

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON GOVERNMENTAL OPERATIONS
JOINTLY WITH THE COMMITTEE ON RULES,
PRIVILEGES AND ELECTIONS

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February 3, 2016
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HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: BEN KALLOS
Chairperson

BRAD S. LANDER
Chairperson

COUNCIL MEMBERS: David G. Greenfield
Mark Levine
Ritchie J. Torres
Joseph C. Borelli
Inez E. Dickens
Daniel R. Garodnick
Ydanis A. Rodriguez
Margaret S. Chin
Deborah L. Rose
Jumaane D. Williams
Rafael L. Espinal, Jr.
Mark Levine
Steven Matteo
Melissa Mark-Viverito
(Speaker for the Council)

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

Fritz Schwarz, Chairman
Quadrennial Advisory Commission

Jill Bright
Quadrennial Advisory Commission

Paul Quintero
Quadrennial Advisory Commission

Julia Davis, Director
Annual Disclosure and Special Counsel
New York City Conflicts of Interest Board

Wayne Hawley, Executive Director
New York City Conflicts of Interest Board

Joanne Giura-Else, Deputy Director
Annual Disclosure
New York City Conflicts of Interest Board

Alex Kipp, Director of Training
New York City Conflicts of Interest Board

Dick Dadey
Citizens Union

Susan Lerner, Executive Director
Common Cause New York

M. Ndigo Washington
Legislative Director and CUNY Liaison
Council Member Inez Barron
New York City Council

Joy Simmons, Chief of Staff
Council Member Inez Barron
New York City Council

Roxanne Delgado

Towaki Komatsu (sp?)

2 [sound check, pause][background comments]

3 [gavel]

4 CHAIRPERSON LANDER: Good morning. We're
5 actually having a very brief pre-hearing hearing. So,
6 we have one piece of business left over from Monday's
7 Rules Committee hearing. Good morning and welcome as
8 we re-open this meeting of the Committee on Rules,
9 Privileges and Elections. I'm Brad Lander Chair of
10 the Committee. I'm pleased to be joined by the
11 Speaker Melisa Mark-Viverito, and also other members
12 of the Rules Committee, who are Council Members Steve
13 Matteo, Jumaane Williams, Inez Dickens, Margaret
14 Chin, Ydanis Rodriguez, Rafael Espinal and Dan
15 Garodnick. Thanks also to our Committee Counsel
16 Habid Hussein (sp?) and the staff of the Council's
17 Investigative Unit. This past Monday Shin-pei Tsay,
18 a resident of Brooklyn appeared before the committee
19 and provided testimony concerning her proposed
20 appointment by the Mayor as a lay member of the New
21 York City Art Commission also known as the Public
22 Design Commission. She would fill a vacancy and
23 complete the term of--the three-year terms that
24 expires on December 31, 2018. I think all the
25 members, who were here, will agree that she was

1 actually a really extraordinary quite delightful
2 nominee for the Public Design Commission. I really
3 believe brings a--a sense of like the people of New
4 York and what they want out of their public spaces,
5 their streets, their plazas and their public art, and
6 that we can wholeheartedly--I certainly
7 wholeheartedly support her. We've also been joined
8 by Council Mark Levine, a member of the Committee and
9 I'll recognize the folks who are not members of the
10 Rules Committee, but are with us this morning,
11 Council Members David Greenfield and Ben Kallos so--
12 and Council Member Any Cohen from the Bronx. So,
13 unless any members have any additional questions or
14 comments, all the materials on Ms. Tsay continue to
15 be in the binder, her opening statement, her answers
16 to our questions, her resume and many, many articles
17 about her. We will proceed. I will the--the
18 Committee Clerk to call the roll.

19
20 CLERK: William Martin, Committee Clerk,
21 Committee--roll call vote Committee on rules and 363.
22 Chair Lander.

23 CHAIRPERSON LANDER: I vote aye.

24 CLERK: Dickens.

25 COUNCIL MEMBER DICKENS: [off mic] Aye.

2 CLERK: Garodnick.

3 COUNCIL MEMBER GARODNICK: Aye.

4 CLERK: Rodriguez.

5 COUNCIL MEMBER RODRIGUEZ: Aye.

6 CLERK: Chin.

7 COUNCIL MEMBER CHIN: I vote aye.

8 CLERK: Williams.

9 COUNCIL MEMBER WILLIAMS: [off mic] Aye.

10 CLERK: Espinal.

11 COUNCIL MEMBER ESPINAL: Aye.

12 CLERK: Levine.

13 COUNCIL MEMBER LEVIN: Aye.

14 CLERK: Matteo. Speaker Mark-Viverito.

15 SPEAKER MARK-VIVERITO: [off mic] I vote
16 aye.

17 CLERK: By a vote of 10 in the
18 affirmative, 0 in the negative and no abstentions
19 M363 has been adopted. [pause]

20 CHAIRPERSON KALLOS: Good morning. Thank
21 you for coming to this joint hearing of the Committee
22 on Governmental Operations and the Committee on
23 Rules, Privileges and Elections. To all those in
24 attendance, and watching on television and on line to
25 the Quadrennial Commission and Good Government Groups

2 to the Editorial Board members and reporters who as
3 members Fourth Estate our check on government, and a
4 voice for the people. And perhaps more--most
5 importantly the public whom all of us serve. I'm
6 Council Member Ben Kallos, Chair of the Committee on
7 Governmental Operations. We are joined today Speaker
8 Melissa Mark-Viverito as well as Chair of the Rules
9 Committee Council Member Brad Lander. We are also
10 joined by Council Member Rodriguez, Chin, Dickens,
11 Espinal, the Speaker, Lander, Garodnick, Williams,
12 Van Bramer, Levine, Greenfield, Cohen--

13 LEGAL COUNSEL: Council Member Borelli

14 CHAIRPERSON KALLOS: Huh?

15 LEGAL COUNSEL: Borelli.

16 CHAIRPERSON KALLOS: Borelli and Matteo,
17 and just as note, this maintains Council Matteo's
18 perfect hearings at Gov Ops hearings. Speaker
19 Melissa Mark-Viverito came in on a Progressive Waiver
20 Reform that is included under her leadership rules
21 reforms. Consensus-driven hearings upon super
22 majority bill sponsorship, legislation and engagement
23 online, equitable and transparent distribution of
24 member items, along with the long sought after
25 reforms we are here to discuss today. To truly give

2 credit where credit is due without her progressive
3 leadership, none of today's reforms let along
4 previous forms would be possible. Speaker Mark-
5 Viverito, we welcome your opening remarks.

6 SPEAKER MARK-VIVERITO: Thank you so much
7 Chair Kallos, and thank you Chair Lander also for
8 holding this joint hearing, an important one at that,
9 and all for all the work your committees do to
10 institute reforms. So we can have a more fair,
11 inclusive, transparent and effective government. And
12 some of the things you highlighted are things that
13 I've been committed to. I'm very much proud of the
14 work that we've done here in this City Council and
15 proud of the hearing today on legislation that's
16 going to go even one step further. This obviously is
17 a hearing on legislation today that would increase
18 the pay of elected officials as well as other
19 reforms. I'm proud of the work my fellow council
20 members do, and these raises the first in almost a
21 decade are well deserved.

22 I want to thank the members of the 2015
23 Quadrennial Commission for their work on this issue,
24 and for their recommendations. Regarding the
25 Council, the Commission clearly recognized the

2 phenomenal work y colleagues are doing as well as the
3 improvements we've made to this great institution.

4 In crafting this legislation, we largely adhere to
5 the salary recommendations of the Commission that are
6 not just for the City Council, but also for all other
7 city elected officials. Today, we're also

8 considering a package of bills that would implement
9 crucial and profound ethics reforms long demanded by
10 the public. Together, these reforms will increase

11 transparency and fairness, reduce the potential for
12 conflicts of interest and improve the process for
13 considering future changes and compensation for local

14 elected officials. These bills would make the
15 position of a council member full time, and except
16 from narrow exceptions eliminate outside earned

17 income underscoring the dedication and high ethical
18 standards Council service demands. We're also ending
19 the practice of providing allowances, otherwise known

20 as lulus for committee chair and other leadership
21 positions creating a more equitable environment for
22 council members. We're continuing our commitment to

23 transparency by mandating the posting of financial
24 disclosure forms online for all elected officials.
25 And finally, we're changing the timing of future

2 commissions so they will be more likely to recommend
3 prospective pay increases, and will give those
4 commissions more time deliberate on these important
5 matters.

6 As I said earlier, we largely adhere to
7 the recommendations of the commission in determining
8 the salary levels for council members. We did,
9 though, diverge in one area, compensation for become
10 full-time and giving up the potential for outside
11 income. The Commission recommended no increase for
12 this important reform. We disagree, and have
13 proposed a modest increase to account for it. In his
14 letter forwarding the Commission's report to me, the
15 Mayor noted that the transition to full-time status
16 is not insignificant. That's accurate, and it is
17 only fair that current council members who are giving
18 up the potential to earn outside income are
19 compensated adequately for that. We must assure that
20 as the office of council member transitions into
21 full-time status, we continue to attract the greatest
22 talent the city has to offers, an appropriate
23 increase of the loss of that outside income is
24 therefore necessary.

1
2 Since I became Speaker at the beginning
3 of 2014, I've worked closely with my colleagues
4 especially Rules Committee Chair Brad Lander to
5 institute internal reforms designed to build a
6 Council that is more democratic and transparent.
7 We're also trying to build on previous successes in
8 ensuring that we have a legislative body filled with
9 a diverse array of professional well-qualified and
10 fully committed members. I'm confident that the
11 bills we hear today will achieve both those goals,
12 and I want to turn it back to Chair Kallos, and thank
13 you for your time.

14 CHAIRPERSON KALLOS: Thank you, Speaker.
15 In a city famous for Boss Tweed, we've come a long
16 way from Tammany Hall especially in this Council.
17 Editorial boards, advocates and the people demanded
18 an end to the corrupted influences of campaign
19 dollars, conflicts of interest, member items, outside
20 incomes, lulus and more. The City Council has crated
21 the model public matching campaign finance system in
22 the country and Conflicts of Interest Board that has
23 found and continued to root out corruption. In our
24 fist year in the City Council, we created an
25 equitable and transparent formula for distribution of

1 discretionary funds to council members known as
2 member item funding. Today, we're considering a
3 package of reforms that New York City Council members
4 will be working full-time for the people of our city
5 without the corruptive influence of stipends or
6 outside income. We're hearing four pre-considered
7 introductions today in Governmental Operations and
8 two preconsidered resolutions in Rules, which my
9 colleague, Council Member Lander will speak about
10 later. The four bills are based on recommendations
11 of the 2015 Quadrennial Commissions, the Editorial
12 Boards, the Good Government Groups of countless
13 members of our--members of our public. The first
14 bill, which I have introduced with Council Members
15 Garodnick, Reynoso, Richards, Cohen and Chin would
16 prohibit outside income with rules further
17 delineating what earned income is acceptable. This
18 is coupled with a rules reform that I have also
19 introduced that would eliminate payment in lieu also
20 know as lulus. These reforms that have been long
21 sought by Editorial Boards, Good Government Groups,
22 the people--and I am proud to sponsor this
23 legislation--will not only help this Council, but the
24 Council moving forward into the future. The second
25

2 bill, sponsored by Council Member Vacca and myself,
3 would increase transparency by making the financial
4 disclosure forms of elected officials available for
5 the public to view on the Conflict of Interest
6 Board's website. In 2010, as an advocate, I worked
7 with New York Public Interest Rights group, Bill
8 Mahoney, to request copies using Freedom of
9 Information law scam and post-outside income
10 disclosure forms on the state legislators online.
11 Following this action, outside income forms were put
12 online with income ranges by the Joint Commission on
13 Public Ethics, and the rest by now is history.

14 The third bill sponsored by Council
15 Member Van Bramer would change the timing of the
16 appointment the Quadrennial Commission from the
17 second year of an election cycle to the third, and
18 give the Quadrennial Commission additional time to
19 deliberate and issue their recommendations. The
20 final bill sponsored by the Speaker would increase
21 the salaries of the Mayor, Public Advocate, Borough
22 Presidents, Controller, District Attorneys as
23 recommended by the Commission. The bill would also
24 increase the salaries of members of the City Council
25 as well as the Speaker of the Council as recommended

2 by the Commission. But with an additional increase
3 to account for prohibiting most outside earned
4 income, and changing the status of Council Members to
5 full-time. These bills will institute important
6 reforms and will increase the transparency,
7 effectiveness and efficiency of the City's
8 government. At this time, I'd like to invite Council
9 Member Lander to say a few words about today's
10 hearing and about the two resolutions before the
11 Rules Committee.

12 CHAIRPERSON LANDER: Thank you, Chair
13 Kallos, and thank you Madam Speaker, and thanks as
14 well to all the members of both the Rules and
15 Government Operations Committee who are here today.
16 Thanks as well to the staff who have done a lot of
17 work to prepare for this hearing and get all the
18 materials together. As well as I'll say in a minute
19 to the Quadrennial Commission for their work.

20 I want to start by speaking very honestly
21 and plainly. One awkward feature of democracy is
22 that elected officials have to set their salaries.
23 That is just an awkward feature of the democracy that
24 we have. We council members and executives set the
25 budget, and that's how the pay of elected officials

1 gets determined. Most people, of course, don't have
2 that ability in their lives to vote on or set their
3 own salary, and many don't get regular raises at all.
4 This Council gets that, and has been significantly
5 concerned with the challenges of wage stagnation in--
6 in New York City. But, it is in the interest of the
7 City of New York to make sure that salaries for
8 Council Members, for the Public Advocate, for the
9 Comptroller, for Mayor, for Borough Presidents and
10 District Attorneys is reasonable and competitive to
11 ensure that good people will run. Now, there is an
12 alternative to having elected officials vote for pay
13 increases. You cannot raise salaries. Let the
14 salaries, therefore, fall lower and lower relative to
15 the other things people might do. Allow those
16 elected officials to earn outside income instead, and
17 then see what happens. And I would stipulate to you
18 that that's not just theoretically. That experiment
19 is being run, and not very far from here, and I would
20 say that the results are not good, and that is not
21 what we want for the City of New York. What we want
22 instead is a reasonable set of salaries for elected
23 officials so people run whether they're small
24 business people, whether they're attorneys, whether
25

2 they're non-profit leaders, whether they're labor
3 leaders, whether they're professionals. You know,
4 whether they're people who are just working hard to
5 represent their communities, we want them to be able
6 to run for these offices. Now, to address the
7 challenge that it's an awkward feature of democracy
8 that elected officials set their own salaries, the
9 City has adopted the approach of having the
10 Quadrennial Commission meet to review the appropriate
11 objective research and make recommendations. That
12 commission is supposed to meet every four years in
13 order to make it recurring. Part of the challenge
14 here is for those who do get raises whether COLAs or
15 step increases, they tend to come annually, and so
16 they're modest in the one or two or three percent a
17 year nature. So if you did them every year, they
18 would seem modest, but if you vote on them all once
19 after several years, they seem big. If you did every
20 four years, it wouldn't seem so big. Unfortunately,
21 Mayor Bloomberg did not appoint the Quadrennial
22 Commission the last time around, and we are now ten
23 years since elected officials in New York City have
24 had any pay increases. No COLAs, no adjustments for
25 income, you know, no step increases, and as a result,

2 when you make an adjustment just once every ten
3 years, it's understandable that people will feel that
4 there's some stick shock. But, as challenging and as
5 awkward as that feature of democracy is, it's the
6 right thing for us to sit here and consider them,
7 review all the evidence and make a good, fair,
8 rational decision. Now, fortunately this time we
9 have been blessed with actually a quite good
10 Quadrennial Commission. We're fortunate, and I'm
11 grateful for the service of Fritz Schwarz, Jill
12 Bright, and Paul Quintero, who bring a range of both
13 good government, non-profit and private sector
14 experience to the table, who spent several months
15 gathering and developing research and information,
16 who had two public hearings. They put all their
17 materials online, gathered a substantial amount of
18 information, and produced this final report, which
19 they will present to us in just a minute. It--as
20 Chair Kallos spoke to recommends a wide range of
21 reforms and pay increases, and we are overwhelmingly
22 proposing to adopt those recommendations. I want to
23 note one thing that the base increase that that
24 commission is recommending for all elected officials
25 of 12% is lower than the pattern for public sector

1 workers over the same period of time, lower than
2 teachers in the UFT or DC37, and lower still than
3 that for uniformed workers, for firefighters and--and
4 police captains. And they did that specifically in
5 recognition of the challenges that many New Yorkers
6 have seen, and said elected officials ought to pay
7 attention to those issues. That's their base
8 recommendation, and we're adopting their or proposing
9 to adopt their base recommendation. All of the
10 reforms that Chair Kallos spoke to and that the
11 Speaker spoke to, which build upon the reforms that
12 under her leadership this Council adopted two years
13 ago to make this body more fair and transparent. It
14 will make a big difference in having this be a body
15 that does not have the temptation of outside income.
16 That does not have the favoritism of lulus where
17 everyone's disclosure forms are online. That brings
18 good government, and it is appropriate to have that
19 come along with a reasonable pay raise. As Chair
20 Kallos mentioned, the only place where we are
21 departing from the commission's recommendation is in
22 putting a \$10,185 adjustment for the change from
23 part-time to full-time. And I would just say to you
24 I think if any of you when you were looking to hire
25

1 for a job changed the job description. You had a job
2 description that said here's what I'd like you to do.
3 It's a part-time job, and you may also have a second
4 or third job. And then you way, you know what? I'm
5 going to change the job description and make it--it's
6 a full-time job. You may not have any other outside
7 employment. And you asked a friend do you think I
8 would need to adjust the salary upward to get equally
9 qualified candidates that all of your friends would
10 say yes that probably a modest adjustment upward is
11 needed. That figure of \$10,185 there some
12 justification for it in today's Committee Report, and
13 we can speak about that a little later, and where
14 that analysis comes from, and why we chose to
15 propose. And we'll have some additional discussion
16 on that later after the--after the Commission
17 testifies. So, just formally, Chair Kallos spoke to
18 the four introductions that are being considered.
19 There are, as he said, two rules resolutions that
20 accompany those changes. The pay raise bill would
21 not go into effect unless and until a rule was
22 adopted that eliminates stipends. So there is a rule
23 here sponsored--lead sponsored by--by Council Member
24 Kallos that will repeal stipends. That's the
25

2 simplest way to understand it. Any stipends that
3 have been in place in the rules are repealed
4 effective--and effective to January 1st, 2016. And
5 the second rule, which is combined with the
6 introduction that makes the job full-time instead of
7 part-time provides clarity on what outside or earned
8 income is and isn't, and makes clear you may not have
9 outside earned employment from any other job. You
10 can, of course, continue to have investment income
11 and things, you know, passive income, retirement
12 income, et cetera. And there are a few narrow things
13 you can do, teach a class, give a speech or engage in
14 artistic performance with advanced approval from the
15 Conflicts of Interest Board to make sure there's no
16 conflict. And, with the advanced approval of the
17 Office of General Counsel, other minimal earned
18 income activities that involve a limited time
19 commitment, and which do not interfere with the
20 performance of such member's duties as a member of
21 the Council. It doe snot allow, for example, the
22 practice of law, which we have seen in other places
23 be a particular problem as an outside activity. It
24 doesn't allow you to hold a second job. You have to
25 give your full time to this one, which I submit is

2 what we want, which is good service full of
3 integrity, people doing their best to represent their
4 constituents, and the great people of this city. So
5 with that, we will now proceed to our first panel and
6 for our first panel, I would like to invite the--

7 CHAIRPERSON KALLOS: [interposing] Brad,
8 if I just may quickly interrupt. Sorry about that.
9 We've been joined by Council Member Barron. I'd like
10 to thank Council Member Lander. I'd like to also
11 invite the bill's sponsors to say a few words. I'd
12 like to invite Council Member Jimmy Van Bramer to
13 make a statement on his legislation.

14 COUNCIL MEMBER VAN BRAMER: Thank you,
15 very much, Chair Lander and Speaker Melissa Mark-
16 Viverito. I want to say first I'm really proud to
17 serve in this City Council, and proud to serve with
18 all of the members that you see here today, and who
19 are not here, terrific public servants full of
20 integrity. This is a City Council that does enormous
21 good for the City of New York, and today we are
22 submitting historic and meaningful reforms that I
23 think are worthy of incredible merit and appreciation
24 and I just want to thank Speaker Melissa Mark-
25 Viverito. This Council has already reformed itself

2 internally in ways that have made this city better.

3 And today, this package furthers that reform that I

4 think must be at the forefront of the discussion

5 today. I want to say that the bill that I'm proud to

6 sponsor altering the year in which the Quadrennial

7 Commission is appointed and how much time the

8 Commission has before it is important. Present the

9 Commission--commissions are appointed in the second

10 year of the four-year cycle, but under my bill, they

11 would be appointed in the third year. And, presently

12 commissions must issue a report on or before March

13 15th, a total of 2-1/2 months. But under our bill,

14 the commissions must report no later than 120 days

15 after the appointment giving an additional two months

16 for a total of 4-1/2, more than the Commission

17 recommended itself. The bill gives the Commission

18 greater flexibility to consider and make it more

19 likely that they will recommend that increases in

20 compensation go into effect in the session after

21 which they have voted on or approved. This addresses

22 issues associated with increased compensation levels

23 going into effect during the term in which such

24 changes are approved, and I welcome the testify and

25 the comments today from the Commission and the

2 public. But again, I just want to say I'm incredibly
3 proud of the City Council, incredibly proud of the
4 work that we do for the City of New York. I am
5 incredibly proud to serve with all of the public
6 servants in this City Council. Thank you very much.

7 CHAIRPERSON KALLOS: Thank you Council
8 Member Van Bramer, and before I begin, I would like
9 to thank the committee staff for their work on
10 today's hearing, Samita Dishmuk, Laure Wynne, James
11 Subudhi and my Legislative Director Paul Westrick.
12 And if I may also recognize some of the folks on the
13 Rules Committee side, Habib Hussein and it's hard
14 press not to thank David Seitzer, our former
15 committee counsel. I told you he wouldn't get far.
16 I'd now like to turn it back over to Council Member
17 Lander to call up the Commission from the 2015
18 Quadrennial Commission as our first panel. I'd like
19 to remind everyone who would like to testify today to
20 please fill out a card with the sergeant-at-arms.

21 CHAIRPERSON LANDER: Thank you, Chair
22 Kallos. So our first panel is the 2015 Quadrennial
23 Commission Chaired by Fritz Schwarz, Jill Bright and
24 Paul Quintero. Welcome. Thank you for your service
25 on the Quadrennial Commission, and for being here

2 this morning. We ask representatives of government
3 go be sworn in when they testify before us. Not
4 members of the public, but you guys are here today as
5 the representatives of the Quadrennial Advisory
6 Commission, and so we ask that you raise your hands I
7 ask Committee Counsel to swear you in.

8 LEGAL COUNSEL: Do you swear or affirm to
9 tell the truth, the whole truth, and nothing but the
10 truth in the testimony that you're about provide?

