

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

JOINT COMMITTEES ON FINANCE and LAND USE and
TECHNOLOGY IN GOVERNMENT

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HELD AT: Council Chambers
City Hall

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Chairperson

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Chair, Land Use

GALE BREWER
Chair, Technology in Government

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

Paul Cosgrave
Commissioner, Chief Information Officer
Department of Information Technology and
Telecommunications, New York City

John Winker
Budget Director and Associate Commissioner for
Financial Services
Department of Information Technology and
Telecommunications

CHAIRPERSON WEPRIN: We're now going to be co-chaired along with the Finance Committee and the Land Use Committee by the Committee on Information Technology, chaired by Council Member Gale Brewer and I believe she has an opening statement.

COUNCIL MEMBER BREWER: Thank you Chair Weprin and thank you for your co-sponsorship of this hearing. I look forward to hearing what the Commissioner of the Department of Information Technology and Telecommunications. Has to say but I also want to congratulate him. I understand that nyc.gov, which of course is the website of the City of New York, received the 2009 Municipal Web Portal Excellence Award. I'm sure you'll talk about it hopefully in your remarks. I want to say, as always, I appreciate the collaboration that our office has with you and your staff. Thank you very much.

CHAIRPERSON WEPRIN: You have prepared remarks, Commissioner?

PAUL COSGRAVE: I do.

CHAIRPERSON WEPRIN: Go ahead.

MR. COSGRAVE: Good afternoon

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2 Chairs Weprin, Katz, Brewer and members of the
3 City Council committees on Finance, Land Use and
4 Technology in Government. As you know my name is
5 Paul Cosgrave. I'm the Commissioner of Department
6 of Information Technology and Telecommunications.
7 I also serve the city as its Chief Information
8 Officer. Thank you for the opportunity to testify
9 today about DoITT's fiscal 2010 executive budget.
10 It sums the agency's initiatives and
11 accomplishments and goals for the year to come.

12 I'm joined today by our General
13 Counsel, Mitch Ahlbaum to my left and to my right,
14 John Winker our budget director and Associate
15 Commissioner for Financial Services and Vincent
16 Grippo, our Chief of Staff.

17 DoITT's fiscal 2010 executive
18 budget provides for operating expenses of
19 approximately \$356.8 million. And that is a
20 decrease of \$15.4 million from the fiscal 2009
21 adopted budget. Our executive budget decreases
22 are permanently attributed to the elimination of
23 33 positions throughout the agency, a significant
24 reduction to contractual maintenance costs.
25 Fiscal 2010 operating budget includes \$84.8

million in personal services to support 1,143 full time positions and \$271 million for other than personal services.

Of the \$356.8 million, \$113.6 million represents intercity funds to be transferred from other agencies to DoITT for services that we provide them. Telecommunications costs represent the largest part of that. Fiscal 2010 intercity telecommunications expenditures are budgeted at \$91.6 million while total telecommunications costs are budgeted at \$111 million.

Most notable among the reductions this year is nearly \$5 million in savings that is being realized by the renegotiation of various citywide hardware and software maintenance contracts. As you know DoITT's pioneered the development of citywide contracts enabling the city to leverage its considerable size and purchasing power for significant cost savings for our IT goods and services. Notably in addition to the savings generated, these citywide contracts have also enabled agencies to reduce the procurement timeframe for renewing their annual

hardware and software support from what was in the past months to now weeks.

Staffing levels at the 311 customer service center has also seen significant reductions. Today the call center employs approximately 20% fewer call takers than one year ago, even though our call volume has increased by 40%. Overall the call center has received nearly 82 million calls since its inception and more than 7 million in 2009 to date alone. That's calendar year.

As call volumes proceed at their record pace it must be noted that 311 service levels and percentage of calls which are answered in 30 seconds or less are unfortunately decreasing with these staff reductions. So to manage not only these record call volumes but what we anticipate will be increasing call volumes, 311 continues to aggressively employ new technology measures to efficiently serve our customers.

Use of automated messaging services prior to reaching a representative allows customers to access more commonly called information quickly while we're able to provide

customers who require a representative assistance more available. Other innovations such as the ability for the public to both create and check the status of 311 service requests online via Nyc.gov has helped to reduce the need for a customer to actually place calls and talk to a human at our end.

These efficiencies and more web based enhancements to come will better position the call center to continue to offer innovative services that New Yorkers can expect from 311. I'd like to give two examples of recently some of these innovative services. One was planned and one was unplanned.

They were both conducted in partnership with the Department of Health and Mental Hygiene this past month. First of all, we launched our annual nicotine patch and gum program where we offer free quit smoking packages to the public. This is the sixth year overall that the city has had this program. It's the fourth consecutive year that we partnered with DOHMH in this successful initiative which enabled callers to register for their nicotine cessation patches

and gum simply by calling 311. The 2009 program which ended on May 8th resulted in approximately 30,000 new enrollees.

DoITT also assisted DOHMH in its citywide response to the current H1N1 virus cluster through 311 and Nyc.gov by keeping the public apprised of the recently developments. Through 311, for instance, callers could find information about prevention, symptoms and treatment as well as request a fact sheet in a variety of languages. Since April 25, 311 has handled nearly 20,000 flu related calls from the public.

So during my previous budget testimony, I spoke at some length regarding our new initiative, our shared services initiative. This initiative is aimed at extending our current capabilities to improve methodologies to maximize fiscal investment, increase performance and recognize the economies of scale through process consolidation, also contributing to the greening of the city's IT infrastructure.

