULEIHAN: this time that could
16 go forward.

17 COUNCIL MEMBER GIBSON: And I wanted to
18 ask about last year's Adopted Budget. We put in 30
19 million dollars to the Department of Education
20 recognizing the District Nine in the Bronx and
21 District 23 in Brooklyn have the highest
22 concentrations of students living in temporary
23 housing. I represent District Nine in the Bronx, and
24 we've been able to reduce absenteeism. We've worked
25 with shelter providers on literacy coaches,

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2 attendance monitors, and I didn't see any of that
3 money in the Executive. I know there's a part of it
4 that relates to capital within that 30 million, but
5 for program money, do we have any allocation?

6 DIRECTOR FULEIHAN: So, we should go back
7 with you.

8 COUNCIL MEMBER GIBSON: Okay.

9 DIRECTOR FULEIHAN: The students in
10 shelters program we have continued in the Executive
11 Budget. We did some reallocation when we saw the
12 benefits with some of the--

13 COUNCIL MEMBER GIBSON: [interposing]
14 Okay.

15 DIRECTOR FULEIHAN: hands-on benefits was
16 actually social worker in the schools. So we did
17 some reallocation of that 10 million dollars, little
18 over 10 million.

19 COUNCIL MEMBER GIBSON: Okay.

20 DIRECTOR FULEIHAN: But I'm happy to go
21 back to you on that program.

22 COUNCIL MEMBER GIBSON: And the bus
23 routes are still in place, right, the additional bus
24 routes that we added?

25 DIRECTOR FULEIHAN: Correct. Correct.

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2 COUNCIL MEMBER GIBSON: Okay. And my
3 final question is I wanted to ask about the
4 Neighborhood Development Fund for the neighborhood
5 rezonings that we have.

6 DIRECTOR FULEIHAN: Yes.

7 COUNCIL MEMBER GIBSON: We have several on
8 que, and I wanted to find out if there is additional
9 money in the fund in this budget.

10 DIRECTOR FULEIHAN: No, the fund has
11 enough, and Tara [sic] will correct me if I'm wrong,
12 but the fund has more than enough to take care of all
13 the needs that have been identified.

14 COUNCIL MEMBER GIBSON: And what is more
15 than enough? Is there an amount?

16 DIRECTOR FULEIHAN: There's approximately
17 900 million.

18 COUNCIL MEMBER GIBSON: Okay. To date,
19 right?

20 DIRECTOR FULEIHAN: Remaining.

21 COUNCIL MEMBER GIBSON: Remaining, okay.
22 Okay. And then I guess my final statement is just to
23 further understand with housing and some of the set
24 asides that the Administration is making under
25 Housing NY for seniors, for veterans. Are we also

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2 going to look at further enhancing opportunities for
3 not only low-income families but particularly large
4 families that need three and four bedroom apartments,
5 is that a part of our conversation? Because it's
6 come up to me many occasions and what some don't
7 always realize, I have many meeting with developers
8 and others in the not-for-profit and for-profit
9 sector, and a lot of people just don't realize that
10 there are families that are doubled and tripled up.
11 So they're living in one and two bedrooms, but
12 essentially household size they need a three, but
13 they can't afford to live in a three.

14 DIRECTOR FULEIHAN: So, we should discuss
15 this.

16 COUNCIL MEMBER GIBSON: Okay. I
17 definitely want to make sure as it relates to Jerome
18 that we continue to have that conversation.

19 DIRECTOR FULEIHAN: Okay.

20 COUNCIL MEMBER GIBSON: Thank you very
21 much. Thanks, Chair.

22 CHAIRPERSON FERRERAS-COPELAND: Thank
23 you, Council Member. Council Member Levin?

24 COUNCIL MEMBER LEVIN: Thank you very
25 much, Madam Chair. Thank you, Dean, for taking a

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second round of questions. I want to ask about Early Childhood Education moving over from ACS to DOE. That's a significant undertaking, and the Early Childhood Education system within ACS has been, you know, built over a very long time. It's very complicated as you can imagine. The Early Learn, when it was established by the previous Administration created a lot of-- there were a lot of unintended consequences that the Council in working with ACS put a lot of time and effort and ultimately funds, city funds, to address some of the issues. How-- how is that all going to fit in Department of Education, the Early Learn System being that it was, you know, it was in ACS for, you know, a generation or more?

DIRECTOR FULEIHAN: So, on UPK, ACS and the Department have been cooperating now since the-- for the past three year years and very successfully. There has been a lot of work in the development of this to decide what is the best way to move forward on a more expansive Early Learn and actually to enhance Early Learn, and the decision was made, and it was made with-- when the announcement was made, the Commissioner was there. The Chancellor was

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2 there. We will be transitioning over the next year,
3 and it will be carefully done, the personnel that
4 have been running Early Learn to the Department of
5 Education. The Department of Education will expand
6 the efforts they've been doing on UPK. We put
7 additional resources to allow for that expansion and
8 the enhancement, actually, of Early Learn Services
9 more in line with what the very successful UPK
10 program. So we believe that we can make this
11 transition. We're happy to sit down with you and
12 actually walk through exactly the dates when we think
13 we can move these and how we perceive.

14 COUNCIL MEMBER LEVIN: And are you also
15 looking-- so one of the issues with UPK, there's a
16 lot of great successes with UPK, but one of the
17 unintended consequences was that four year olds were
18 no longer really enrolling at the same volume in
19 Early Learn programs which meant that they were
20 facing enrollment challenges. So, this is-- if I was
21 a-- if I was running an Early Learn Program, one of
22 these that had been in existence for 40 years, would
23 I have reason to be concerned that I might lose my
24 program?

25

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2 DIRECTOR FULEIHAN: So, we're going to do
3 more enhanced outreach for those providers. So
4 that's actually one of the things that came out--

5 COUNCIL MEMBER LEVIN: [interposing] But
6 also just like systematically with a big change like
7 this in my-- I'm worried. I'm a little concerned
8 that, you know, I have dozens of small providers--

9 DIRECTOR FULEIHAN: [interposing] So, I--

10 COUNCIL MEMBER LEVIN: that are-- might
11 be-- I just don't want-- I want to make sure that
12 they're not going to be at risk of losing these
13 programs that they've built up, you know, over their
14 lifetime.

15 DIRECTOR FULEIHAN: So, clearly going
16 forward there are going to be issuance of new RFPs.
17 Many of the Early Learn providers, as you know, are
18 also UPK providers.

19 COUNCIL MEMBER LEVIN: Right.

20 DIRECTOR FULEIHAN: There's a significant
21 amount of overlap.

22 COUNCIL MEMBER LEVIN: Yep.

23 DIRECTOR FULEIHAN: One of the pieces
24 that we recognized in the transition was not giving
25 enough resources to Early Learn to recruit to do more

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2 retention, and that's going to be part of the mission
3 over the next year. So, we do recognize that. I
4 obviously cannot guarantee a provider what's going to
5 happen through a new RFP process which is going to
6 happen, but my assumption is that given the expansion
7 that we've had in UPK and now the expansion we're
8 going to have in 3K that we're going to need
9 providers, and we're going to need the resources.

10 COUNCIL MEMBER LEVIN: One thing I'd just
11 like to flag is that Early Learn providers, those
12 programs are open 'til 6:00 p.m. and throughout the
13 summer. So, for working parents, those are essential
14 to be able to stay at work. You know, UPK doesn't
15 have the same--

16 DIRECTOR FULEIHAN: [interposing] That's
17 true.

18 COUNCIL MEMBER LEVIN: hours and that's
19 something to flag, because it doesn't work if you're
20 at work 'til 5:00 or 5:30 to leave early to pick up
21 your child at three 3:00 or 3:30. So, something to
22 consider because it's going to be costly. Okay.

23 DIRECTOR FULEIHAN: I agree [sic]. Thank
24 you.

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2 CHAIRPERSON FERRERAS-COPELAND: I'm just
3 writing two additional points, but thank you very
4 much for coming to testify.

5 DIRECTOR FULEIHAN: Thank you. I thought
6 we were going for another round.

7 CHAIRPERSON FERRERAS-COPELAND: No. if
8 you want a third round, I'm sure everyone will come
9 back in.

10 DIRECTOR FULEIHAN: Thank you.

11 CHAIRPERSON FERRERAS-COPELAND: We will--
12 I just wanted to kind of-- let me just have this
13 first sheet while you finish up that. Okay.

14 DIRECTOR FULEIHAN: My checklist

15 CHAIRPERSON FERRERAS-COPELAND: Yes, your
16 checklist, very good. So for follow-up we have the
17 DFTA conversation on contract right-sizing for senior
18 centers and "Year of the Senior" concept,

19 DIRECTOR FULEIHAN: Correct.

20 CHAIRPERSON FERRERAS-COPELAND: the NYPD
21 civilization progress, the Human Services contract,
22 the OTPS adjustment plan and contract adjustments.
23 We have a commitment to discuss civilian headcount
24 savings versus hiring in all agencies, the Hate Crime
25 Police capacity and deployment, savings associated

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2 with management, the hiring freeze and implementation
3 of the plan, clarification on State's 200 million
4 dollar capital allocation, whether this funding is
5 allocated to NYCHA or--

6 DIRECTOR FULEIHAN: [interposing] Or the
7 Dormitory Authority [sic].

8 CHAIRPERSON FERRERAS-COPELAND: Right.

9 DIRECTOR FULEIHAN: We'll get you an
10 answer today. We'll just get clarification.

11 CHAIRPERSON FERRERAS-COPELAND: Great.
12 Confirm that the Administration will fund appropriate
13 level of EFAP, the food procurement and how much
14 money is really needed.

15 DIRECTOR FULEIHAN: Right. That, I
16 believe, we're going to be having conversations.

17 CHAIRPERSON FERRERAS-COPELAND: Okay.

18 DIRECTOR FULEIHAN: We'll jointly work on
19 that.

20 CHAIRPERSON FERRERAS-COPELAND: DHS' home-
21 - how much of the Capital Plan is for expansion plus
22 make Capital Plan more accurate and transparent. The
23 NYCHA expedited roof repairs project because we were
24 told that it could be done in five.

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2 DIRECTOR FULEIHAN: We'll reach out to
3 NYCHA.

4 CHAIRPERSON FERRERAS-COPELAND: Continued
5 conversations with both myself and the Finance and
6 OMB about how to appropriately fund PB capital
7 projects. You know your staff voted for this, so I'm
8 sure they're very eager to get these done. Info on
9 OMB's needs to be convinced to expand case management
10 and HomeCare services, and housing set aside for
11 larger families. So, the portions of the number of
12 bedrooms, and Early Learn hours in transition to the
13 DOE, which is a very big issue, especially for those
14 young families that are working.

15 DIRECTOR FULEIHAN: Yes, this is-- on that
16 one, this is obviously a transition period. It's
17 going to take a year. So that's-- these are good,
18 very good questions and we need a constant dialogue
19 on this, but that transition will take a year.

20 CHAIRPERSON FERRERAS-COPELAND:
21 Excellent. So, we will get you additional questions
22 that were not asked today. So we'll send you-- we'll
23 forward them to you in a letter and hopefully can get
24 them back to us as soon as possible.

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2 DIRECTOR FULEIHAN: Look forward to it.

3 Thank you very much.

4 CHAIRPERSON FERRERAS-COPELAND:

5 Excellent. Thank you for coming to testify today.

6 We're going to take a 10-minute break, and this

7 concludes the first part of today's hearings. Thank

8 you again to Director Fuleihan for testifying today.

9 Before we break, I want to make a quick announcement

10 about something new the Council is doing this year.

11 We're constantly looking at ways to make it easier

12 for all of you to get in touch with us and to

13 interact and engage with the Council. This year,

14 we've created a new online testimony submission form

15 for you to address specific agency spending,

16 services, programs, funding, policies, or agreements

17 in general. You can submit your testimony online at

18 council.nyc.gov/budget or attend an in-person budget

19 hearing on May 25th at 1:00 p.m. As always, watch

20 all of our budget hearings live at

21 council.nyc.gov/live and you can follow me at

22 [julissaferreras](https://twitter.com/julissaferreras) and join the conversation with

23 #NYCBUDGET18. With that said, we will now take a 10-

24 minute break.

25 [break]

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2 CHAIRPERSON FERRERAS-COPELAND: Good

3 afternoon and welcome to the first day of the
4 Council's Executive Budget hearings. I am Council
5 Member Julissa Ferreras-Copeland and Chair of the
6 Finance Committee. We just heard from the Office of
7 Management and Budget and now we will hear from the
8 Commissioner of the Department of Design and
9 Construction, Feniosky Peña-Mora. In the interest of
10 time, I will forgo making an opening statement and we
11 begin with the testimony after your being sworn in by
12 our counsel, and I again wanted to just put in the
13 record, thank you for your patience. I know we were
14 running a little bit behind our schedule, but Dean
15 Fuleihan had a lot of questions to answer, as will
16 you. So, we will swear you in, and then you can
17 begin your testimony.

18 COMMISSIONER PENA-MORA: Okay.

19 COMMITTEE COUNSEL: Do you affirm to tell
20 the truth, the whole truth and nothing but the truth
21 in your testimony before the committee today and to
22 respond honestly to Council Member questions?