11 PANEL MEMBERS: [off mic]

12 LEGAL COUNSEL: Thank you. If you could
13 put it on-- [pause]

14 FRITZ SCHWARZ: You push this there?
15 I'm--I'm Fritz Schwarz, and this is Jill Bright and
16 Paul Quintero. None of us knew each other before we
17 started. We work very well together, and everything
18 we've produced has been a collegial part of our
19 effort. I'm going to talk maybe for five or six
20 minutes, and then I hope there are a lot of questions
21 and back and forth on any subject. And if you want
22 to interrupt me during my testimony to--for any
23 reason, do that. It leads to good dialogue, and I
24 always do that when I'm chairing meetings by the way.
25 So, in summary, the points I want to make are that

2 the City Council's proposed laws and rule changes are
3 praise worthy in many respects. They will bring
4 about important government reforms, which have been
5 talked about for decades, but which never have been
6 done. Then, I want to add, and discuss at the end
7 that at least when we prepared this testimony the
8 Council had not yet made its case for the proposed
9 additional raise for its members, and that's--I think
10 we'll come to that at the end, and probably there
11 will be some questioning about that, too. So,
12 overall, we applaud the Council for accepting our
13 central concept that raises for elected officials
14 and--and Chairman Lander succinctly stated the
15 dilemma that's created for raises for elected
16 officials. But we applaud your accepting our central
17 concept that raises for elected officials should,
18 among other things, reflect the economic conditions
19 of their constituents. The Council also deserves
20 praise for accepting the Commission's structural
21 recommendations that lulus be eliminated, and the job
22 of Council Members be classified as full time as is
23 the case for all other elected officials. These two
24 reforms are--have been talked about for a generation,
25 and never before were they forcefully recommended by

2 a commission. And never before has the Council
3 adopted those recommendations, and you commendably
4 plan to do so now. In addition, the Council deserves
5 praise for accepting two other reform recommendations
6 that the Commission, editorial groups and good
7 government groups have put forward. One is the
8 change that you mentioned that the future commissions
9 have more time, which increases the likelihood that
10 future raises will not take place until after the
11 next election. We decided that for both legal and
12 ethical reasons these raises should take place as of
13 January 1, but a reform to the future that conforms
14 the Council with what the U.S. Constitution does in
15 the 27th Amendment is a great change. And secondly,
16 getting the disclosure forms of elected officials
17 online. As we wrote, the Council has evolved over
18 the past 30 years to become--I'm now going to quote
19 from our report--"An able body with a sense of its
20 representative obligations in policy making
21 responsibilities, which is, 'No longer a rubber stamp
22 or a junior partner, but now is a fully functioning
23 branch of government.'" Indeed, I would say that the
24 evolution of the New York City Council over the last
25 30 years is one of the most praise worthy and

2 remarkable changes in U.S. Government institutions in
3 the history of the country. Your positive resolution
4 has been reflected in the pay raises that have been
5 given over the past three decades. Indeed,
6 throughout the history of quadrennial commissions, if
7 you go back to 1983 and go up to our commission, the
8 City Council members received the largest pay
9 percentage increase of all the city's elected
10 officials over that approximately 30-year period,
11 136.84%. The Mayor in contrast, the Office of May,
12 "Only received a raise over that period of 103 or
13 104%." This year our Commission continued the trend
14 of giving the City Council a larger raise, by
15 proposing the largest percentage increase be given to
16 Council Members this year, 15%. By the way, contrary
17 to newspaper stories we did not propose a 23% raise
18 for the Council. The additional money is just the
19 reallocation of the lulus.

20 Now, turning to the one change that you
21 do make, adding \$10,183 would be 9.1% over the
22 current base salary, or about 7% more than what we
23 recommended, and the proposal is related to the
24 change for full time. We did not recommend any
25 additional bump in pay because of formal

2 classifications for members for full time, and let me
3 recount what we thought. Our research indicated that
4 only a tiny fraction of council members appear now to
5 have outside income of the sort that would be
6 prohibited by a full-time requirement. And to avoid
7 potential unfairness to the people who do have that,
8 we recommended that the Council consider
9 grandfathering until end of this term any members or
10 any one of the few members who come into that class,
11 and you were proposing to do that. Moreover, going
12 back to 2006, in the course of accepting Speaker--
13 then Speaker Christine Quinn's proposal for a 25%
14 raise, the Quadrennial Commission of '06 noted the
15 Speaker had informed them that by and large council
16 members served full-time. And the 20076 commission
17 added that its recommended salary increase reflects
18 this fact. And at the end of my testimony I want to
19 come back to the--to the simile or analogy that
20 Council Member Lander made to a job where, you know,
21 it had been part time and it changed. But anyway,
22 you have made the changes about grandfathering and,
23 in fact, if you look at considering the fact that
24 there are only very few of the members here who are
25 not full time, or put differently, have income that

2 would be banned under the new law and the
3 grandfathering. If you put those two things together
4 no present City Council person is adversely affected
5 by the change until the end of this term.

6 Now, we looked at the--all these
7 questions, and concluded on having the raise of 12%
8 plus 3% and not an extra bonus for going to full
9 time. And we---nonetheless, we do recognize that
10 requiring Council members to work full time does
11 remove an option including for individuals thinking
12 for running for the Council for the first time. And
13 some value can be assigned to removing the option.
14 However, we would say that any such value is limited
15 in--in this case where the trend has been running
16 rapidly toward members choosing to work full time.
17 So at the end of the--the testimony, I said we'd like
18 to understand and the public is entitled to
19 understand the Council's reasons for its proposed
20 additional pay increase, and you've now put forward
21 some reasons. Now, I do want to make a point. Using
22 the--in Council Member Land's Op Ed, I think it was
23 yesterday, and in his opening remarks, he used a
24 simple point to make the case for the bump that
25 you've given. Which is suppose there were a business

2 where the members were--the employees were told they
3 were part time. And the business decides to change
4 the rules, and henceforth from day after the change,
5 all employees must be full time and they may not have
6 any outside income. And, the reasoning was well, of
7 course, one would say there should be a bump. We're
8 not saying there shouldn't be any bump but, of
9 course, one would say there shouldn't be a bump.
10 Now, I think there are two ways in which that analogy
11 is not a perfect analogy. I would like you just to
12 think about this. Way one is it assumes a situation
13 where everybody was working part time, and certainly
14 if that were changed, you would say yeah, there
15 should be quite a big bump. But here you don't have
16 the situation where everybody is working part-time.
17 You have a situation where, you know, let's say 90%,
18 if not more, are working full-time and would not run
19 into any trouble with this--with the new rule. So,
20 you can think of a change from part time to full time
21 as if there were the situation, but it's not quite
22 here. As involving two things--two reasons why there
23 shouldn't be a bump. One is, if you go from part-time
24 to full-time you are working harder. But, in the
25 case here most of you, 90% of you have already been

2 working full time. And, for that portion of the
3 issue, I think it's fair to say that the raise in
4 response to Speaker Quinn's 25% took into account and
5 did compensate you for--although, they didn't apply
6 any percentages to anything, but did compensate you
7 for the fact that most of you are working full time.
8 So I think the analogy isn't perfect. That doesn't
9 mean you don't have arguments, and I certainly
10 haven't and I don't think my colleagues looked at the
11 detailed argument you have in your report. Moreover,
12 I want to finish by saying that whatever quibbles
13 there are on this subject, the Council is proposing
14 to take steps. Which will be meaningful reforms for
15 the government of New York city, and which will
16 continue the evolution of this Council toward an
17 increasingly responsible and effective body. So
18 thank you.

19 CHAIRPERSON LANDER: Thank you very much.
20 I have a couple of questions, and then Chair Kallos
21 and--and the Speaker may as well, and then we'll open
22 it up to--to other members. And I--I will address
23 this question of providing the Council's rationale in
24 public and not only in the written report in--in just
25 a minute, but I want to ask just a few questions

1 first. First, you mentioned this that the--for the
2 first time you considered economic wellbeing. I'm
3 just wonder if you could say a word more about that.
4 That was not something that was done. Previous
5 commissions essentially looked only at COLA, and
6 didn't really factor in any way the economic
7 wellbeing of New Yorkers, and I just wonder what--

9 FRITZ SCHWARZ: Yeah, I--I think and
10 the--my colleagues could jump in here. I think that
11 was the single most important thing we did. If you
12 want to go way back in history, and Benjamin
13 Franklin's idea that government officials should not
14 be paid, which was rejected, but [laughter]
15 correctly. But there's always been an implicit
16 ceiling on government pay. It's never going--you are
17 never going to be paid nor are mayors or controllers
18 ever going to be paid what they are worth. Their
19 jobs are incredibly hard. Your job is incredibly
20 hard, but there is an implicit ceiling. And we
21 thought that particularly in light of things like
22 income inequality would have become so much subjects
23 of attention that they pay of government officials
24 ought to be restrained somewhat if their constituents
25 are really doing badly. And just one example of

2 where New York--New Yorkers are not doing as well
3 economically as they should be is that 45% of New
4 Yorkers are paid at or near the poverty. So, and the
5 other thing, Councilman Lander, that we thought is
6 that if that becomes a factor, it's a good factor for
7 government officials to have in mind because while
8 you can't influence the Consumer Price Index, your
9 actions can in the short term and in the long term
10 influence how well New Yorkers are doing
11 economically. So Paul and Jill, do you want to say
12 anything more about that central--

13 PAUL QUINTERO: Yeah, I--I would add a
14 couple things. We put in the report the
15 recommendations, and what those recommendations meant
16 versus, for example, CPI. And just to give a very
17 simple example, in the first quarter in your
18 commission all the salary changes were just slightly
19 above CPI. In the very next commission all the
20 salaries were below CPI. So there is no adherence to
21 CPI per se. It is like everything else a measure,
22 and--and it can--it needs to be taken into context.
23 We looked at distribution of the workforce, and we
24 looked at salary changes in the non-profit sector,
25 which ranged from in some years zero but typically

1 one to three percent. We looked at the private
2 sector increases. Those ranges from two three
3 percent, and what we saw is there are a lot of
4 numbers out there where people are earning, but not a
5 very good basis to anchor some framework. And so, to
6 repeat what--what Chairman Fritz just said, given
7 that median changes in income were very similar and
8 within those ranges, and given that it's more much
9 actionable by the Council. Both of those gave us
10 comfort that not only was it a not only useful
11 measure, but it was within the bounds of what you see
12 in the private sector and non-profit sector, you
13 know, the whole spectrum, and it's not an arbitrary
14 number. So though it would very useful. So just
15 another addition in terms of our--our thinking.

17 JILL BRIGHT: Yes, I would only add that
18 things like ability to pay for housing was certainly
19 a factor that's--that's considered. We looked at
20 things like retirement, and pension benefits. So
21 there--there were many areas where the average New
22 York is not keeping pace with inflation or other
23 costs, and that they Council members have benefits
24 that their constituents don't necessarily have. SO I
25 would say elements like that factored into why median

2 household income also was an important benchmark for
3 us. Not just what was happening in terms of the CPI.

4 CHAIRPERSON LANDER: Thank you. You
5 mentioned this issues of prospectivity, and whether
6 raises should be prospective. And obviously, by
7 considering Council Member Van Bramer's legislation,
8 which specifically in its statement of legislative
9 intents says our hope is that future commissions will
10 recommend prospective raises. You know, that is
11 something that we're looking to--to move forward on,
12 but that you did not recommend here, and that we are
13 proposing to follow you recommendation of having the
14 salary increases take effect on January 1st of this
15 year. I just want to clarify--the reasons are in the
16 report, but because it's--it's essentially because
17 it's been ten years. That there should have been at
18 least one if not two adjustments along the way that
19 would already be baked into the salary that we--we're
20 receiving. And that because it's been ten years
21 that, therefore, adopting this recommendation now
22 rather than waiting is reasonable to do when
23 considered together with the full package of reforms
24 including taking steps so that future commission,

2 which will meet every years, would be come
3 prospective---

4 FRITZ SCHWARZ: Well, the--the--very
5 many respective people and thoughtful people think
6 the City right now should delay the raises for
7 another two years so that they don't take place until
8 after an election. And that's the rule now in the
9 Congress in the United States, which James Madison
10 had proposed, and didn't become part of the
11 Constitution for 200 years. We--we thought for both
12 fairness reasons and legal reasons, it was the
13 correct thing to make these raises effective now.
14 The--the fairness reason is that there has been no
15 raise since 2000--November of 2006, and the idea that
16 all elected officials should have to wait ten years,
17 which if you--it's two more years. So to have to
18 wait 12 years seems unfair waiting around for a raise
19 for 10 years is something that's not fair. And then
20 on the legal side, the structural of the Quadrennial
21 Commission system is inconsistent with delaying the
22 raises. The system, as--as was brought out in the
23 comments about your--your change is that a commission
24 is mean to appointed at the beginning of the second
25 year, and then presumably finish in the spring of the

2 second year. And it is just inconsistent with that
3 system to say raises should be delayed until the
4 beginning of the fifth year. And just think about
5 it. You can't imagine the people who set up the
6 Quadrennial Commissions would have thought the idea
7 would be for the future there would be a lot of
8 deliberation, and then a report, than then a three-
9 year continuing delay. That just doesn't make sense.
10 For the future to change so that it would be possible
11 and sensible to have raises take place after the next
12 election, that's a good reform.

13 CHAIRPERSON LANDER: And then so I will
14 just for my final comments draw attention to the
15 Committee Reports pages 12 and 13. For those who are
16 looking, it goes to this question of the rationale
17 for the adjustment. You know, I--I--I think it's--
18 it's valuable for us to have your perspective, and it
19 is certainly true that a very small number of current
20 council members have outside income. You know, we
21 are balancing between what is the salary that--that
22 current council members will earn, and what will be
23 in the job description, you know, going forward for
24 those 2017 elections. And, you know, and that's is
25 really why I believe that the analogy about changing

2 the job description. What do you need to post it at
3 to get comparable people to apply. But just in terms
4 of how we got to this number this \$10,185, the staff
5 did some research here. The New York State
6 Department of Labor treats legislators as managers.
7 And so they used the New York City Metropolitan
8 Statistical Area Management Occupations, and then
9 took the median of that range, 50% of the median
10 range for management occupations, which was chosen to
11 be conservative. And is similar to the median rate
12 for a food service manager who are among the lowest
13 paid of managers. Their hourly rate is \$34.57. We--
14 there's not a clear exact hours guideline on what--
15 the thing you could do that wouldn't be a full-time
16 job, but teaching a course when, you know, it's--it's
17 a couple hours a week, and prepare--prepare a couple
18 hours a week. Six hours a week at \$34.57 came out to
19 \$10,372, and we rounded down to a square number of
20 the resulting salary of \$148,500. Obviously, it
21 could have been figured many different ways. Last
22 term several members earned more than \$100,000 of
23 outside income, not the majority, but some. So those
24 members would be giving up over \$100,000 if they were
25 to do this. And this time, though it's a relatively

2 small number of members, several of them earn over
3 500,000 and indeed most of us earn either nothing or
4 far less than that. So let me leave it there. We
5 can come back, and--and other members and their
6 questions and comments can explore further the
7 rationale here. And I may have a few questions at
8 the end, but let me turn it over to Chair Kallos, and
9 then to members of the committees.

10 CHAIRPERSON KALLOS: Thank you, Chair
11 Lander. So, your commission recommended the
12 elimination of lulus. Has that ever been recommended
13 before or how long have folks been advocating for
14 this, and why do they matter so much?

15 FRITZ SCHWARZ: Well, I--I kind of think
16 that when I did the 1989 charter people had begun
17 worrying about those. It's been for a long time that
18 good government groups, editorial groups, people who
19 care about the city who have said not a--not a great
20 thing to have lulus. Lulus made sense in the--in
21 the Colonial era in the Benjamin Franklin era where
22 legislatures met, you know, once every two years.
23 And clearly were part time, and the would-be, you
24 know, like one or two officers a of a legislature who
25 actually did much work. But that's all the past

1 history, and today you--you're all doing really a lot
2 of work. So, that's one reason, the historical
3 change is reason where lulus are not sensible. They
4 also create a misleading impression. In fact, Lulus
5 were part of the pay of council people, but everybody
6 said council people were paid \$112,500. So, there
7 was an inherently misleading element to lulus.
8 Thirdly, lulus are something using money to reward or
9 punish members is not a great system, and I think
10 finally, let's use-- One of you said let's think
11 about the place that's 120 miles north of here. It
12 has--a lot of their pay is lulus, and they get free
13 outside income. The two are linked, and--and it's
14 great that you are planning to get rid of the lulus.
15 How you are going to do that, and whether you need--
16 You can do it probably by a rule, but maybe
17 ultimately you want to get a charter change, or the
18 same thing with the full time, you--you can do it by
19 a rule. But maybe you ultimately ought to have a
20 charter change so that some less progressive council
21 in the future cannot decide they want to turn the
22 clock back to the 1820s or something.

24 CHAIRPERSON KALLOS: With regard to your
25 other recommendation outside income, why does it

1 matter what the influence of outside income? It's
2 noted that only a few members accept outside income
3 in this body. Is it the number of the members
4 accepting outside income? Is it the power and
5 influence that an individual member might have that
6 is accepting outside income? What are the models
7 that you're seeing, and why is outside income so --
8 such--such a dangerous influence to have?
9

10 FRITZ SCHWARZ: Well, let's--let's start
11 with the fact every other city official since 1937
12 has not been allowed to get outside income, and the
13 Council maybe in 1937 was a--a less important body.
14 Today, you're a very important body the--in the city.
15 Secondly, the public, you're constituents deserve
16 full-time service, and that's what you're hired to
17 do. You're hired to do the job of thinking of
18 legislation, of holding hearings, of working with
19 your constituents. And so I think Councilman, the--
20 the inherent nature of the job of a modern City
21 Council person is a full-time job, and your
22 constituents and the public deserve your full-time
23 attention.

24 CHAIRPERSON KALLOS: Within your report
25 there's 3% bump for acknowledging that the job has

2 changes, fundamentally changed and a lot of people
3 though we are not required to do so, are treating it
4 as a full-time job. And as a result, you've see a
5 difference. So that received a 3% bump, but there
6 was--can you go into a little bit of why you didn't
7 want to place a value on actually prohibiting outside
8 income--

9 FRITZ SCHWARZ: [interposing] Well, I--I
10 think I--

11 CHAIRPERSON KALLOS: --or do you think
12 there should be a value there?

13 FRITZ SCHWARZ: Yeah, I think I tried to
14 do that in--and--and we're--we are not sitting here
15 today saying there is no value in losing that option.
16 But we didn't do it for the reasons I--I said. I--I
17 think I--I can't add anything to what id did say in
18 the--in the testimony, and in response to questions.
19 The 3% bump represents a very good letter that was
20 submitted by the Speaker at the last minute but, in
21 fact, like days before we were finished. But I know,
22 it took a lot to write that letter. So we're--we
23 didn't complain that it was so late. But that letter
24 pointed reforms that had happened since '06 that
25 merited--that led to the conclusion that individual

2 members had more responsibility and more work and,
3 therefore, we thought of the 3%. Now, the '06
4 commission in their very large raise of 25% for the
5 Council at a time when the Mayor got like a 15.3%
6 raise. The '06 commission inarticulately, but
7 clearly, did compensate you for the great changes. I
8 shouldn't use that because I did them, but the
9 important changes that were made by the 1989 Charter
10 were built into the pay increase in '06. The changes
11 that increased the City Council's responsibilities.

12 CHAIRPERSON KALLOS: And towards the end
13 of your report, you make recommendation--not one of
14 the strongest recommendations, but a recommendation
15 that the correct (sic) forms be place online. "The
16 forms are already available to the public." quote
17 unquote. What--why does it matter if forms are put
18 online? Have you see any changes when those forms
19 are put online versus when they're just available?

20 FRITZ SCHWARZ: Well, I--I--I know that
21 when we--we got all the forms, and I said we were not
22 going to use names from them, although we could have.
23 But the research director who had to get the forms
24 said, you know, it takes a lot of time. You've got
25 to fill out something, and--and it takes time. On

2 that issue I think we said something like it isn't
3 something that we have enormous experience on, but I
4 relied on--we relied no the good government groups
5 that I think almost always are--have something worth
6 listening to. And they--they've thought this is
7 important, and it clearly--it does make you more
8 transparent. I--I think there are already prepared
9 elect--prepared electronically when they're put into
10 the Conflicts of Interest Board. So while there
11 isn't any good reason for them not being, and I guess
12 you're proposing to do it, which is good.

13 CHAIRPERSON KALLOS: Next time you can
14 borrow my scanner. We will go over to--and NYPIRG
15 them, too. So, we're going to--I want to acknowledge
16 that we've been joined by Council Member Steve Levin.
17 We're going to go to Council Member questions. There
18 will be a three-minute clock on the first round, a
19 two-minute on the second. And just to the Commission
20 because it's three minutes if you can keep your
21 answers quick and concise because most members may
22 want to have a second question or a redirect. And
23 so, the--the quicker and conciser you are, the more
24 fulfilling the conversation will be. Sometimes
25 speakers have a tendency to use their entire time

2 answering a single question. Which as a member who
3 has been on the clock myself can be frustrating.

4 First, Council Member, we--we do Melissa Mark-
5 Viverito who would like to come back for her
6 questions. However, next on the list would be
7 Council Member Rodriguez followed by Cohen.

8 COUNCIL MEMBER RODRIGUEZ: Thank you,
9 Chairman. Thank you to the Commissioner for the
10 great job that you did in this process. We love this
11 job a lot. We love it so much that we decided not to
12 have privacies in our life. We love it so much that
13 when we go to a funeral, our staff and the people
14 wanting to say thank you for being here, but I have a
15 case, and they take out cell phone, and we're
16 connecting with our staff. We love it so much that
17 when we go to eat to a restaurant, we have to
18 allocate time to speak to our constituents. We work
19 more than 60 hours a week. This is our not our first
20 job. Most of us like myself being a previous teacher
21 for 13 years. We have masters, we have PhD, and we
22 have the education and degree that anyone who is in
23 the field will say we have the right to make a living
24 to support our family. I was one of those who
25 advocated for the 99%, and I will continue fighting

2 for the 99%, and we care for those 46% of New Yorkers
3 who live in poverty because we as a society fail to
4 them. It's not that the system has been broken.

5 It's that we've been with a system, but we have not
6 been built a strong middle class city here because we
7 fail in education, because we fail on good jobs. And
8 those are the challenges that this body have. You

9 know, any elected official, my colleagues here, you
10 know, we are strong. And we know that being an

11 elected official in New York City requires someone to
12 understand that New York is a city composed by eight
13 million New Yorkers, strong voices community, from

14 the editorial. Tell me the average income of any
15 executive director in New York City. It's more than

16 \$150,000. We work with them. We support those
17 initiatives. We provide our time, and for me this is
18 a big compromise that we're doing today. Our

19 salaries should be \$175,000, and I will be proud to
20 speak to my working class to those rallies when I go

21 to Wall Street and say yes. It's a--it's an open
22 record. This is how much I make, but I don't have

23 evening. You should know? What I have tonight after
24 I pick up my daughter to take her to swimming? I

25 have to go to the--to the event. What did I do last

1 night after I pick up my daughter from school? Go
2 into a community meeting at the--at PS187 being there
3 all to 9:30 p.m. and I love it again, because I want
4 to leave that legacy to my daughter. But the
5 majority of my colleagues here we're deciding only to
6 invest the time, but also we decided to do the right
7 thing? And even though this--there's only the apple
8 everywhere [bell] we decide to be elected official
9 with transparency. We bank our dollars to support
10 our family. So I understand. I take your
11 recommendation, but for me a \$148,000 is a big
12 compromise that we're doing. We deserve that one and
13 more.
14

15 CHAIRPERSON KALLOS: Thank you Councilman
16 Rodriguez. Next up Council Member Cohen followed by
17 Council Member Barron.