Among the major components of this initiative is the citywide data center

consolidation which can reduce the city's data center footprint and realize cost savings, greater energy efficiency and improved disaster recovery and security capabilities. Today there are more than 55 separate data centers across 42 city agencies consolidation of which would reduce load requirements and provide opportunities for greater savings through citywide standardization.

We have issued and are now reviewing responses to requests for information solicitation and we're soliciting feedback on the feasibility timing, benefits and risks of our proposal to transform the city from a federated to a shared data center services model. Construction is expected to commence this year. The two year effort will be in the position in the city to rapidly migrate agencies to new facilities upon completion.

Aside from our work at 311 and the shared service initiative, there are a number of additional projects DoITT's pursuing consistent with our belief in the power of technology to be transformative for New Yorkers and the agencies we serve. In conjunction with the Mayor's Office of

Operations, DoITT launched the NYC Stat Stimulus Tracker on Nyc.gov in early March. This online tool is continually being updated as federal stimulus dollars are allocated to the city, allowing New Yorkers to view details about the specific projects receiving funding.

Today the tracker allows users to drill down for information on health and social services initiatives; we're to receive \$840 million of stimulus money and infrastructure projects which we'll be receiving about \$900 million, including details about project status and timelines, jobs created, the city contracting and payments for services and much more. New Yorkers can also use the stimulus tracker tool to access a map of project locations across the five boroughs via DoITT's enhanced mapping application.

Launched last month, NYC City Map 2.0 provides several data layers and features available for the first time, including information about the city's current capital construction projects, the addresses, hours of operation, services offered and language access capabilities at walk in service centers throughout

the city's agencies. The New York City Map 2.0 was built using innovative open source framework that DoITT is standardizing across all city mapping applications to achieve greater efficiencies with current staffing.

Also as part of the federal stimulus package, approximately \$4.7 billion will be made available in the form of competitive grants for nationwide broadband deployment and adoption under the Broadband Technology Opportunities Program or BTOP as it's referred. Out of this \$4.7 billion total, a minimum of \$450 million must be allocated to programs that expand broadband and public access centers and encourage broadband adoption. The city intends to aggressively pursue funding in these areas, expanding public access and encouraging adoption particularly among lower income residents.

Accordingly DoITT has submitted detailed comments to and has met in Washington, D.C. with senior officials from the National Telecommunications and Information Administration, NTIA which is administering BTOP. I believe we gave you copies of those comments. They've been

distributed, yes. Among other objectives, we seek to substantially increase the \$450 million minimal funding available for public access and adoption programs.

Due to the city's comprehensive broadband needs assessment study which was conducted in 2006 and 2007, during which broadband deployment and adoption across the five boroughs was rigorously analyzed. New York City is well positioned among cities nationwide to aggressively pursue these federal stimulus dollars. Once this funding is allocated, we believe we're targeted multi pronged approach towards digital inclusion will allow us to hit the ground running with several shovel ready projects.

While the city seeks to supplement its ongoing efforts by aggressively pursuing federal funding for broadband projects, we're also progressing in other areas of broadband expansion. Yesterday, for example, DoITT issued a request for information about potential models for equipping additional 40 New York City parks and public spaces with wireless internet access, otherwise known as wireless fidelity or Wi-fi. With this

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2 Wi-fi, DoITT is also seeking comment on how the
3 city can account for new and emerging technologies
4 going forward and how future solicitations and be
5 modified accordingly.

6 Now I'd like to offer the
7 Committees an update on some of the significant
8 achievements realized since our previous budget
9 testimony. Our accomplishments with respect to
10 public safety are as follows. It's truly a
11 historic milestone for municipal first responder
12 communications, DoITT has officially accepted the
13 New York City Wireless Network or NYCWIN. This
14 high speed mobile data network for public safety
15 and service represents the most aggressive
16 commitment by any city in the country to provide a
17 next generation wireless infrastructure. NYCWIN
18 now covers, it's actually about 97% of the city's,
19 more than 300 square miles.

20 Among the transformative
21 applications being implemented using this wireless
22 backbone as the city's automatic vehicle location
23 or AVL solution, which is now being piloted in
24 nearly 400 vehicles across the city and we're
25 working with over a dozen agencies. In particular

interest to the Council is our ongoing work with the Department of Education where by 50 AVL equipped school buses will be pilot tested this summer for consideration of potential deployment next year.

NYCWIN also makes possible the automated water meter reading or AMR technology which is now being implemented citywide by the Department of Environmental Protection. The meter reading receivers running on NYCWIN's infrastructure will end the use of estimated water bills, giving homeowners and small businesses more accurate and timely records of usage. And increasing their ability to identify how they can conserve water and reduce water bills.

The system consists of small low powered radio transmitters connected to individual water meters that send reading every six hours to a network of rooftop receivers throughout the city. When fully implemented on all 826,00 meters by 2011, ours will be the largest city in the world to use wireless water readings.

The AVL, AMR and a myriad of other mobile applications, NYCWIN's infrastructure has

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2 been deployed across the city, enhancing public
3 safety for New Yorkers, improving the efficiency
4 of city operations and raising the bar for the
5 administration municipal government.

6 Last week I joined Mayor Bloomberg
7 in announcing that the first phase of integrated
8 call taking operations between the police and fire
9 departments has been successfully implemented
10 across the city's 911 system. The unified call
11 taking streamlines the call taking process to
12 reduce call holding time for fire calls and allows
13 for its responders to reach New Yorkers in an
14 emergency much more quickly. It effects 180,000
15 fire related calls per year.