23 COMMISSIONER PENA-MORA: Yes. Should I
24 continue? Good morning, or good afternoon,
25 Chairperson Ferreras-Copeland and members of the

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Finance Committee. I'm Doctor Fenioksy Peña-Mora, Commissioner of the New York City Department of Design and Construction, and to my left I have Deputy Commissioner Tom Foley from our Public Buildings Division, and Deputy Commissioner Eric Macfarlane for our Infrastructure Division, and to my right they're all members of my team, including the Chief of Staff Ana Barrio. Thank you for the opportunity to testify before you today. As the City's primary capital construction delivery agency, the funding for our projects is provided by the 26 City agencies that we collaborate with. We continue to work diligently to complete our projects on time and on budget to build an equitable and accessible city for all New Yorkers. Regarding the Executive Budget, the Fiscal Year 2017, our operating budget is 730.3 million dollars and is comprised of 119 million dollars for personal services with budgeted headcount of 1,589, and 611.3 million for other than personal services. The funding breakdown of DDC's Fiscal Year 17 operating budget is as follows: 125.5-- okay. You cannot hear me? 125.5 million in IFA funds, 23.6 million in city funds, 575.6 million in federal funds, and 5.6 million from other funding sources. As of the Fiscal

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Year 18 Executive Plan, DDC's Fiscal Year 18 total agency operating budget is 351.9 million. This includes 127.8 million of personal services with a budget headcount of 1,444, as well as 224.1 million for other than personal services. The funding breakdown of the Fiscal Year 18 operating budget is as follows: 132 million in IFA funds, 16.8 million city funds, 202.8 million federal funds, and 250,000 from other funding sources. DDC is currently managing a project portfolio that includes 1,226 active infrastructure and public buildings projects valued at 50.2 billion dollars. I am pleased to report that 10 months into Fiscal Year 2017 DDC has already registered almost 1.36 billion dollars in projects compared to 888 million at the same time last fiscal year. This marks the highest ever capital commitments through the third quarters of a fiscal year in the history of the agency. As requested by the Chair, we have met with various Council Members since the March Preliminary Budget hearing to answer the questions and update them on projects within their districts. Since the testimony in March, DDC has broken ground and/or completed 30 projects around the city, and I would like to briefly

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share with you a few of those projects. Construction kicked off on the newly designed Corona Plaza in your district, Madam Chair, for our client agency DOT in this cultural-rich neighborhood. The Plaza will be transformed into a vibrant and sustainable community hub complete with greenspaces in our public performance area. We also kick off two infrastructure projects in Southeast Queens. The first will replace the water main on Arcade Avenue and surrounding streets in Jamaica. The 50 million project will add a water main to improve water quality and [inaudible] pressure throughout the area. The second includes the replacement of the water main on 135th Street and the surrounding area with a total cost of 36 million. Next Tuesday, May 9th, we will celebrate the reopening of the Billie Holiday Theater in Bedford-Stuyvesant, a 4.1 million project that has seen great collaboration with the theater and the Department of Cultural Affairs. The project includes all new seating, lighting and stage rigging equipment as well as extensive upgrades to the theaters' infrastructure. these projects continue the tradition of DDC producing quality projects for the City for which DDC has received nearly 70 awards in

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the past three years, the most of any three-year period in the agency history. The agency's work has also drawn repeated praises from places such as the New York Times which in November put three of our recently completed projects on a list of what may someday be worthy of appearing in a Times Square souvenir snow globe, capturing the imagination of shapers and observers of the City. Lastly, I wanted to highlight the great work we do on the MWBE and STEAM fronts. We continue to find creative ways to engage MWBEs in the city procurement process. In the past three years we have ramped up our outreach efforts, engaging with more than 8,000 individuals through 28 internal events at our Long Island City headquarters and more than 60 external events. In the coming months, we are hosting a consultant's open house on June 15th and our annual conference on contract opportunities on September 14th. This outreach and the strong work of our MWBE team has led to record numbers for MWBE awards for the agency and the numbers continue to grow. We also continue to find ways to reach as many students as possible through our Science, Technology, Engineering, Architecture, and Mathematics program. Since the

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2 program's launch in 2015, we have engaged more than
3 1,400 students. To reach an even larger number of
4 students citywide we have partnered now with the
5 Department of Education's Summer STEAM Institute to
6 host a professional development workshop entitled
7 "Building Possibilities," design thinking and
8 Engineering for 25 DOE science teachers. Madam
9 Chair, I would like to take this opportunity to thank
10 you and your staff as well as Speaker Melissa Mark-
11 Viverito and her team, Nathan Toth and the Finance
12 Division for the continued support we've received.
13 We also would like to thank Mayor Bill de Blasio and
14 his legislative team as well as the Office of
15 Management and Budget and the Mayor's Office of
16 Contract Services for their hard work, diligence and
17 guidance. That concludes my remarks, and I'm more
18 than happy to answer any questions you and your
19 colleagues may have. Thank you.

20 CHAIRPERSON FERRERAS-COPELAND: Thank you
21 very much for your testimony, Commissioner, and I
22 know that, you know, this has been a-- I don't want
23 to say challenging year, but it's one that we've been
24 consistently talking about capital and a lot of the
25 focus has been on capital. One from the OMB

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perspective on front-loading and what's the right amount of time that you need to space things out, but also recognizing that as we partner that both the elected officials that are appropriating funds for capital projects, that you know, when we see that a project may cost let's say a million dollars and the delays have it then 10 years later costing 15 million dollars, you can only imagine the difficulty or the anxiety that we have as elected officials to get this work done. I am very happy to see in your testimony that you mentioned the Passerelle. I just wanted to make sure that we got for the record that there will be no way that we build or reconstruct this passerelle that will then be torn down by the state?

COMMISSIONER PENA-MORA: Definitely, Madam Chair, I can assure you that we are working very collaborative with all our colleagues in government, both at the State level as well as the City level. We have met with the Port Authority. They just started their design process. I believe that they had a kick-off [sic] design like maybe a week or so ago, and we are also starting our design process, and we are going to continue to collaborate with them to ensure that those two projects actually

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2 enhance each other. In addition to that, we're
3 working with the MTA, LIRR in ensuring that
4 everything we do, it will be in accordance to their
5 needs today and their future needs that they actually
6 foresee. So, I do not believe or DDC does not have
7 any information that there will have to be anything
8 done to the project once it's completed.

9 CHAIRPERSON FERRERAS-COPELAND: And I
10 just wanted to make sure or express my specific-- my
11 communities' concern and my concern that Passerelle
12 has always been an entrance, the main entrance of
13 Flushing Meadows Corona Park off of the north side.
14 It's kind of where you go in and you see the
15 unisphere [sic], the Long Island Railroad and the US
16 Open. It is the main entrance really to the US Open
17 from the MTA, and while I understand that the
18 Governor's investment is a real one, and you know,
19 the Air Train [sic] is something that he finds that
20 is a priority, I would hope that in any design
21 conversation that it's not the focus becomes on how
22 to get people to the Air Train when this is-- my
23 community isn't taking the Air Train to the airport.
24 We live very close. We could probably-- I could walk
25

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2 to the airport but the reality is that we are going
3 to use that entrance to get to the park.

4 COMMISSIONER PENA-MORA: Yeah.

5 CHAIRPERSON FERRERAS-COPELAND: So, while
6 you are collaborating in creating an experience,
7 please do not forget that the priority from our
8 perspective is a beautiful and safe entrance to the
9 park.

10 COMMISSIONER PENA-MORA: And we will
11 actually work with your office as well as the
12 Community Board in that area and some of the-- in a
13 lot of our projects there is a lot of community
14 organizations that get involved, and we are going to
15 ensure that we have frequent communications to be
16 able to capture the wants and needs within the
17 constraints that we have.

18 CHAIRPERSON FERRERAS-COPELAND: Great.

19 In the current Capital Commitment Plan for DDC, the
20 City added 177 million for Homeless Services. Of the
21 total amount, nearly 119 million will be used on
22 various upgrades at the Bellevue Men's Shelter. The
23 project includes roof and façade work, fire safety
24 maintenance, main atrium bathroom reconstruction, as
25 well as rehabilitation of existing elevators. Will

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any of the funding be used for the living quarters in these shelters, and if so, can you elaborate on what those projects will be and how much they will cost?

COMMISSIONER PENA-MORA: Right now, the projects that we are currently designing and actually ready to procure does not include improvement to the actual living quarters, but as you mentioned, there is a lot of system upgrades that are part of those projects that will ensure that the facility is able to serve its functions. I can say that they are-- we are in discussions and in fact now CPSD, one of the types of instruments that you and your team in the Finance Committee as well as the Council Members advocated from the beginning to improve the capital project as you have mentioned, you know, sometimes the capital projects can be quite challenging, and we are also looking at CPSD to look at holistically some of the ideas for Bellevue, but now some of the-- the projects that we have in our portfolio does not include improvement to the actual living quarters.

CHAIRPERSON FERRERAS-COPELAND: So it's more an improvement of living conditions as opposed to expanding capacity?

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2 COMMISSIONER PENA-MORA: It definitely is-
3 - it's not expanding capacity, and it's more about
4 the systems as well as the roof façade, and they are
5 not right now in our portfolio anything with the
6 living quarters.

7 CHAIRPERSON FERRERAS-COPELAND: So, aside
8 from Bellevue there was an additional funding for
9 various building upgrades totaling 24.2 million.
10 What does this entail and for which shelter?

11 COMMISSIONER PENA-MORA: That actually is
12 a budget that has been allocated to help in case
13 there has to be budget modifications in some of the
14 system projects. As we don't have any specific
15 project connected right now with that funding.

16 CHAIRPERSON FERRERAS-COPELAND: So, it's
17 for existing projects throughout the City, or--

18 COMMISSIONER PENA-MORA: [interposing]
19 Yes.

20 CHAIRPERSON FERRERAS-COPELAND: in case
21 you need more of it at Bellevue?

22 COMMISSIONER PENA-MORA: I think it's for
23 the whole portfolio of the homeless DHS.

24

25

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2 CHAIRPERSON FERRERAS-COPELAND: Okay.

3 Well, I was going to ask about cultural institutions
4 and library projects--

5 COMMISSIONER PENA-MORA: [interposing]

6 Yes.

7 CHAIRPERSON FERRERAS-COPELAND: but the
8 Chair is here, so I don't want to take any of his
9 thunder.

10 COMMISSIONER PENA-MORA: Okay.

11 CHAIRPERSON FERRERAS-COPELAND: But also
12 wanted to follow up with one additional question on
13 non-city capital.

14 COMMISSIONER PENA-MORA: Yes.

15 CHAIRPERSON FERRERAS-COPELAND: Just to
16 have a further conversation on the discretionary
17 program for vehicle and equipment purchases that DDC
18 has in their budget. We understand that your team
19 sends an initial email with city guidelines to the
20 not-for-profits that are selected for discretionary
21 funding. We also understand that DDC will provide
22 seminars on the process as well. The only further
23 question we have is on client management, and this
24 may seem like hand-holding to some. However, many of
25 the CBOs provide important services in our community

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1 and have high turnover themselves based on their
2 small budgets. So we find that sometimes the
3 communi-- there could be a major communication
4 breakdown which only adds to the timeline. So while,
5 you know, I guess for us we-- we're accustomed to
6 having to call our nonprofits and check in and stay
7 on top of them and, you know, figure out the
8 timeline, it doesn't seem that that's the culture on
9 your side. The engagement is more of a, "Here's--
10 we've engaged with you. We sent you out a notice.
11 We're waiting to hear back."

13 COMMISSIONER PENA-MORA: I would say,
14 Madam Chair, that not necessarily. We say that we
15 do-- our personnel actually do reach to the CBOs, to
16 the different community based organizations that
17 receive the funding from the Council, and we engage
18 with them. Could there be more that we could do? I
19 think there's always a possibility to do more, and we
20 would like-- I think you are bringing that more to
21 our attention. I think we're going to be working
22 internal with groups [sic] to enhance that type of
23 interaction. However, we also seeing when we
24 actually made those phone calls and follow up that a
25 lot of times the different CBOs may not have a good

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2 understanding of the process and the amount of
3 documentation that they need provide, and so we are
4 trying to really help to increase that understanding,
5 and we look forward to partnering with you as a
6 Council to see how before these different CBOs get
7 their grants, they understand kind of the commitment
8 of time and effort that will be needed from them to
9 receive that funding, and I think we can all look at
10 ways to improve that customer service.

11 CHAIRPERSON FERRERAS-COPELAND: I think
12 that's fair enough. I got to share with you that for
13 Council Members, giving to non-city capitals makes us
14 cringe now, because you almost don't know when the
15 project is going to happen. You don't know what's
16 going to hold it up. You don't-- that's it. You
17 don't know.

18 COMMISSIONER PENA-MORA: Yeah.

19 CHAIRPERSON FERRERAS-COPELAND: And you
20 know, to invest tax payer dollars for an endless
21 amount of time--

22 COMMISSIONER PENA-MORA: [interposing]
23 Yeah.

24 CHAIRPERSON FERRERAS-COPELAND: is
25 incredibly frustrated, and I think at the end of the

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2 day it hurts our city's infrastructure, because we're
3 not supposed to just be building on city-owned or,
4 you know, projects that are in city-owned land or
5 buildings. The idea is that we're helping nonprofits
6 that are also helping New Yorkers that are
7 challenged, and some of these nonprofits are well on
8 their way to being able to build capacity by having a
9 new facility or doing things more affordably. It's
10 always better to own--

11 COMMISSIONER PENA-MORA: [interposing]

12 Yes.

13 CHAIRPERSON FERRERAS-COPELAND: than to
14 rent. I think that's for anybody.

15 COMMISSIONER PENA-MORA: Yes.

16 CHAIRPERSON FERRERAS-COPELAND: For us
17 with our family, if you own in New York, you're
18 probably in a better position than if you're renting
19 right now.

20 COMMISSIONER PENA-MORA: Yes.

21 CHAIRPERSON FERRERAS-COPELAND: So, I say
22 that to say I do accept what you're saying about, you
23 know, perhaps some nonprofits don't understand the
24 responsibility that it is to receive capital dollars
25 in this way. I think we may have an opportunity to

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2 maybe figure out a way where we can make this process
3 just easier and just document that we can share
4 something with our nonprofits. One thing that I
5 personally do with anybody that's asking for non-city
6 capital is I tell them to reach out to OMB
7 immediately. Like, you need to figure out exactly
8 what need before, because we don't want to hurt
9 nonprofits and see them fail--

10 COMMISSIONER PENA-MORA: [interposing]

11 Yes.

12 CHAIRPERSON FERRERAS-COPELAND: like we
13 have with Alianza [sp?], because it entered into
14 projects that were too large. You know, we don't want
15 to see that. We want them to succeed. So, we're
16 going to continue to have a conversation. So, we'll
17 take some responsibility on our end, but I think a
18 lot of it is on your end.