18 COUNCIL MEMBER COHEN: Thank you Chairs
19 Kallos and Lander. I, too, want to thank the
20 Commission for their work. I will try to be brief to
21 give you an opportunity to [laughs] respond. I--I
22 will say that I am proud to vote on this package of--
23 of bills and--and rules changes. I--I think that in
24 a vacuum, I would vote for the pay raise in the
25 absence of the--the rules changes because I believe

2 that the salary increase is in of itself a reform. I
3 think that making this position more attractive will
4 ultimately--it's good for democracy that it will
5 encourage people to run for the position. And I
6 think that in and of itself is a--is a standalone
7 reform. And I would--also letting, you know, the
8 taxpayer know that compared to the Campaign Finance
9 Program, which is also designed to make it easier and
10 encourage people to run, this pay raise is a---is a
11 significant bargain. So I--I am proud of the entire
12 package. Like I said, I think that the Council, the
13 pay raise for the Council is a good reform on it's
14 own, and I'm proud to support it. I--and I-if you
15 want to comment on the your--on the scope of it being
16 a reform, I'm finished on this side. (sic) Thank
17 you.

18 FRITZ SCHWARZ: Thank you. And I'm--I'm
19 sure there was--that I--I agreed with your
20 sentiments. I'm not sure if there's a question that
21 I should--we should deal with or--?

22 COUNCIL MEMBER COHEN: Well, I guess if
23 you think that the--if the increase in salary will
24 have an impact on making the position more desirable,
25 and ultimate encourage more people to run for it.

2 FRITZ SCHWARZ: Yeah, I mean, it--it
3 will certainly--it's one of the reasons why the
4 Quadrennial Commission should be regular, and not
5 have to wait nine years, which does influence
6 possibly who's going to run. And you guys are
7 working full time. You're working really hard, and
8 it's a terribly important job. I--I don't think
9 there's a shortage of people seeking to run for the
10 Council, but you would know that better than I. But
11 I mean are there people trying to come after your
12 seat or what? I mean that's a--but I don't there--
13 there are a shortage of excellent people who want to
14 run for the City Council. That was particularly true
15 after the 1989 Charter changes, which did two things.
16 It greatly increased your responsibilities, and by
17 enlarging the size of City Council it greatly
18 increased its diversity. So, yes money is relevant.
19 My guess is marginal differences in pay are not going
20 to make a major difference in who wants to run for
21 the job, but--But I think that's something you all
22 know better than outsiders know.

23 COUNCIL MEMBER COHEN:

24 FRITZ SCHWARZ:

25 COUNCIL MEMBER COHEN:

2 COUNCIL MEMBER COHEN: Thank you.

3 CHAIRPERSON KALLOS: Thank you, Council
4 Member Cohen. Next up is Council Member Barron,
5 Williams, Levine and Chin.

6 COUNCIL MEMBER BARRON: Thank you to the
7 chairs for having this hearing, and thank you to the
8 Quadrennial Advisory Commission for your report. In
9 your remarks you said that you would not be able to
10 have a pay that actually reflects the work that we
11 do. And perhaps that comes with the title of being a
12 public servant.

13 FRITZ SCHWARZ: It does.

14 COUNCIL MEMBER BARRON: It comes with
15 that title. Going back to when I first entered
16 public service as a teacher some many years ago--

17 FRITZ SCHWARZ: [interposing] Yeah.

18 COUNCIL MEMBER BARRON: --the starting
19 salary was about \$5,000 at that time, which certainly
20 was not commensurate with the work that was required.
21 Of course, it is moved up over the years. You also
22 said that you think that our pay needs to have some
23 consideration for the income levels of the
24 constituents that we serve. Do you think also that
25 there needs to be some relationship or consideration

2 for the staffers that we use to deliver the work to
3 our constituents? That there needs to be some kind
4 of consideration in that regard as well?

5 FRITZ SCHWARZ: Well, it--it--that's sort
6 of a double question. I have heard that some of the
7 staffers who work for the Cit Council are paid very
8 low, and I have no idea if that's true or not, and
9 it's certainly not part of our responsibility. Then
10 the other aspect to that question is there are people
11 in every one of the elected officials' offices who
12 are--staff who are being paid more than the--than the
13 elected person. And that's--that's sort of called
14 compression, and are some offices that maybe worry
15 about that more than others. It--it isn't uncommon
16 to happen. I mean if you think of football coaches
17 being paid more than the university presidents or
18 great surgeons being paid more than the head of
19 hospital, it happens. You don't want it to much. It
20 again is a reason why it's really important, and if
21 you--if you could put some teeth in this that the
22 commissions always get appointed every--every years
23 so that there isn't this huge delay. Because while
24 the elected officials get no raise, staff people
25 during that nine or ten-year period do get raises,

2 and that tends to create anomalies. So yours is a
3 very good question.

4 COUNCIL MEMBER BARRON: Okay, but just--
5 if I could just quickly follow up. There has,
6 however, been many instances where, as you alluded
7 to, Council Members were punished and didn't get the
8 same allocations or whatever because the speaker at
9 time [bell] used that as a tool. And those same
10 staffers were also pretty much locked in over that
11 period of time. So basically, my question is do you
12 think that there should be some kind of
13 consideration? I know it's not within the
14 Quadrennial's responsibility, but some consideration
15 of that as well?

16 FRITZ SCHWARZ: Well, the--

17 CHAIRPERSON KALLOS: [interposing] Sorry
18 to interrupt. Council Member Barron if we can save
19 that question for the second round for your two
20 minutes then.

21 COUNCIL MEMBER BARRON: Okay.

22 CHAIRPERSON KALLOS: Thank you. Next up
23 by request of Council Member Williams is now Council
24 Member Levine.

2 COUNCIL MEMBER LEVIN: Thank you very
3 much Mr. Chairman. Thank you very much to this
4 panel. [coughs] I just wanted to ask about the, um,
5 the consideration of outside income and how that's
6 accurately reflected or compensated in your report?
7 And I just want to get a sense of--of your line of
8 thinking because in the report it's very clear that--
9 that there's a dollar amount based on--on foregone
10 raises over the last ten years as well as dollar
11 amount that is associated with the doing away of
12 quote, unquote "lulus". And so there's a very clear--
13 -you know, the--the amount that was recommended by
14 the Commission tacked very clearly to specific
15 reasons why those amounts would--would be considered.
16 Does--does the--did the Commission consider the value
17 of giving up the possibility of outside income?

18 FRITZ SCHWARZ: Well, it--it's--in my
19 testimony I said there is a value to that. What it
20 is is I think a very complex question. We decided
21 not to assign anything to it because we felt--we knew
22 there were so many--such a tiny amount of people who
23 were--would be affected. I--I'm not sitting here--
24 we're not sitting here saying that you are wrong to
25

2 put something on. We--we didn't do it for the
3 reasons for the reasons we said.

4 COUNCIL MEMBER LEVIN: So, just to--just
5 to be clear, and I don't--I don't have an outside
6 income. But then, um, if for example I wanted to go
7 out and drive an Uber car part-time right? And I
8 could do that because like people, you know, they get
9 a TLC license and they can--they can go out and drive
10 an Uber and it's--and that's the way that they sell
11 it, actually, as oh, you could drive part-time and
12 make your own hours. That would be the type of
13 position that would be prohibited under the new
14 rules, and that's a supplemental thing. If I ever
15 wanted to work in a retail store or work as a
16 bartender or something that it--that's, you know, you
17 could do as a part-time job to supplement your
18 income. That type of thing would now be prohibited
19 to me, and--and, you know, based on my family
20 circumstances, it--you know, that would be something
21 that may or may not have been appealing to--to any of
22 us at any time. In addition to that, there's a
23 couple of other issues that my colleagues have raised
24 that are professionals. Which is that, you know,
25 there are people that have--that have a professional

2 practice that they want to be able to maintain some
3 skeletal structure of or some semblance of a
4 professional practice, if it's a family business, if
5 it's something that they have been--that they enacted
6 in for a very long time. And--and over the years the
7 Council has attracted a number of those individuals,
8 and then lastly there's an issue about pensions
9 [bell] and it was actually raised on the radio the
10 other day. Where people that are going to be elected
11 to the City Council in the future are going to be in
12 a tier that requires a ten-year vest--vesting, is
13 that right? And--and under an eight-year, two four-
14 year terms, ten years to vest means that they won't
15 be able to actually vest their time as city employees
16 moving forward. And so that's--that's one
17 consideration as well is that they won't--you know
18 after eight years they won't be vested in order to
19 receive a city pension.

20 CHAIRPERSON KALLOS: [interposing] Thank
21 you Council Member--we will--

22 FRITZ SCHWARZ: Well, that--that last--
23 that last point--

24 CHAIRPERSON KALLOS: Sorry, we'll--we'll
25 go onto the--

2 FRITZ SCHWARZ: Sorry.

3 COUNCIL MEMBER LEVIN: No, I'll come
4 back for a second round. Thank you.

5 CHAIRPERSON KALLOS: Okay, Council Member
6 Levine and not Levin and not Levin followed by Chin,
7 Williams, Gardonick and Greenfield.

8 COUNCIL MEMBER LEVINE: Thank you, Mr.
9 Chair. Thank you to the Commission for your hard
10 work on this, and for all the thought you've put into
11 it. I'm incredibly proud of the process that led to
12 the bills that we're considering today, and you all
13 are key to that, of course. Just as an incredibly
14 analytical and deliberative process. Nothing
15 arbitrary about it, grounded in benchmarks and
16 comparables at every stage. In your report, you go
17 into some depth comparing other legislative bodies
18 pay packages. I didn't see it in the report, and
19 I'll ask you about now. Maybe you've given this
20 consideration. How would the package of reform
21 measures that we're introducing today stack up
22 against the kind of good government protections that
23 are in place in other legislative bodies around the
24 country? Would this put us at the forefront? How
25 would we stack up versus our peers on the kind of

2 reform good government improvements that we've got
3 presented today?

4 FRITZ SCHWARZ: And should--and you said
5 under your rules I should answer this or not answer
6 this?

7 COUNCIL MEMBER LEVINE: Please--please
8 do, yes. Please do.

9 FRITZ SCHWARZ: Okay, and I don't--I
10 don't know how that looks, but anyway I'll answer
11 your-- So, I think New York City Council will stack
12 up very well after you make these reforms, you'll
13 certainly stack up as a difference in kind and not
14 just in quality for the other major in the state.
15 And across the country, you'll stack up very well.

16 COUNCIL MEMBER LEVINE: What about
17 compared to Congress.

18 FRITZ SCHWARZ: The Congress is--that's a
19 harder question. The--the--they limit outside
20 income. They have exceptions that might be a little
21 different. I think they would allow a doctor to like
22 have one operation or something like that to keep
23 their trade in. The--another difference is they have
24 no lulus and so they--they--they may have had those

1
2 back in the 18th--the 19th Century early, but they
3 certainly have none now.

4 COUNCIL MEMBER LEVINE: And this proposal
5 to make Conflict of Interest forms publicly available
6 on the web is that common practice. You're in
7 Congress so you--

8 FRITZ SCHWARZ: [interposing] I--to be
9 honest, I have no idea on that.

10 COUNCIL MEMBER LEVINE: Okay.

11 FRITZ SCHWARZ: I think you should ask
12 the Good Government groups who are coming later.

13 PAUL QUINTERO: The only one addition on
14 the research because we had to go out to 25 different
15 cities, and we did find that there were other
16 municipalities where information about compensation
17 was available in a snap. So while I can't comment on
18 the legal precedent, I can tell you from a practical
19 perspective, from a--from a user perspective, there
20 are other municipalities that--that create that kind
21 of transparency. And so from that perspective it
22 would be a best practice, but that's not the legal
23 question.

24 COUNCIL MEMBER LEVINE: Very good idea.
25 (sic) Thank you.

3 CHAIRPERSON KALLOS: Thank you, Council
4 Member Levine. Council Member Chin [bell] followed
5 by Williams, Garodnick, Greenfield and Dickens.

6 COUNCIL MEMBER CHIN: Thank you, Chair.
7 Good morning. I also wanted to thank the
8 Commissioner, the Commission for your hard work
9 especially Mr. Schwarz. Back in 1989, when we all
10 supported the change in the charter to increase the
11 size of the City Council so that it could be more
12 diverse. It took me that long [laughs] to finally
13 get elected to the City Council, and I think one of
14 the--the positive outcomes of the report and the
15 reform that we have instituted in the City Council
16 really recognized the importance of the work of the
17 City Council. It's an honor to serve in this body,
18 but in the past when you hear about the Council pre--
19 you know, the charter change, people thought of the
20 Council of someone--something we just do street--
21 change the name of streets. They never recognized
22 the important legislative work that the City Council
23 does. And I think that with this report and all the
24 reform that we are going to be voting on will finally
25 elevate this position that we are an important body.
That we are important to the city, and that

1 ultimately we will be able to attract more good
2 people to join city government. Because it is a
3 position that can help us advocate for changes, and
4 make the lives of our constituents better. And in
5 terms of a full-time concept because when you were
6 talking in your report about 2006, the way I look at
7 this job I have many full-time jobs. This is more
8 than full time. Okay. [laughs]

10 FRITZ SCHWARZ: [laughs]

11 COUNCIL MEMBER CHIN: This is more than
12 full time. As my colleague has said, all of the
13 things that we do, and even when we go on vacation
14 when we do find the time, we're--we're not off. The
15 phone is still ringing. We still have to monitor
16 issues, but it is an amazing job, and I think a lot
17 of people would love to be here to be able to serve.
18 So I think that by pushing for all the reforms that
19 we have put together, and by working together with
20 you, we will finally make this body the recognition
21 that it deserves. So I thank you for your good work.
22 Thank you, Chair.

23 CHAIRPERSON KALLOS: Thank you, Council
24 Member Chin. Council Member Williams, Garodnick,
25 Greenfield and Dickens.

2 COUNCIL MEMBER WILLIAMS: Thank you very
3 much, Mr. Chair. Thank you for your testimony. I
4 also realize in discussing raises for elected
5 officials, there is no amount of facts that's going
6 to go against most people's emotion that the--we are
7 not doing real jobs. We almost quality as human
8 beings [laughter] for most of the time. So I don't
9 want to push too much on it, but I did. Just there
10 are a few things that have been said that I don't
11 think are actually correct. And so I'm referring to
12 the media comparing it to other uniformed services
13 and the raises they get. They were comparing 1%
14 raises above contract. I just wanted to clarify that
15 the--I think uniformed services deserve all the
16 raises that they get, but they also have a step
17 system where some of them may be hired today and in
18 five years their--their salary can double, almost
19 double. And so that 1% over contract, one over the
20 other, is not the best comparison. I believe we
21 still are fiscally prudent even with the raises that
22 are here. It's about--it's just over--under \$1.5
23 million, which is not a huge amount when in
24 comparison--comparing people's contracts that--the
25 impact it usually has. And I just want to see if you

2 can comment on some those things because I've heard a
3 lot of them in comparison to what we're doing. I
4 don't often think it's apples to apples. And then I
5 have a few questions after that that probably will go
6 to the second round. But the one other question had
7 to do with disclosures. I wanted to know--I don't
8 mind disclosures, but in the vain of treating all
9 equal, why us as opposed to also commissioners or
10 other people who have high rank in the running of the
11 government?

12 FRITZ SCHWARZ: How, do we--do we--I
13 don't know what your rules are. When you're meant to
14 answer or not answer.

15 CHAIRPERSON KALLOS: Sure. As soon as
16 the Council Members are done with their questions,
17 please answer and you have minute and seven seconds.

18 FRITZ SCHWARZ: Okay, so--

19 COUNCIL MEMBER WILLIAMS: [interposing]
20 It's filled with two questions there.

21 FRITZ SCHWARZ: The clock is to cover the
22 question and the answer, yes?

23 CHAIRPERSON KALLOS: That's correct.

24 COUNCIL MEMBER WILLIAMS: It's not every
25 fair, but we--

2 FRITZ SCHWARZ: So--Paul, you might want
3 to answer the first part of his question about we
4 took into account on--on pay and so forth. I--I--I
5 think the, um, it's good that city officials in
6 general do well on pensions and the--and the--the
7 pension income for government officials in New York
8 and the other like healthcare income for government
9 officials in New York is better than most of the rest
10 of the country. And, in fact, better in percentage
11 terms than private employers are today. Whoever it
12 was that mentioned that it's now when--if term limits
13 come back in it's going to be hard for a Council
14 person only in office for eight years to get into the
15 pension system. I think that's an important point
16 that future [bell] Quadrennial Commissions should
17 consider and, you know, maybe there'll be some sense
18 return to the issue of term limits for Council.
19 While which this is a personal untutored opinion, two
20 terms is good for executives. I personally do not
21 believe it's good for legislators. Paul, did you
22 have any--

23 PAUL QUINTERO: [off mic] I think the
24 time is up, right?

25 CHAIRPERSON KALLOS: Yes.

2 COUNCIL MEMBER WILLIAMS: Wait, he can't--
3 he can't respond to my question?

4 COUNCIL MEMBER LANDER: [off mic] He can't
5 respond.

6 COUNCIL MEMBER WILLIAMS: Yeah?

7 CHAIRPERSON KALLOS: If you can take 30
8 seconds.

9 PAUL QUINTERO: Just 30 seconds to add
10 on. (sic) Well, on the question of comps, I agree.
11 I--I think it's really important that everybody
12 understand that we spend a lot of time comparing
13 everything under the sun and--and it's very, very
14 difficult to compare this role and this job. So, to
15 anyone that is using very simplistic notions of pay
16 raises, of uniformed officers for all the pension
17 points that we raised. I mean uniformed officers in
18 this city earn 150% of salary, but they have a lower
19 salary. So there's so many apples and oranges out
20 there. I--I--I would--I would caution anyone making
21 those kinds of simplistic assertions, and--and I'm--I
22 would echo what you're saying. So it's very
23 difficult. It's not an easy task, and there are few
24 comparables to what we're doing here.

2 COUNCIL MEMBER WILLIAMS: Thank you. The
3 disclosure forms.

4 PAUL QUINTERO: Well, you know, I don't
5 have anything I can add on the disclosure form other
6 than because of the--because we were asked to look at
7 elected only, the natural focus was on the elected
8 roles. We did not consider opening it beyond
9 electeds to appointed commissioners only because of
10 the scope of our focus. But that's not to say that's
11 not a good idea.

12 CHAIRPERSON KALLOS: Thank you. On to
13 Council Member Garodnick, Greenfield, Dickens. If
14 you have not already asked questions, please submit
15 for first round. On second round we have Barron,
16 Levin and Rodriguez.

17 COUNCIL MEMBER GARODNICK: Thank you very
18 much and thank you to the panel for your work. We
19 know that this obviously a tough job that--that you
20 had here. I have one question, and it's about the
21 way we have devised our rule on the subject of
22 outside income because as proposed, the rule says
23 that members of the Council may not receive outside
24 income with the exception of a few different
25 possibilities. It could include investment income,

2 pension or retirement accounts, copyright royalties,
3 speaking engagement if there's prior from the
4 Conflict of Interest Board, et cetera. My question
5 for you is this: Some have suggested that--that we
6 should be taking a different route here, and rather
7 than defining the specific ban you can't receive
8 income, except this category, this category that
9 instead we should do a cap. A cap on the outside
10 income as percentage of the overall salary, which
11 would allow law practices and things like that. Can
12 you--do you have any view on the subject? Would you
13 be willing to--to guide the committee in any way on
14 that?

15 FRITZ SCHWARZ: Well, yes, I can start on
16 it. First, it's good to have the City Council in the
17 same--handled the same way as the rest of all elected
18 officials. And the rest of all elected officials
19 since 1937 have been under a limitation, which then
20 is construed by the corporation counsel and the
21 Conflicts of Interest Board that's a limitation on
22 doing it. It's a blank. It's a complete limitation
23 with minor exceptions for things like teaching. And
24 I---I don't see why the Council would want to or
25 should be treated differently. And secondly, it is a

1 full-time job, and if you do something like you could
2 make X thousand dollars, that undermines that--it
3 being actually a full-time job, which all of you know
4 it, in fact, is. So that--that would--and then Jill,
5 do you any--

7 JILL BRIGHT: [interposing] Yeah, I--

8 FRITZ SCHWARZ: --any other answer on
9 that?

10 JILL BRIGHT: I would just add that a
11 percentage cap doesn't take into consideration the
12 actual nature of the work. So, in fact, you could
13 have passive income where you weren't--your role as a
14 full-time Council Member wasn't impact, but yet could
15 be an Uber part-time drive. They used an example,
16 which could be a lower amount, which would--so a cab
17 didn't feel to us to be the appropriate benchmark to
18 use, but rather we thought as--as I think you've all
19 said the job is full time. And so we think it has
20 been full time. It was indicated in the 2006
21 Commission that it was, and we feel that that should
22 be supported.

23 FRITZ SCHWARZ: If I could just add in
24 ten seconds a little thing for history. When in 1937
25 the jobs were made full time, what happened to the

2 pay of the elected officials. It was interesting.
3 The Mayor's pay was cut from \$40,000 to \$25,000.
4 Now, I do not put that forward as relevant, but it's
5 interesting and it was because the prior raise had
6 been like a week before the great crash. So they
7 drove the salaries down to what they'd been in 1929.
8 I'm not suggesting that for you guys.

9 CHAIRPERSON LANDER: If--if there is a
10 recession or depression now, though, people are going
11 to blame you for having predicted that.

12 FRITZ SCHWARZ: I don't see the logic.
13 [laughs]

14 CHAIRPERSON LANDER: I just want to
15 follow up on one element of the Council Member's
16 question here. He--he referenced specially the
17 practice of law, and the question--and this is a
18 conver--you know, I've heard you speak about that
19 particular issues, which obviously is something that
20 legislators in some other places have--have done.
21 And I just want to give you the opportunity to put
22 the record--

23 FRITZ SCHWARZ: [interposing] Yeah, I

24 CHAIRPERSON LANDER: --the things that
25 you spoke to me about that.

2 FRITZ SCHWARZ: --I'm a--I'm a lawyer,
3 and I've been a lawyer in private practice and in
4 government my whole life and in the non-profit
5 sector. I think law is probably the most dangerous
6 outside employment for several reasons. One, the
7 kind of problems that arose--have arisen in Albany,
8 but beyond that if you're a lawyer and you take on a
9 particular client. And if they have a problem and
10 the clients says it's a problem and you kind of think
11 it is. But it turns out to be a highly complex
12 problem, you can't say to your client, Oh, I have a
13 quota of only X amount of work. You--you're
14 obligated to represent that person and do the amount
15 of work that's necessary to carry out that
16 obligation. So I personally think that law--and
17 despite you having had some extremely wonderful
18 lawyers who continued to practice, I think law is
19 most--the one you particularly should note exempt
20 from the rule.

21 CHAIRPERSON KALLOS: Thank you. Council
22 Member Greenfield followed by Dickens to conclude the
23 first round.

24 COUNCIL MEMBER GREENFIELD: I just want
25 to clarify for the record, Chairman, are you

1 suggesting we should lower the Mayor's salary? Is
2 that what you said? I wasn't clear on that one.