16 Unified call taking is among the
17 significant accomplishments of the city's
18 emergency communications transformation program or
19 ECTP as you know it, which is designed to
20 centralize and integrate the call taking and
21 dispatch operations among the police department,
22 the fire department and emergency medical
23 services. Under the program each agency will
24 benefit from upgraded computer dispatch systems,
25 improved integration and data sharing between

agencies, new 911 telephone networks and software and other significant improvements.

DCTP next major milestone will be the opening of the public safety answering center or PSAC1 as we refer to it. And that is happening in Brooklyn. That facility, which for the first time will combine the call taking dispatch operations of the police and fire departments in one place, is scheduled to be fully staffed by the fall.

The city is now in the final process of site acquisition for the back up load balancing public safety answering center number two or PSAC2, which will be located in the Bronx. Construction of the facility approved by the City Council this month, is expected to commence later this year and be complete in 2012. DoITT expects responses to requests for proposals for systems integrated to perform technical services involving the build out of that facility later this month.

The fiscal 2010 capital commitment plan includes a \$663 million increase in the appropriation for the ECTP program. This increase will bring the fiscal 2010 to fiscal 2013 capital

commitment plan for ECTP to \$1.25 billion. While the total project cost for both PSAC locations is projected at \$2.033 billion.

As you know our work with the city's community boards continues. DoITT maintains an ongoing active relationship with the city's community boards, meeting with Chairwoman Brewer and the district managers each quarter to discuss matters of interest to them. DoITT also offers the community boards email and web site hosting services as well as desktop and network support. To date, we have built and host 11 community board web sites with a half dozen more currently in the works. We've also formalized an IT service catalog for the boards, describing the available hardware, software and IT services DoITT supports and makes available to the board offices citywide.

Elsewhere the city's municipal web site, as Chair Brewer already noted, Nyc.gov has been chosen to receive the 2009 Municipal Web Portal of Excellence Award. We actually received that yesterday at a conference in San Diego. The award recognizes U.S. cities that have innovative

and sophisticated government web sites based on a survey instrument developed by the eGovernment's Institute within the School of Public Affairs and Administration at the Rutgers's University.

The research conducted focused on the largest and second largest cities in each of the 50 states, along with Washington, D.C. and included evaluated web sites across 98 measures in five categories. It's probably the most comprehensive analysis of municipal web sites that's ever been made. Based on its findings the U.S. Municipalities eGovernment Survey has determined that New York City was among the top three ranked cities in 2008. We were pleased that Nyc.gov, which receives nearly two million unique visitors per month and compliments 311 by providing 24 hour by 7 access to city information and services is considered among the best government portals in the country. We will, as we always have, continue to enhance the online offerings available through Nyc.gov to better serve New Yorkers.

Thank you for your time this afternoon. I'm pleased at this point to take any

questions that you may have.

CHAIRPERSON WEPRIN: Thank you Commissioner. We've been joined by Council Member Oliver Koppell and Council Member Eric Ulrich. I see in your capital budget that while most agencies are being asked to reduce their capital budget and have reduced them, DoITT's capital budget has actually increased by about 42%. I believe that's mostly due to \$660 million increase in the ECTP funding, for the yet to be built public safety answering center. Is that true and can you give us a status update of that?

MR. COSGRAVE: That's correct. The remaining part of our capital budget has been decreased along with other cuts that have been taken throughout the city. But the ECTP program has been increased. It's a commitment by the Mayor to build a second answering center for the 911 service. I think as you know, 911 is really the heart of the entire operation for the police and the fire department. Without a very robust 911 environment, they really can't function.

It really is at the heart of everything they do. They have been, for a number

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2 of years, seeking an adequate hot back up where we
3 could load balance and have staff located in two
4 facilities and working at a complete set of
5 redundancy. And this is really the program to
6 make that happen.

7 CHAIRPERSON WEPRIN: And you
8 referred in your testimony to tracking federal
9 stimulus money. What's federal stimulus money is
10 shovel ready that would be administered through
11 your agency?

12 MR. COSGRAVE: Two different things
13 there, the tracking of all federal stimulus money
14 that comes to the city is being managed through
15 this web site that I referred to, the Stat
16 Stimulus Tracker, that we've built for the Mayor's
17 Office of Operations. They're running that and
18 also the agencies have to report to that.

19 We will be tracking and be
20 responsible for any stimulus money we get through
21 the broadband stimulus, this BTOP program that I
22 mentioned, which consists of--it's all grant money
23 so none of it's been awarded it yet. We're going
24 through the grant process but it potentially could
25 be--well throughout the country there is \$4.7

1 billion in the stimulus plan for broadband. We
2 have been making very aggressive efforts to get
3 more than our fair share of that.
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5 CHAIRPERSON WEPRIN: That's
6 terrific. Chair Katz, did you have any questions?
7 We've been joined by Council Member Bill DeBlasio.

8 COUNCIL MEMBER KATZ: I think it's
9 a simple thing. I'm just trying to figure out the
10 breakdown of the PSAC2 money in the past and what
11 the breakdown of the \$663 million additional will
12 be that is going into the budget. My
13 understanding and what I'm asking about with the
14 staff here is that there is \$100 million being
15 rolled over from this year as well. So I just was
16 wondering if you had a breakdown of all of that
17 for me.

18 MR. COSGRAVE: I'm going to let
19 John Winker handle that.

20 JOHN WINKER: Well PSAC2 allocation
21 right now is slated at \$1.2 billion. So there was
22 never a specific allocation between one and two in
23 the original \$1.3 billion that was allocated. We
24 can sit down and sort of go through--

25 COUNCIL MEMBER KATZ: [interposing]

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2 But that's particularly why I'm asking for the
3 breakdown.