19 COMMISSIONER PENA-MORA: And we ae going
20 to be working together. Like you're saying, we
21 definitely can improve the process and better
22 understanding education will help, and I think if we
23 are able to partner with you and the Council, I think
24 we can make improvement in the right direction.

25

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2 CHAIRPERSON FERRERAS-COPELAND: Yeah, I
3 just challenge you to put on your professor hat one
4 more time.

5 COMMISSIONER PENA-MORA: Yes.

6 CHAIRPERSON FERRERAS-COPELAND: And if
7 you had to teach this to nonprofits that this is how
8 you go through this process to bring down money, what
9 would you do, professor/commissioner? Okay, thank
10 you.

11 COMMISSIONER PENA-MORA: Thank you.

12 CHAIRPERSON FERRERAS-COPELAND: We will
13 hear now from Council Majority Leader Van Bramer
14 followed by Council Member Gibson.

15 COUNCIL MEMBER VAN BRAMER: Thank you
16 very much. Commissioner, you know a lot of the
17 questions that I'm about to ask. Number one, I just
18 want to say the Center for an Urban Future report on
19 your agency's handling of library and cultural
20 projects I think was pretty damning, and I'd be
21 interested to hear your reaction to the report.
22 Obviously, we're going to have a hearing on that in
23 the future, but by my calculation there's over 700
24 million dollars in your agency's hands as it relates
25 to libraries and cultural projects just in the

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current plan, and that's an enormous responsibility for you, and it is not working out well. We've heard lots of Council Members in the first session with Dean talking about delays in capital projects, but with respect to libraries, it seems worse than ever, and obviously I want to talk about the Hunter's Point Library, but where are you with getting it right on libraries and cultural projects?

COMMISSIONER PENA-MORA: I think your questions is very pertinent in terms of the larger discussion we are having. What I can share you is that we are working on trying to improve our process and continue to improve I communication with our client, and this case as you mentioned in libraries as well as all our other sister agencies that have a role together with us on the capital project. We have made some improvements in terms of accelerating our design process, accelerating our construction process, of course there is a lot more to do. We're using our front-end planning which have discussed in my preliminary hearing, but also we are increasing our in-house design for certain types of projects that sometimes it takes significant amount of time to procure the services instead of us doing it in in-

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2 house, we can shorten that at that time because you
3 have to--

4 COUNCIL MEMBER VAN BRAMER: [interposing]
5 But an you point to library and cultural projects
6 that have moved faster under these reforms than they
7 had been?

8 COMMISSIONER PENA-MORA: Well, I can give
9 you a list, but we have been tracking very clearly,
10 you know, in the period of time that we're doing.
11 For example, for projects that are under two million
12 dollars, ADA compliance and other types of upgrade,
13 we have seen an improvement of the design of around
14 50 percent in design and construction around 40
15 percent. So, I can provide you the list of those
16 projects.

17 COUNCIL MEMBER VAN BRAMER: Well, I'm
18 anxious to see that. Obviously, most of our
19 projects, a lot of our projects are over that amount
20 of money. The Hunter's Point Library, obviously you
21 and I have had a lot of private conversations--

22 COMMISSIONER PENA-MORA: [interposing]
23 Yes, yes.

24 COUNCIL MEMBER VAN BRAMER: very
25 challenging conversations. I am extremely upset with

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2 the status of that. Can you tell us today that you
3 know where the glass for that building is and when it
4 will be here, and then I'd like to ask a question
5 which is why did we purchase glass for that building
6 from Germany via Spain when one of the largest glass
7 producers in the world is in New York State, and
8 instead of waiting for a ship to arrive, literally,
9 we could have that glass? It is, as you know, 20
10 years that we've been waiting for this library. You
11 and I had discussion about DDC delivering that
12 library several months ago, and now it is not going
13 to be delivered for another several months. The
14 people of Long Island City and Western Queens now
15 have to wait as a result. At the Preliminary
16 hearing, I heard you say that most of the delays were
17 prior to construction, but once construction started
18 that you were very good at delivering projects on
19 time.

20 COMMISSIONER PENA-MORA: Yeah.

21 COUNCIL MEMBER VAN BRAMER: This is
22 clearly a horrific situation that has gone horribly
23 wrong. So, I asked you a bunch of questions in there
24 because my time is limited, but where is the glass?

25 COMMISSIONER PENA-MORA: Yes.

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2 COUNCIL MEMBER VAN BRAMER: When is it
3 getting here? Why did you choose to buy glass for a
4 library in Spain via Germany and not go to some place
5 like Corning, and I have no stock in Corning, let me
6 just say that for the record, but it's a big glass
7 company. It's based in New York State, and because
8 you went there we lost control of this project,
9 Commissioner. Right, literally lost control of the
10 project. Could not get the glass to close up the
11 building to do the construction, and we still don't
12 have the glass, and we still don't really have
13 control over this project.

14 COMMISSIONER PENA-MORA: I would like to
15 say we are tracking very closely that particular
16 shipment. We have even an app that I monitor daily
17 on the location. It has a GPS tracker. However, I
18 can tell you that the ship is somewhere in the middle
19 of the Atlantic, closer to America than to Europe,
20 and--

21 COUNCIL MEMBER VAN BRAMER: [interposing]
22 That is not as comforting as that sounds. I just
23 wanted you to--

24 COMMISSIONER PENA-MORA: [interposing]
25 Well, but let me tell you, it is scheduled to arrive

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by March 6th-- by May 6th. So in a couple of days it's supposed to arrive here. The reason why I don't know specifically when in the Atlantic is is because it's kind of the GPS has to look where the rain [sic] is, and that's why I don't have the exact location. But it is in the Atlantic and it's supposed to arrive on May 6th. In terms of your question about the glass, this is a component of a very complex window system. As you see the design, it's a very large irregular window that we need to ensure that it has the correct properties in order to allow natural light to go into the building, but at the same time protect the furniture as well as the people and all that from UV [sic] and all different elements. The specifications as it was provided, we did buy the glass from an American company. They procure it in Germany and glaze it in Spain, and we were affected by a strike in Spain in the delivery time. So, I understand your concern. Remember, the way that our procurement works. In that case, that company in Connecticut [sic] identified that the best place to buy that particular glass was in Germany and get glazed in Spain. So, I understand the complexity. We are looking-- once it arrive to United States, it

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2 has to go through a set of processes in Connecticut
3 and we're expecting the glass to arrive on site
4 sometime in the early middle of June. That's where
5 we are right now with that glass.

6 COUNCIL MEMBER VAN BRAMER: So, just to
7 wrap up, that whole description of the glass being
8 made in Germany, glazed in Spain, somewhere in the
9 middle of the Atlantic right now is like torture for
10 me, right, absolute torture for me and the people of
11 Long Island City. A., the way this thing has gone, I
12 just hope that ship makes it, right? Like, and
13 there's no shipwreck with that damn glass.

14 COMMISSIONER PENA-MORA: Yeah. I also
15 hope so.

16 COUNCIL MEMBER VAN BRAMER: This is a
17 library, Commissioner, right? It's a library for the
18 children of Long Island City and we have a glass
19 shipment in the middle of the Atlantic working its
20 way. This is tax payer dollars, as you know, and I
21 know you take this seriously, right, and our folks in
22 Queens are saying why are we being held hostage? A
23 40 million dollar library that we've waited 20 years
24 for, and you and DDC and this administration and us
25 in the Council, we can't go to the middle of the

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Atlantic and take that glass and put it in the library. It's stuck.

COMMISSIONER PENA-MORA: Well, it's in transit. When I say middle Atlantic, of course I don't know the exact coordinates, but it is in transit and it's supposed to arrive here by May 6th, and I will call you as soon as I see that it has arrived to the Port of New York. Then it will be moved to--

COUNCIL MEMBER VAN BRAMER: [interposing] Commissioner, at this point, I would like to greet the ship as it pulls into the port. You tell me where it is, I will be there with you--

COMMISSIONER PENA-MORA: [interposing] Okay.

COUNCIL MEMBER VAN BRAMER: to greet the ship and carry the glass off the ship, just because I want to see it because I want to know it's real.

[cross-talk]

CHAIRPERSON FERRERAS-COPELAND: He's totally serious.

COUNCIL MEMBER VAN BRAMER: I totally am.

COMMISSIONER PENA-MORA: Thank you for the offer.

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2 COUNCIL MEMBER VAN BRAMER: Julissa knows
3 me a long time. I'm totally serious about this
4 greeting the ship. But I just want to say in closing
5 because I know-- I want to respect my colleague's
6 time. We, and I think you as an agency--

7 COMMISSIONER PENA-MORA: Yes.

8 COUNCIL MEMBER VAN BRAMER: We shouldn't
9 going forward allow parcels of a project to be so far
10 out of your control, if you know what I mean, that
11 you are-- you and this project were held hostage to a
12 strike in Spain, right, to a dock worker strike in
13 Spain, because of how this was done. That's my
14 concern that DDC working with the contractors and
15 subcontractors did all the due diligence because the
16 glass is special. I get it, although I don't think
17 anyone knew how special it needed to be, but it's
18 special glass, but I'm not sure that Corning or
19 whatever other, you know, glass makers that would
20 have made it in New York State couldn't have also
21 made that special glass. That's the fundamental
22 question, is yes, this Connecticut company said we
23 got to make it in Germany and glaze it Spain, but I'm
24 not convinced that we did the due diligence to make
25 sure that Corning or whoever else could have done the

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2 same thing and not hold us hostage to a ship that's
3 somewhere in the middle of the Atlantic.

4 COMMISSIONER PENA-MORA: Thank you. I
5 understand your concerns, and I do really see how we
6 should be looking now at our projects and trying to
7 encourage our designers to look to how to pro-- where
8 things are going to be procured. And so we are going
9 to-- as we move forward, we are going to look closer
10 into that particular issues.

11 COUNCIL MEMBER VAN BRAMER: I thank the
12 Chair for giving me a little extra time. I look
13 forward to that call and our mutual trip--

14 COMMISSIONER PENA-MORA: [interposing]
15 Okay.

16 COUNCIL MEMBER VAN BRAMER: to the
17 shipyard.

18 COMMISSIONER PENA-MORA: Okay, thank you.

19 CHAIRPERSON FERRERAS-COPELAND: Well,
20 thank you. We'll hear now from Council Member Gibson
21 followed by Council Member Rosenthal.

22 COUNCIL MEMBER GIBSON: Thank you, Chair.
23 Sorry, Majority Leader. I will say, Commissioner,
24 Corning, New York is only five hours away, and if you
25 need anyone to connect you to Corning Incorporated, I

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1 am happy to. My best friend and Goddaughter live in
2 Corning, New York, and she's been working for Corning
3 for 10 years, and they are the manufacturers of our
4 glass and of all of the Apple products, and they're
5 right in New York State. So, I certainly agree with
6 the Majority Leader. We always need to try to not
7 only keep talent in the state, but if we have the
8 products here and the skillet, then we need to look
9 at New York State, and it's only five hours away.
10 It's not far.

12 COMMISSIONER PENA-MORA: I know. Thank
13 you.

14 COUNCIL MEMBER GIBSON: Not far.

15 COMMISSIONER PENA-MORA: We take notice.
16 We take notice.

17 COUNCIL MEMBER GIBSON: Okay. I just
18 wanted to ask two questions. I work with your agency
19 so closely and during the Prelim budget, I believe I
20 had mentioned some of the projects that we opened,
21 the Family Justice Center in Staten Island which I
22 was very happy to hear as the Chair of Public Safety,
23 making sure that every borough now has a Family
24 Justice Center that's open and operating fully. Of
25 course, I have to go on record and just certainly

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encourage us to keep forward on the Bronx Children's Museum. You and Lee Ayambelus [sp?], and many others, we were at the first annual gala this week, and I am so proud of the work the Bronx Children's Museum has done through a lot of challenge, and I believe and hope-- it better be. This is the last year in which the Children's Museum is asking for funding and then we are able-- we're on track, as I understand, right? In terms of--

COMMISSIONER PENA-MORA: [interposing]

Yes.

COUNCIL MEMBER GIBSON: timeline?

COMMISSIONER PENA-MORA: We are expecting to break ground within a month.

COUNCIL MEMBER GIBSON: Okay.

COMMISSIONER PENA-MORA: We are coordinating with the different offices--

COUNCIL MEMBER GIBSON: Okay.

COMMISSIONER PENA-MORA: to have the groundbreaking.

COUNCIL MEMBER GIBSON: Okay, yes, that's what I was told. I just want to make sure that that doesn't change at all.

COMMISSIONER PENA-MORA: No.

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2 COUNCIL MEMBER GIBSON: Okay, and the
3 Chair asked a little bit about the budget this year
4 is looking at 300 million dollars of renovations and
5 capital work for shelters, existing shelters, and
6 obviously new construction, and I have a large
7 concentration of shelters in my district, both stand
8 alone as well as scatter site. So, I wanted to
9 understand DDC's role in this process. That's a lot
10 of money. Many of our shelters do need to be
11 renovated in terms of the conditions, but what is our
12 timeline, and are you working with DHS? How does
13 that work?

14 COMMISSIONER PENA-MORA: We work very
15 closely with our client, DHS, in terms of--

16 COUNCIL MEMBER GIBSON: [interposing]
17 Okay.

18 COMMISSIONER PENA-MORA: the projects.
19 Right now, the portfolio that we have, as I
20 mentioned, it has a significant amount of money
21 allocated for Bellevue, but the money that you're
22 talking about, over 300 million dollars that you
23 mentioned, those type of projects have not really
24 reached us yet.

25 COUNCIL MEMBER GIBSON: Not yet, okay.

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2 COMMISSIONER PENA-MORA: It's still in
3 the early planning phase, but once they actually are
4 moving from that it will be coming-- our portfolio we
5 will be working very closely with our client DHS and
6 with all their stakeholders that are needed to be
7 involved.