3
4 FRITZ SCHWARZ: [laughs] No, I was--that
5 was done in 1937.

6 COUNCIL MEMBER GREENFIELD: Oh, okay, I
7 just wanted to make sure.

8 FRITZ SCHWARZ: [interposing] So, it's
9 not suggesting.

10 COUNCIL MEMBER GREENFIELD: The record
11 reflected that particular issue. Council Member
12 Garodnick actually addressed the question that I--I
13 did want to address. I want to expound on it a
14 little bit. I--I do--I do actually share similar
15 concerns that were raised. My concern is in
16 reference to what you discussed as, you know, the
17 doctor who wants to be in practice or whether it's t
18 he pharmacist of the accountant or even the lawyer.
19 In full disclosure, I gave up my practice law, paid
20 practice of law several months ago. I still have
21 some pro bono clients, and I'm now happily teaching
22 instead. But I am concerned about what the limited
23 nature of the terms where it's only eight years, that
24 it's made to sway professionals whether they be
25 accountants for lawyers or doctors from going into a

2 practice--a particular area of government that is
3 intended to be limited. And I'm curious about what
4 you think about that. I also wanted us to expound on
5 what was proposed--the--the 15% cap, to expound on
6 that. Would you also be supportive, or what are you
7 thoughts on capping those seven items as well, which
8 has been suggested, right? Because right now those
9 seven items, such as someone who is writing a book or
10 giving a speech or acting is unlimited. Would--would
11 you be in favor of capping that at 15% as well? So
12 those are my two questions.

13 FRITZ SCHWARZ: Um, I--I would--I don't
14 think one needs now to get to the level of detail
15 that you had in that last part of your question. On
16 being a professional, and the deciding to be a public
17 official, you don't lose--you if you want back to
18 practicing law full time, you will not have lost your
19 skills. I mean yeah, yeah, you've got to read a
20 couple of new cases, but it's like riding a bicycle.
21 If you have those skills, you don't lose them.

22 COUNCIL MEMBER GREENFIELD: Doctor,
23 accountant, pharmacist, I'm not just referring to
24 attorneys.

2 FRITZ SCHWARZ: Well, you know, there's--
3 I think you have a pharmacist, and I don't know
4 whether that income is passive income in which case
5 it would not be covered. You know, like Mayor
6 Bloomberg continued to receive income from his
7 holdings or from the business that he--

8 COUNCIL MEMBER GREENFIELD: [interposing]
9 He did pretty well I hear.

10 FRITZ SCHWARZ: Yeah, and--and you--
11 you're not--nobody is barred from having passive
12 income and, you know, let's think of some presidents.
13 George Washington and Dwight Eisenhower were great
14 generals. Barack Obama was a community organizer and
15 a constitutional law professor. May Bloomberg was a
16 businessman. They don't lose those skills when they
17 come into government. [bell] It's just they don't
18 carry on those skills while--for the period they're
19 in government.

20 COUNCIL MEMBER GREENFIELD: So you're
21 saying the congressional model, which currently caps
22 at a 15%, you'd be opposed to that?

23 FRITZ SCHWARZ: Well, I--I--I think it's
24 better to have the ban instead of the--instead of
25 having the percentage.

2 COUNCIL MEMBER GREENFIELD: And--and on
3 the flip side of the 15% on those other criteria
4 anybody want to weight in on that, whether that
5 should be capped or not?

6 CHAIRPERSON KALLOS: David, if you can
7 wait until second round on that.

8 COUNCIL MEMBER GREENFIELD: Sure.

9 CHAIRPERSON KALLOS: Thank you. We're
10 now on the--Sorry, we have Council Member Dickens
11 last on her side. (sic)

12 COUNCIL MEMBER DICKENS: Thank you so
13 much Chair and good morning, Commissioner, and thank
14 you for the work that you've done. I, too, am very
15 proud to serve in this--this body, which is the
16 people's house. I have two questions. Council
17 Member Garodnick did ask part of it, which was on the
18 outside income. I'd like the definition of passive
19 income as you define it. That's one. The second
20 thing is I was reading over your recommendations on
21 the mandated duties and responsibilities, and you--
22 you articulated them quite well about that we're
23 supposed to respond to crises, and uplift the spirit
24 of the City of New York, et cetera. Have you taken
25 into consideration the fact that the City Council

2 Members unlike maybe the Mayor, the Controller, the
3 Public Advocate and the District Attorney, we're on
4 the street and, therefore, we get people who come
5 into our offices where the children have been
6 murdered, and they have no insurance. And we write
7 checks to help with burying them. That we get people
8 that--families that come in and we give them money
9 out of our pockets in order for them to eat. I can
10 personally give account of how often I have had to
11 write checks not because I was forced to, but because
12 as a public servant I felt I should. And I don't
13 feel that I should be penalized on my salary because
14 the last time I looked we still pay the same rent
15 because, of course, if we took a rent reduction, COIB
16 would give us a penalty. So we pay--have the same
17 high cost of living as our constituents do. We still
18 go to school to get a degree and we don't get a
19 reduction in paying any of our bills, and I don't
20 think we should be penalized because we choose to be
21 a public servant. That we should say we should not
22 be compensated fairly and responsibly, and yet we
23 turn around and fight for our constituents to be
24 fairly compensated, and paid for the services they
25 render in their employment. And so those are my two

2 questions. One is about did you consider the things
3 that we pay out of pocket every day for--for our
4 constituents as part of your mandated duties and
5 responsibilities? And considering how much increase,
6 and about the definition of passive income? Thank
7 you.

8 FRITZ SCHWARZ: Passive income is things
9 where you--you don't have to work in order to get the
10 income, and it would be royalties from a book you'd
11 previously written. It would income from
12 investments. It would be income from renting an
13 apartment. It would be [bell] income from running as
14 small business where it's--you're not doing the work,
15 but you're entitled to the income, and that's not
16 effective. On the generosity that you have, that's
17 admirable. The--the--and the fact that part of a
18 City Council person's job is working with
19 constituents is definitely true, I mean that isn't--
20 the other officers do it, too, but you--you guys have
21 the smallest number of constituents, and you're
22 closest to them. And, therefore, you are likely to
23 do a great deal of constituent work. It's part of
24 the job, and it's a good thing you're doing it.

2 CHAIRPERSON KALLOS: Thank you. We're
3 now up to the second round. Just a key item for
4 council members, if you wish to get the answers to
5 your questions, please give time for the respondents.
6 Spending two and a half to three minutes asking your
7 question does not leave adequate time, and isn't fair
8 to everybody else, and I'm doing my best to be fair
9 to everyone. Just in following up I think on what
10 Council Member Dickens has brought up, in your--
11 looking at the information--and you can throw the
12 clock on me, too--did you come across any testimony
13 from Gale Brewer or otherwise where you found that
14 while the Mayor or the Public Advocate or the
15 District Attorney or other offices actually had hours
16 of operations. To reflect things that Council Member
17 Rodriguez and others have said, that council members
18 don't ever actually get to be off the clock. On
19 Christmas Eve if you're closing your office at 5:00
20 p.m. and somebody comes and says I'm being evicted,
21 you are there until they are no longer being evicted.
22 And Christmas Even dinner may--may not happen, and
23 similarly for other holidays.

24 FRITZ SCHWARZ: Well, um, I don't think
25 any of us should say the other elected officials

1 don't work hard. I mean they do, and when I was
2 corporation counsel I know the Mayor worked all day
3 and all weekend and in the evenings. So, you guys
4 work a hell of a lot, but I don't think it's fair to
5 say the other people don't--are goofing off. I
6 really don't.
7

8 CHAIRPERSON KALLOS: I don't go to
9 Bermuda on weekends.

10 FRITZ SCHWARZ: [laughs] Yeah, no I--I
11 think--

12 CHAIRPERSON KALLOS: [interposing] It's--
13 it's okay. I'll pass it on. So on second round we
14 have--

15 FRITZ SCHWARZ: [interposing] I remember
16 many meetings on Saturdays and Sundays when I was
17 corporation counsel, and it was very--and I worked,
18 by the way, everyday, and one and three-quarters days
19 of the weekends.

20 CHAIRPERSON KALLOS: Yes. Second round
21 Council Member Barron, Levin, Rodriguez, Williams,
22 Greenfield and Dickens.

23 COUNCIL MEMBER BARRON: Thank you, Mr.
24 Chair. The question that I had asked in the first
25 round was you made mention of the fact that we need

2 to be mindful of the income levels of our
3 constituents, and you said, "We can't influence a
4 CPI." And that's certainly true, but we have
5 staffers who work under us, and again I know this is
6 not within the purview of the Commission, but I just
7 wanted to get your thoughts on the matter. We do
8 have staff that work under us at whatever range of
9 salary they get. And previously, under the previous
10 administration before there were rules changes here
11 under this session there was very little control over
12 equity in terms of staff members getting equal
13 amounts to cover what their staff salaries would be.
14 However, we now have that type of equity going
15 forward, and members get an equal share for operation
16 of their offices divided amongst the members, the
17 staffers that they have. But there's no formula or
18 no mechanism by which those staff persons can expect
19 to receive raises. So my question to you is do you
20 think that there might be some consideration on that
21 linked to salary increases that council members get.

22 FRITZ SCHWARZ: Well, the--the, um--it's
23 not within our bailiwick. You are just--

24 COUNCIL MEMBER BARRON: I just want your
25 thoughts.

FRITZ SCHWARZ: You articulate the point
very well--

COUNCIL MEMBER BARRON: [interposing]
Thank you.

FRITZ SCHWARZ: --and I know Susan Lerner
who is the head of Common Cause in New York who is
going to be testifying later, she did mention to us
in her testimony that she thought staff members for
the City Council were being paid on the low side. SO
you might want to see what facts Susan--

COUNCIL MEMBER BARRON: [interposing]
Okay.

FRITZ SCHWARZ: --has that bear on that
question.

COUNCIL MEMBER BARRON: Thank you.

FRITZ SCHWARZ: All right.

CHAIRPERSON KALLOS: Thank you. Council
Member Levin.

COUNCIL MEMBER LEVIN: Thank you very
much, Mr. Chair. Just following up on--on the point
that we left off at before. With regard to pension,
I think that one thing just that we--we should keep--
keep in mind is that council members that do leave a
profession in order to join the New York City Council

2 at this point moving forward. And we spoke about
3 term limits but there's an eight-year maximum amount
4 of--of time that they can serve her in the Council
5 and a ten-year vesting under Tier 6, which is--I
6 think is where we're at--where we are now. Those are
7 arguably the most productive years that they're going
8 to have, or among the most productive that they--they
9 can have as--as working individuals. And, if they go
10 back I mean at that point if they're not staying in
11 governmental or city government or state government
12 then they're--they're going to go back to that--that
13 profession. And the--the eight years that they
14 served are not going to be pensionable, and--and
15 that's a--there'--there's a-- I mean, they could do
16 a--a 401K or something along those lines. But it
17 does--it does impact their retirement for arguably
18 among the most lucrative working years that they may
19 have.

20 FRITZ SCHWARZ: Well, it's--it's--it--in
21 the first place, it isn't our bailiwick, but just
22 hearing the common sense of what you were saying, I
23 think it's a subject that ought to be focused on. I
24 you're--if you're going to stuck with eight-year term
25 limits, and people can't develop something toward a

1 pension during that period, that's an issue that
2 should be focused on. Jill, you work on human rights
3 issues, among many other things. [bell] So what--

4 JILL BRIGHT: Well, I--there--there are
5 many companies in the private sector that have, you
6 know, concluded pension programs. So it's not like
7 they're aren't many New Yorkers who are without
8 pension earnings, and they develop either a 401K or
9 other means to, you know.

10 COUNCIL MEMBER LEVIN: Right, but--but
11 pensions are one of the hallmarks of public sector
12 work, right? And that's something that we obviously
13 fight to keep for--for all public service sector
14 work.

15 FRITZ SCHWARZ: Well, they are and--and--

16 CHAIRPERSON KALLOS: [interposing] Thank
17 you Council Member Levin.

18 FRITZ SCHWARZ: --New York City I think
19 is particularly generous, and that's a good thing.

20 CHAIRPERSON KALLOS: [interposing] If we
21 can conclude?

22 COUNCIL MEMBER LEVIN: [interposing] But
23 not if you can't get the pension.
24
25

2 CHAIRPERSON KALLOS: If we can move onto-
3 -

4 COUNCIL MEMBER LEVIN: I'm doing my best.
5 So anyway thank you very much to this commission for
6 your--for your diligent and thoughtful work. Thank
7 you.

8 CHAIRPERSON KALLOS: Thank you. Council
9 Member Rodriguez, Williams, Greenfield and Dickens.

10 COUNCIL MEMBER RODRIGUEZ: Thanks.

11 [background comments]

12 COUNCIL MEMBER RODRIGUEZ: Thank you.
13 Can we agree that the Commission recognized that the-
14 -that the council members work even more than full
15 time?

16 FRITZ SCHWARZ: It's hard to define more
17 than 100%, but I think you guys are working extremely
18 hard.

19 COUNCIL MEMBER RODRIGUEZ: But I really
20 thought that before you guys said we do recognize
21 that most council members work when it comes to
22 hours, when we quantify the hours that our job
23 requires and what we do, that we do put in more hours
24 that--for the definition of full time.

25

2 PAUL QUINTERO: I--I--I guess I want to
3 clarify something.

4 COUNCIL MEMBER RODRIGUEZ: And if you can
5 in ten seconds because I have some--I'm going for my
6 second round.

7 PAUL QUINTERO: Yep, one we never
8 received timesheets so I can't answer the specific
9 question you had, but--but in general it was our
10 impression based on prior commissions and just the
11 testimony from--we had citizen groups or individuals
12 testify that absolutely you are working you know,
13 long period of time and--and for that reason--

14 COUNCIL MEMBER RODRIGUEZ: [interposing]
15 Okay--

16 PAUL QUINTERO: --we were pushing for
17 full time.

18 COUNCIL MEMBER RODRIGUEZ: And--and is
19 that--I know that my--the Chairman was coming off
20 after about two minutes. So I believe it is
21 important. First of all you did a great job, and you
22 put clear recommendations. It is very important for
23 us and for the city. You know, many times the
24 perception that many New Yorkers and many people to
25 pose of the Council is completely different than what

2 we do. In the last two years we have passed an
3 average of 100 legislations here. And those are
4 legislations that have an impact in the lives of all
5 New Yorkers. And we are the ones what are convening
6 those hearings, listening to thousands of New Yorkers
7 that come to--and testify on those hearings. So I
8 think that there is no doubt that we have been doing
9 a great job. Second, we are not complaining about
10 working hard. You know, this is what we learned,
11 this is what we love. What we are putting is all the
12 cards on the table [bell] saying we working more than
13 full time, and I don't know. My last question is
14 what do you define as part time and as full time, and
15 how you cannot come up with a conclusion since you
16 have access to all data--

17 CHAIRPERSON KALLOS: [interposing]
18 Council Member--

19 COUNCIL MEMBER RODRIGUEZ: --saying point
20 blank.

21 CHAIRPERSON KALLOS: Council Member
22 Rodriguez, thank you.

23 COUNCIL MEMBER RODRIGUEZ: Do we stay
24 more than full time or do we stay as a part time?

25

2 CHAIRPERSON KALLOS: So, Council Member,
3 you used your time to give a statement instead of a
4 question. We--we can do a third round if necessary,
5 but we're going to move to the next person with--as
6 we've been doing with the other members. I'm sorry.
7 I'd like to now asking the Speaker.

8 SPEAKER MARK-VIVERITO: I think--well, my
9 question--my--and I apologize. I had a meeting that
10 we started a little later than expected so--but I
11 know that the question that I had specifically with
12 regards to explaining the rationale, and looking at
13 the 2006 reports, and what their justification was
14 for increasing the salary. I know you had indicated
15 in your testimony that you felt that the outside
16 income was already taken into account, and analysis
17 and our looking at it kind of figures that we read
18 that a little differently than the way you did. And
19 also just explaining another, the--the members have
20 done that. So I didn't want to dwell too much into
21 that. And I know that--that I'm getting a lot of
22 good questions from my colleagues. So I appreciate
23 the responses, and again, I appreciate the
24 deliberation with which you tended to your--to your
25 duties. And, appreciate very much the report and the

2 recommendations that were provided. I'm really
3 excited. As had been indicated, I'm proud of the
4 work that we do. I'm proud of the additional reforms
5 that even went beyond some of the recommendations. I
6 think that we're a much better body for doing that.
7 So thank you, Mr. Chair.

8 CHAIRPERSON KALLOS: Thank you. Our last
9 three on second round are Williams, Greenfield,
10 Dickens, and just a reminder, please ask your
11 questions upfront so you have enough time to get the
12 answers.

13 COUNCIL MEMBER WILLIAMS: I have two
14 questions. I'll try to get them in and hopefully
15 they can answer them. If not, in the third round.
16 One, on the outside income I--I just want to make
17 sure that there was deliberation about people who
18 were coming after us because I also thought about
19 that. And the people who were coming after us that
20 we may not have had an exhaustive list. Did you
21 think about that, and was there any dollar value?
22 And now that there are term limits particularly for
23 those who have eight years, will not vest. They may
24 actually want to get a head start in some of the
25 things that are going forward. And so, I want to

2 know if that was also in deliberation, and was there
3 any comparison given? If you take out--like I said
4 before, you can--if we compare ourselves to the
5 general population, I under the--there will be a
6 pushback. But if you carve out the management of the
7 City Commission or the Deputy Commissioner's staff
8 that runs the city. There's quite a few of them that
9 make a lot more than council members. Did you take,
10 like carve that world out, and make sure that the
11 salary that we're getting are in comparison with
12 other folks who are running the city and the
13 management of it?

14 FRITZ SCHWARZ: So, on--on did we think
15 about people coming afterwards, I think in my
16 testimony today I said that was an area where I think
17 your desire to do something little bump has more
18 force than it does for people currently in office.
19 So I think that is a point that we probably didn't
20 give quite the attention it deserved. On term limits
21 what--let's see--

22 PAUL QUINTERO: In your vesting--the
23 vesting of the pension?

24 FRITZ SCHWARZ: That's the--that's the
25 same point of about pensions, and I--I think that is

2 a point that should be discussed. I don't think it's
3 part of what's now being done by you, and on other
4 officials, they--they deserve raises. We gave you
5 slightly more than everybody except [bell] the Mayor,
6 and the Controller got a 1% bump, but you and the
7 Mayor got 3% bumps.

8 COUNCIL MEMBER WILLIAMS: Thank you. I
9 hope we--we do the third round, and my question is
10 actually now for other electeds, for other people who
11 run the government like commissioners, assistant
12 commissions, and their staffs.

13 CHAIRPERSON KALLOS: Well, you leave the
14 first round.

15 SPEAKER MARK-VIVERITO: I--I will try to
16 follow up, and I actually was going to clarify
17 because I figured that's what the--whether or not
18 you're looking at your comparisons, did you look? We
19 understand that you looked at Los Angeles, Houston,
20 and other municipalities in other cities, but whether
21 or not you looked at other government within the City
22 of New York looking at comparing our salaries
23 compared to commissioners, deputy commissioners and
24 all the management level jobs within the City of New
25 York?

2 FRITZ SCHWARZ: Yeah, we--we-first we
3 obviously we--we did look at all the elected
4 officials, and did an analysis of how salaries have
5 changed through time, and that's where the City
6 Council has done--been given much larger raises than
7 the other offices over time. On the staff people,
8 we--we--when you were not here, we talked a little
9 bit about that compression issue where sometimes
10 staff people get more than their bosses. But that's
11 not quite what you were talking about that staff
12 people get more than their bosses, and that's
13 something that does exist in all of society. It's
14 not wrong. The--it is a reason why it is wrong for
15 mayors not to appoint quadrennial commissions so that
16 people have to wait nine or more years for raises.
17 And that tends to exacerbate the problem you're
18 talking about. We didn't try to adjust any
19 particular offices' salaries because of what staff
20 people might have been paid in another office. But
21 the--staff, you know, let's--let's take the Mayor's
22 Office, which is now at \$225,000 and you're \$112,500,
23 the--the fact he--the office, and it's the office and
24 not the individual. That office is at a higher
25

2 level, makes it not surprising that some staff people
3 in that office maybe at a relatively high level.

4 SPEAKER MARK-VIVERITO: Right, but we're
5 also talking about across agencies looking at
6 commissioner level positions, deputy commissioner,
7 whether or not there was kind of an analysis to
8 compare where council member salaries fall along that
9 spectrum of employment within city government. I
10 think that that might be also something that could
11 have been looked at, that wasn't really compared.

12 And I think that that was something kind of just was
13 a little bit glaring in the report. I think we're--

14 FRITZ SCHWARZ: Well, we--

15 SPEAKER MARK-VIVERITO: --getting that.

16 FRITZ SCHWARZ: --we do know that is
17 true. We did not factor it into our analysis.

18 SPEAKER MARK-VIVERITO: Right, and then
19 just to--to just reiterate, I know it's been said,
20 but I think I want to just reinforce it that in your
21 testimony you had said in page 5 that today are very
22 few, probably four or fewer current council members
23 who would be impacted by the new full-time rule. And
24 I think that that's not a fair assumption. You know,
25 you're making an assumption there. Right now as it

1 stands, this obviously goes into effect immediately.
2
3 As it stands, every single council member now has the
4 ability until the end of their term at 2017 to
5 exercise in sort of outside income if they chose to.
6 So, that's still is available to council members.
7 Even though they may not be availing themselves to
8 that now, they still have that. So giving that up
9 right now as it stands, I think it is--it is an
10 adverse impact, and I think that that should not be
11 overlooked as well in terms of what we're doing. And
12 the importance of what we're doing as well because it
13 does impact those currently in office. And I think
14 that that's something that we wanted to--I wanted to
15 at least reinforce. And with that, I'll give it back
16 to the chair. Thank you.

17 CHAIRPERSON KALLOS: Council Member
18 Greenfield followed by Council Member Dickens on the
19 second round.

20 COUNCIL MEMBER GREENFIELD: Thank you
21 very much. I--I do actually just want to concur with
22 a couple of things that were already said, just
23 reiterate the Speaker's point, which I think Council
24 Members was making as well. Under the current rules
25 it wouldn't be--it wouldn't be unreasonable for a

1 council member who is in his last year of office, for
2 example, to decide that he wants to open up a
3 restaurant, right. And so that's--that's just a
4 practical example of someone is giving up the ability
5 to make up some outside income. And I think that's
6 certainly a fair point in terms of the conversations
7 that we're having. I do want to say that I agree
8 with Council Member Barron. Don't worry. Not with
9 everything, just on one particular point that she--
10 that she was making, which has to do with the
11 salaries of our staff. And I will join her in
12 advocating that I think we should raise the salary of
13 our staffers to a higher level, and think you're
14 absolutely right about that. I--I--I did want to get
15 back, though, to a question that--that I asked before
16 and I was timed out, and so we're dealing with the--
17 the two sides of the 15% coin, right. Which was on
18 the one hand allow professionals, lawyers, doctors,
19 accountants, pharmacists, et cetera to make up to 15%
20 as good government groups have recommended. And, you
21 said that you disagree with that, but there was the
22 other side of the coin that I want to discuss, which
23 is the still permissible forms of income. So, for
24 example, I--I teach a class at law school. To be
25

2 perfectly frank it's two hours a week, but I spend
3 around four hours a week preparing for that class.
4 For the record, I don't get paid, but that's six
5 hours a week that I engage in teaching a class. And
6 hypothetically, you know, under the rules, you could
7 teach ten classes, or you could get a million dollar
8 advance for a book. Or, you could be an actor and
9 make a million dollars a year. So on the flip side
10 of that 15% question, would you suggest that we
11 should cap that portion of it as well?