4 MR. WINKER: I figured that's why
5 you were asking for it.

6 COUNCIL MEMBER KATZ: Do you not
7 have that?

8 MR. WINKER: We don't have that.
9 Essentially what we have is what PSAC1 costs now
10 and then what is the whole budget so you can then
11 figure out what is PSAC2. PSAC2 is \$1.2. You
12 figure PSAC1 plus all the other ancillary
13 infrastructure type builds. PSAC1 is about \$560
14 million. The balance would be another roughly
15 \$250 to \$300. For the infrastructure builds would
16 bring the total to put PSAC1 online, about \$800
17 million. And then you've got the balance of \$1.2
18 for PSAC2.

19 COUNCIL MEMBER KATZ: So the \$663
20 is not broken down in your records either as to
21 how you're going to spend that?

22 MR. WINKER: No because it was
23 basically to bring us to what the projected total
24 program was going to be versus where we were.
25 That's really how it came out to be to the \$663.

COUNCIL MEMBER KATZ: All right.

This is something that we talk about every year.

It's nice to be back here on our anniversary doing it again. Seriously, because of the financial crunch that we are in and considering the fact that your capital budget has increased where my understanding that the Mayor talks a lot about lowering the capital budget in the City of New York. I would appreciate this time that we really do get a break out on how the money has been spent, what money is being rolled over, what the extra \$663 in the budget is going to be towards and how it's broken down between one and two for the capital budget.

MR. WINKER: Okay. We'll provide all that.

MR. COSGRAVE: We can provide that. As well aside from the ECTP program other DoITT and citywide technology initiatives have been reduced consistent with the Mayor's program.

COUNCIL MEMBER KATZ: Okay. Thank you very much.

COUNCIL MEMBER BREWER: thank you. As you know I think PSAC2 is a total waste of

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2 money; I just want to be clear. In the end it
3 will be a total waste of money. But can it be
4 scaled back in any way, shape or form?

5 MR. COSGRAVE: That's already been
6 happening. Let me describe to you what's really
7 been going on for the last few months with PSAC2.
8 First of all, the requirements for PSAC2 are
9 defined by the police and fire department.

10 COUNCIL MEMBER BREWER: I know. I
11 told Mr. Kelly he didn't know what he was doing.

12 MR. COSGRAVE: Okay. So those got
13 defined. The actual construction of the
14 facilities being managed by DDC so DDC then has
15 contracted with an architect to come up with a
16 design. The original design was actually much
17 more expensive than the numbers that have been
18 included in the budget. We went through a very
19 extensive process of scaling back what would be
20 built to get it back to the \$550 number that John
21 identified for the construction costs.

22 That was a very rigorous exercise
23 that was conducted in concert with those all three
24 agencies, DDC, fire department, police department
25 as well as it was lead in large part by OMB. We

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2 did a whole value engineering study, brought in
3 experts from the outside to understand how we
4 could meet some of the very significant
5 requirements in terms of security protection,
6 blast protection things of that sort, redundancy
7 in the facility to meet those requirements. The
8 building was also scaled down in height to meet
9 requests from local Councilman and just other
10 requirements to make it fit in better with the
11 community. So a lot has changed since the
12 request. I would say that I think the budget's
13 been cut back by I think a couple hundred million
14 dollars.

15 COUNCIL MEMBER BREWER: When you
16 talk about your good idea of this shared data
17 center as opposed to federated, would that be a
18 new location? Would it be within your--the reason
19 I ask is that would be--we're all for redundancy
20 but in addition to consolidating, which is a good
21 thing, saving money which is a good thing. Could
22 that also be a redundant center for PSAC2?

23 MR. COSGRAVE: Potentially. Let me
24 explain--

25 COUNCIL MEMBER BREWER: I always

have good ideas. Go ahead.

MR. COSGRAVE: Let me explain a little bit about what exactly we're doing there, where we stand. Today, as I mentioned in the testimony, there's 55 data centers run by over 42 different agencies. Most of those data centers are small data centers. They're not run in any sort of consistent basis. Many of them are in places like the municipal building, which was never built to do a data center of course, so therefore power is inefficient. They're just very poor from an energy consumption and trying to meet some of the greener objectives the Mayor set for us.

Clearly to put that into two data centers which is what our goal is, they have to be data centers that are actually larger than any existing data center so we're looking that we would have to build out two data centers. The first facility we believe we can do with everything that's currently on the table. The second facility might require some additional capital but that's the plan.

So, yes, there would be two data

centers. They would back each other up. How the PSAC data centers would fall into that has not been considered.

COUNCIL MEMBER BREWER: There's no location yet for the so-called second redundant data center is what you're saying?

MR. COSGRAVE: That's correct. The primary one would stay in Brooklyn, the second one has not been chosen yet.

COUNCIL MEMBER BREWER: That's something they could piggy back each other at the very least would be my suggestion, something to think about. In terms of the city wireless in the parks, I appreciate that you did the RFI. My question, as you know, I think that public knows perhaps but everyone may not that the effort that we made with Parks some time ago is no longer viable and the parks for the most part, the larger parks do not have hot spots at the current time.

I know that the RFI will bring in a lot of suggestions but I guess I'm concerned because anything that's ad based business models, many people do not think that they are sustainable for individual hot spots and even for hot spot

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2 networks. I think we had a little bit of
3 experience with that because I know at Bryant
4 Park. I think I shared with you it is \$20,000 a
5 year just to run their very successful hot spot.
6 It is more capital dollars every five years or so
7 to put in a new antennae so it's not inexpensive.
8 So the question is how do you do a public/private
9 partnership? To me, the hot spots are almost like
10 having a water fountain or dog run or whatever
11 people do in parks, it's free. But it isn't
12 something that you're going to find revenue
13 attached to it so how are you thinking about this
14 RFI in the future?