8 COUNCIL MEMBER GIBSON: Okay, okay. My
9 final question is on the STEAM program which I'm a
10 huge fan of and it's had great success since 2015.
11 Number one, is there additional funding for the STEAM
12 program to expand? Because every year you target
13 different communities across the city--

14 COMMISSIONER PENA-MORA: [interposing]
15 Yes.

16 COUNCIL MEMBER GIBSON: which I am
17 grateful for. And then number two, how do you
18 identify new schools to target? What are the factors
19 and what are you looking for, because certainly
20 school district nine, you guys have been in MS 22--

21 COMMISSIONER PENA-MORA: [interposing]
22 Yes.

23 COUNCIL MEMBER GIBSON: and you did a
24 really amazing seminar at the Teller Avenue campus
25 which I have three schools in the building, and so

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2 I'm excited and obviously I want to see that expand
3 when you're talking about 21st century and making
4 sure that our young people are looking at careers and
5 you know, science and technology and architecture,
6 and you know, these are the, you know, arenas that
7 many of our young people can desire but we just need
8 to give them the opportunity to make sure that we use
9 their skillset now for jobs for tomorrow.

10 COMMISSIONER PENA-MORA: Thank you,
11 Council Member. We are also very, very pleased with
12 the results that we have seen from the STEAM program
13 and community partnership program. And with respect
14 to your question on expansion, we have you know, the
15 Council and Mayor de Blasio has provided us the
16 funding necessary for our plan implementation, and as
17 you may have heard in my statement we are looking on
18 how to increase the outreach of those programs and
19 now we are partnering with DOE in their STEM
20 institute in trying to work with 25 teachers from DOE
21 on the process that we use and the curriculum that we
22 use for our program and then have other people within
23 DOE that they can run similar programs within their
24 schools. So, we hope that that way can allow for
25 kind of multiplication factor by having kind of

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2 teachers involved and understanding the type of
3 projects that we are doing.

4 COUNCIL MEMBER GIBSON: Okay. Thank you
5 very much.

6 COMMISSIONER PENA-MORA: Thank you.

7 COUNCIL MEMBER GIBSON: And please help
8 Majority Leader Van Bramer on that library, please.

9 COMMISSIONER PENA-MORA: I am working
10 really hard.

11 COUNCIL MEMBER GIBSON: I have to
12 advocate for the borough of Queens.

13 COMMISSIONER PENA-MORA: Okay.

14 COUNCIL MEMBER GIBSON: Thank you. Thank
15 you, Chair.

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

18 COUNCIL MEMBER ROSENTHAL: Thank you so
19 much, Chair. Commissioner, great to see you as
20 always. Two, I want to talk about two things. One,
21 the library situation. We'll come back to that. And
22 then-- but first about hearing loops, and I just
23 wanted to make sure that you were aware that the City
24 Council passed and the Mayor signed a law requiring
25 hearing loops to go into every-- in every new or

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reconstructed building, public building starting
January 18th.

COMMISSIONER PENA-MORA: Okay.

COUNCIL MEMBER ROSENTHAL: So, are you
aware of that, and are you starting to think about
technology, etcetera?

COMMISSIONER PENA-MORA: Well, we had had
conversations with Commissioner Calise about the
technology and the use of technology in the different
buildings. Now that this is now a law, we are going
to work very, very closely with our team and our
clients to ensure that we comply with the law and are
able to incorporate the technology that is necessary.

COUNCIL MEMBER ROSENTHAL: So, you're
saying that included in the RFP when you put out to
bid will be a requirement for the hearing loops.

COMMISSIONER PENA-MORA: I think we now
will have to look how the implementation will be,
because as you can imagine, there are projects that
are already in the pipeline and when the law become
effected, so we have to look at the implementation of
the law. We already have one project that includes
the technology, but as you say, this is now moving

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2 forward for all the projects and we're going to be
3 working with all our partners--

4 COUNCIL MEMBER ROSENTHAL: [interposing]
5 thank you.

6 COMMISSIONER PENA-MORA: ensuring
7 compliance.

8 COUNCIL MEMBER ROSENTHAL: You know, I
9 would urge you to possibly go back and think about
10 projects that are currently in the process of being
11 constructed because that's exactly the time to get
12 them in very cheaply.

13 COMMISSIONER PENA-MORA: Okay.

14 COUNCIL MEMBER ROSENTHAL: And I will say
15 that I had a town hall last week where we installed a
16 temporary loop--

17 COMMISSIONER PENA-MORA: [interposing]
18 Loop, okay.

19 COUNCIL MEMBER ROSENTHAL: which means it
20 was simply taped down on the ground, and when I
21 started the town hall and announced that people with
22 hearing loss could simply turn a dial on their T
23 [sic] coil, I noticed five or six people doing
24 exactly that, and none of them were older than 50
25 years old.

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2 COMMISSIONER PENA-MORA: It's for
3 everybody, I think everybody that needs that, and we
4 are going to look. I think your suggestion, we are
5 going to consider and talk to our clients to see what
6 the budget implication--

7 COUNCIL MEMBER ROSENTHAL: [interposing]
8 One room in particular I'm looking for is in the Mid-
9 Manhattan Branch of the New York Public Library.

10 COMMISSIONER PENA-MORA: Okay.

11 COUNCIL MEMBER ROSENTHAL: There are
12 organizations of people who have hearing loss that
13 are looking for assembly space where they can have
14 their meetings. Currently, they have to put down a
15 temporary loop every time they meet. So, this looks
16 like a ripe opportunity for me if you could get back
17 to me to let me know about at what stage in the
18 process they are and whether or not in such an
19 important institution we could have a hearing loop in
20 Assembly Room and also at the information desk.

21 COMMISSIONER PENA-MORA: Definitely we
22 will get back to you and share with you the
23 information that we learn--

24 COUNCIL MEMBER ROSENTHAL: [interposing]
25 Great.

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2 COMMISSIONER PENA-MORA: and any other
3 conversation.

4 COUNCIL MEMBER ROSENTHAL: So about this
5 glass--

6 COMMISSIONER PENA-MORA: Yes.

7 COUNCIL MEMBER ROSENTHAL: So, as I
8 understand it, you guys put out an RFP.

9 COMMISSIONER PENA-MORA: Well, actually,
10 it was a bid.

11 COUNCIL MEMBER ROSENTHAL: What?

12 COMMISSIONER PENA-MORA: Was a bid to a
13 contractor.

14 COUNCIL MEMBER ROSENTHAL: And then-- and
15 you have to go with the lowest responsible bidder.

16 COMMISSIONER PENA-MORA: That's correct.

17 COUNCIL MEMBER ROSENTHAL: My first
18 question is did you as the oversight agency do due
19 diligence to know if there were any minority and
20 women-owned businesses that could have bid for and
21 won any pieces of this contract given that the bidder
22 is doing one big project and doesn't live in New York
23 City?

24 COMMISSIONER PENA-MORA: We look at the
25 project in a holistic fashion. There are goals that

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2 are assigned in terms of the availability of MWBEs
3 with the skillsets and the business possibilities for
4 that, and this particular project as far as I know
5 and I can go back to you and tell you what
6 percentage. I don't recall very well percentage, but
7 I believe I have not an indication that this is not
8 compliant. Maybe this part of the project did not
9 have the MWBE, but other parts of the project do have
10 that.

11 COUNCIL MEMBER ROSENTHAL: So, for this
12 part, I don't understand. If this went to the lowest
13 responsible bidder--

14 COMMISSIONER PENA-MORA: [interposing]
15 Yes.

16 COUNCIL MEMBER ROSENTHAL: how we could
17 end up with a guy that would think it's okay to
18 purchase glass from Spain or Italy that then has to
19 be glazed in Spain? And I guess what I'd like to
20 know is if there is ever a change order requested for
21 this project, whether or not you will go back and
22 require the contractor to pay for the difference
23 between what we should have paid for glass had we had
24 upstate Corning Ware do it versus the million dollars
25 for this to get done which if it's still-- if it's

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2 over and over and over again delayed in Spain, surely
3 their cost is going to go up and they're going to
4 come back with a change order.

5 COMMISSIONER PENA-MORA: Well, in this
6 particular case it is-- they have a commitment or a
7 contract to deliver the glass to us and these issues
8 will not be affecting far as we know the cost are
9 related, because it's the [inaudible] that we need to
10 get us the glass to our site. So, they're--

11 COUNCIL MEMBER ROSENTHAL: [interposing]
12 At what point do you fish or cut bait? May 7th?

13 COMMISSIONER PENA-MORA: No. We actually
14 look very closely on all the different things after
15 we started seeing some of the challenges. What we
16 have learned is that this particular glass as
17 specified in terms of the luminosity, the low energy
18 or refraction [sic] and all the technical components
19 have very limited availability, extremely limited
20 availability here in the United States.

21 COUNCIL MEMBER ROSENTHAL: There's-- so,
22 we really just couldn't have gotten it here in the
23 US?

24

25

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2 COMMISSIONER PENA-MORA: I cannot say
3 couldn't because, you know, everything in life is
4 possible if you the pay the right--

5 COUNCIL MEMBER ROSENTHAL: [interposing]
6 And this is the tax payer dollar. It's not cheap.

7 COMMISSIONER PENA-MORA: I do agree,
8 Council Member, and I believe that, you know, the
9 contract that we received was the cheapest that we
10 received for the whole project, and this was one
11 component.

12 COUNCIL MEMBER ROSENTHAL: I would like
13 to ask that your staff go back and look at just that
14 single piece.

15 COMMISSIONER PENA-MORA: Okay.

16 COUNCIL MEMBER ROSENTHAL: And see whether
17 or not that could have been done somewhere in the
18 United States meeting the same specifications and
19 what that would have cost. The tax payers deserve
20 the answer to that question, no?

21 COMMISSIONER PENA-MORA: We will actually
22 do our homework on that and share whatever findings
23 we have with you.

24 COUNCIL MEMBER ROSENTHAL: Thank you very
25 much. Thank you, Chair.

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2 CHAIRPERSON FERRERAS-COPELAND: Thank
3 you, Council Member. I got to say, I didn't think
4 we'd spend this much time on glass.

5 COMMISSIONER PENA-MORA: Yes.

6 CHAIRPERSON FERRERAS-COPELAND: So
7 obviously this is very important to us on the
8 committee. I wanted to follow up on two things. One
9 was on April 20-- on April 9th, 2017 the Center for
10 Urban Futures issues a report on cultural libraries
11 projects that were managed by DDC. The primary take-
12 away from this report was that the projects that DDC
13 manages takes longer and costs more when compared to
14 projects that the cultural institutions and libraries
15 manage themselves. For the benefit of this
16 committee, did you see the report? You know, what'd
17 you think of the report? Are there any projects that
18 are currently in your budget that may be better
19 suited for the client agency to complete? I am sure
20 that some of the libraries and some of the culturals
21 aren't able to do all of the projects. Like, I think
22 there's things that you as the agency may have an
23 expertise to do, but I got to believe that in the
24 portfolio there are things that perhaps are done
25 better or more-- not better-- more efficiently or

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2 quicker by the, I guess by the library or the
3 cultural institution. So, can you walk me through
4 what your thoughts are?

5 COMMISSIONER PENA-MORA: Well, we work
6 very closely with the libraries as well as our other
7 sister agencies in trying to see how we can improve
8 the process, and I can tell you that the libraries is
9 a portfolio that had a lot of focus had been giving
10 in trying to understand how we can increase the
11 efficiency. And we actually are-- look for any idea
12 that we can consider and examine, and how actually
13 push us towards that goal of efficiency. So we are
14 looking and willing to kind of discuss different
15 types of ideas in that vein.

16 CHAIRPERSON FERRERAS-COPELAND: So, I
17 would like to see if we can schedule some time before
18 even the budget handshake--

19 COMMISSIONER PENA-MORA: [interposing]
20 yes.

21 CHAIRPERSON FERRERAS-COPELAND: were we
22 can sit with some of the library head and your team,
23 and maybe we could just talk about, you know, this is
24 some of the challenges. You can express your
25 challenge and just start a line of communication with

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2 all the systems together at one table, because I know
3 that the systems don't want to put you at an
4 uncomfortable position because you're their partner.
5 But I do think that there's an opportunity for better
6 communications perhaps so that they can say this is
7 what we could do more efficiently. We know we can't
8 do this. This is where we can help you. You can
9 tell them the same. Would you be willing to do that?

10 COMMISSIONER PENA-MORA: Oh, yeah, no, if
11 you would like to call a meeting, a such meeting, I
12 think we would be really willing to participate.

13 CHAIRPERSON FERRERAS-COPELAND: Great.
14 So we're going to-- my team will follow up with you
15 so we can pull this together. Great. I have one
16 other question, and then you're done with us.

17 COMMISSIONER PENA-MORA: Yes.

18 CHAIRPERSON FERRERAS-COPELAND: Or I
19 should say we're done with you.

20 COMMISSIONER PENA-MORA: Yeah, that's
21 true [sic].

22 CHAIRPERSON FERRERAS-COPELAND:
23 Acquisition and construction from youth and family
24 justice citywide: DDC currently has 128 million in
25 its Capital Commitment Plan for the ACS Crossroads

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Juvenile Center renovation project. This project encompasses the renovation of the secured juvenile detention center located at 17 Bristle Street in Brooklyn. For the benefit of the Committee, could you please provide us an update on this project? Is there a timeline for the completion of this project, and we understand that there was a feasibility study done on this project by ACS, DDC and DOC that was supposed to be released in the spring. What is the status on this study?

COMMISSIONER PENA-MORA: Actually, we did finish the CPSD, the Capital Project Scope Definition, project, and we are now working on the RFP that will be out soon, and at that time all that information will be made available to the public.

CHAIRPERSON FERRERAS-COPELAND: Okay, so what do you-- what is the timeline for the RFP?

COMMISSIONER PENA-MORA: Very soon.

CHAIRPERSON FERRERAS-COPELAND: Commissioner, very soon? Like 30 days, 90 day?