12 FRITZ SCHWARZ: Well, on your first
13 question, which others have mentioned, we do not
14 favor the percentage approach, and I think the first
15 and most important reason is that every other elected
16 officials is--does not have that option. They are
17 subject to the ban, and I don't know why the Council
18 would say [bell] well we want to differentiate
19 ourselves. On the merits I think it's a--a ban with
20 the limited exceptions is better. They're limited
21 interpretations is a better word than exceptions, and
22 then you're--I'm not sure what your second question
23 is?

24

25

2 COUNCIL MEMBER GREENFIELD: I think the
3 second one was about capping time for outside
4 activities and it--and it--

5 FRITZ SCHWARZ: [interposing] Yeah, but
6 that's the same--that's the same issue that that's--
7 that's something, which is not the rule for other
8 elected officials. And so I don't think the Council
9 ought to end the-- The 1937 Charter differentiated
10 the Council for reasons were--which were that the
11 Council didn't have at that point a very important
12 job, and therefore they--even though they legally had
13 some rights, but they were not regarded as an
14 important institution in the city. And you--you are
15 now an important institution, and you should be
16 treated on this subject the same way as every other
17 elected official is.

18 CHAIRPERSON KALLOS: Thank you.

19 COUNCIL MEMBER GREENFIELD: I'm going to
20 be short and tell my wife that. So thank you very
21 much for that endorsement. [laughter]

22 CHAIRPERSON KALLOS: Thank you. The
23 final questioner on the second round Council Member
24 Dickens.

2 COUNCIL MEMBER DICKENS: Thank you so
3 much Chair, and--and Chair Schwarz, I--I just started
4 out, and the last time I spoke talking about the
5 great work that this commission has done, and it was
6 difficult, and it was hard. I know it took long
7 hours, and--and a lot of people were weighing in on
8 their thoughts. However, I do want to clarify
9 something that you said in response to my question
10 about the daily on-the-street work that City Council
11 members do everyday--and--and saying and comparing it
12 to the Office of the District Attorney, Public
13 Advocate, Mayor, Controller and maybe even the
14 Borough Presidents' Office as goofing off. That is
15 not what I was referring to that their offices were
16 goofing off. I was referring to the actual work, and
17 the extra money that we do put in for our districts
18 and constituencies and--and we don't consider it as--
19 as generosity. We consider it as something we--we
20 feel we have to do to help the families. So I just
21 wanted to clarify that that it's--and object really
22 to goofing off, and I quote you.

23 FRITZ SCHWARZ: The--the--if I used that
24 word to describe your testimony, I don't--I shouldn't
25 have used it. But it is--it is not the case that

2 other offices do not work extremely hard. They--they
3 do and you work extremely hard, and in a way some of
4 what's happening here is trying to put the Council
5 and the rest of the city in the same--in the same
6 package as far as outside income goes.

7 COUNCIL MEMBER DICKENS: Well, thank you
8 and I do agree that--that all of the offices work
9 extremely hard, but we're on the street everyday.
10 Everyday we go into our districts. We live in our
11 districts that we serve, and we--we--we work in our
12 districts [bell] and that's what I meant. Thank you.

13 CHAIRPERSON KALLOS: Thank you Council
14 Member Dickens. For our third and final round, our
15 sole member is Council Member Williams.

16 COUNCIL MEMBER WILLIAMS: Tank you very
17 much. I just want to put on the record also for--for
18 people who will be listening to this in the future
19 making decisions. My hope is that when they're
20 thinking about the outside income, they are really
21 thinking about the impact on the job, administer the
22 job. The Uber thing is a great example if somebody
23 wants to from 11:00 p.m. to 2:00 a.m. drive an Uber,
24 I'm not sure that that has an impact on the work that
25 they're doing. So I this is a kind of blurry line,

2 but I wanted to put on the record my hope is that
3 people--that the people making the decisions will
4 fully think about that. I also wanted to be on the
5 record I believe our staffs definitely need raises,
6 and just so they know they are--many of us that are
7 pushing for that all the time. I did want to note
8 that there was a particular reason. I know that
9 we're elected and they're not. You did mention that
10 you did not consider stuff like the commissioners,
11 deputy commissioners and assistant commissioners.
12 Was there any other reason besides one is elected and
13 one isn't that you didn't look at that the particular
14 thing discussing the--the work product that City
15 Council now has to produce?

16 FRITZ SCHWARZ: Yeah. Well, I--I don't
17 think I can do better on that last question than I
18 did before. I mean, the--they are--some
19 commissioners are--are paid a lot more than other--
20 than offices. And it is not surprising that people
21 who work for the Controller or the Mayor whose salary
22 is much higher are getting larger money. And the--
23 again, the problem of staff people getting higher pay
24 is exacerbated by the Mayor's failure to appoint
25 commissions because staff people can have raises sort

2 of on a more regular basis. And the way the system
3 works elected officials don't get raises unless there
4 is a commission.

5 COUNCIL MEMBER WILLIAMS: Just on that
6 point, that may make sense on the commissioner level
7 [bell]. I'm not sure if it makes sense on the deputy
8 and assistant commissioner level.

9 PAUL QUINTERO: Can I just quickly
10 comment. I know the second went up, but we--we did
11 look at some of the categories. So for borough
12 presidents for example we have the deputy borough
13 presidents in the salaries. I think what's important
14 is don't forget that we had to look at the role of
15 each position, and the managerial roles that
16 commissions represents, and the number of direct
17 reports they have. And the staffing size and the
18 budget sizes are--are very different than--than the
19 elected roles and so I--I think it's also a matter
20 of, you know, in two and half months focusing on
21 electeds and their budgets, and their--their direct
22 staffing there's a--there's a certain level of
23 analysis you can get to. As--as we push down into
24 commissioner and mid-level management it's--it's a--

2 it takes you down another path. It may or may not
3 address the issues at the elected level and so--

4 COUNCIL MEMBER WILLIAMS: [interposing]

5 Sure. Thank you. I--I, um, I just--my--basically
6 this is--I think this is a reasonable place that we
7 got to. I want the public to understand that, but
8 just to your point. I know we're out of time. I'll
9 come back. Again, some of that makes sense the
10 higher up you go. It may not make sense when you got
11 assistant commissioner level that the salaries are--
12 are such higher than council members. But thank you
13 very much again. There's no logic that's going to
14 push back against the emotion of giving the machines
15 of elected officials raises. Thank you.

16 CHAIRPERSON LANDER: And so, we again
17 want to thank you both for the work that you did
18 preparing the report without compensation, we'll--
19 we'll note, but also for coming here today accepting
20 our invitation, answering questions and having such a
21 thoughtful dialogue. I know you also invited us to
22 come before you, and I--you know, I certainly heard
23 from, some members and good government groups that
24 you and they wish that we had done that. And I just
25 want to acknowledge that the value of public dialogue

1 and conversation about these issues is real and
2 important. I think the point that you--you made to
3 invite us was a good one. I--I think in the future,
4 your--your points are well taken, but here I really
5 think that by coming and engaging with us, and
6 answering all these questions, pointing out the areas
7 where we agree and disagree. You've done a real
8 service, and we want to say thank you for that, and
9 thank you for being here this morning.

11 FRITZ SCHWARZ: Thank you all. Thank
12 you.

13 CHAIRPERSON KALLOS: Thank you. As we
14 excuse our first panel, we have four more panels.
15 The next panel will be the Conflicts of Interest
16 Board. Julia Davis followed by our good government
17 group Citizens Union and Common Cause, followed by
18 testimony from former council member and staffer as
19 well as members of the public. Thank you all for
20 bearing with us, and staying for the whole time. I'm
21 hoping as many council members as can will remain.
22 And when--Ms. Davis, when you are ready, we will
23 swear you in.

24 [background comments and noise, pause]

25

2 CHAIRPERSON KALLOS: Okay, if all of you
3 could please in order just state your names. Turn
4 your mics on.

5 JULIA DAVIS: My name is Julia Davis.

6 JOANNE GIURA-ELSE: Joanne Giura-Else:

7 CHAIRPERSON KALLOS: Make sure the red
8 light is on.

9 JULIA DAVIS: Now it's on. Julia Davis.

10 CHAIRPERSON KALLOS: Would you state your
11 name for the record?

12 JOANNE GIURA-ELSE: Joanne Giura-Else.

13 WAYNE HAWLEY: I'm Wayne Hawley.

14 ALEX KIPP: And I'm Alex Kipp.

15 CHAIRPERSON KALLOS: If you could raise
16 your hand. Do you affirm to tell the truth, the
17 whole truth, and nothing but the truth in your
18 testimony before the committee, and to respond
19 honestly to Council Member questions.

20 PANEL MEMBERS: I do.

21 CHAIRPERSON KALLOS: Thank you very much.
22 Please present your testimony.

23 JULIA DAVIS: Good morning. My name is
24 Julia Davis. I am the Director of Annual Disclosure
25 and Special Counsel for the New York City Conflicts

2 of Interest Board. Accompanying me is board's acting
3 Executive Director Wayne Hawley, Deputy Director of
4 Annual Disclosure Joanne Giura-Else, And Alex Kipp,
5 the Board's Director of Training whose duties involve
6 maintenance of our website. We are here to offer
7 testimony on Preconsidered Introduction T2016-4071,
8 which would require the board to post the annual
9 disclosure reports of the city's elected officials on
10 the boards website. As you know, the City's Annual
11 Disclosure Law requires the board to provide the
12 public portions of a public servant's annual
13 disclosure report to any member of the public upon
14 request. As way of background, I would like to
15 briefly outline how the board currently provides
16 reports to the public. After the annual filing
17 period, board staff schedules the release of reports
18 on three separate days for three groups of filers:
19 The top four elected officials; all other elected
20 officials; and finally all appointed officials. Once
21 we publish that schedule, requests for reports are
22 submitted by members of the public, generally the
23 press. If any filer has required--requested the
24 information that would otherwise closed--disclosed to
25 the public, be withheld from inspection, that the

2 board determines any such request, which we refer to
3 as a privacy request. All privacy determinations are
4 made prior to the release of any report that contains
5 such a request, and the law prohibits the board from
6 releasing a report for which privacy has been
7 requested until at least ten days after the board's
8 mailing of its determination of the privacy request.

9 In addition to requiring that the board rule on a
10 privacy request before releasing a filer's report,
11 the annual disclosure law also requires the board to
12 provide notice to the filer of the identity of the
13 person who has viewed the report. This notice
14 requirement has effectively barred the posting of
15 annual disclosure reports on the board's website.

16 Introduction T2016-4071 would eliminate
17 the notice requirements for elected officials who are
18 required to file annual disclosure reports, and would
19 require the board to post then annual disclosure
20 reports of those elected officials on its website.

21 The board supports this change and can implement it.
22 The proposed legislation also adds a requirement that
23 reflects the current--the Board's current procedure
24 for releasing reports. The language added in Section
25 2 would prohibit reports from being made available

2 for public inspection during the time the Board
3 evaluates a so-called privacy request. As I
4 previously mentioned, that is the board's current
5 practice for reports before they are released for
6 public inspection. So, as to the proposed change, if
7 the added sentence in Section 2 is intended to apply
8 only to those reports not requested--not required to
9 be posted online, the Board unequivocally supports
10 the addition of that sentence as reflecting the
11 current practice of the Board. If, however, the
12 added sentence requires that reports posted online be
13 removed from the Board's website until a subsequently
14 made privacy request is determined by the board, the
15 Board would offer the following observations:

16 First, removing from the Board's website
17 previously released public information is contrary to
18 the Board's presumption of openness. Secondly, more
19 practically, once a report is posted online, the
20 notion that its temporary removal from one website
21 will, in fact, remove it from public inspection, may
22 not accurately reflect how information moves once it
23 is posted online. For example, from one website to
24 another. Third, requiring the removal of a
25 previously released report upon the filing of their

2 privacy request allows an elected official to remove
3 his or her report from the website by making a
4 privacy request after the report is posted. That is,
5 it could invite gaming the system by a filer intent
6 on removing a report from the website, by submitting
7 a series of privacy requests. Finally, as written,
8 the added arguably precludes the board from posting
9 an elected official's report for an extended period
10 of time should its privacy determination be
11 challenged in court. Accordingly, for these reasons
12 the Board does not support the inclusion of the
13 proposed new sentence to paragraph 2 of subdivision
14 (e) of Section 12110 of the Administrative Code
15 unless it is clear that this language does not apply
16 to the reports of elected officials posted online,
17 but is limited only to reports that are not posted
18 online. In conclusion, with the reservation I have
19 stated, this bill would provide the public with the
20 greater access to the annual disclosure reports of
21 elected officials, a move toward greater transparency
22 that the board indeed supports. Thank you, and we
23 will be happy to answer questions.

24

25

2 CHAIRPERSON KALLOS: Thank you. Can you
3 provide copies of your testimony for the committee
4 and for the public record?

5 JULIA DAVIS: Yes.

6 CHAIRPERSON KALLOS: Perfect. So, I'll
7 start off with in 2010, when I said I was going to
8 put these Conflicts of Interest Board forms online,
9 did you believe me then?

10 JULIA DAVIS: I sure did.

11 CHAIRPERSON KALLOS: Thank you, but I
12 remember having this conversation with you in 2010--

13 JULIA DAVIS: [interposing] Yeah.

14 CHAIRPERSON KALLOS: --and 2013 and it is
15 good to be in the Council to be able to work with the
16 primary sponsor Jimmy Vacca, who chairs the
17 Technology Committee to get his bill online. And I
18 do believe that the first reading of our intent would
19 be accurate. Our intent is not to create a situation
20 where bills would be--sorry--that COIB forms would be
21 pulled offline. I think it simply means that credit
22 forms are submitted with privacy requests that it
23 happened at that point. I think as a co-sponsor I
24 would be the first one to tell any one once something
25 is on the Internet that's it. That's actually what I

2 tell grade school students. So thank you, and then
3 some--two quick questions. Currently, when elected
4 officials fill out COIB forms is that filled out in a
5 digital format, or a paper format?

6 JULIA DAVIS: Electronically.

7 CHAIRPERSON KALLOS: Okay, and then that
8 is currently taken from the electronic mail merged or
9 using some other technology to feed into a form,
10 which is then available to people when it is being
11 FOILED--or sorry--requested.

12 JULIA DAVIS: Well, when it's--when it's--
13 -we--the program creates--we download a PDF that we
14 review. If there's--if there is a privacy request,
15 and even if there is not, we review it to make sure
16 that there isn't information that needs to be
17 removed.

18 CHAIRPERSON KALLOS: And so, since that
19 information is already available in a computer
20 readable format, and changed from computer readable
21 format into PDF, would the COIB forms as fill out
22 electronically, would that electronic data be just
23 available for download in a spreadsheet or other
24 electronic format?

1
2 JULIA DAVIS: You mean the reports
3 themselves?

4 CHAIRPERSON KALLOS: Just the data from
5 them. I don't actually need the PDFs. I just need a
6 list of everyone's name and such.

7 JULIA DAVIS: Not--I--not--not in a way
8 that would be available to the public or--or
9 management. Right now, for us to go and say--if
10 you're saying how many council members have outside
11 income, that's not searchable that way at this point.

12 CHAIRPERSON KALLOS: But because it's
13 already digital, it could be easily through a--a
14 query. So you could just query a list and it could
15 give the list of--for each field. You could take that
16 field and then just put that in a spreadsheet and
17 just set it on a PDF.

18 JULIA DAVIS: Not at this point.

19 WAYNE HAWLEY: Let--let me help here.
20 Just a minute--

21 CHAIRPERSON KALLOS: Because of the what?
22 (sic)

23 WAYNE HAWLEY: This group and some of
24 our--our former colleagues, and then some consultants
25 from DOITT, spent--I don't want to say a decade, but

2 many years on this--on this program so it could be
3 filed electronically. And--and the biggest issue is
4 really security, protecting everybody's information.
5 And you remember of course that the--the spousal
6 portions of the report aren't public. So--so that's
7 a big issue and--and--and the ability to--to
8 manipulate this data and you're talking to a lawyer
9 now. I'm not a techie. If we've got--if we've got a
10 techie here, it's our Training Director who--who
11 doubles in this stuff. But I--I think the key is we
12 can get the--we can get the information up online
13 easily. If you're asking questions about how
14 searchable it's going to be and questions like that,
15 you're certainly above my level of expertise. I
16 don't want to--I don't want to speak too much for my
17 fellow attorney here. And--and I don't--I don't
18 really want to put my attorney director on the spot.
19 You're probably ahead of us on this stuff, but look,
20 can we get the information up there online and get it
21 up there promptly for the city's 64 elected officials
22 like this so the bill proposes--we sure can and we--
23 we look forward to the opportunity.

24 CHAIRPERSON KALLOS: Would you commit to
25 working with myself and the bill's primary sponsor to

2 sit down with your technology team and DOITT? We've
3 done this with a bunch of other agencies, and I can
4 go over your--your back end. I can show you the
5 queries, and I can also show you how to protect
6 certain information and mark certain information as
7 redacted. So that we can make it available in
8 computer readable format.

9 WAYNE HAWLEY: Well, we--we--any people
10 of good will, we're--we're willing to work with, but
11 the back end issue gets into privacy that--that we're
12 on--we're on board with, accessible cooperation,
13 which is no--which is, of course, what we--what we
14 value from you to date.

15 CHAIRPERSON KALLOS: Thank you. The good
16 news is you don't have to pay me any more to do that.
17 The other piece is with regard to open data, would
18 you believe that the COIB forms as--would be required
19 to be online, would also trigger requiring for them
20 to be in the Open Data Portal. I ask this on behalf
21 of the good government groups and Manhattan Borough
22 President Gale Brewer who I assume cares about good
23 Open Data Portal stuff as well. Hi, Sheila.

24 JULIA DAVIS: With--with respecting the
25 privacy issues that we have to deal with, with the

2 reports it's very possible that it could be. But
3 we'd have to look into that. I know that we've
4 discussed open data issues with our--with our
5 documents in other respects because we have
6 confidentiality issues.

7 CHAIRPERSON KALLOS: I'll turn it over to
8 my co-chair Brad Lander followed by Council Member
9 David Greenfield.

10 CHAIRPERSON LANDER: Thanks for being
11 here, and for the work that you do to help us avoid
12 conflicts. I--so I just want to make sure I
13 understand something right on the record because as
14 we were thinking about the outside income prohibition
15 to switch to full time, there was some discussion
16 well does COIB have a role here? And our internal
17 answer--I just want to make sure of this--is
18 obviously on the question of conflicts. If a source
19 of income whatever that source might be presents a
20 conflict, then you are the Conflicts of Interest
21 Board, and we need to come to you for clearance. But
22 on the question of what is full-time, and where would
23 that boundary lie, that's not a conflict question.
24 Therefore, it's not in the remit of the Conflicts of
25 Interest Board, which is why we sought to draft a

2 careful rule for ourselves to provide as much
3 guidance as we can. And I just want to make sure
4 that that's broadly your understanding.

5 WAYNE HAWLEY: Yes, that's correct
6 because what the Council is effectively doing could--
7 as I think Mr. Schwarz suggested or mentioned, that
8 one possibility would be just to have amended the
9 charter and maybe that can't be done in a timely way
10 to change the so--so-called hold time provision, and
11 just strike the exception for council members. We've
12 never been involved in the interpretation of that.
13 So, the Council will effectively join the pool of--of
14 other elected officials, and agency heads who--who
15 narrow a subject to that restriction, but we never
16 interpret that for anybody else. That said, all
17 these part-time activities that you'll permitted to
18 engage in, the limited ones, will all be subject to
19 the Conflicts of Interest Law as they are for all
20 other elected officials and agency heads who are
21 subject to Section 1100. So, the short answer is,
22 you'll--you'll have two hurdles to clear. You want
23 to go to whatever guides you on your resolution to
24 say am I fine there? Is this--is this what was meant
25 by the exception, and then you if you're careful you

2 might want to double check with us to make sure that
3 what that--that limited part-time activity is, is
4 consistent with the Conflicts of Interest Law.

5 CHAIRPERSON BARRON: That's great. Thank
6 you, and I just--so I would just flag we did--we do
7 what you said. Just so you're--there's two different
8 pieces of legislation in this package that affects
9 both kinds.

10 WAYNE HAWLEY: I apologize for it.

11 CHAIRPERSON LANDER: No, no, the--just so
12 it's clear for the record. The intro does strike the
13 exception the charter. We are doing that. Council
14 members will be simply added to the cost of all their
15 other elected officials who are defined as full time.
16 We thought it would be valuable having done that and
17 with the knowledge that that COIB isn't available to
18 interpret that question for the reasons you just
19 outlined, that it would also be good for us to
20 promulgate a rule that provided some clarity as to
21 what we mean by full time.

22 WAYNE HAWLEY: Thank you. Sorry--sorry,
23 I misspoke.

24 CHAIRPERSON LANDER: So, but no, thank
25 you. That's helpful, and part of the reason we did

2 that is we have, you know, one of the most aggressive
3 Conflicts of Interests Laws and a very good board for
4 enabling us to get questions answered and make sure
5 we stay on the right side of it. And that for the
6 conflicts questions is very strong. We're adding
7 this rule for a--on the definition of full time. As
8 you say, you know, it's a belt and suspender. So
9 thank you. Before we turn it over to Council Member
10 Greenfield, I did want to thank COIB for rendering
11 opinion for 350,000 employees, and just being a
12 constant source of just being able to touch base and
13 call at any time to make sure that we're conducting
14 ourselves with utmost of ethics without any
15 conflicts. And on the record, for Wayne Hawley, how
16 many angels can dance on the pin of a needle?

17 WAYNE HAWLEY: Well I'm--well, I'm--just
18 send me an email, please. I'm be happy to answer
19 that. [laughter]

20 CHAIRPERSON KALLOS: Council Member
21 Greenfield. I, too, would like to recognize the work
22 that you do, very professional, very appreciated,
23 very much--very simple, quite frankly, for folks who
24 work for the city to reach out to get those opinions
25 to get the information back for them. It's certainly

2 appreciated and we thank you for that. I'm just
3 curious about an issue in terms of the--one of the
4 pieces of legislation that we're discussing today and
5 that is the--putting the forms on line. The law
6 right now does not currently allow you to do that?

7 JULIA DAVIS: Because of the notice
8 requirement. We need to give notice to the filer or
9 who has viewed his or her report, and we certainly
10 can't do that if the--if the reports are online.
11 Obviously, there's the privacy request, but we would,
12 if the bill is passes, and post re-elected officials
13 reports rule on all privacy requests immediately.

14 COUNCIL MEMBER GREENFIELD: I hear you.
15 I guess in theory you could put it online and then
16 just require people to register, right, and then
17 notify their--I'm not trying to make your life
18 difficult. I'm just trying to sort of just figure
19 out what--what is--yes.

20 WAYNE HAWLEY: The--the--the history is
21 the--the notification question wasn't really our
22 idea.

23 COUNCIL MEMBER GREENFIELD: Yeah.

24 WAYNE HAWLEY: And so, um, um, we--we
25 haven't resisted it. It's part of the law. We've

1
2 got to obey it, but--but I think this is a positive
3 step to remove the notice requirement and to require
4 the posting.