15 MR. COSGRAVE: That's a very good
16 question. It's an RFI first of all because we're
17 asking for ideas. We don't have the definitive
18 answer to your question but I'll give you some of
19 the things we're thinking. First of all Parks
20 Initiative went out and attempted this with Wi-fi
21 Salon. There were a lot of factors that came into
22 play that made that an uneconomical deal for Wi-fi
23 Salon. Some of those, for example, they try to
24 cover the entire Central Park, which this we're
25 looking now at maybe more specific places. A few

other ideas, just some of the way it's done. We don't have all the issue resolved but they treat it more like a concession and we may not treat this like a concession, just different thoughts along those lines.

Most significant, though, I think in why things are different is the demand function. When Wi-fi Salon first entered a deal with the Parks, it was all based about people having lap tops going into the parks and sitting there with the lap top because that was the main purpose for wi-fi back then. Some people will do that but you don't see a lot of people sitting in the park with a lap top. Now that you've got these kind of devices, an iPhone that uses wi-fi as well and are much more easier to just walk around with, I think you're going to have a lot more demand.

Demand could create more of a market for the kind of revenue model that Wi-fi Salon tried, which was an advertising based model. We've had some indication already from some of the telecommunication carriers that they might be interested in bidding this time whereas they

weren't interested in bidding before. So certainly if you can get a large telecommunications company willing to do this, be it a cable company or one of the telephone carriers. They're going to have the capital to do this where certainly Wi-fi Salon didn't have the capital.

COUNCIL MEMBER BREWER: Also, how do you deal? Your list on your RFI was comprehensive, smaller parks also where there may not be that same interest. Also, you mentioned in your RFI something about insurance. God knows the smaller organizations, Friends of X Park can not afford insurance.

MR. COSGRAVE: Those are all the issues that we're looking to try to address and correct because those were problems in the last.

COUNCIL MEMBER BREWER: I just want to be clear that this is not a revenue enhancer and that it needs to be looked at as a partnership, like a service that government provides. Obviously we don't want to expend funding but we want to understand that it's not something that's going to bring in a lot of money.

MR. COSGRAVE: We're not looking at this as a revenue enhancer. Also I want to make clear we're not thinking this is going to be city tax levy funding either. So it would be neutral.

COUNCIL MEMBER BREWER: Okay. I know that you mentioned about the 311 call center and the unfortunate situation when you have budget cuts you have a longer time in order to get answers to your question. Can you talk specifically about the night time shift call volume and also how you're going to look at that in terms of the reduction in operators.

MR. COSGRAVE: I discussed this at the preliminary at some length which is why I didn't go into detail this time. But since we initially proposed the cut backs that we would have to take at 311, we've changed our model a little bit in terms of where we actually take the cuts. So while we have reduced the night time shift somewhat and it has created somewhat of a constraint on our service levels, we have not eliminated shifts. So in no way are we going to be closing down at any point. There will be live call takers available at all hours to take 311

calls.

The cuts we will make have not been actually announced yet. Sorry I don't want to go into the details there but we are going to take the cuts in other ways at the center. The only thing I would say is that the impact has been isolated. And we expect it to be isolated to specific times and we'll try to offset in those specific times. For example, on Friday and Saturday nights when we get a lot of, particularly when it's hot outside we get a lot of noise complaints. That's one of the time frames in the overnight shift that we're worried about and we'll try to do some things to offset staffing at that point.

COUNCIL MEMBER BREWER: In the past there were and the union was upset, there were contracted out 311 operators. Is that still the case? I know you made a big effort to bring everybody in house.

MR. COSGRAVE: We've taken a lot of cuts with the outsource vendor but we do still have an outsource vendor on hand to supplement the city workers. They are used to address the

problem I just talked about. We use them at certain times when we absolutely need to have a few extra people. It gives us flexibility in terms of bringing people in for a few hours. We don't have that flexibility with city workers so it allows us to be more flexible. It's been cut much more dramatically than any cuts we've taken with city workers but we still do have the presence of the outsource vendor.

COUNCIL MEMBER BREWER: Council Member Dickens.

COUNCIL MEMBER DICKENS: Thank you so much Chair. And thank you for your testimony. With the anticipated cut in some of the call takers how will that impact upon the initiative that you have on smoking cessation with DMHOH, that's number one. Number two, what is the cost of that initiative and is it a shared cost with DMHOH or is it strictly on DoITT.

MR. COSGRAVE: Again, this is an example where we need the outsource vendor because it's a very distinct occurrence. It happens over a short period of time. We ran the campaign for less than a month this year. And we rely heavily

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2 during that period of time on the outsource
3 vendor. There is a cost to do that. It's an
4 incremental cost for that short period of time and
5 it is actually picked up almost entirely now by
6 DMHOH. It's in their budget, that cost.

7 COUNCIL MEMBER DICKENS: You said
8 it's in the budget of DMHOH?

9 MR. COSGRAVE: Yes. We do it on a
10 shared basis but they've actually picked up a
11 greater majority of it now.

12 COUNCIL MEMBER DICKENS: What has
13 been the success of that initiative, by the way.

14 MR. COSGRAVE: It's been very
15 successful. For three years running now we've
16 had more than 30,000 people sign up every year.
17 If you look at the overall program, Tom Freedman's
18 office is a better person to comment on this than
19 me. But between what we do where with the
20 nicotine patch give away along with the
21 advertising that he's doing and also frankly the
22 tax increases. As you know we've had a very real
23 significant reduction in the number of smokers in
24 the city.