COMMISSIONER PENA-MORA: Weeks. I can get back to you with the details, but we're talking not months, we're talking weeks.

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2 CHAIRPERSON FERRERAS-COPELAND: Weeks,
3 okay. As long as it's not on that ship with your
4 glass--

5 COMMISSIONER PENA-MORA: [interposing] It
6 is not on the ship with the glass.

7 CHAIRPERSON FERRERAS-COPELAND: we're
8 good.

9 COMMISSIONER PENA-MORA: That's very much
10 in an American soil.

11 CHAIRPERSON FERRERAS-COPELAND: Okay.
12 Well, thank you very much for coming to testify
13 today. That concludes today's testimony from DDC.
14 Thank you again, Commissioner Peña-Mora for begin
15 here. Before we take a short break, like a three-
16 minute break so we can change papers, I want to give
17 a reminder that the public can submit testimony to
18 the Finance Division at Council.nyc.gov/budget, and
19 we will now take a three-minute break before we hear
20 from the Department of Finance.

21 COMMISSIONER PENA-MORA: Thank you.

22 [break]

23 CHAIRPERSON FERRERAS-COPELAND: Good
24 afternoon and welcome to the first day of Council's
25 Executive Budget hearings. I am Council Member

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2 Julissa Ferreras-Copeland, Chair of the Finance

3 Committee. We have already heard from the Office of

4 Management and Budget, the Department of Design and

5 Construction. We will now conclude the first day of

6 hearings with the testimony by Commissioner of the

7 Department of Finance, Jacques Jiha. In the interest

8 of time, I will forgo an opening statement. You may

9 begin your testimony after you're sworn in.

10 COMMITTEE COUNSEL: Do you affirm to tell

11 the truth, the whole truth and nothing but the truth

12 in your testimony before the committee today and to

13 respond honestly to Council Member questions?

14 COMMISSIONER JIHA: Aye. [sic]. Good

15 afternoon, Chairwoman Ferreras-Copeland and members

16 of the City Council Committee on Finance. I am

17 Jacques Jiha, Commissioner of the NYC Department of

18 Finance. I am joined today by First Deputy

19 Commissioner Michael Hyman. Thank you for the

20 opportunity to testify before you today on our Fiscal

21 Year 2018 Executive Budget. Although New York City's

22 finances continue to be stable, there are concerns

23 raised by anticipated federal budget cuts and a

24 slowing City economy. Through April, the City

25 collected 49.6 billion dollars in revenue, which is

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2.1 percent more than the same period last year. As of yesterday, the unrestricted cash balance for the City was 9.7 billion dollars. Put simply, revenue growth is modest; therefore, we must remain prudent. In my previous testimonies, I have expressed my desire to transform this agency to become more efficient, fair and transparent, and to enhance the customer experience in every aspect of our business. That has been the focus of our work over the last three years. We have implemented policies, programs and infrastructure that support our commitment to putting customers first. It includes improving the types of services that we provide and enhancing how the public gain access to these services. This has fostered a stronger and more positive relationship with the public when they have questions regarding their property or business-tax bill, are settling a parking violation, selecting a property-exemption benefit, seeking a refund, or protecting their home against deed fraud. Expanding our use of technology is one strategy that has helped in making tremendous progress in improving the customer experience. We have developed a broad range of technology systems and applications that make it easier and faster for

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New Yorkers to conduct business with the City. For example, The NYC Parking Ticket: Pay or Dispute app, which launched in April, is the first official parking-ticket app in New York City and the only one of its kind in the country developed by a municipality. This application allows drivers to quickly resolve their parking violations by paying or disputing these tickets immediately, right in the palms of their hands. Mobile technology allows us to connect with many of our customers where they are increasingly transacting business, on their mobile devices. The app has been well received by the public. In one month, there have been more than 17,000 downloads. Approximately 8,700 tickets have been paid and about 5,000 violations have been disputed using the app. Among the agency's other upgraded technological programs is the new Business Tax System, BTS, which has transformed the way tax practitioners manage online transactions for business taxpayer's accounts and dramatically improved our internal management processes. BTS has helped improve overall compliance, but has also made it easier for customers to set up payment plans and seek refunds. In fact, we have seen a 221 percent

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increase in business-tax refunds since BTS went live.

Two years ago, we embarked on what would be our

greatest enhancement challenge: overhauling the more

than 25-year-old property-tax-administration system,

an intricately complicated framework with non-

intersecting pieces. We are now implementing a new,

comprehensive and fully-integrated system that will

allow for better internal and external management of

property data, tax assessment and billing

information. This has been a massive undertaking,

which has required tweaking of strategy and extensive

testing, and resulted in the delay in launching this

new product. We had planned to implement the PTS

system during the up-coming 2017 annual final roll-

over, but the requirements for completion of the

project, including robust testing of the new system,

have forced us to amend the projected completion date

to coordinate with the tentative roll in January

2018. In the meantime, we are using new technology

to help generate the most accurate property tax

assessments for New York City's 1.2 million property

parcels, with tools such as Streetscape Imagery, a

unique software that provides high-resolution and

imagery, accurate measurements, and geo-coded parcels

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for precise address location. In addition, in the first quarter of 2018, assessors will be equipped with tablets during field assignments to collect relevant property data. When fully implemented, it will provide a one-step process for the updating of property information, including notes, visitation history and photo documentation. This new tool will allow for the collection of more accurate data, thereby increasing the validity of property values. We have also enhanced our customer engagement and responsiveness through direct connections to the public. Our social media platforms are increasing the amount of information we provide to New York City residents and improving the ways we address questions and complaints. Our community outreach in all of the boroughs has also dramatically increased and has improved public responses to some of the most important initiatives, such as the 90-day Forgiving Fines: New York City Amnesty Program for ECB judgment violations, which forgave interest and 100 percent of default penalties for debtors who complied with the program's terms and conditions. In a successful collaboration with the City Council, DOF collected 44 million dollars associated with 128,000 violations.

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2 In the process, we saved taxpayers over 100 million
3 dollars. Targeted outreach to individuals, non-for-
4 profit and community advocacy groups has helped
5 inform many property owners on how to avoid the lien
6 sale. We are also working with council members to
7 ensure that properties with non-for-profit exemptions
8 meet the requirements that will prevent them from
9 entering the lien sale. These efforts have been
10 effective in reducing the number of properties in
11 this year's sale, which started with 22,629
12 properties at the beginning of the 90-day notice
13 period. To date, 9,569 properties have been pulled
14 from the lien sale, resulting in 13,060 tax liens by
15 the time 10-day notices were issued. In this
16 process, we recognize that even after people have
17 agreed to a payment plan, some may have difficulties
18 adhering to the terms of the agreement; and, so we
19 are developing more flexible payment plans that take
20 into account reduced and fixed incomes, thus easing
21 compliance for seniors and low-income individuals.
22 It is critical that we do our best to help all New
23 Yorkers, particularly those who are most vulnerable,
24 seniors, veterans and people with disabilities on
25 fixed incomes. It is why our exemptions programs

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have been a primary focus of our restructuring over the last three years. Our partnerships with elected officials, community groups, and faith-based organizations have raised awareness of the New York City Rent Freeze Program also known as SCRIE and DRIE. Along with increased outreach, the development of simpler form application forms, and the expansion of the Manhattan walk-in center, we are committed to ensuring all of our applications and worksites are more ADA compliant, including our soon-to-be-opened SCRIE and DRIE walk-in centers in the Bronx and Brooklyn. We are dedicating the same level of commitment to seniors, veterans and people with disabilities who are homeowners, through the SCHE and DHE program. As many of you know, this is the first renewal for these exemptions programs in 10 years. In advance of the application renewal deadline of March 15, 2017, we sent three reminder notices to all current program participants. As with any renewal process, however, some people may no longer qualify, and income may be a challenge for eligibility. That is why we are working to mitigate the impact through the passage of state legislation sponsored by State Senator Diane Savino and Assemblyman Brian Kavanagh,

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which would increase the income ceiling for SCHE and DHE from \$37,399 to \$58,399. Last month, the Mayor announced his support for this legislation and has proposed resources for this expansion in the Executive Budget. As a result we anticipate that more than 32,000 senior homeowners and homeowners with disabilities would experience an average reduction of 1,752 dollars from the expansion of the SCHE and DHE programs. In addition to providing financial relief to homeowners, we are just as focused on making sure that New Yorkers are not losing their homes to deed fraud. Since 2014, 1,788 cases have been referred to the Sheriff's office for investigation. Of these cases, 983 have been closed, 103 are active criminal investigations and 702 are ongoing. The Sheriff's Office has made 32 arrests for 48 properties that have a total market value of million dollars. Our attention to customer responsiveness has been an informative and constructive exercise in understanding the areas of frustration that New Yorkers experience in their interactions with this agency. We may not be able to fix every complaint, but the goal is to address them and create a process to fix systemic problems. One

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area where we hear the most complaints is in the adjudication of parking tickets. However, I would like to give some context to the scope of parking-ticket operations. New York City issues approximately 10 million parking tickets per year. DOF processes about nine million payments and holds more than 1.2 million parking-related hearings. Given such a high volume, there will undoubtedly be drivers who are dissatisfied with how their tickets are being resolved. That is why we are creating an independent Ombudsperson's Office for parking tickets to promote a better understanding of the adjudication process and alleviate public frustration. The Ombudsperson would serve as a general advocate for members of the public who wish to dispute or have disputed their parking tickets. In addition, this office would collaborate with other agencies involved in the ticket-issuance process to help inform them of systemic problems. This would only continue to enhance compliance while providing important resources and information to help drivers better manage the process of resolving their parking-ticket issues. This and many other projects will be our focus for improving all the many ways we can better

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2 engage and provide important services and benefits to
3 our customers in 2017. I'd like to take this
4 opportunity to thank the DOF staff for their tireless
5 dedication to ensuring that New Yorkers are treated
6 fairly and respectfully. Thank you for the
7 opportunity to testify before you today. At this
8 time, I am happy to take your questions.

9 CHAIRPERSON FERRERAS-COPELAND: Thank you
10 for your testimony, Commissioner. I wanted to start
11 off by acknowledging one of the issues that we have
12 most recently seen and that is the lawsuit that was
13 filed against the City based on property tax. I
14 think everyone can agree that the tax system has
15 numerous issues, including those of equity and
16 transparency. Since the lawsuit is pending, I
17 presume you're not able to comment on it directly.
18 However, I would like to address a related issue that
19 was raised in a recent Daily News article, the
20 article that claims that DOF considers assessments
21 correct if they are anywhere from 50 to over 140
22 percent of actual sales price. The article further
23 states that a generally accepted error rate is only
24 plus or minus 10 percent. First off, are these
25 figures accurate, and are there properties in New

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2 York City where DOF standards allow an error rate
3 that was mentioned in the Daily News article?

4 COMMISSIONER JIHA: I'd like to mention
5 there's litigation taking place, so therefore I'm not
6 going not comment on the litigation issue. However,
7 with respect to the evaluation issues that you
8 raised, I don't have-- I don't know whether or not
9 the actual-- because I don't have the data they are
10 claiming that they have, okay? I don't believe that
11 we would accept, okay, initial variants [sic] as
12 okay. It's not okay to us such a variance. So, I
13 don't think it's a policy of DOF to ask of this kind
14 of-- I mean, again, until you have the data to
15 analyze, because we remove a lot of the parcels from--
16 - we make a lot of adjustment to the data that we
17 use, okay? I don't know if these people make the
18 same adjustment to the data. In other words, we
19 remove, for instance, foreclosed properties, okay?
20 Alright? So we remove a lot of things from the data
21 that we use on a day-to-day basis. So, therefore,
22 because I don't have the data, I cannot make comments
23 on the validity of, you know, the variances that is
24 mentioned in the article.

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2 CHAIRPERSON FERRERAS-COPELAND: So how do
3 you determine the accuracy of your assessment?

4 COMMISSIONER JIHA: Well, we use fair
5 market value, okay. We use, you know, SERs [sic]
6 data. That's basically what we use in our models to
7 assist our property values in New York City, but as
8 you know, we also have some challenges. There are
9 some issues with respect to certain [inaudible] that
10 are imposed on us by the state such as a cap. That
11 creates distortions, okay, and as a result of the
12 distortions, you may have discrepancies between
13 different neighborhoods. So, I cannot tell you, you
14 know. Until we address all these issues, I can't
15 tell you just looking at, you know, just because
16 somebody's saying something in the article that is
17 correct. I can't verify for sure.

18 CHAIRPERSON FERRERAS-COPELAND: Okay. So
19 maybe we can follow up with the committee so you can
20 walk us through what your example--

21 COMMISSIONER JIHA: [interposing] I'd be
22 more than happy to walk you through--

23 CHAIRPERSON FERRERAS-COPELAND:
24 [interposing] For accuracy.
25

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2 COMMISSIONER JIHA: the process that we
3 use.

4 CHAIRPERSON FERRERAS-COPELAND: Okay. The
5 Property Tax Reform, when were you appoint-- when you
6 were appointed Finance Commissioner, you mentioned
7 that addressing inequalities in the Property Tax
8 system would be one of your priorities. In your
9 testimony from June 6, 2014, you mentioned with
10 respect to the Property Tax system-- this is your
11 quote: "Our goal is to ensure that all city property
12 owners are treated fairly under the law." Yet, the
13 Council agree that this is an issue and has been
14 working at addressing it. In fact, in our budget
15 response we shared one idea that we believe would
16 both address inequalities and provide tax relief for
17 New York City homeowners, and it does so in a revenue
18 neutral way. You have been the Commissioner for
19 three years now. Can you comment on what kind of
20 research your team has been doing on property tax
21 reform or any specific ideas that you are exploring
22 when it comes to the specific topic, and do you think
23 the Council could expect to see some sort of concrete
24 tax reform proposal, and did you read the budget
25 response in our suggestion?

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2 COMMISSIONER JIHA: Yes.