5 COUNCIL MEMBER GREENFIELD: What about--
6 you know, my colleague Councilman Williams actually
7 brought this question up with the quad panel, but it
8 wasn't addressed because they said it was out of
9 their scope. What do you think--I mean, wouldn't it
10 make sense to at least expand this to other agency
11 heads and important policymakers in the City of New
12 York as opposed to just elected officials to allow
13 everybody to have that information and more
14 transparency online.

15 JULIA DAVIS: Well, I think we figure that
16 if we limit it to elected officials, we have 64
17 reports we have to post, and if we do all, we're
18 going to be--have 8 or 9,000, and we have to come
19 back to you for some more resources.

20 COUNCIL MEMBER GREENFIELD: No, I mean I
21 just--I mean the agency heads or significant policy.
22 I don't mean everybody, I'm saying --

23 JULIA DAVIS: [interposing] Well, I--I
24 think

2 COUNCIL MEMBER GREENFIELD: --that, you
3 know, un--non-comparable stature, right, you know.

4 JULIA DAVIS: I--I think that we--we
5 certainly can manage the 64 right now without
6 additional staff, but once we're talking about adding
7 another 50, 100, I think we're going to have to talk
8 about additional stuff.

9 WAYNE HAWLEY: The--the--the--I mean--

10 COUNCIL MEMBER GREENFIELD: [interposing]
11 I'd be happy to propose funding in this year's budget
12 to give you extra money so that we can have more
13 transparency. No problem by me. All right, so if
14 you had the resource you--you would think that would
15 be a good idea, though?

16 JULIA DAVIS: With the right resources,
17 yes. I--I mean there are other jurisdictions that--
18 that post the reports, and that's certainly a way to
19 have greater transparency, and we're certainly not
20 opposed to that.

21 COUNCIL MEMBER GREENFIELD: Great.

22 JULIA DAVIS: It's just that we have the
23 reality of being able to implement it.

24 COUNCIL MEMBER GREENFIELD: Thank you for
25 your service. Thank you for your testimony.

2 CHAIRPERSON LANDER: Thank you very much
3 Council Member Greenfield, and thank you very much to
4 the Conflicts of Interest Board for being here to
5 testify today and sticking around to this point in
6 here.

7 JULIA DAVIS: Yeah.

8 CHAIRPERSON LANDER: Okay. our next panel
9 consists of the Good Government Organizations, Dick
10 Dadey From Citizens Union and Susan Lerner from the
11 Common Cause, and then after that we have a few
12 members of the public signed up to testify as well.
13 For members of the public, we are going to switch to
14 our usual rule of three minutes of testimony. If you
15 don't get all of that in, we will ask some questions
16 that enable you to raise the points that you have not
17 had the time. Huh? We are--so we're--yeah for
18 members, yeah, three minutes of testimony, and we
19 will ask questions if there are things that you
20 allude to that you don't have time to get to in those
21 three minutes. [pause] All right, so you can--we--we
22 swear in members of government. We don't swear in
23 members of the public. So, you guys can just go
24 ahead and introduce yourselves and proceed when
25 you're ready.

2 DICK DADEY: Good morning or good
3 afternoon now Chairs Lander and Kallos, and other
4 members of the Council who are here today. You know,
5 I want to thank the Quadrennial Commission for its
6 excellent work. The details of my praise is in the
7 written testimony. You know, Citizens Union values
8 public service especially those who hold public
9 office. We believe that the raises currently paid to
10 our elects--city elected officials is insufficient
11 and not in line with the level of responsibility and
12 authority they hold in managing the largest city in
13 the United States. We also believe that nine years--
14 it's not ten--it's actually nine years is too long a
15 period of time for elected officials not receive a
16 salary increase. If we are to attract the best, the
17 brightest and the most capable of representing our
18 wonderfully diverse city to elected office and
19 achieve much needed compensation reform, we as
20 constituents and taxpayers must be willing to put a
21 premium on such valued service and paying appropriate
22 salary. In ease--it's easy to be for reform when it
23 applies to someone else, but it's even harder when it
24 affects oneself personally. Elected officials are
25 tested on their commitment to reform and how they

2 handle matters from which they personally benefit or
3 are accountable for such a public ethics, legislative
4 restricting, campaign finance, elections rules, their
5 own operational rules, and their own compensation.

6 This Council under the leadership of Speaker and
7 Rules Committee Chairs pursued and enacted far
8 reaching rules reform that built and improved upon
9 earlier reform efforts. The process then used by the
10 limited--and the processing used was transparent,
11 open, consultative, delimited and inclusive. You
12 brought to that process a commitment to reform. That
13 ushered in a new and better set of rules, a set that
14 was designed to make it a more inclusive and
15 deliberative legislative body. With those new rules,
16 you set out to make the Council a more effective
17 branch of city government. You held two sets of
18 hearings--two sets of hearings. The first was simply
19 to solicit ideas and reactions with no set of rules
20 yet proposed on the table. The second set of
21 hearings was designed to elicit reactions to a
22 proposed set of rules. It was great process that--
23 that set the standard for how this Council was--would
24 be run. Citizens Union has had--has a number of
25 specific recommendations that it urges the Council to

2 embrace that we believes strengthens the intent of
3 the Council's actions and solidifies the reforms that
4 the Council and Citizens Union together support. But
5 before I get to these, let me urge the Council to
6 bring to this compensation discussion the same set of
7 values that you brought to the Council Rules Reforms
8 process a year and a half ago. You cannot put the
9 genie back in the bottle by pulling back your
10 proposals and withdrawing these bills, but you can
11 partially cure the problem you have alone caused. It
12 is for these reasons that we call upon the Council to
13 delay a vote on these four bills until the next
14 Stated Meeting following the one scheduled this
15 Friday. To use your permissible but short-circuited
16 process that allows these bills to be reconsidered
17 for just eight days. But yet not yet formally
18 introduced at the Council until the day they are
19 voted upon and passed is not simply unacceptable, but
20 inconsistent with the spirit of how you intended for
21 this Council to be run when you adopted reform minded
22 rules you did less than two years ago. I have a
23 number of specific suggestions, which I hope we can
24 go over during the Q&A.

2 CHAIRPERSON LANDER: We will ask you
3 about that in the Q&A.

4 DICK DADEY: Thank you.

5 SUSAN LERNER: Thank you. I'm Susan
6 Lerner, Executive Director of Common Cause New York,
7 and I want to state that Common Cause New York is a
8 strong and long-time supporter of ensuring that
9 public servants receive adequate compensation. And
10 we have been strong advocates for raising the
11 Council's compen--excuse me--compensation, as well as
12 being sure that it is clear to the public that their
13 elected representatives work first, foremost and only
14 for the public. So we're strong advocates for the
15 ban of outside income in legislatures, both the City
16 Council and the State Legislature. So we are very
17 pleased to see the package of reforms, which the
18 Council is considering today, as they mirror many of
19 the recommendations, which Common Cause has been
20 advocating for, for a substantial period of time.
21 And we think that the net result of the entire
22 package, if adopted, will be very much in the public
23 benefit. It's, therefore, frustrating for us to have
24 to point out that the process by which the Council is
25 recommending what we believe are salutary and long

2 overdue reforms are less than perfect and less
3 progressive. And we echo the concerns of Citizens
4 Union that this process really has not been open
5 enough at all. To have been handed a detailed
6 explanation of how the Council decided to go above
7 the Quadrennial Commission's recommendations this
8 morning at hearing that is less than week before the
9 Stated vote on Friday is simply not up to the
10 Council's own stated standards of transparency, and
11 public involvement. We--I followed the exchange of
12 questions and concerns with the Quadrennial Committee
13 and also with the Conflicts of Interest Board with
14 great interest. I think it was an excellent
15 discussion, and it's really unclear to us why that
16 discussion didn't take place earlier in this process.
17 You have now explained your logic for a bump-up
18 beyond the Quadrennial Commission, but frankly you
19 would have done yourself a better service if you had
20 put that explanation in front of the public much
21 earlier. That said, there are two areas that we do
22 have concerns, and that we don't feel that the
23 explanation really holds water. As I've said, we
24 believe the Council is entitled to a substantial
25 raise, and we're not actually adverse to the ultimate

1 number, which the Council has decided to--to grant.
2
3 It's within the range we a Common Cause recommended
4 to the Quadrennial Commission. So, it's not the
5 actual number, but it's how the Council gets there,
6 and the idea that there would be bump-up for a ban on
7 outside income that is actually in advance of the
8 members who have outside income losing that outside
9 income or foreswearing that outside income troubles
10 me. And we believe that what would have been a
11 better course--and we understand that it's actually
12 probably too late for the Council to do this--would
13 have been to adopt the Quadrennial Commission's raise
14 effective immediately, and then include a bump-up
15 when the full ban on outside income without any
16 grandfathering takes place at the beginning of 2018.
17 I think that would have been clear to the public, and
18 more understandable than the way in which the Council
19 has backed into a larger raise. So that at least
20 some people are going to simultaneously continue to
21 have their outside income and yet a bump-up in pay,
22 which is related to a future ban on that outside
23 income. I'm hard pressed as to how the Council will
24 explain to constituents of that double dipping.

2 CHAIRPERSON LANDER: So I have a few
3 questions, and I think we can get at some of these
4 issues. Let me start, though, by saying, you know,
5 that I--that I just want to start with an
6 appreciation of the work of the Good Government
7 Groups. It is your job, you know, and Council Member
8 Kallos said this about the press before, but in some
9 ways even more true of the Good Government Groups, to
10 hold us accountable. To push us, to push us at
11 election time, to push us when we move legislation,
12 and to hold us the best possible good government
13 practices and processes. And this Council under the
14 Speaker's leadership, and--and my chairmanship of the
15 Rules committee I think has--has--I've enjoyed
16 working closely with you to make significant reform
17 improvements. You know, sometimes we still in the
18 real world of politics and are working hard to get
19 the best thing we possibly can done, and it-- We rely
20 on the--the high standards, really the unrelentingly
21 high standards of the Good Government Groups. It's
22 important and it's an essential part of the--of the
23 process. So, I appreciate your being here. I
24 appreciate you saying what you have to say in the
25 media and in the public today, and in private as

2 well. And I--and I think that's valued and
3 appreciated. Let me start by just asking, you know,
4 so I know Dick, you on a couple of the issues I
5 guess, in particular commission timing and on the
6 Conflicts of Interest--

7 DICK DADEY: [interposing] Right

8 CHAIRPERSON LANDER: --Boards have
9 specific things that you would like.

10 DICK DADEY: You know as a--as a segue
11 into that, I just want to point out that, you know
12 for us to cause a good government, achieves a common
13 good that serves the public interest, and is realized
14 through a process that is open and transparent,
15 accountable and fair. And for Citizens Union our
16 democracy functions best when the journey is just as
17 important as the destination, and that is why we are
18 calling upon a delay. That we want there to be this
19 process to be as open and as transparent as possible
20 just as it was with Rules Reform. The journey is as
21 important as the destination for us. In terms of the
22 reforms overall, we do support many of these reforms.
23 You know, the ones that you've talked about the
24 Conflicts of Interest Board, we applaud you for that.
25 And even making the additional change to sure that

2 they are available online, and then also machine
3 readable format, which we think the Open Data Law
4 would apply to, but we just want to be doubly sure
5 that it does apply to them. In terms of the issue of
6 prospectivity, which is a big issue for us because we
7 do not believe that a City--City Council should raise
8 the salaries of itself. It doesn't happen with the
9 New York State Legislature, and I don't think you
10 want the New York State Legislature to be seen as a
11 model to aspire to. But in this instance I think you
12 do, and that's why they also--their--their financial
13 disclosure forms are also online. So, there--there
14 is a precedent here within New York State, but
15 prospectivity even though you were not able to able
16 to address it as tightly as we would like to see, it
17 is a movement in the right direction. But we would
18 urge two--consideration of two changes. [coughs]
19 The-a charter change obviously would be very
20 helpful, but absent that, we think that in sending it
21 to the third year it's a step in the right direction.
22 But we should actually move it back to July of the
23 third year. Not January of the third year because
24 that means that the Commission's work will complete--
25 will be completed by the end of the year, at the

2 beginning of the following year, and make it even
3 less likely. I know it that isn't the intent of the
4 City Council--this City--City Council to not have--to
5 have these raises dealt with prospectively in future
6 councils, but you cannot control that. You're trying
7 to control a future occurrence, and as we have seen
8 in the past councils when given the opportunity to
9 raise their own salaries immediately or
10 retroactively, they have done that. And so, I would
11 urge you to consider moving it to July of the third
12 year in the formation of the commission, absent a
13 charter remission (sic) change, which we think is
14 ultimately the way to go.

15 CHAIRPERSON LANDER: And Ms. Lerner, you
16 also I think have made one of your two--maybe you
17 made them both. Did you have one more issue to--to
18 suggest amendment or is that--?

19 SUSAN LERNER: You know, would--I had
20 questioned some of the language in the provision, the
21 intro I think it's 2071, which deals with the
22 disclosure. We, too, would like to see the
23 disclosures be machine readable, and we really think
24 that that city law should be tightened up so that
25 there really isn't a mention of the need to give

2 notice when these now public financial statements are
3 being asked for in hard copy as opposed to online.

4 That just seems to be a contradiction that, you know,
5 let's do away with the notice provision, pure--

6 entirely. Elected officials have the ability to ask
7 to have certain parts of their disclosures held

8 confidential on a privacy basis. Great, but once

9 things go online, there shouldn't be a distinction,

10 and there shouldn't be any notice provision in the

11 law we feel. I would like to point out that we did

12 recommend to the Quadrennial Commission--we did raise

13 the question of staff pay. Even more in the district

14 attorney office where the district attorney is

15 getting an even higher salary than anybody else. And

16 there are clerical staff and investigative staff,

17 which we understand, although we haven't done a

18 thorough investigation, really do not get large

19 salaries. And we have that concern particularly

20 about the district line staff with the Council.

21 Again, we haven't done a scientific study, but I'm

22 glad to hear from certain members that they're

23 advocating internally that the staff--that their

24 constituents interface with and rely on, on a regular

25 basis should be--should receive a higher

2 compensation. We are certainly in favor of freezing
3 or lowering central staffs' salaries. I know that
4 won't be popular, but we feel that the district staff
5 and those who provide constituent services really
6 should receive a reasonable compensation level.

7 CHAIRPERSON LANDER: Great. Thank you.

8 I may come back at the end, but Council Member Kallos
9 has questions followed by Council Members Barron and
10 Greenfield.

11 CHAIRPERSON KALLOS: Thank you for your
12 testimony and thank you for your patience. It's a--
13 they were an extraordinarily long first panel despite
14 time limits. Can you talk to me just as I previously
15 asked the previous panel why--what is this corrupting
16 influence of payment in lieu, lulus? Why does it
17 matter so much? Why is it something that one or both
18 of your organizations would like to see eliminated?

19 SUSAN LERNER: Well, I think for two
20 reasons. One, you know, Fritz Schwarz from the
21 Quadrennial Commission referenced the fact that in
22 the past it has been used as punishment or a reward
23 and that is not the way we feel that public money
24 should be used. But also the fact that the
25 compensation I think should keep track for

1
2 everybody's responsibilities, and in a body where
3 frankly we feel virtually everybody has a committee
4 chairmanship, we see an inflation of the number of
5 committees in order for the committee chairs to be
6 getting lulus. So it turned into a surrogate for a
7 raise, and we believe there should be a substantial
8 raise and, therefore, the use of lulus as a
9 substitute for raise should be abolished. And we
10 should just pay people a fair and appropriate salary
11 for the very hard work that we believe that council
12 members do provide the public.

13 DICK DADEY: I agree with what Susan has
14 said, and that, you know, the way in which the
15 Commission factored the salary increase, we support
16 taking away the lulus and the average thing that they
17 did to determine what the bump would be, and then
18 also acknowledging the fact that there hasn't been a
19 raise in nine years. And so where they got to a new
20 baseline we certainly support. You know, it's an
21 open question about the outside income handling,
22 which Citizens Unions actually feels it should at
23 15%, and should not be an outright. But the thing
24 that we're most concerned about with the lulus is
25 while it's a little money, its impact on how the

2 Council is run is significant. Imagine a council
3 where you didn't have to have a committee in order to
4 be able to give a stipend to a member. And the kind
5 of oversight function you could more effectively
6 perform if you had maybe half of the committees that
7 you currently have. I mean the City Council has more
8 committees than the United States Congress, the United
9 States House of Representatives. And I think we've--
10 we've long said that we think it should change, and I
11 think you'll be--you know, instead of having council
12 members run from one hearing to the next you'll be
13 able to drill down and focus your attention on the
14 kinds of issues that you care about. And I think the
15 City of New York and its citizens would be much
16 better off.

17 CHAIRPERSON KALLOS: With regard to the
18 other item, outside income, what is the danger that
19 you're trying to prevent? Are there any instances
20 where you've seen corruption coming from outside
21 income, and what do you hope to achieve for council
22 on moving forward by eliminating outside income in
23 this body?

24 SUSAN LERNER: Well, first and foremost
25 as I've--we've said previously we believe that the

1 public needs to feel confident that their elective
2 representatives put the public interest first, not
3 the interest of their own financial wellbeing.

4 Although, you know, we understand all humans want to
5 be financially secure. And outside income all too
6 frequently raises questions in the minds of
7 constituents and residents as to where the loyalty of
8 their elected officials actually lay. And I don't
9 want to get into the practice of trying to predict
10 every possible conflict of interest or apparent
11 conflict, which could come up. So rather than trying
12 to say well, this particular area might be okay.

13 This area would raise some questions, we feel that
14 it's a lot cleaner and clearer to the public for
15 their elected officials to actually declare what most
16 members of the council have already determined for
17 themselves. Which is that they work full time and
18 beyond for the public and the public and public
19 service is foremost in their minds. So that's why we
20 advocate for the Council being full time, and a
21 reasonable ban with--with certain exceptions on
22 outside income.

23
24 DICK DADEY: As I mentioned earlier,
25 Citizens Union supports a 15%--a 15 to 25% cap on

1 outside income and not in outright ban, and the
2 Council is making this decision. In the context, we
3 have to remind it of the corruption scandals of Dean
4 Skelos and Shelly Silver, and that outside income
5 played an important role in the convictions of both
6 of those individuals, and it's encouraging to see
7 that the Council step up and address that issue. But
8 it also needs to be mindful of the fact that in
9 addressing that issue, they should give it a little
10 bit more time to talk to the public about how this
11 issue should be addressed because it's an--it's an
12 issue that is very much--I don't think we've got the
13 right solution just yet on the table. There's some
14 interesting thoughts coming from the Quadrennial
15 Commissioner. I think there are interesting thoughts
16 coming from others about the right balance between a
17 legis--a City Council that is able to devote its
18 full-time attention as the City Charter currently
19 requires it to. To a City Council that does not--is
20 not able to attract the individuals who may need to
21 keep some level of outside income that goes beyond
22 what you were--what you're suggesting. That being
23 said, we are not opposed to what the Council is
24 proposing. We think that it is, you know, a
25

1 significant improvement over how the Council
2 currently operates with regards to outside income.
3 The only concern that we have about that is that--the
4 specific concern is that the--the way in which this
5 regulation is reviewed is done internally by the
6 Council to the Speaker. And that we believe that
7 should be done by an outside person so that there's
8 not this internal conflict of where the Council
9 itself decides what is acceptable or not. But it
10 just seems that if you're going to ban outside
11 income, that there's just too much room for
12 discretion, and to allow certain types that I don't
13 think are intended.

14
15 CHAIRPERSON KALLOS: You mentioned Albany
16 and outside income, and you mentioned two people.
17 The Quadrennial Commission mentioned that few people
18 on the City Council have outside income. Do you know
19 how many people in the Assembly and Senate put
20 together have outside income?

21 SUSAN LERNER: Yes, we just--we released
22 a report recently at Common Cause New York where we
23 point out that 60% of the sitting legislators in
24 Albany have no or limited outside income.

25

2 CHAIRPERSON KALLOS: Have you found a
3 link between the limited number of people that have
4 outside income, and the public corruption that we've
5 seen?

6 SUSAN LERNER: Well, I--I think we have
7 two outstanding examples that two juries have found
8 to, you know, very--it's two leaders who had outside
9 income that they abused the system and were found
10 guilty of public corruption. So I think right there
11 we--we've got a tie, but again, as I said previously,
12 I--I don't think it's productive for us to try and
13 anticipate every single way in which questions can be
14 raised. I think the point of good ethics rules is to
15 set a clear standard, and not try and anticipate
16 every single in and out of the--that somebody could
17 come up with in the future.

18 DICK DADEY: Our concern in this debate
19 is that elected officials do not use their public
20 posts for private gain, which is what happened with
21 Shelly Silver and Dean Skelos. There's been no
22 evident recently that City--City Council members are
23 doing that. The cap of 15 to 20% gets us there even
24 more so. The outright ban takes it even further.
25 But I think it's important that, you know, those who

2 are elected to this office devote their full-time
3 attention to their responsibilities. And this
4 Council particularly has been engaged and very much
5 involved in seeing that the city is well run. Which
6 is why Citizens Union has supported and called for a
7 substantial increase. And we're happy to see that
8 four reforms that we've advocated back in 2006 the
9 four reforms that we have advocated back in 2006 are
10 being almost fully embraced by this city--by this
11 City Council in adopting this compensation measure.

12 CHAIRPERSON KALLOS: Leading into the
13 question you've been how--since what year have you
14 been advocating for member item funding for reforms
15 to member item funding? Since what year have you
16 been advocating for limitations on outside income,
17 and since what year have you been advocating for
18 limitation of lulus?

19 DICK DADEY: What's the question?

20 CHAIRPERSON KALLOS: Just how long--how
21 long have you--

22 DICK DADEY: [interposing] Oh, um, um,
23 longer than I'm old. Let's put it that way probably.
24 I mean it's--it's just been an unfortunate system
25 used to reward while listing (sic) to push enemies.

2 And we're, you know, we're thinking that the--the
3 council has done-- What is--what is unfortunate about
4 today is the Council has the right intent. The
5 Council had wonderful intent on the Council Rules
6 Reform, and followed through with it brilliantly.
7 Now, how well those rules are working we don't fully
8 know, but the intent was tremendous and the public
9 input was extraordinary. I wish you would be using
10 that same process here on matters of where you're
11 going to be financially benefitting. Because it
12 actually tarnishes the very good work that this
13 Council is doing by implementing these four reforms,
14 and paying the Council, yourselves, a salary that we
15 believe is acceptable and adequate.

16 CHAIRPERSON KALLOS: With regard to lulus
17 and outside income, you have a questionnaire that you
18 do in correction (sic) cycles. How many people
19 participated in your questionnaire?

20 DICK DADEY: Sure I mean, you know, as
21 part of the Citizens Union's mission to keep elected
22 officials accountable, we have asked candidates for
23 all offices a number of questions. And in the--and
24 we keep track of these things obviously. We had over
25 30 members of the City Council say that any lulus for

2 committee chairs was important, and also a similar
3 number on the position of making the salary increase
4 prospective. You're doing one completely and you're
5 doing the other one we hope with a measure that will
6 result in its future compliance. Although I think we
7 can be assured of that given your solution?

8 CHAIRPERSON KALLOS: Of the 34 or members
9 said that they would oppose lulus and--and remove
10 them, how many of them once they got elected?