25 We've had 30,000 people for the

last three years, every year, that have qualified. We do provide them the patches and it's a big part of the program.

COUNCIL MEMBER DICKENS: That initiative, could that be done in house and is it cost effective to contract it out or can it be done in house?

MR. COSGRAVE: It's done in house. The calls come in just like any other 311 call. Some of our in house people take some of the initial calls. There is a specific process here that happens in terms of follow up with the people to make sure they actually got the patches and they're effectively going to use the program. All that's done outside.

The reason we do that is because it's so one time in nature and it goes on for a very short period of time. It would not make sense to have our internal people doing that work. So we have a combination of city workers and outside folks do it. But all the incremental part, which is the outside part which I said is covered by DMHOH.

COUNCIL MEMBER DICKENS: Okay.

Thank you very much.

COUNCIL MEMBER BREWER: Council
Member Simcha Felder.

COUNCIL MEMBER FELDER: Thank you.
Good afternoon. Slightly off topic, the 311
system gives the caller a number for whatever
complaint they call in. What happens after that
in terms of your communication with the person
calling?

MR. COSGRAVE: A number of
different things will happen and it depends on the
type of call. There's really three types of calls
we take. The service request call requires us to
actually follow up. That's about a third of the
calls. The other two thirds are either
informational where we just provide information or
in some cases we refer to other agencies. A third
of the calls we actually required to respond and
someone in the city needs to do something.

As you said correctly, the caller
is assigned a service request number. That number
then is tracked throughout the system and it's
updated based on the work that's done from when an
agency actually completes the work they enter that

fact into the system. Callers then at any point in time can check in one of two ways; by calling 311 again to see if their action has been completed. They do have to give us that number. Or they can now do that online. So on Nyc.gov they can go right into 311 on Nyc.gov, enter that number and it will tell them whether or not the service has been completed yet, where it stands in the process.

COUNCIL MEMBER FELDER: I misunderstood your response. You said a third of them are service requests.

MR. COSGRAVE: The only ones where we give out numbers are service requests.

COUNCIL MEMBER FELDER: And what are the others?

MR. COSGRAVE: The others are either just informational questions. Is there alternate side of the street parking today? That sort of thing. Or where they're asking us something and we have to refer them. We refer a lot of calls in many cases to the MTA. We might refer to the other state agencies. We might refer to the federal government. So anything that's not

city specific we have to refer out. We take the call either way. We can refer, we can provide information or we can actually issue a service request.

COUNCIL MEMBER FELDER: But that means that unless somebody calls back or goes online they won't hear from you again.

MR. COSGRAVE: The burden of follow up is with the caller, that is correct.

COUNCIL MEMBER FELDER: The city prides itself on being able to handle calls. I don't remember whether it's 170 languages, I think.

MR. COSGRAVE: Yes.

COUNCIL MEMBER FELDER: So what happens when this person, again the burden is on the person who called, if when they call back they're going to again get somebody in that language. They call and they say they need to speak whatever it is and they'll be able to ask in that language and find out what happened with the call.

MR. COSGRAVE: That's correct.

COUNCIL MEMBER FELDER: And the

1
2 follow up or I should say the response to the
3 complaint depends on the agency. So if
4 hypothetically there was a complaint about noise
5 and let's say it for some reason went to the local
6 precinct. And the local precinct says I took care
7 of it, if they did that's a good thing and if they
8 didn't you'd still have the report that it was
9 taken care of, whatever that meant. In other
10 words, is there any internal control to see
11 whether it works? I'm not debating.

12 MR. COSGRAVE: I understand your
13 question.

14 COUNCIL MEMBER FELDER: I happen to
15 think it's a wonderful thing but I'm not sure it's
16 as good as we're making it out to be and it could
17 be better.

18 MR. COSGRAVE: I understand your
19 question exactly. So the responsibility to do the
20 actual follow up action lies with the agency that
21 owns that service. The Mayor's Office of
22 Operation has a number of tools in place based on
23 data we provide them from 311 to go out and check
24 whether agencies are actually doing this. The
25 Scout program for example is one program that goes

and checks to make sure things are getting fixed. In addition they do some customer service audits. They just did some big customer service study last year to see if it's getting done. So there are processes in place in the Mayor's Office of Operations to go and to actually check that agencies are doing that, including regular reporting.

The MMR and the CPR reports that are issued by the Mayor's Office of Operations contain a lot of data by specific agency as to what the response times they have to various service requests. So that's really the follow up action.

COUNCIL MEMBER FELDER: Finally, it may be a little too much. I'm not saying that I would be willing to do it if I was responsible. But would you entertain having on the 311 line, because when you're on hold you hear messages from a lot of different people, to say if you've have a problem with 311. In other words what if somebody has a problem with 311 and they call 311 and they say I have a problem with 311, right? Is there a mechanism.

MR. COSGRAVE: Yes. Sure.

COUNCIL MEMBER FELDER: In other words in terms of customer service, the 311 system is tremendous in terms of customer service. But would you be willing to advertise on your own service to say to people if in some way you haven't been satisfied with 311 service, please ask for--

MR. COSGRAVE: [interposing]
Absolutely. We actually led an effort last year, two efforts. One we participated with the Mayor's Office of Operations on and the second we did by ourselves aimed exactly at that purpose, where we did a call out to people to get specific feedback. And we also give them the opportunity to give their comments to us based on service. So yes, absolutely.

COUNCIL MEMBER FELDER: Thank you.

COUNCIL MEMBER BREWER: Thank you.