3 CHAIRPERSON FERRERAS-COPELAND: Okay,
4 good. I hope-- what did you think of it? Let's
5 start there.

6 COMMISSIONER JIHA: Let's put it this
7 way, this is one of-- it is one of the ideas that we
8 have to review when we making accommodation for to
9 address the current system. Let me say something to
10 you, we've been working very hard for the past three
11 years, okay, to improve the Property Tax
12 Administration. Okay. It is very-- it is a very key
13 component, okay, of any reform to begin with. So,
14 you have to lay out the ground work, okay. So you
15 have to prepare the technical analysis, but you can't
16 do the technical analysis if you don't have the
17 infrastructure that's needed to create that kind of
18 work. We have hired and trained a lot of new
19 assessors. Okay. We have made some significant
20 investment in the data collection process, because
21 assessment is one of those things that's garbage in,
22 garbage out. Okay. So you have to spend resources
23 to collect the right information. We have made--
24 even that we do mass appraisal, we have made some
25 significant refinement of the econometric models and

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assumptions that we use to do evaluation, okay? And finally, I would say we have made some significant investment in technology. In particular, we about to roll out, you know, a new technology which is Streetscape Imagery, and that we use to take pictures of properties all around New York City. So we have a better sense because right now the assessors could sit at their desktop and look at different pictures of the different properties, measure them, do all kind of other stuff to get a more precise accurate data about the properties. So, we've made some significant improvement, and as I said, we are about to roll out sometimes in January the property-- the new Property Tax Assessment [sic] Administration. So, all of this work is necessary, okay, to create the ground work. Then the next phase is doing the analysis, doing a review of the current state. We have to make exactly what is the picture of the current state. This is what kind of analysis we're doing trying to look at the effective tax rate because different properties within class and across class, between classes. Okay? So, that would give you a sense. Once you have the effective tax rate that would give you a sense of where you have the

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problems and what kind of adjustment you would need to make within class if you're going to keep different asset classes between classes. So, we have to first lay the groundwork, do the review to have a good sense of the core answers [sic], because right now we are-- we've seen a lot of studies, but we have not seen is comprehensive study, okay, alright, where you have consistent methodology that you could defend, okay, to lay the ground, to give you a sense good picture of the current state. Once you move that, you have to move to the next stage which is the ideal state. What would be the ideal state? If you no constraints, okay, what would the property tax system should look like? Then you have to add all the constraints, okay? Then you are supposed [sic] given all constraints that you have, okay? You know you cannot go to the ideal state, but given all the constraints that you have, what kind of system that you could create, what kind of-- you know, it could create within those constraints. So, this going to take us some time, okay, to do the analysis, and from my perspective I'm looking at next year, okay, as the best, you know, in term of timeline as the end of

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2 next year as the best target for me to come up with
3 accommodations to the Mayor and to the Council.

4 CHAIRPERSON FERRERAS-COPELAND: Okay,
5 well, I-- that was my next follow up question because
6 I know you're in, you know-- we're at the end of our
7 fourth year. Well, in your case three years, I
8 think--

9 COMMISSIONER JIHA: [interposing] Yes.

10 CHAIRPERSON FERRERAS-COPELAND: you came
11 in after, right?

12 COMMISSIONER JIHA: Not three years yet.

13 CHAIRPERSON FERRERAS-COPELAND: Just to
14 be clear, you know, I know this is something that the
15 Mayor has too highlighted that this is something that
16 he would like to see.

17 COMMISSIONER JIHA: Yes.

18 CHAIRPERSON FERRERAS-COPELAND: While the
19 lawsuit may allude to something different, I think
20 it's important that, you know, I just wanted to get
21 into the record this is something that he has
22 publicly said publicly but also said in meetings, in
23 private meetings with members, that he would like to
24 see this reform happen. So, I wanted to talk about
25 your-- SCHE. Before I go to SCHE, I have a question.

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3 So I actually had a landlord reach out to me just
4 before we started our conversation, and his question
5 was, while we're doing a lot of outreach for SCHE and
6 that's great, what is-- if there is a landlord that
7 feels that there may be fraud when it comes to some
8 SCRIE applications or someone that is not necessarily
9 living on a site, but using an older-- what is the
10 recourse that someone has to report such fraud?

11 COMMISSIONER JIHA: They should call our
12 office, because we have landlords in the past calling
13 our office to report this kind of scheme [sic], yeah.

14 CHAIRPERSON FERRERAS-COPELAND: Right.
15 And I know you've done a lot of good-- I don't want
16 to in any way discourage the outreach component, but--
17 -

18 COMMISSIONER JIHA: [interposing] sure.

19 CHAIRPERSON FERRERAS-COPELAND: you know,
20 there's always a couple--

21 COMMISSIONER JIHA: [interposing] Always.

22 CHAIRPERSON FERRERAS-COPELAND: bad
23 apples--

24 COMMISSIONER JIHA: [interposing] Bad
25 apples, yeah.

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2 CHAIRPERSON FERRERAS-COPELAND: that we
3 would want to make sure that aren't benefitting for
4 something that could--

5 COMMISSIONER JIHA: [interposing] Of
6 course not.

7 CHAIRPERSON FERRERAS-COPELAND: be given
8 to another senior.

9 COMMISSIONER JIHA: Sure.

10 CHAIRPERSON FERRERAS-COPELAND: So, in
11 2016 for the first time DOF sent out letters to SCHE
12 and to SCHE recipients about renewing their exemption
13 for the fiscal 2018 tax year. DOF did not previously
14 require renewals for these specific exemptions.
15 Renewal applications were due March of 2017. Can you
16 give us the breakdown of the number of people who
17 renewed for this program and the numbers that failed
18 to reply? And since this is the first time this
19 renewal has been required in recent memory, is there
20 anything a homeowner can do if they miss their
21 renewal period? I just feel like this is like we're
22 going through this again, right?

23 COMMISSIONER JIHA: Yeah.

24 CHAIRPERSON FERRERAS-COPELAND: We just
25 went through this process of--

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2 COMMISSIONER JIHA: [interposing] Yeah.

3 As you know, it's been 10 years since we have done
4 any certification for any of the exemption programs.

5 CHAIRPERSON FERRERAS-COPELAND: Right.

6 COMMISSIONER JIHA: That is to begin with
7 the root cause of one of the major problems we have.
8 We at the beginning of the renewal process, we mail
9 out about close to 57,000 renewal meetings [sic] to
10 current participant. I think 52,000 were SCHE and
11 close to 5,000 were DHE participants. We're in the
12 process of approving of reviewing because we're still
13 doing them, about 36,000, okay?

14 CHAIRPERSON FERRERAS-COPELAND: So, 36,000
15 responded?

16 COMMISSIONER JIHA: Have responded,
17 responded. We have about 20,000 which did not
18 respond. We sent three notices to folks, and we--

19 CHAIRPERSON FERRERAS-COPELAND:
20 [interposing] When did you start sending them out?

21 COMMISSIONER JIHA: I believe in October.
22 October, October.

23 CHAIRPERSON FERRERAS-COPELAND: Okay.

24 COMMISSIONER JIHA: Of the 20 that did
25 not-- we removed the benefits of about 20,000, okay?

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2 Of those 15,000 were non-responders. Fifteen
3 thousand people did not respond, okay?

4 CHAIRPERSON FERRERAS-COPELAND: Okay.

5 COMMISSIONER JIHA: So, we're in the
6 process based on what data that we have, we're in the
7 process of removing benefits for 20,000, okay?

8 CHAIRPERSON FERRERAS-COPELAND: From
9 20,000 of the 57?

10 COMMISSIONER JIHA: Of seven, okay. But
11 15,000 of the 20 were non-responders.

12 CHAIRPERSON FERRERAS-COPELAND: And non-
13 responders can mean?

14 COMMISSIONER JIHA: They did not respond
15 to the mail.

16 CHAIRPERSON FERRERAS-COPELAND: Right. It
17 could mean that they passed away, that the property--

18 COMMISSIONER JIHA: [interposing] Some of
19 them, we know about 5,000 pass away we know--

20 CHAIRPERSON FERRERAS-COPELAND:
21 [interposing] About 5,000 of the 15?

22 COMMISSIONER JIHA: Yeah. Yeah, when we
23 did our match.

24 CHAIRPERSON FERRERAS-COPELAND: Deceased.
25

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2 COMMISSIONER JIHA: Deceased. And we
3 believe we have about 5,000 also who did not qualify
4 because of their income.

5 CHAIRPERSON FERRERAS-COPELAND: Not
6 qualify.

7 COMMISSIONER JIHA: That's the reason why
8 we believe that with expanding the threshold from
9 29,000 to 50,000, which is about-- included in the
10 budget, will take care of that group of people.

11 CHAIRPERSON FERRERAS-COPELAND: So it
12 will take care of this 5,000 people--

13 COMMISSIONER JIHA: [interposing] Yeah.

14 CHAIRPERSON FERRERAS-COPELAND: that
15 were-- would have been left out--

16 COMMISSIONER JIHA: [interposing] Or would
17 have been left out.

18 CHAIRPERSON FERRERAS-COPELAND: with this
19 budget, will be included again.

20 COMMISSIONER JIHA: Will be included
21 again.

22 CHAIRPERSON FERRERAS-COPELAND: And they
23 have a-- and you have their contact information
24 because--

25

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2 COMMISSIONER JIHA: [interposing] we have
3 their contact information.

4 CHAIRPERSON FERRERAS-COPELAND: you
5 process and said--

6 COMMISSIONER JIHA: We just process them.

7 CHAIRPERSON FERRERAS-COPELAND: Okay.
8 And then what about the other 5,000, you just--

9 COMMISSIONER JIHA: [interposing] We--
10 again, as I said, we're still in the process of
11 processing all this, so the numbers that I'm giving
12 now, okay, may change.

13 CHAIRPERSON FERRERAS-COPELAND: Okay.

14 COMMISSIONER JIHA: But again, what we
15 know for sure, we have 15,000 who did not respond,
16 and so we are processing everything else at this
17 point in time.

18 CHAIRPERSON FERRERAS-COPELAND: Okay.

19 COMMISSIONER JIHA: You look puzzled.
20 You have question?

21 CHAIRPERSON FERRERAS-COPELAND: Huh?

22 COMMISSIONER JIHA: You look a little
23 puzzled.

24 CHAIRPERSON FERRERAS-COPELAND: I'm trying
25 to follow your numbers.

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2 COMMISSIONER JIHA: Yeah, no I
3 understand.

4 CHAIRPERSON FERRERAS-COPELAND: and my
5 notes, and they're not correlating, but we can follow
6 up.

7 COMMISSIONER JIHA: Yeah.

8 CHAIRPERSON FERRERAS-COPELAND: Let's get
9 this kind of in a one-pager of--

10 COMMISSIONER JIHA: [interposing] Yeah, we
11 could give you and again, as I said, we're processing
12 them every day--

13 CHAIRPERSON FERRERAS-COPELAND:
14 [interposing] Yeah.

15 COMMISSIONER JIHA: at this point in time,
16 but--

17 CHAIRPERSON FERRERAS-COPELAND:
18 [interposing] You know, I think we through this with
19 SCRIE.

20 COMMISSIONER JIHA: Yes, with SCRIE.

21 CHAIRPERSON FERRERAS-COPELAND: It would
22 be great to kind of get a clearer synopsis.

23 COMMISSIONER JIHA: And our goal is the
24 same thing that happened with SCRIE to minimize the
25 impact--

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2 CHAIRPERSON FERRERAS-COPELAND:

3 [interposing] Right.

4 COMMISSIONER JIHA: as much as we can on
5 the participants.

6 CHAIRPERSON FERRERAS-COPELAND: Right. I
7 just know that we invested a lot of time and energy
8 on outreach with SCRIE, and I would hope that, you
9 know, we can get to that level, but I don't know if
10 it triggers that level if there's only a thousand
11 that ended up being, you know, the real numbers.

12 COMMISSIONER JIHA: Yeah.

13 CHAIRPERSON FERRERAS-COPELAND: I guess we
14 need to have the real number before--

15 COMMISSIONER JIHA: And to be fair, we
16 even try to be understand that given that we have not
17 done renewal in 10 years, and I instructed staff even
18 if we have people coming at this point in time, we
19 will accept the application.

20 CHAIRPERSON FERRERAS-COPELAND: So, it's
21 kind of a loose deadline.

22 COMMISSIONER JIHA: You know, it's not--
23 given this is the first time we're doing it.

24 CHAIRPERSON FERRERAS-COPELAND: Right.

25 COMMISSIONER JIHA: So, I just--

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3 CHAIRPERSON FERRERAS-COPELAND:

4 [interposing] Well, I'm suggesting that it be a loose
5 deadline. And do you have an appeals process if
6 someone is denied or?

7 COMMISSIONER JIHA: Yes.

8 CHAIRPERSON FERRERAS-COPELAND: What does
9 that look like? What can someone do?

10 COMMISSIONER JIHA: Someone is denied.
11 They could always call the Tax Commission.

12 CHAIRPERSON FERRERAS-COPELAND: Call who?

13 COMMISSIONER JIHA: Go to the Tax
14 Commission.

15 CHAIRPERSON FERRERAS-COPELAND: Go to the
16 Tax Commission?

17 COMMISSIONER JIHA: Commission.

18 CHAIRPERSON FERRERAS-COPELAND: That
19 sounds daunting.

20 COMMISSIONER JIHA: Well, they could
21 contact us, you know, if we, you know.

22 CHAIRPERSON FERRERAS-COPELAND: They can
23 contact DOF.

24 COMMISSIONER JIHA: Contact our office,
25 yeah. But you know, the ultimate is--

CHAIRPERSON FERRERAS-COPELAND: So--

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3 COMMISSIONER JIHA: The process-- the
4 process that we have in place right now is to go to
5 the Tax Commission, but they could always call us.

6 CHAIRPERSON FERRERAS-COPELAND: Okay. And
7 how do you communicate the status of a renewal
8 application? So, I know you said you send out three
9 letters, then what happens? How does someone know
10 that they've received the exemption or that they
11 didn't receive the exemption? Is it a call? Is it a
12 letter?