11 DICK DADEY: About half.

12 CHAIRPERSON KALLOS: I--I believe that
13 according to the Daily News it's only 12 members
14 refused lulus. So, I guess the--the good news here
15 is now we will hopefully be in a situation where 51
16 members will be keeping their word.

17 SUSAN LERNER: Um, but I do want to echo
18 what Citizens Union said. We're very cognizant and
19 appreciative that the Council has taken resolute
20 action to make the--to abolish lulus as quickly as
21 possible. We would like to see the Council take the
22 further step of removing the language, which would
23 allow future councils to reinstitute lulus from the
24 Charter.

2 CHAIRPERSON KALLOS: Would--would--in
3 your opinion would that require a charter revision
4 and the vote of the public?

5 SUSAN LERNER: Uh, that would be the
6 ideal way to do it I think.

7 CHAIRPERSON KALLOS: Thank you. I'd like
8 to now call on Council Members Barron followed by
9 Council Member Greenfield, and if anyone else has any
10 questions and Williams.

11 [background noise, pause]

12 COUNCIL MEMBER BARRON: Thank you, Mr.
13 Chair, and thank you to the panel for coming and
14 talking with us. You may have heard the question
15 that I posed to the Quadrennial Advisory Commission
16 regarding staff pay, and it dates really a number of
17 years. You talk about you've been advocating for
18 dispositions for a number of years. In 2002, when
19 that first body of council members came in. After
20 term limits had been set, there were Council Members
21 Charles Barron, Al Van, James Sanders and others who
22 formed what they called the Fresh Democracy Council,
23 and the reform that finally came in with this Council
24 in 2014, some 12 years later were, in fact, many of
25 the reforms that they had advocated. So during the

2 time that that previous administration was here and a
3 previous Speaker, the Speaker determined the salary
4 for each of the--the office salary staff for each of
5 the council members, and those who were in a certain
6 cap got perhaps more than others who were in a
7 different cap in terms of their salaries then. So,
8 it wasn't until the reforms came in 2014 that there
9 was equity in terms of staff for council members. So
10 it wasn't until then that staffers were able to look
11 to see some increases. Do you think that perhaps
12 part of the relationship between what council members
13 get in terms of increases in their salary might
14 somehow be related to what staffers should get?
15 Should there be some kind of staffing, some kind of
16 correlation, some kind of percentage.

17 DICK DADEY: I don't know if there's--
18 there's a--it should be a direct correlation, but I--
19 I share the sentiment that the council staffers
20 should be treated equally and with a merit based
21 system so that they all know according to their level
22 of involvement and responsibility that they're being
23 paid somewhat equally. This is a political
24 operation, but they should be paid for their services
25 appropriately and not without any fear of injury as a

2 result of their member's relation to the speaker or
3 to anyone else. You know, it is--it's a problem--
4 it's an issue that-- I mean Susan has talked about
5 it, but it's also an issue that I've heard from a
6 number of Council staffer--staffers through the year
7 about how unequal the treatment and salary is here at
8 the Council. And so I think that, you know, you're--
9 you'd be better--in advocating for yourselves. It
10 would be helpful I think to also advocate for those
11 who make you look as good as you do. And there
12 should be greater equity, and the decisions should be
13 made on the position, the responsibility and the
14 merit of their work.

15 SUSAN LERNER: I want to thank you for
16 the question and for advocating for the staff. We,
17 too, don't feel that there's necessarily a direct
18 proportionality. But we are always concerned when
19 there is a great disparity between the salaries,
20 which the top of an organization receives and the
21 rank and file receives. We'd like to see that
22 separation closed, and while as Dick pointed out,
23 this is a political operation so employees are not
24 subject to civil service, we think that civil
25 service is a good model. Where there are grades for

1
2 certain responsibilities and, therefore, staff some
3 predictability in terms of what their compensation
4 would be in relation to particular responsibilities,
5 and a clear path for advancement. That isn't simply
6 political, but it's tied to the actual merit and the
7 actual responsibilities because we know how hard
8 staff, particularly staff in the district, who deal
9 directly with the public on a daily basis work. And
10 so, you know, we've heard about the long hours, which
11 council members put in. We know that the staff that
12 they rely upon, particularly at the district level,
13 are also putting evening and weekend hours in order
14 to represent the council members. And to be sure
15 that the public feels that their concerns are being
16 addressed. So we would hope that there would be, you
17 know, just as we advocated for a baseline of
18 resources for every council member--

19 COUNCIL MEMBER BARRON: [interposing]
20 Yes.

21 SUSAN LERNER: --we'd like to see more
22 uniformity among staff member salaries.

23 CHAIRPERSON KALLOS: Thank you

24 COUNCIL MEMBER BARRON: Thank you.
25

2 CHAIRPERSON KALLOS: If the question and
3 answers could be a little bit quicker when it's
4 actually the bell. Next up is Council Member
5 Greenfield followed by Williams and Borelli.

6 COUNCIL MEMBER GREENFIELD: Thank you
7 very much, and I want to thank both of you for your
8 testimony, and all of the Good Government Groups I
9 think, as the Chair recognized the reality is you
10 have been asking for this for many years, and I--I
11 think Dick in your case, you said more than you've
12 been around, which is a neat trick. But still I
13 think that's a very important point that we should
14 recognize today, which is, and I think Susan has it
15 her wrist--written testimony, which is that prior
16 councils have taken the raises, but have never done
17 the reforms. This is a big deal, and I just--I--I
18 don't want to get lost in--in the frustration because
19 there's always frustration any time the legislative
20 process operates and some of it is fair and some of
21 it we can quibble with. But the--the broader point,
22 which I think is so critical is that for the first
23 time in the history of Council--the modern history of
24 the Council every time the Quadrennial Commission
25 would come back the Quadrennial Commission would say

1 we'll give you pay raises, but make reforms. The
2 Council would say, We're going to take the pay raise,
3 and we're not going to make the reforms. And for the
4 first time ever, we're actually taking the raises,
5 but we're also making the reforms. And I think
6 that's huge. I--I know you want to respond, but I'm
7 on a clock. So I'll let you respond after my clock
8 runs out. I'm strategic about this. The second
9 thing that I--I do want to mention is I certainly
10 agree with you on the staffing issues. It's actually
11 a bigger problem than you even think, and that is
12 realistically we just can't retain our staff long
13 term because we don't have the ability to pay them.
14 And so I actually encourage my staff when there's an
15 opportunity to take the opportunity. Because they
16 should make more money, and have other opportunities
17 because we--we really don't have that ability. And
18 so, we share that frustration. I--endorse the
19 efforts that we will continue to raise, to raise
20 those salaries. I did want to just focus on two
21 things that I chatted with the Quad Commission on.
22 The one is the 15/15, which is we discussed. It
23 seems like Dick you're in favor. I'm not sure Susan
24 what your perspective is, and whether we should allow
25

1
2 it. There are council members who would like to
3 continue whether they're accountants or lawyers or
4 doctors are pharmacists making up to 15? And on the
5 flip side, the potential of capping it at 15% as well
6 for the other sources of outside income. I'm
7 wondering what it is that you folks think in
8 particular about that?

9 DICK DADEY: Well, I think we've been
10 clear that we support a cap and not a ban, a cap to
11 be determined based on what seems reasonable within
12 the legislative body. We don't have a prescriptive
13 answer to that. But we do not want people to be
14 excluded from public service by virtue of their
15 commitments to their own careers and to their
16 professions, and their ability to stay connected to
17 their families and to their neighborhoods that they
18 serve by virtue of their work. In terms of the
19 Quadrennial Commission, if I can just go back to your
20 earlier point. Something that this commission did
21 unlike any other commission. Earlier commissions
22 identified possible reforms, but never linked the
23 reforms to increases to specific increases. Fred
24 Schwarz's commission did that for the first time

1 ever, which I think helped you all come to the
2 conclusion that you did.

3
4 COUNCIL GREENFIELD: So, it helped--it
5 helped, but just because I'm going to--the bell is
6 going to ring, I do want to, though, note I've given
7 the credit, but just to be fair, the Council can do
8 whatever it wants. And so-

9 DICK DADEY: [interposing] That's
10 correct.

11 COUNCIL GREENFIELD: --the fact that the
12 Council actually did that should be recognized, and
13 should be credited as well because when we talk about
14 Albany, this is the dream for Albany. This is what
15 everybody actually--every Good Government Group
16 wishes that what we did here today is going to happen
17 in Albany.

18 DICK DADEY: Right, and--and the
19 Quadrennial Commission did something it never had
20 done before either by linking the two.

21 COUNCIL GREENFIELD: And we are grateful
22 for the service as well.

23 SUSAN LERNER: So, yes, absolutely. I
24 mean as I said I think that the public needs to be
25 aware that the package is the right package. And,

2 you know, some--the process can be less than ideal,
3 but ultimately over--over the years this will have a
4 really significant impact.

5 COUNCIL MEMBER GREENFIELD: Thank you.

6 DICK DADEY: Thank you.

7 CHAIRPERSON KALLOS: Council Member
8 Williams followed by Council Member Borelli.

9 COUNCIL MEMBER WILLIAMS: Thank you very
10 much. Just to--and thank you so much for the work
11 that you do. Just to follow up on that, I believe
12 that the Council would have gotten beaten up whether
13 we did the reforms, didn't do the reforms, whether we
14 straight followed the salary that they recommended,
15 we were going to be there either way. So I just want
16 to just reiterate that the Council could have done it
17 without the reforms. There's a lot of people in this
18 body that actually think those reforms are important
19 just for its own sake. So I want to make sure that
20 the body gets credit for that as well. And also, I
21 have lost many staffers because--and just Council
22 Member Greenfield I encourage them. If someone is
23 offering that much more money, then you should go.
24 One of my positions in particular seemed to be a
25 training ground for everyone else. So, it just--it

1
2 is important that the staff do get good compensation,
3 and thank you for bringing that up. I'm happy that
4 it's coming up so many times in this hearing because
5 there are a select few of us that have been pushing.
6 I think this definitely helps with that. With the
7 public disclosures and you may have mentioned it
8 while I was out, I was interested to see what your
9 thought process was. I don't mind making the public
10 disclosures. There are certain things that I think
11 need to be redacted, but do you think it makes sense
12 that there are other people whether it's
13 commissioners or other people in government who
14 should be making these disclosures. We seemed to be
15 singled out a lot. I guess it's part of the non-
16 human thing that people view us, but I would like to
17 hear about that.

18 SUSAN LERNER: So, when we look at this,
19 the first thing that we look at is whether the
20 commissioners are compensated or not compensated and
21 at Common Cause are certainly in favor of public
22 disclosures for all officials who receive significant
23 compensation for the work that they do. We believe
24 that volunteer commissioners should have a much lower
25 level of disclosure. I have in my time in California

2 I actually was appointed by Governor Gray Davis to
3 sit on a public/private board, and I filled out all
4 of the disclosure forms even though it was a
5 completely volunteer activity. But I think that
6 there is a distinction. And when you have somebody
7 who is receiving--has managerial responsibility and a
8 significant salary from the public there should be
9 financial conflict of interest disclosures.

10 DICK DADEY: The--the state has moved to
11 make available online not just the elected officials,
12 but all public officers. That is defined in the
13 state law, and I think that should also probably
14 apply here to the city. That the Council should not
15 just be the only ones, or the elected officials
16 should not be the only ones whose financial
17 disclosure forms are available online. It's a good
18 place to start, but that's not where we should be
19 ending up.

20 COUNCIL MEMBER WILLIAMS: Thank you and
21 for people listening our disclosures technically are
22 already public. People can access (sic) them. The
23 difference is we'll be putting them online with
24 whatever agreed upon should be redacted, but I
25 believe again it shouldn't be just us. There are

2 other people I think who should be online. Hopefully
3 we'll be moving forward toward that as well, and I
4 thank you for concurring with that. Thank you.

5 [bell]

6 CHAIRPERSON KALLOS: Thank you, and to
7 wrap up, we saved the best for last, Council Member
8 Borelli--

9 COUNCIL MEMBER BORELLI: [interposing]
10 Thank you.

11 CHAIRPERSON KALLOS: --who also has
12 perfect attendance on this committee.

13 COUNCIL MEMBER BORELLI: I do. Thank you
14 guys for your contributions not only to this
15 particular round of debate on this issue, but for
16 your time honored tradition of these issues. My
17 question involves the limit on outside income, and
18 you mentioned 15%. I also heard 25%, but the point
19 is that you--you're not in favor of necessarily a
20 strict ban. Why, though, would it be limited by the
21 amount of money one earned rather than by the method
22 or factors going into the earning of that money? And
23 I don't want to bog people down with hypothetical,
24 but suppose one member opened an insurance company
25 with their last name on the, you know, the marquis

1 and--and as we know we're in the paper a lot, and we
2 have a lot of trust in the community. And--and
3 certainly a member would be earning money based on
4 their name recognition in their insurance company.
5 If that person makes \$25,000 they're within the limit
6 that you potentially would advocate for, but a member
7 who earned \$50,000 driving a cab at night would not.
8 And I would argue that the--the member who owns the
9 insurance company is using his public office to
10 beneficial themselves albeit in a legal--legal way.
11 Why is your method better than essentially an
12 outright ban or a ban on specific ways of earning?
13

14 SUSAN LERNER: Well, thank you for the
15 question because it reminds me that I did not address
16 the question of Common Cause's position regarding
17 outside income. We actually support an outright ban
18 with--defined exceptions primarily speaking
19 engagements, writing and teaching opportunities
20 because of exactly what you're talking about. Making
21 a differentiation between the different sources of
22 income we think is difficult, and we think there are
23 some sources of outside income, which are more
24 subject to abuse than others, and again as I said
25 previously trying to anticipate every single thing

1 that can come up is very, very difficult. We are
2 willing to settle, if I can put it that way. We can
3 support a congressional style ban, which limits the
4 amount of outside income, but also specifies what the
5 sources can be. So our position is different from
6 Citizens Union, and our preference is for a straight
7 ban with few well defined exceptions that ideally
8 would be determined by a body other than the City
9 Council.
10

11 DICK DADEY: Citizens Union shares the
12 percentage because it's probably less subject to
13 discretion and to judgment. You know, having just a
14 percentage of an outside income in a set amount and
15 letting the council member decide or based on the
16 career [bell] or work that they are engaged in.
17 Because if you only allow some, but not others you're
18 making judgments about the value of their work or
19 their kind of work. That you're going to value one--
20 on council member's work more than you do the other
21 or see it more as a conflict, and so that's why we
22 went with the outright percentage. Not to say that
23 what you're suggesting is inappropriate, but I think
24 that as we get into this era of, you know, trying to
25 determine limits or outright bans on outside income,

1 we need to be mindful of the consequences. That
2 it's--it's an easy solution on paper, but I think
3 it's a more difficult solution in implementation.
4 Because also, we also do not--Citizens Union's
5 overall perspective on this is we want good people,
6 great people running for political office. So, we--
7 we support the high salary for elected officials.
8 But we also don't want to so constrain them by
9 limiting their outside activities particularly at the
10 legislative level that they are not able to earn the
11 kind of income that--or maintain that kind of contact
12 with their communities that they have.

14 CHAIRPERSON LANDER: So I just want to
15 follow up on this question particularly on the issue
16 that Chair Schwarz raises. You know, he's--I think
17 particularly in a position closer to the Common Cause
18 position. But, then specifically reflected on the
19 practice of law saying that, you know, in Congress I
20 think he noted or you know, he's--even though they
21 have the 15% it prohibits the practice of law
22 entirely for the reasons that he said that I think
23 are obvious both the duty to clients, and the, you
24 know, the dangers that lie there. So I guess if we--
25 if we were re to do that, would you agree with--with

2 Judge Schwarz that in any case the practice of law
3 doesn't--doesn't fit as a--as an outside the--

4 SUSAN LERNER: [interposing] Well, you
5 know, certainly the congressional model was one that
6 we're comfortable with the Common Cause as--as a
7 fallback if there is not going to be an outright ban.
8 But I think that Council Member Morelli (sic) really
9 gave us a very pertinent example. Which is there are
10 certain areas, certain occupations where you're
11 trading on your name, and then the question is how
12 much of it is the actual skill of the person who is
13 performing those services, and how much of it is a
14 desire to trade money for access to somebody who
15 actually is in a policymaking position? And that's
16 the sort of concern that we try to avoid by saying
17 let's keep it very straightforward and let's just
18 prohibit outside income. So that we're not trying to
19 make the kind of determinations, which Dick said that
20 this kind of activity is okay. But this kind of
21 activity makes us nervous. I--I think that it's
22 cleaner to simply say we're not going to have outside
23 income with very few exceptions.

24 DICK DADEY: This makes my larger point
25 about our call for you to delay because the issue of

2 whether you have a percentage or whether you have an
3 outright ban is something that this body and this
4 city has never had a public hearing on that I'm aware
5 of. And this is an important thing about the kind of
6 people we want in public office. This is an
7 important decision about what the City Council is
8 going to make, and it's making it in a matter of
9 days, when the process should be extended. And
10 really have some thoughtful public discussion around
11 this because there are--there are many answers to
12 this problem. We don't want elected officials making
13 the kind of money that--in the legislation branch
14 that creates conflicts of interest. And again, these
15 questions I think point to the need for us to slow
16 this down, get the public involved, consult the
17 experts. Try and think this through because you're
18 going to be making a very important decision that's
19 going to be in place for a very long time, and we
20 better make the right decision. Which is why
21 Citizens Union is going for delay so that we can slow
22 this down, and take the time to get these answers
23 right--the discussions right.

24 CHAIRPERSON LANDER: So I appreciate
25 that. You know, I guess I think we have had actually

2 a fairly good public conversation and deliberation on
3 these issues, and you know, I mean just to be clear,
4 I completely agree with Council Member Borelli. And
5 I think that the rule as drafted does exactly what
6 Judge Schwarz and I think the Common Cause position
7 and Council Member Borelli are--are looking for. So
8 I mean I think the debate on whether to do it this
9 way or percent cap is what we're having. To me I
10 think the rule that's drafted achieves the goals
11 extremely well. So I appreciate your point that we
12 might get it even better with additional public
13 conversation.

14 DICK DADEY: And you would on some of the
15 other issues as well on prospectivity and, you know,
16 all the others.

17 CHAIRPERSON LANDER: Thank you very much.

18 CHAIRPERSON KALLOS: I'd like to thank
19 Citizens Union and Common Cause and the other Good
20 Government Groups, the Editorial Board Members and
21 the press for being here for staying for as long as
22 you have, and for your longer than a lifetime of
23 advocacy on these issues. [laughter]

24 DICK DADEY: [laughs] It's not over yet.

25

2 CHAIRPERSON KALLOS: Because at--at this
3 point we wouldn't be here without you and your
4 constant advocacy and for your constant effort and
5 investing your time, your money, and even your ink
6 into these issues, which to some people don't seem to
7 have an impact on their lives. But to those of us
8 who interact with government on a regular basis, know
9 that elimination of lulus and elimination of the
10 outside income, and a lot of the other reforms that
11 we've advocated for and we've accomplished within the
12 past two years will improve government for everyone.
13 So thank you for your advocacy. I'd like to excuse
14 the--

15 COUNCIL MEMBER GREENFIELD: [off mic]

16 CHAIRPERSON KALLOS: Sure, we are in the
17 second round with Council Member David Greenfield.

18 COUNCIL MEMBER GREENFIELD: Thank you
19 very much, and so--

20 CHAIRPERSON KALLOS: [interposing] Anyone
21 else on the second round.

22 COUNCIL MEMBER GREENFIELD: [laughs]
23 Thank you, Mr. Chair--

24 DICK DADEY: [interposing] Keep the
25 public discussion going.

2 COUNCIL MEMBER GREENFIELD: I want to--I-
3 -I do want to thank you for the great work that you
4 do, and we really are grateful, and certainly you
5 helped. You don't help. You literally drive the
6 debate and the conversation, and so we encourage you
7 to keep it up, and we're pleased that we could adopt
8 many of the reforms we've been advocating for
9 decades. I do want to recognize as well I think it's
10 also very important is that, you know, for decades
11 Council Members and staffers and Good Government
12 Groups have been talking about. I think the
13 significant difference that we have in this council
14 is that the Chair of our Gov Ops Committee is--used
15 to be one of you folks on the other side who was a
16 Good Government Group advocate, which is a great
17 testimony to the Council and a testimony to his
18 leadership and his work. And I want to acknowledge
19 the chair's role in all of this. S o thank you, Chair
20 Kallos.

21 CHAIRPERSON KALLOS: Thank you. I'd like
22 to call up the next panel with former Council Member
23 Lew Fidler, as well as Legislative Director to
24 Council Member Barron and Indigo Washington appearing
25 in her personal capacity. [pause] And Joy Simmons

2 who also works for Council Member Barron but is also
3 appearing in her personal capacity, and just a
4 special acknowledgement to Council Member Barron for
5 allowing this free speech by her staff. This is
6 rare, exceptional and a testament to you as a Council
7 Member. Out of deference for our---please proceed.

8 M. NDIGO WASHINGTON: Good afternoon
9 Chairs Lander and Kallos, committee members. My name
10 M. Ndigo Washington. I'm the Legislative Director
11 and CUNY Liaison for Council Member Inez Barron. I'd
12 like to thank Council Member Barron for her support
13 with us testifying today. As you know, I've worked
14 for form Assembly Member, Former Councilman, and now
15 Assembly Member Charles Barron. I've worked here for
16 a total of seven years. I'm joined to day by my
17 colleague and our Chief of Staff Joy Simmons. We
18 have, as indicated, taken a personal day to testify,
19 and we will address a number of bills being
20 considered today and offer testimony in support of
21 raises for council members, staffers and central
22 staffers. I like many of my fellow colleagues here
23 at City Council are overworked and grossly underpaid.
24 Over the past few years we have witnessed the Mayor,
25 the Speaker, the Progressive Caucus, Members of the

1
2 BLAC, and other council members support workers'
3 rights including airport, car wash, fast food and
4 more recently free lance workers. We, too, have to
5 worry about the cost of living in New York. Many of
6 us are stressed over paying rent, supporting our
7 families, repaying student loans and live paycheck to
8 paycheck. Unfortunately, there's no set rate or
9 uniformity between the legislative and budget
10 directors. We are not paid based on our skill sets.
11 This is the same for central staffers. Although our
12 business cards state our positions, our official
13 title Councilmatic Aid and Legislative Analyst for
14 Central staffers. Workers are not valued in the same
15 way as management, and we lose valuable employees
16 because of this. As indicated, they leave and seek
17 employment elsewhere. I just wanted to add in terms
18 of--because you've been talking about the lulus--and
19 wanted to state that sometimes council members may
20 use the lulus to compensate their staffers and
21 perhaps if the Good Government Groups were aware of
22 this, they wouldn't be so quick to pressure council
23 members to eliminate their lulus. I also wanted to
24 just state that when they talk about working--council
25 members only working part time, in fact, if they were

2 to continue to say that, this is an insult to not
3 only council members, but also our workload and
4 responsibilities. As we know here at the Legislative
5 Office, we are responsible for submitting
6 legislation, and drafting press releases, attending
7 caucus meetings, and dealing with the budget process.
8 I would like to highlight that the Speaker did submit
9 some testimony to the Quadrennial Commission, and
10 that legislative package contained about 4,000 pages,
11 which we know clearly indicates the workload of the
12 Legislative Division. And I just would like to say
13 that we hope the Mayor and the Speaker--I'm looking
14 at the time on the clock--will support us with the
15 same tenacity as their support in raising fast
16 salaries--worker's salaries to \$15.00 an hour.
17 Because unlike unions, we are at-will employees,
18 which means that we do not have the same protection
19 that other union employees have. We can be hired
20 today, and fired today. And before I turn it over to
21 my colleague, I just wanted to say that it would have
22 been nice if the Quadrennial Commission would have
23 done a little bit more to reach out to the public in
24 terms of seeking [bell] some type of testimony from
25 us. I didn't see anything in Harlem where I live. I

2 would have certainly testified not only to advocating
3 for our salary increases, but more importantly
4 advocating the saying that the council members should
5 in my opinion get out of the business of dealing with
6 constituent services. We have enough handling
7 legislation, budgetary matters and land use. This
8 work could be covered by community boards, the
9 borough president, and the Public Advocate. This
10 might have had a direct impact on the salary
11 increase, but we still wouldn't--I don't think we
12 would be thinking about --

13 CHAIRPERSON KALLOS: [interposing] Okay,
14 move onto this.

15 M. NDIGO WASHINGTON: --a 32% increase.
16 So I would--I look forward to your thoughts on staff
17 salary increasing and continuing the discussion
18 around governance reform, and I'm open to any
19 questions that you may have thank you.