I have a question about NYCWIN. I know you mentioned that the Department of Environmental Protection is using it to look at water meters. I think they're paying you around \$500,000 to do that because obviously they feel they're saving

1 money. So my question is, are there other
2 agencies in the pipeline to do that? Where did
3 that number come from? It's not a revenue because
4 it's just one agency to another but I know you had
5 talked at one point about the Port Authority using
6 it, et cetera. Since we're all looking for funds,
7 I'm just wondering if there is any other plan for
8 getting extra revenue for NYCWIN.
9

10 MR. COSGRAVE: We're open to
11 certainly any city, state, federal, government
12 agency that wants to use the facility. It's a
13 tremendous asset that we've put in place and it's
14 open to all those entities. As it relates to,
15 let's say, non governmental entities, we are
16 considering that. We've had a discussion with
17 some of the utilities that are privately owned.
18 They are, Con Ed in particular, is doing their
19 meter reading manually today.

20 COUNCIL MEMBER BREWER: Yes, they
21 show up at my house all the time.

22 MR. COSGRAVE: They actually
23 started a pilot program which DEP considered doing
24 something similar like them where they also
25 install wireless meters but they're based on a car

1
2 having to drive down the block and then read the
3 meters that way. We've talked to Con Ed
4 preliminarily about whether they would be
5 interested in piggy backing off of this as a
6 source of revenue for us. I would just say those
7 discussions are in the very preliminary stage.

8 COUNCIL MEMBER BREWER: If they
9 were interested and there was a rate payer
10 reduction, that would be even better for Con Ed.

11 MR. COSGRAVE: Absolutely.

12 COUNCIL MEMBER BREWER: People
13 would like that. Other than Northrop Grumman, are
14 there other vendors that have contracts to
15 perform maintenance on NYCWIN.

16 MR. COSGRAVE: Northrop Grumman is
17 the only what we call prime contractor, main
18 contractor, for NYCWIN. I believe Northrop
19 Grumman employs a number of sub contractors that
20 work under Northrop Grumman. Any payments we're
21 making for maintenance are going directly to
22 Northrop Grumman.

23 COUNCIL MEMBER BREWER: You
24 mentioned the federal stimulus program and I'm
25 just wondering some of the timing issues. What's

1
2 the timeline for applying for the BTOP grants?
3 How are you going about soliciting public input?
4 I know there's a non-profit collaboration,
5 partnership that's part of the BTOP.

6 MR. COSGRAVE: You have a couple of
7 questions there. Let's just start with the
8 timing. Up until about two weeks ago we were
9 under the impression there would be a grant award
10 made this quarter, meaning by June 30th.

11 COUNCIL MEMBER BREWER: That was my
12 understanding.

13 MR. COSGRAVE: We learned in the
14 last week or two that that's been delayed by the
15 NTIA. So as you may know, the new assistant
16 secretary for that organization has not been
17 confirmed yet. I believe his hearing has finally
18 been set. We've been down there. We've been down
19 to the NTIA. We've been pushing them as hard as
20 we can. And we've gotten very good feedback from
21 them in terms of what we're discussing but the
22 timing is totally in their control as to how fast
23 they want to move. I'm expecting now that it will
24 be in the third calendar quarter not the second
25 when they first will slip some money out.

As to making sure we have good public/private partnership on this. Because you're correct, that is one of the criteria they're looking for. We have engaged some firms and some preliminary discussions. We're talking to all the utility providers about their role in this. You know the funding initially that we're using is our matching base. Initially funding came from the Fios deal that we did with Verizon. We're looking to involve other partnerships.

The whole issue here is going to be a channel distribution and we look to use the not for profit communities as participants. So they'll be an RFP process, et cetera around how we're going to get those various partners involved. To sum it all up, we're looking to have a meeting with you next week to discuss this in more detail and get your ideas. So yes, we're definitely engaged in that.

COUNCIL MEMBER BREWER: NYCT is a small portion of what you work on but now there's NYCT, there's the radio. Are there any revenue enhancements? I won't talk about content today. You know how I feel about that. But the issue is

1
2 are there any increased revenues through the
3 radio, the television. I think there's some
4 situation where you're moving the studio itself or
5 am I wrong?

6 MR. COSGRAVE: You're correct. Let
7 me take that first and then I'll get back to the
8 funding. We have operations for NYC-TV actually
9 in three different boroughs, in Brooklyn, in
10 Manhattan and in the Bronx. We intend to
11 consolidate the operation in to the municipal
12 building here in Manhattan. That's being driven
13 primarily at the Brooklyn end by an arrangement
14 that's been made between DOE and CUNY to
15 essentially transfer the space for our facility
16 from the DOE to CUNY.

17 Our license to operate today and
18 our facility is actually a DOE facility that we
19 work out of in Brooklyn. That transaction, as my
20 understanding, is planned to happen in the next
21 year so we're being pressured to make that move as
22 quickly as we can. We're actually moving into the
23 old NYC FM radio space that exists, that MPR that
24 exists up in the municipal building because they
25 have moved out.

The funding issues, we're always looking for new revenue sources for NYC-TV. There's a lot of grant money that we get through public broadcasting, et cetera. We will continue to pursue that. We also get a fair amount of funding through the cable franchise agreements. As you know, those are in negotiation right now so I can't say much about them. But we're obviously being very aggressive in what we're asking there as well.

COUNCIL MEMBER BREWER: A lot of time and effort has gone into reducing phone bills of multiple city agencies. I know you worked hard at that. Does that include all agencies, even the ones like NYCHA and so on or is it just the Mayoral ones directly? I'm just wondering if there are other ways in which the phone bills can be or telecommunications budgets in general could find additional savings. I know you talked about the data centers, which is where you might get more information as time goes on.