13 COMMISSIONER JIHA: No, we send them
14 notice.

15 CHAIRPERSON FERRERAS-COPELAND: There's a
16 notice?

17 COMMISSIONER JIHA: Yeah, when they're
18 approved and if they are denied.

19 CHAIRPERSON FERRERAS-COPELAND: Okay, and
20 if they're approved it says what?

21 COMMISSIONER JIHA: It's approved, and
22 you know, they'll continue to get the benefit.

23 CHAIRPERSON FERRERAS-COPELAND: Do-- does
24 it say, "Remember, you have to reapply in a year or
25 in five years, or whatever?"

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2 COMMISSIONER JIHA: I don't know if we
3 say-- did we say that? But we'll be doing outreach
4 anyway.

5 CHAIRPERSON FERRERAS-COPELAND: I suggest
6 that you include in the letter that says,
7 "Congratulations, you've been accepted,--

8 COMMISSIONER JIHA: [interposing] Good
9 idea.

10 CHAIRPERSON FERRERAS-COPELAND: your
11 process now is that you have to reapply every year."
12 I guess. Is it a year, every year?

13 COMMISSIONER JIHA: Yeah.

14 CHAIRPERSON FERRERAS-COPELAND: You have
15 to--

16 COMMISSIONER JIHA: [interposing] Two
17 years, every two years for SCHE.

18 CHAIRPERSON FERRERAS-COPELAND: Every two-
19 - you see, we are confused, Commissioner. So every
20 two years at this website, and this is what you
21 should be expecting.

22 COMMISSIONER JIHA: That's a good idea.

23 CHAIRPERSON FERRERAS-COPELAND: And,
24 "Hey, sorry, you were denied for these reasons. Try
25

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3 again in two years. Maybe you'll qualify." I think
4 that's something we should add.

5 COMMISSIONER JIHA: Sure.

6 CHAIRPERSON FERRERAS-COPELAND: And
7 that's not going to be any cost.

8 COMMISSIONER JIHA: No.

9 CHAIRPERSON FERRERAS-COPELAND: It doesn't
10 weigh any more on your paper. So, the mail-- the
11 stamp is the same. Okay. Wanted to talk briefly
12 about the lien sale, and I know my colleagues are
13 here to ask you some questions, so I'm going to give
14 them an opportunity. The lien sale-- well. Too many
15 papers today. A City and State article earlier this
16 morning criticized DOF's inclusion of nonprofit
17 institutions and vacant lots in the tax lien sale. I
18 know when we were talking about a reform of the tax
19 lien process, this is something that also came up in
20 a lot of the conversations within public hearings
21 that we had. DOF has the power to remove nonprofit
22 properties from the lien sale because the state law
23 exempts these organizations from the property tax in
24 the first place. However, the article claims that
25 many nonprofits end up on the lien sale list anyway
because DOF requires them to get in touch and confirm

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3 their nonprofit status before they can be excluded
4 from the lien sale, something many organizations
5 aren't aware of and don't have the capacity to do.
6 Additionally, the article claims that the City is
7 wasting a huge affordable housing opportunity by
8 including more than a thousand vacant lots in the
9 lien sale. How many nonprofits are on the lien sale
10 list this year, and can you describe the steps
11 nonprofits must take with DOF to ensure their
12 exclusion from the lien sale? Why was this process
13 implemented, and is it really that cumbersome? Why
14 are nonprofits not following the process?

15 COMMISSIONER JIHA: There is a-- let's
16 start with the misconception. There's a
17 misconception. Because you are of nonprofit status,
18 there's a guarantee, okay, that your property would
19 be exempt from taxes, okay, the use of the property
20 also. The law is clear, okay? It's not just
21 nonprofit status, but the use of the property also
22 has to be-- is not for profit purposes.

23 CHAIRPERSON FERRERAS-COPELAND: can you
24 give us an example just for the record where there
25 would be a nonprofit that has a use that is not
exempt? State your name for the record.

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3 JEFFREY SHEAR: Jeffrey Shear. So, an
4 example would be a nonprofit that has decided to
5 develop its property say to be housing, market rate
6 housing. So, that would not be considered to be an
7 educational or charitable purpose, and that would not
8 be eligible for exemption because of the use of the
9 property is not for not-for-profit purposes even
10 though the property is owned by a not-for-profit.

11 CHAIRPERSON FERRERAS-COPELAND: Okay.

12 COMMISSIONER JIHA: Yeah, and you could
13 have, you know, a hall is used for as a nightclub.
14 You know, the rent it, you know. So you have a
15 partial exemption rather than a full exemption. So,
16 it's not as easy everybody makes it sound like. A
17 not-for-profit, just remove them. That's not the
18 case. And the law requires that all these not-for-
19 profit, we certify on an annual basis. So, it's not
20 like we have the flexibility of basically removing
21 them. The law requires that we certify. We certify
22 every year.

23 CHAIRPERSON FERRERAS-COPELAND: Right.

24 So, I wanted to also then ask about the vacant lots
25 example that was used, the thousand vacant lots on
the lien sale. Is-- one, is this accurate? And two,

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2 what they're stating is that we're losing an
3 opportunity to create affordable housing, and I know
4 this is this Administration's priority. So, walk us
5 through this vacant lot.

6 COMMISSIONER JIHA: In general-- listen,
7 we've-- in the administration we've looked at this
8 issue over and over and over looking for these
9 properties, and we can't find them. We look at all--
10 they're very small, tiny, you know, slight little
11 pieces of properties that cannot be used for-- I
12 mean, property for-- I mean, for affordable housing
13 purposes. We would have used them by now. We've
14 looked at that issue over and over. I mean, I don't
15 know how many times. Tim, you want to come and
16 discuss this one? Tim is the head of Property
17 Division, and could give you a sense of how many--
18 the research we have done on this.

19 CHAIRPERSON FERRERAS-COPELAND: Just
20 state your name for the record.

21 TIMOTHY SHEARES: Timothy Sheares.

22 CHAIRPERSON FERRERAS-COPELAND: I believe
23 you. I don't have to swear you in. It's the
24 Commissioner we have a problem with.

25

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2 TIMOTHY SHEARES: So as the Commissioner
3 was alluding to, we have thousands of lots, and I
4 think that's what the article was alluding to, but
5 most of these are a sliver, sliver of lots. So, you-
6 -

7
8 CHAIRPERSON FERRERAS-COPELAND:
9 [interposing] What's a sliver lot, for the--

10 TIMOTHY SHEARES: [interposing] It's less
11 than 10 feet wide, 10 feet wide or less.

12 CHAIRPERSON FERRERAS-COPELAND: Less than
13 10 feet wide.

14 TIMOTHY SHEARES: So, as you can see most
15 of those lots cannot be used for development. Some
16 of them are not even 50 feet deep. Some may be even
17 10 feet deep. So, just imagine a 10 by 10 lot.

18 CHAIRPERSON FERRERAS-COPELAND: So, how
19 do those lots end up in the lien sale? Is it that
20 you can't find the owners, or?

21 TIMOTHY SHEARES: Yes.

22 CHAIRPERSON FERRERAS-COPELAND: What are
23 the challenges of how they get--

24 TIMOTHY SHEARES: [interposing] The
25 challenge is ownership and we've been working on

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2 determining that. I think with hope by the next lien
3 sale we'll have a full understanding of all of these
4 sliver lots. But most of them are-- they have
5 difficulty determining ownership.

6 CHAIRPERSON FERRERAS-COPELAND: Okay, and
7 so is the number right? Are there-- is there like a
8 thousand of these lots on the lien sale?

9 TIMOTHY SHEARES: That's accurate.

10 CHAIRPERSON FERRERAS-COPELAND: That's
11 accurate, okay. And of the nonprofits on the lien
12 sale, how many do we have presently on the lien sale?
13 You can get back to me if you don't--

14 COMMISSIONER JIHA: [interposing] Yeah,
15 we'll get back to you on--

16 CHAIRPERSON FERRERAS-COPELAND:
17 [interposing] So, please get back to me with that
18 number. And then just for the record, and just so
19 anybody that's watching, because there's a lot of
20 people watching right now, what can a nonprofit do
21 now if they're on the lien sale right now?

22 COMMISSIONER JIHA: the deadline to be
23 removed from the lien sale is May 11th. Okay, so
24 they just have to apply, send in an application, and
25 as I said, even though we have a January 5th deadline

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3 for not-for-profit, we've been very flexible again.

4 Okay? We go above and beyond, okay. We have been

5 very flexible. They just have-- because the law

6 requires that they recertify on a line order [sic]

7 basis.

8 CHAIRPERSON FERRERAS-COPELAND: So what

9 is the-- because some people have alluded that it's

10 cumbersome, daunting. What is the process?

11 COMMISSIONER JIHA: The process is very

12 simple, okay. You go on our website. Download an

13 application.

14 CHAIRPERSON FERRERAS-COPELAND: What is

15 your website?

16 COMMISSIONER JIHA: w-- nyc/--

17 CHAIRPERSON FERRERAS-COPELAND:

18 [interposing] Someone help the Commissioner.

19 COMMISSIONER JIHA: www.nyc.gov/finance.

20 CHAIRPERSON FERRERAS-COPELAND: Finance.

21 COMMISSIONER JIHA: Okay. I'm sorry. Oh,

22 you could go here. Or you could go to one of our

23 business centers, get an application.

24 CHAIRPERSON FERRERAS-COPELAND: At the

25 business center?

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3 COMMISSIONER JIHA: At one of our
4 business centers--

5 CHAIRPERSON FERRERAS-COPELAND:
6 [interposing] Okay.

7 COMMISSIONER JIHA: throughout the City.

8 CHAIRPERSON FERRERAS-COPELAND: And what
9 happens. What does this application look like?

10 COMMISSIONER JIHA: Take the application,
11 fill out the application. It's a simple application.

12 CHAIRPERSON FERRERAS-COPELAND: Do you
13 need an accountant to do this application?

14 COMMISSIONER JIHA: No, you don't. You
15 don't.

16 CHAIRPERSON FERRERAS-COPELAND: Do you
17 need a CPA?

18 COMMISSIONER JIHA: No, you don't.

19 CHAIRPERSON FERRERAS-COPELAND: Do you
20 need a lawyer?

21 COMMISSIONER JIHA: No, you don't.

22 CHAIRPERSON FERRERAS-COPELAND: Okay.

23 COMMISSIONER JIHA: Simple application and
24 return it to us. very often what happen is what our
25 own experience is, the church, for instance, would
have someone doing the paperwork for them on annual

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3 basis, and for whatever reason the person is no
4 longer there, and nobody takes care of that paperwork
5 for-- you know, left, and no one is there to take
6 care of the paperwork for them, and they only find
7 out, okay, about-- they have to recertify when they
8 receive a notice from us, okay, that they in a lien
9 sale. And that's when everybody's rushing, and when
10 they come to us, we pull the property out from the
11 lien sale. So, it's as I said, we go above and
12 beyond to try to accommodate everyone, but again, we
13 also have to implement the law.

14 CHAIRPERSON FERRERAS-COPELAND: Right.

15 And how-- look, you've worked with the Council when
16 we've had different-- everybody has different issues,
17 especially with the nonprofits, why they end up in
18 the lien sale. As you say, it could be contact
19 information. It could be ownership information.
20 Like, we've been through it all. You know, I've
21 worked with your team in my own district on
22 challenges that we face, but once the person is
23 approved or the entity is approved, does that notice
24 state clearly you're going to have to do this again
25 next year? Or is it next year or in two years in
this case?

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2 COMMISSIONER JIHA: It's annual.

3 CHAIRPERSON FERRERAS-COPELAND: Annual,
4 so you're going--

5 COMMISSIONER JIHA: [interposing] But
6 again, as I said, this is something we'll take into
7 account, you know.

8 CHAIRPERSON FERRERAS-COPELAND: So, you
9 can add this also like--

10 COMMISSIONER JIHA: [interposing] It's a
11 good idea to add this line.

12 CHAIRPERSON FERRERAS-COPELAND: So that
13 people don't think, I did it, I'm good. You know,
14 we're going to--

15 COMMISSIONER JIHA: Yeah.

16 CHAIRPERSON FERRERAS-COPELAND: You need
17 to do this again next year.

18 COMMISSIONER JIHA: And again and again.

19 CHAIRPERSON FERRERAS-COPELAND: Now, if a
20 nonprofit were to buy a property right now, you know,
21 through-- like when we-- when you buy a home there's
22 a whole bunch of paperwork. The attorneys are
23 telling you to sign off. First thing your mortgage
24 tells you is this is your property tax. Is there an
25 opportunity in that transaction to create some type

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2 of communication that says if you're a nonprofit
3 these are the things that you may have to do when you
4 engage with your property tax bill?

5 COMMISSIONER JIHA: Again, it's an idea
6 we should also explore, you know.

7 CHAIRPERSON FERRERAS-COPELAND: I think
8 it's a great idea. And I hope you can follow up.

9 COMMISSIONER JIHA: It's one of-- you
10 know, it's one of those ideas we should explore, yes.

11 CHAIRPERSON FERRERAS-COPELAND: Okay.
12 Alright, fantastic. I'd like to give my colleagues
13 an opportunity to ask questions.

14 COMMISSIONER JIHA: Okay.

15 CHAIRPERSON FERRERAS-COPELAND: We have
16 Council Member Rosenthal followed by Council Member
17 Rodriguez, and we were joined by Council Member
18 Cumbo.