MR. COSGRAVE: All entities are eligible for the discounts that we've negotiated on telecom. It's not restructured to just Mayoral

agencies.

COUNCIL MEMBER BREWER: So it's Board of Ed, the Department of Ed, NYCHA, EDC.

MR. COSGRAVE: Health and Hospitals Corporation, all agencies. We continue to pursue that. Some other initiatives we're pursuing, just managing telecommunications costs. We're really cracking down on the number of devices people have. For example, we just in my own agency we initiated a new rule, no more than one device. Each device tends to have a plan with it, a telecom plan as you know and wireless plans are not inexpensive. So a lot of emphasis is going on right now in reducing wireless telecom costs.

In addition, we're looking at other alternatives. A number of agencies have implemented Voice over IP solutions which in some cases can have a significant reductions. And where that makes sense we're expanding more Voice over IP capabilities. So there's a number of different initiatives around telecom throughout the city.

COUNCIL MEMBER BREWER: This may be, I don't know. You mentioned the \$5 million, I

1 think, in your testimony. The executive plan
2 recognizes a \$5 million surplus in DoITT's 09
3 expense budget. I don't know if you would agree
4 or disagree with that. Obviously we're all trying
5 to find savings but we're also concerned about the
6 call takers positions. So is that surplus
7 something you would agree with and if so, what
8 would you do with it?
9

10 MR. WINKER: Well the \$5 million
11 surplus represents accruals that exist in our FY09
12 budget. Those are not recurring savings. \$2
13 million is related to the PS budget which really
14 results in vacancies we've had throughout the
15 year. In FY10 those vacancies are eliminated so
16 we won't have that type of occurrence in terms of
17 accruals next year.

18 In the OTPS side, there's \$3
19 million that is OTPS projected surplus in the ECTP
20 maintenance budget. That is a result of the fact
21 that the project had delays in implementing,
22 rolling off the assets. So as you roll off
23 assets, warranties slide to the right and
24 therefore your costs actually are diminished in
25 the current year. But next year those costs will

kick in for the full year. These costs are not recurring savings; they're just accruals in the current year.

COUNCIL MEMBER BREWER: Okay. The other issue I have and I think one of my final questions is, trying to get a handle of the outside consultants. I always ask this question, I asked it of the Mayor the other day. I think it's absolutely correct. Technology is changing, current, complicated. You do need outside folks. However do you have a sense of which agencies are hiring outside technology consultants. How stringently they are monitoring those particular contracts, et cetera.

Last night I was teaching at one of the colleges in our city. I won't tell you which one. There was a gentleman who works for a company who is working at one of the agencies in the City of New York. His comment was that they're so many of us, outside folks. I don't really understand why city workers don't do it. That was just his comment. Obviously want to save money, you want to provide the best possible service. So my question is are you looking very

carefully at the outside contracts. Again, not all city workers can do all jobs. Not all outside contractors need to be there. There's a balance. I'm just wondering if you're very carefully looking at these outside contractors. And how you're going about it and how strongly and stringently you're monitoring.

MR. COSGRAVE: It's not my role to monitor the other agencies in this area; it would be done by OMB. However let me just kind of tell you a little bit about our philosophy at DoITT and how we do this. I would say most of the agencies in the city are fairly consistent.

Because new development tends to be funded through capital and that can very greatly. We just took a 30% cut across the city. You have an up or down and the projects vary. So the type of skills you may need for one project don't necessarily carry over to the next project you need so there's a real skills issue here. On new development projects, which are funded by capital, in general they're the larger part of the workforce will be outside contractors. In many projects, I'm not going to say in most. Small

1 projects that's not the case but any big projects.

2 We as a rule have a philosophy then
3 that for operations, when we're actually operating
4 the system after they've been developed. We want
5 to do that with city workers because that's more
6 of a level type function. We know what that cost
7 is, it doesn't change very much form year to year
8 and it's easier to work with the budget. As a
9 general rule, almost all of our operations are
10 done with city workers. Wherever we can, we go
11 through an exercise of looking to replace outside
12 contractors with city employees. So for example
13 in supporting the 311 system, as of this June we
14 will be 100% supported internally which has been a
15 change fro the way 311 has been operated in the
16 past.
17

18 COUNCIL MEMBER BREWER: I think
19 DoITT does a good job. I can tell you that I
20 think some of the agencies do not and I understand
21 that it's not your role to do it but I think
22 that's something that you should have in terms of
23 discussions. Because the contractors are stating
24 to me that they're surprised at how much work
25 they're doing when they feel it could be done in

house. And in fact, they're happy but it's not good for the taxpayer.

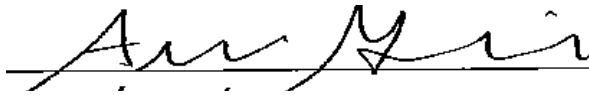
MR. COSGRAVE: What's required if you could have the contractor build the system, you then have to train your staff to be able to take that on. I think what probably exists for some agencies and I really can't speak for them but what I think exists is they don't have the budgets in place to train the people. I don't believe it's a desire not to have city workers to do the work, it's just they need a way to try to get them trained and they don't have those training dollars.

COUNCIL MEMBER BREWER: Okay.
Thank you very much Commissioner and all of DoITT staff. I appreciate it. Thank you. The next agency is Youth Services, Department of Youth and Community Development.

C E R T I F I C A T E

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

Signature

A handwritten signature in cursive script, appearing to read "Amber Gibson", written over a horizontal line.

Date June 11, 2009