19 COUNCIL MEMBER ROSENTHAL: Thank you so
20 much, Chair, and I'd like to start, Commissioner, by
21 commending your staff who's trying to help a
22 constituent in my district and is-- they are working
23 their buns off for her, and I don't know if that's a
24 technical expression, but they're really working very
25 hard on behalf of our New York City resident, and I

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want to commend you for that. Interestingly-- but what I'd like to talk about is this sort of broader issue. It's a case of somebody who is on DRIE and has mental health issues. She was on DRIE in 2000-- let's say 2012. She went through renewal in 2013. Her benefits had brought her above the 29,000 mark, which at that time was the cap. So, of course, she was taken off DRIE. Totally makes sense. In 2014 when the state and we changed the law so that people could have income or get benefits up to 50,000 dollars, you guys sent out a letter to a lot of people, probably including her saying reapply, you know, now the benefit thing has changed. She didn't. I don't know why. She didn't. And in 2015 she applied to renew. I don't want to go into that piece at all. What I'm wondering is, in 2014 you sent out a bunch of letter to SCRIE and DRIE people who had been kicked off because their benefits had gone above 29,000 but could be below the 50. How many letter-- how hard did you try to get those people? How many letters did you send out? How many of those people then came back and signed up, and are there more people out there who perhaps for some reason or another don't know that they could be getting SCRIE

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or DRIE because now the income level has gone up to 50,000? That's sort of one set of questions, and the second set of questions is why not if-- I mean, look, let's face it, for SCRIE and DRIE we're helping the poorest of the poor, and we're helping those people who live in a situation whereby they just, you know, their benefits don't-- aren't high enough so they can pay the ever-increasing rent. Why not let anyone who was-- who lost their benefits because they're-- who lost DRIE because their benefit level went above 29,000? Why not bring them back to whatever their rent was in July 2014 and freeze it at that level, even if they never responded to your letter asking them to renew or apply again? Just philosophically. Did that make any sense at all in the English language? I think so.

COMMISSIONER JIHA: Yeah, I have Diana who is the General Counsel for the Department here, and she probably would provide you more detailed answers to that question. But philosophically, we don't have an issue with this because we've been doing it. We've been open to anyone with disability, okay, who did not renew, and they could come at any time, okay. And we would accept their applications

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3 and basically freeze their rent back through appeal
4 [sic] that they were into the program. So,
5 philosophically we, you know, we don't have an issue,
6 because I actually was just in the process of
7 settling a case, and Diana could give you more detail
8 on this, and that was-- that's one of the things that
9 we did agree with the judges, with the judge, to do.

10 DIANA BEINART: Anybody that has a
11 disability--

12 COMMISSIONER JIHA: [interposing] Your
13 name?

14 DIANA BEINART: Diana Beinart. Anybody
15 who had a disability at the time that they didn't
16 file and can show us that that disability impacted
17 their ability to file timely can come to our office.
18 We have an EEO officer who is here today and he has a
19 form that they can fill out. If they are unable to
20 fill out the form, they don't have to fill out the
21 form. They can submit medical documentation. If
22 they can't submit medical documentation, they can
23 submit anything that is-- that can show, and if they
24 can't do that, we can even help them do that, that
25 they had a disability and that that disability
impacted their ability to file on time. If they can

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2 show that to us with our help, we will reinstate them
3 back to where they were initially dropped and bring
4 them whole from that time.

5 COUNCIL MEMBER ROSENTHAL: OH, wow, that's
6 great to hear. And--

7 COMMISSIONER JIHA: [interposing] Again,
8 the point we're trying to make here--

9 COUNCIL MEMBER ROSENTHAL: [interposing] I
10 appreciate that.

11 COMMISSIONER JIHA: We've been trying to
12 be as customer centric as much as we can. As I said,
13 we bend backward, okay, to try. Our goal is not to
14 take your benefits, okay, from--

15 COUNCIL MEMBER ROSENTHAL: [interposing] I
16 appreciate that, and I would like to know--

17 COMMISSIONER JIHA: [interposing] from
18 the public.

19 COUNCIL MEMBER ROSENTHAL: how many
20 letters went out and how many people got back on it?

21 COMMISSIONER JIHA: I don't have that
22 information, but I could provide you--

23 COUNCIL MEMBER ROSENTHAL: [interposing]

24 Yeah, yeah, yeah. But and I just want to put one
25 more plug in. It sounds like I'm hearing what you're

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2 saying, and for you and me, I get it, and I thank
3 you. It really does sound like, you know, a lot of
4 bending over backwards. Without saying anything
5 publicly about this woman, even meeting those
6 criteria are a challenge, and given that people-- I
7 mean, there's a reason people are on DRIE, and it
8 strikes me that you would almost want to just do it
9 automatically, and I don't know.

10 COMMISSIONER JIHA: But you also have to
11 understand--

12 COUNCIL MEMBER ROSENTHAL: [interposing]
13 Like low-hanging fruit.

14 COMMISSIONER JIHA: You also have to
15 understand we get audited, okay. Everything has to be
16 documented, everything that we do, okay? We have to
17 abide by certain rules, okay? And our job is to
18 implement, you know, to operate within the guidelines
19 of the law, and so therefore I understand that, you
20 know, as I said, we try our best, okay? And as much
21 as we could create flexibility and use our own
22 discretion, we try to as much as we can, but at the
23 same time, we also have to operate within the
24 guidelines of the law.

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2 COUNCIL MEMBER ROSENTHAL: I think we
3 should talk more. This could be one of our daughters
4 that this happens to.

5 COMMISSIONER JIHA: I agree.

6 COUNCIL MEMBER ROSENTHAL: And who cannot
7 fend for herself. Full stop.

8 COMMISSIONER JIHA: I agree, and I think
9 my--

10 COUNCIL MEMBER ROSENTHAL: [interposing]
11 Thank you.

12 COMMISSIONER JIHA: staff has been
13 working very hard with your staff to try to--

14 COUNCIL MEMBER ROSENTHAL: [interposing]
15 No, no, they're amazing. Hats off to them. Thank
16 you very much.

17 COUNCIL MEMBER RODRIGUEZ: Thank you,
18 Chair. Hi, Commissioner.

19 COMMISSIONER JIHA: How you doing?

20 COUNCIL MEMBER RODRIGUEZ: Good. So, no
21 doubt that the City is raising a lot of money in
22 parking violation fines, and as someone that chairs
23 the Committee on Transportation I'm, you know, a big
24 supporter, someone who is violating parking rule.
25 However, there's one area that I would like to have

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3 some clarity which is vehicle, car, being towed.

4 Here it's not clear on what is the line? For me,

5 like which is the line where we can see the amount of

6 money that the City is wasting by towing car?

7 According to the revenue chart.

8 COMMISSIONER JIHA: Give me a minute.

9 Give me a minute I will see if I have that

10 information with me. Towing-- talking about-- toe

11 fee is about 1.6 million dollars.

12 COUNCIL MEMBER RODRIGUEZ: How much?

13 COMMISSIONER JIHA: 1.6 million dollars.

14 COUNCIL MEMBER RODRIGUEZ: One point--

15 COMMISSIONER JIHA: Six.

16 COUNCIL MEMBER RODRIGUEZ: Do you know

17 what is--

18 COMMISSIONER JIHA: [interposing] That's

19 14 [sic], oh, I'm sorry. I'm sorry. Sixteen is two.

20 Seventeen is 1.2 million dollars.

21 COUNCIL MEMBER RODRIGUEZ: 1.2?

22 COMMISSIONER JIHA: In 2017, yes.

23 COUNCIL MEMBER RODRIGUEZ: That's all in

24 this--

25 COMMISSIONER JIHA: [interposing] The fees

that we collect.

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3 COUNCIL MEMBER RODRIGUEZ: Do you know by
4 any chance what are the criteria for a car to be
5 towed.

6 COMMISSIONER JIHA: We-- Yeah, come here.

7 UNIDENTIFIED: So we-- cars are for
8 parking violations, they generally-- cars are booted
9 before they're towed, and a car for parking
10 violations can be booted if the amount of parking
11 tickets is more than 350 dollars in judgement.

12 COUNCIL MEMBER RODRIGUEZ: Okay, and
13 that--

14 COMMISSIONER JIHA: [interposing] That's
15 for the booting.

16 UNIDENTIFIED: That's for the booting.

17 COMMISSIONER JIHA: [cross-talk]

18 UNIDENTIFIED: And then if they are not--
19 if the boot is not addressed within 48 hours, then at
20 that point they can be towed. There are other reasons
21 why a car may be towed, which our City Sheriff can
22 address.

23 UNIDENTIFIED: Certainly. So, we're only
24 going to be speaking about the vehicles that the
25 Department of Finance and Sheriff have an issue with.
There are other vehicles that are towed by the Police

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Department for traffic violations, like if it's blocking traffic or some other issues. We can't speak to the Police Department's issue. We can only speak to our issue. We seize vehicles if they have parking debt over 350 dollars. Most of those vehicles are booted. That means that the vehicle is left at the location and we place a boot on it, and then the person has 48 hours to make payment and arrange to have the boot removed. But a certain subset of those vehicles have to be towed immediately. The reason that the vehicle has to be towed immediately is that vehicle was not authorized to be on the public roadways. An example would be that if it is unregistered or if it has-- if it's stolen. Let's say we come across-- we often times come across a vehicle that is both a scofflaw [sic] and just happens to be a stolen vehicle. So those vehicles are ineligible to be booted and left at the location. So, if there's a particular reason why the vehicle can't remain behind. Also, location. Sometimes the vehicle is booted near a fire hydrant or may be booted in a driveway. It can't be left in that location for 48 hours, so it has to be removed.

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So, generally, public safety reasons would be the reasons why the vehicle would not stay for 48 hours.

COUNCIL MEMBER RODRIGUEZ: Okay, and that's one area that we need to work with the Administration to fix it, because that's not the case. That's not a case, and I know that this is an important source of revenue for our city, but I think it is a time that, you know, I hope that in the next four years working together administration, we should make some reforms, because even though only 1.2 million New Yorkers own cars in New York City, and I'm not a big proponent of people to buying car, I think that there's places in Queens and the Bronx and all the area that people had to buy the car because trains far from where they live or they work, and what you describe is not the case in many occasion. There's many places that the sign says no parking. I get the NYPD is the one that because it's a safety issue, they remove a car from any other location, but what we have seen is many community in our city, when the traffic enforcement agent is towing the car not just because there's 300 dollars owed that those individuals owe, and I would like for the Chair to work with us for the Department of Finance to get the

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2 report that you get from the NYPD on how much-- what
3 was the debt of those individuals which car we're
4 towing in our city, because I am sure that many of
5 those cars that they've been towing, they didn't have
6 a 300 dollar debt there. I can say-- I've been a
7 witness of having my car parked in a place that says
8 no parking. So I'm not speaking just because a third
9 person. I have seen it in the Community Board 12
10 every day. There's a thing of the traffic unit going
11 out after car in area that you say no parking or in
12 an area say for the cleaning-- for no parking during
13 the time we have the meters, and those individuals,
14 they should pay for what they're doing. They should
15 get a ticket, but the car should not be removed.
16 Because without those individuals owing more than 300
17 dollars as you have described.

18 COMMISSIONER JIHA: Okay. Again, as I
19 said, this is not an area which is under the purview
20 of the Department of Finance, but as I said, we could
21 always-- we're always open to work with you, to work
22 with any member to tackle any issues that you think.

23 COUNCIL MEMBER RODRIGUEZ: [off mic]
24 [inaudible] This isn't about individual. This is not
25 about me addressing that with you. This is something

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that we inherit. This is a culture that we have built in our city, trying to get revenue of the working class people. You know, I have a bill. I have not moved it yet. I had a bill where I have 44 Council Members that they have signing. It's called for the City to allow drivers to park the car after sanitation truck clean the street. And I know that we have-- for me, I'm working with other things, and I have not moved too much in that bill, but I know that at the end of the day, the reason why we as a city is not moving that one is not because we don't have the technology. It's because that's like 30 million dollars that we are able to raise by doing that, and I think it isn't fair, and I think that as a city-- and I happen to see how we've been, you know, reducing the collection of revenue for violating parking here. It means that we've been having more compassion to drivers, but in many communities, drivers, they see the car towing not because they owed 300 dollars. Drivers been seeing the car towing not because amount of safety in that neighborhood. It's because we are seen as a source of revenue, and I hope that working together with this Administration we can be able to reform it. I'm

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introducing legislation. I have introduced the language already, putting the law on the table saying only someone who have a debt of 300 dollars or more should see the car towed, if by traffic agent, because the way of how you guys are doing this-- and I say the Department, I say we as a city, it's unfair for those working class who are not owing the 300 dollars, who doesn't-- whose car is not parked in an area that have some issue of safety in the city. It's we going after those dollars, and I think that we should find another way on how to raise the revenue knowing the way how we're doing.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member, and we'll follow-up with that point. I just think for clarity it's in the case that there are those that are potentially getting towed in certain areas of our city after they get fined for alternate side parking, but getting a ticket and also getting towed. So that's something that we need to look into, because it does add up, because now you have to pay the tow fee, the parking fee and the whole host of-- but I understand that we're clarifying that that might not necessarily be the Sheriff's Department or the Marshalls.

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2 COMMISSIONER JIHA: Correct.

3 CHAIRPERSON FERRERAS-COPELAND: But it
4 is, it could potentially be NYPD. So this might be a
5 multi-agency conversation that we need to have.

6 Okay, well, thank you very much. We have some
7 additional questions, but we're going to follow up
8 with you in a letter.

9 COMMISSIONER JIHA: Okay.

10 CHAIRPERSON FERRERAS-COPELAND: If you can
11 get back to us expeditiously, that would be great.
12 This concludes the first day of hearings for Fiscal
13 Year 2018's Executive Budget. I would like to thank
14 all of those who attended and testified. The
15 Committee will meet again tomorrow at 10:00 a.m. with
16 the Committee on Higher Education to hear from CUNY
17 and again at 11:30 a.m. with the Committee of Youth--
18 Committee on Youth Services to hear from the
19 Department of Youth and Community Development. As a
20 reminder, the public will be invited to testify on
21 Thursday, May 25th, the last day of budget hearings
22 at approximately 1:00 p.m. in this room. For any
23 member of the public who wishes to testify but cannot
24 make it to the hearing, you can submit your testimony
25 to the Finance Division at council.nyc.gov/budget,

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and the staff will make it a part of the official
record, and with that, this committee is now
adjourned until tomorrow at 10:00 a.m.

[gavel]

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COMMITTEE ON FINANCE
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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 9, 2017