20 CHAIRPERSON KALLOS: Thank you.

21 JOY SIMMONS: Good afternoon, Chairs
22 Lander and Kallos, committee members, council
23 members, staffers and attendees. My name is Joy
24 Simmons. I joined the City Council in 2005 as a
25 Legislative Director of then City Council Member

1 Charles Barron. I was promoted to serve as his Chief
2 of Staff in 2009, and I currently serve as the Chief
3 of Staff of the Office of New York City Council
4 Member Inez Barron. While I work in between offices,
5 I spend most of my time in our local district office.
6 I'm proud to be--to have such a wonderful employer,
7 Council Member Barron. She works very hard and, of
8 course, I agree in fair pay for council members.
9 Speaker Mark-Viverito stated in her testimony to the
10 Quadrennial Commission regarding council member
11 raises that this time council members already made
12 105% more bill and resolution drafting requests,
13 introduced 42% more bills and enacted 32% more local
14 law. I would like to add to the Speaker's
15 quantitative analysis by pointing out the respective
16 numbers of people in each council district has also
17 increased over the years reflecting New York City's
18 consistent population growth. The Speaker further
19 stated in her testimony that at the local level each
20 member represents on average about 150,000 New
21 Yorkers, and much of their impact is felt on the
22 ground by their constituents. The time commitment
23 for council members is considerable, and most
24 describe their jobs as 24/7 requiring them to be
25

1 available around the clock. While the Speaker's
2 testimony focused on the extra work for city council
3 members, I would like to respectfully add that a
4 great portion of this heavy and steadily increasing
5 workload falls on the shoulders of respective council
6 member staff, those located both at City Hall offices
7 and the district offices. Specifically, with regards
8 to the district office staff responsibilities, we
9 attend community meetings from groundbreaking to
10 ribbon cuttings, from tenant meetings to cabinet
11 meetings, from attending funerals to filling in for
12 council members on invitations to speak, or
13 participating in events. From community organizing
14 to coordinating victim services, from crisis response
15 to organizing community forums. From organizing
16 rallies to meeting with organizations requesting
17 funding. From sitting in on meetings with developers
18 to assist with community planning. From facilitating
19 the local discretionary budget process and staying on
20 top of thousands of emails, phones, snail mails and
21 coordinating distribution of turkeys on holidays, and
22 crowd control and logistics and more. So, overall
23 the community--in the community we serve as
24 neighborhood planners, public speakers, organizers,
25

2 policy experts, negotiators, trainers, writers,
3 humanitarians and other roles that require great
4 skills. Then there are constituency services. In
5 dealing with human social needs, we fill the roles of
6 counselors, social workers, therapists, being on the
7 front line of constituency services. From rape
8 victims to gang victims our offices must
9 appropriately deal with all situations. So I just
10 also wanted to point it out that, you know, staff
11 members we're not usually reimbursed for coffee or
12 personal cell phone use and other personal resources.
13 And, also despite the fact that work of council
14 offices is very similar, there are different
15 configurations of how much they pay and the number of
16 staff. So, it's--

17 CHAIRPERSON KALLOS: [interposing] Could
18 you wrap up?

19 SUSAN LERNER: --it's widely different
20 between different offices, and there's a great pay
21 disparity between Council staff management and
22 central staff, and the skills needed to run district
23 offices is--appears to be less valued than what is
24 paid for central staff. So I just wanted to--I know
25 there's a few more things that I mentioned on the

2 testimony. So if you could just read to the end, I
3 would appreciate that. Thank you.

4 CHAIRPERSON KALLOS: Our pleasure. Thank
5 you to former council member Lew Fidler, and just an
6 explanation on the interesting graphic you have
7 shared with us.

8 LEW FIDLER: You'll--you'll get one.
9 First of all, it's very weird sitting over here. I'm
10 here as a private citizen, a life long student of
11 government, a former council member and hopefully not
12 the ghost of the Christmas past. My testimony is
13 exclusively on the issue of full-time service, which
14 I believe is a misnomer. Which I believe is something
15 that needs to be studied further. I think there are
16 implications that have not been considered here.
17 They are really quite important. I didn't expect to
18 be sitting here in agreement with Citizens Union and
19 Common Cause and, in fact, Mike Aronson the Daily
20 News editorial suggesting that this change, which is
21 a structural and institutional change needs to be
22 discussed and debated and alternatives need to be
23 looked at. I heard some talk at the beginning of
24 this hearing about encouraging more people to run for
25 office. This change does the exact opposite and I

1 know it's--it's easiest to think of attorneys because
2 of what happened up in Albany. But what about some
3 small business owner who put 10 or 12 years of sweat
4 equity into building a business, and maybe he's a
5 member of this community, this local civic
6 association who decides I want to run for the
7 Council. What's his option? Put the bodega in a
8 blind trust, you know? It doesn't work. You are--
9 you may as well put up a sign here Small Business
10 Owners Need Not Apply. There are--there are so many
11 other categories that, you know, that's true of, and
12 I--I really think it--it is, you know, something that
13 you ought to think long and hard about, you know,
14 before you mandate that everyone as a council member
15 has to be a professional politician for eight years.
16 And expect that they'll be able to go back to
17 whatever career they had without having lost the
18 skills, the clients, the business, the opportunities
19 that they had and they have to have for the future of
20 their own families. I think the second point, and
21 this comes from the Chicken Little Flyers is, you
22 know, your bill here to make each job full time.
23 It's just going to further put council members into a
24 bubble, into isolation, away from a world that's
25

1 changing around them even in their areas of
2 expertise. In 2003, I went to a closing for a first-
3 time home buyer. I think I made \$750. The client was
4 getting a no-income check, 100% loan to value, an
5 three-year adjustable rate, a five-year balloon
6 mortgage. And as I felt obligated to do, I said to
7 my client, what are you going to do in three years?
8 How are you going to pay for this? Well, the
9 response was, my house will go up in value. [bell]
10 Well, I'll--I'll make it back. Okay, and I said what
11 if it doesn't? That is when I realizes what all of
12 you who saw the movie *The Big Short* realized is that
13 the housing market the foreclosures were coming. And
14 I came to the Council with this exact flyer. The
15 only thing that's changes is the line I put at the
16 top it. Asking the council to be--get out in front
17 because of something I learned practicing law outside
18 of my job. And--and as a result, we put in millions
19 of dollars of foreclosure prevention services.
20 Today, that is the Center for New York City
21 Neighborhoods. I'm sure you're all familiar with it.
22 Maybe that's why we weren't hit the way Cleveland or
23 Akron were hit when the foreclosure crisis happened.
24 If I was a Wall Street guy, I'd be a billionaire, but
25

2 I'm not. Okay, I'm a public servant. I took my life
3 experience, applied it to the job, okay, and I think
4 we've helped many, many people because of it. You
5 cannot legislate honesty. You cannot legislate hard
6 work. You cannot legislate work ethic.

7 CHAIRPERSON KALLOS: Right.

8 LEW FIDLER: We all know there are
9 council members--the last point--there are council
10 members who have no outside income, who are less than
11 diligent, and there are council members who maybe are
12 very busy. Okay, who put in a full-time job and full
13 effort.

14 CHAIRPERSON KALLOS: Thank you.

15 LEW FIDLER: You can't legislate that,
16 Mr. Chairman. You really can't.

17 CHAIRPERSON KALLOS: Thank you. We have
18 first round questions. Council Members Williams,
19 Greenfield followed by Barron.

20 COUNCIL MEMBER WILLIAMS: Thank you, Mr.
21 Chair and thank you all for your testimony. I just
22 want to first say congratulations to Ndigo and Joy
23 for coming here and testifying. I'm very
24 appreciative that you're here. I want to thank
25 Council Member Barron who supported you testify. I

1 do think it's very helpful that people hear from you.
2 Again, there are many of us on the inside pushing for
3 the importance of raising staff salary, and nothing
4 beats hearing from people themselves what they're
5 doing, and--and why they need the salary increases.
6 I think it's pretty brave for you to come out, and I
7 would have supported my staff if they wanted to come.
8 I don't know if I want to put them on the spot right
9 now, but I think it's very, very important hear we
10 are all losing out to people who spend a lot more
11 money. And I know that good staff want to stay here,
12 and I appreciate you staying here. I'm sure you've
13 got an office like other people, but it is very
14 important that your salaries be the same and increase
15 as well to keep up with everyone else. Because we
16 want to keep good staff here in the Council and not
17 be a training ground for a bunch of people, some of
18 them in the administration and sometimes outside of
19 the administration. So just thank you very much of
20 that, and I'll keep pushing forward. I think we can
21 make some headway and from--and from some of us who
22 have been speaking on it, I think headway will be
23 made. I'm not sure if it's the percentage that you
24 put in your testimony, but there's definitely I think
25

2 going to be some headway made. Council Member thank
3 you for your testimony. I think there is--and I do
4 have some concerns about the outside income. I'm not
5 sure what the sweet spot is in terms of what's being
6 proposed, and the cap. I cannot like the cap idea,
7 but I don't know that you can get to every
8 eventuality. I'm glad that there room in this
9 iteration that allows for someone to review or allows
10 for not just a list that's proposed, but allows other
11 things. Because I'm concerned that we haven't
12 thought about the other things are, and haven't
13 really thought it fully through. So I'm glad that
14 there is a provision there to--to think it through a
15 little bit more. But I'm still not--I'm not
16 convinced the best wouldn't to be east least a cap on
17 outside income across the board, but thank you for
18 bringing that information up. I think it's important
19 that we heard it. So thank you. That's it.

20 CHAIRPERSON KALLOS: Thank you. Council
21 Member Greenfield followed by Barron.

22 COUNCIL MEMBER GREENFIELD: Thank you
23 very much, Chair. I want to thank both of you from
24 taking time off from your day jobs to come and
25 testify today. I certainly agree with you. I will

2 just make one slight disagreement, which is I don't
3 think that we should give up the role of Constituent
4 Services. From my perspective I think that's a
5 critical role that we provide. In fact, if you
6 really ask me bluntly what am I proudest of, I would
7 actually tell you the thing that I'm proudest of the
8 most is that folks who can't get things done in
9 government call me and they call my office. And they
10 have wonderful staff like yourselves who actually do
11 help them get it down and go through the red tape. I
12 joke with people all the time. They complain about
13 311, I tell them that if 311 worked all the time I
14 wouldn't have a job. So I'm certainly in favor of
15 that, but I agree with you. I think we--we need to
16 do more. It's not unfortunately directly impacted by
17 today's conversations because this is not the--the
18 legislation that we're considering. But I will
19 certainly work with your boss to advocate on that
20 behalf, and I want to thank you for that. I want to
21 thank Council Member Fidler first of all for some
22 really impressive graphics over here. Who knew that
23 you had the--the kind of skills to superimpose
24 yourself on a chicken. So that's--that's impressive,
25 but also for coming out and taking the time to

2 testify as well. You--as you mentioned you have the
3 benefit of hindsight as a former council members, and
4 obviously you're concerned about the foresight as
5 well. And so, I appreciate the point that you made
6 regarding capping the income, which is something that
7 we discussed. And to my colleague Council Member
8 Borelli's point and--and I--just to be clear, I think
9 we need to cap it on both sides, which is 15% for
10 folks who would like to engage in outside income and
11 15% for those who are engaging in things like
12 teaching or writing books or acting. And--and the
13 reason--the reason for that is that my colleagues
14 Council Member Borelli pointed out that under the
15 current rules you could actually keep your name on an
16 insurance company, and you make a million dollars a
17 year simply because your name is on the insurance
18 company because people may be inclined to send you
19 business. And so I--I do think that it's--it would
20 improve both the quality of candidates that we get,
21 and to the point--I didn't have a chance to respond
22 to this before that the Chair of the commission made.
23 Just because there's no lack of candidates for City
24 Council doesn't mean that there's no lack of good
25 candidates for City Council right. And we want to

1 encourage. It's quality. It's not quantity. We
2 really want to encourage the best, the brightest--and
3 folks who really are successful in different fields
4 to come into governing recognizing that this is only
5 an eight-year job, as the city has agreed to. And to
6 do that, you certainly don't want to discourage
7 professionals or small business owners from--from
8 doing that and giving someone even the ability to
9 come in a few hours a week to run his bodega, as you
10 pointed out. Give them that ability to do that to
11 keep their business intact or their hardware store or
12 their accounting firm, or their insurance company.
13 But capping at 15% make sure that--that there's
14 nothing untoward that's going to go on there. So I
15 would agree with and I'm curious as to whether you
16 agree with the suggestions on those caps?

18 LEW FIDLER: In nine seconds I think the
19 questions you just raised show exactly why this
20 question should be deferred. It's not to take effect
21 for two years anyway, but I, you know, I'm not so
22 sure that your interpretation of Councilman Borelli's
23 hypothetical is correct because I do believe putting
24 your name on an insurance company deriving income
25 there from is earned income. It's not passive

2 income, and I don't believe he'd be allowed to do
3 that. And-and I'm, you know, if he had spent 12
4 years building up that business and he had to give it
5 up to run for the City Council, would he? That's the
6 question I'm raising, and I hope you would consider
7 options such as bifurcating, allowing council member
8 to choose to be paid a lesser salary and maintain
9 their outside employment. Step up the disclosure and
10 transparency and the conflicts laws as you see fit,
11 you know, but, you know, I--I think those questions
12 need to be looked at more than we looked at them so
13 far.

14 CHAIRPERSON KALLOS: Thank you. Council
15 Member Barron.

16 COUNCIL MEMBER BARRON: Thank you to the
17 chairs and thank you to the panel for coming to talk
18 on this issue, and yes certainly the stated topic was
19 about the Quadrennial Commission's report, but tied
20 to that is, in fact, the work that our staff does on
21 our behalf, both at the district, and here at 250
22 Broadway. So I think it's very much related, and the
23 panel before also support--supported the position,
24 and if anyone has any questions or had any concerns
25 about the quality of the work and status, and the

2 competency of my staff as well as I'm sure other
3 staffers who are here. Certainly the testimony in
4 its written form and in its presentation by my two
5 staffers speaks to the quality of work that they do.
6 So I want to commend them. Certainly that there are
7 others who perhaps might have wanted to participate,
8 but didn't have whatever, the nerve, the integrity,
9 the--whatever to come forward and do that. Willing
10 to take their own time, take time off from their
11 assigned duties on their own time to come and present
12 their testimony. So I want to commend you. I want
13 to thank you for being the voice of so many who
14 perhaps share the same position, but didn't have the
15 opportunity to speak. And I want to encourage you
16 going forward, and I will be, of course, supportive
17 as you go forward. Thank you, Mr. Chair.

18 CHAIRPERSON KALLOS: Thank you to this
19 panel, and again thank you to Council Member Barron.
20 As I may have referenced earlier, when you are a
21 Council staff there's different limitations on free
22 speech. And so, by virtue of being here that is a
23 testament to your council member and I'm sure that
24 every other council member would love to do the same
25 thing, and I think all of us want to pay our staffs

2 what they're worth. And I--I know for a fact that I
3 can't afford any of the people on my team, and I
4 think we're lucky to have them as public service, and
5 just with regard to constituent service. We do a
6 policy night every month, the second Tuesday of the
7 month, and one of the things we've discovered, my
8 Policy Director Paul Westrick here can weigh in that
9 everything emanates from constituent service, and
10 every one of our policies comes from my constituents
11 who came and said, I have a problem. It isn't right,
12 and it isn't just me, and so thank you. I would like
13 to excuse this panel. Thank you for testifying, and
14 our final panel is Roxanne Delgado who has also
15 spoken at Quadrennial Advisory Commissions as well as
16 --and forgive me for any mispronunciations Towaki
17 Komatsu (sp?) who is here on behalf of himself. (sic)
18 And I just also want to thank--acknowledge that we
19 actually have multiple members who have stayed for
20 the entire hearing. That is incredibly rare, and it
21 is a testament to the members who did remain, and
22 David Greenfield will be back. And thank you to
23 Council Member Williams and Council Member Barron for
24 staying through the entire hearing on this important

2 issue. [pause] Also to the press who stayed even
3 after all the fireworks, or no one can.

4 ROXANNE DELGADO: Hello. I'm Roxanne
5 Delgado. Hi, I testified at both Quadrennial
6 Commission hearings in November, and the turn out was
7 low, and I believe it is because the public believe
8 that elected officials will ignore the public and not
9 on its best interest as was done in the past. In
10 2006, the City Council voted itself a Rec (sic) Act
11 of 25 pay raise and they disregard the Commission's--
12 Reform Recommendations. Now today the City Council
13 is ignoring recommendation and jacking its own pay up
14 to 32% to \$148,500. That's more than \$10,185 than
15 the commission recommended. This is why elected
16 officials should not vote for their raises because
17 the human nature of greed clouds their judgment.
18 This narrative that you have not received a raise in
19 ten years is just nonsense. Shame on the media for
20 repeating this false narrative. As per spreadsheet
21 there has--there's only--only eight city council
22 members that have been in office for 10 years.
23 Fifteen have been in office for six years, and 22
24 have been in office for only two years, and three
25 will be in office less than four months yet receive a

1 32% raise. This is why this raise should be
2 prospectively for from June to January 1st, 2018.
3 The argument that you are entitled to more money
4 because you are foregoing outside income is also
5 nonsense. As per 2015 financial disclosure, 40 out
6 of 51 city council members have zero income. The
7 city council members have less than \$5,000 in outside
8 income. The argument that the public has to pay more
9 to a public servant to reform a system for the
10 betterment of the public and for good government is a
11 shame. These reforms--these reforms should have been
12 done years ago. In regards to why should city
13 council members be exempt from these reform rules
14 prohibiting outside income 'til January 2018. Why
15 make these reforms prospectively, but the raise
16 retroactively? These are both the same, either both
17 prospectively or both retroactively. Also, in
18 regards to--specifically the city should put the cap
19 on outside income because it should be a ban. Don't
20 do it halfway. It's not half right. It's half
21 wrong. So if you're going to do--if you are address
22 outside income it should be a total ban. In
23 conclusion, I ask the city council to adhere to the
24 Commission recommendations, and not raise their
25

2 salary about the commission recommendation of
3 \$130,305. Is the \$10,185 really worth damaging the
4 little trust and expectation the public has still
5 left in government and our democratic system? Why
6 convene a commission and then waste our time if you
7 won't adhere to the recommendation. Also, make the
8 raise prospective because no one should go to raise
9 his own salary. It's a conflict of interest. Thank
10 you.

11 CHAIRPERSON KALLOS: Thank you. The
12 first round we have Council Member Williams who is
13 limited to one and only one round.

14 COUNCIL MEMBER WILLIAMS: Sure, I just
15 wanted to say thank you very much for--for coming
16 out. Obviously whether or not--how we vote, I don't
17 want it to reflect on the appreciation of you coming
18 out to give your testimony. I actually wish more
19 people came out to give their testimony. I know
20 there's a lot of people who think like you and did
21 not come out to the commission and did not come out
22 today. I think it's important that people
23 participate. So I really appreciate that. I'm not
24 going to try to refute anything you said, but I did
25 want to make one clarification. The 32% increase of

1 a bit of a misnomer because it includes stipends that
2 people received. So it's actually a little lower
3 than that depending on the amount they received.
4 Some people receive 15 or 20 or 25 I think and people
5 just receive 5. The average is about 9. So the
6 percentage of increase is actually a little lower
7 than what's been out there. But thank you so much
8 for--

10 ROXANNE DELGADO: Yeah, but the
11 Commission still recommended the 23%--

12 COUNCIL MEMBER WILLIAMS? [interposing]
13 Sure.

14 ROXANNE DELGADO: --of our 32%. All
15 right, thank you.

16 COUNCIL MEMBER WILLIAMS: Thank you.

17 CHAIRPERSON LANDER: All right, we--
18 that's all the people who have signed up to testify.
19 So I want to thank all members of the public and the
20 media and staff and council members who have stuck
21 around for this good long, thorough, extensive public
22 hearing. I do want to say just one thing first--I'm
23 sorry, and I have one--I'm sorry. [background
24 comment] There's a few people who have--
25

2 CHAIRPERSON KALLOS: [interposing] Is
3 that you, sir?

4 CHAIRPERSON LANDER: If there people who
5 plan to testify, but didn't sign in and fill out the
6 piece of paper, we're still here. So go up to the
7 sergeant-at-arms.

8 CHAIRPERSON KALLOS: What's your name
9 sir?

10 TOWAKI KOMATSU: [off mic] Towaki
11 Komatsu. (sp?)

12 CHAIRPERSON KALLOS: Oh, we called your
13 name. Please come up.

14 CHAIRPERSON LANDER: Oh, yeah, okay, we
15 called you maybe when you were out in the--in the
16 restroom.

17 TOWAKI KOMATSU: [off mic]

18 CHAIRPERSON KALLOS: Okay.

19 TOWAKI KOMATSU: Hi. First and foremost
20 the reason we're here today is because all of you
21 wish to get a pay raise, right? And typically in the
22 private sector getting a pay raise is contingent upon
23 performance. So if the case is that you actually
24 proposed legislation last--in December with regards
25 to freelance workers, and that hasn't taken effect.

2 It hasn't come before a vote, and as someone who work
3 worked Credit Suisse previously and is currently in
4 litigation with them about wage theft, retaliation,
5 worker's classification, I'd like an explanation from
6 your--your panel about why you feel it's warranted
7 for all of you to get a pay raise while people like
8 me are waiting to be paid for work we provided for
9 Credit Suisse back in 2012. Also with regards to
10 true reforms, after prevailing over a former slumlord
11 of mine at the Queens Civil Court that same slumlord
12 filed retaliatory--retaliatory lawsuits against me
13 that I've been able to clearly disprove. And despite
14 that, those frivolous remained filed and being
15 maintained against me both at the Queens Civil Court
16 and the Queens Supreme Court. So despite the
17 existence of the so-called tenant protection unit I
18 believe, they haven't taken a single measure to get
19 rid of that frivolous lawsuit. With regards to the
20 Housing Court, the judge is there, specifically Judge
21 Nembhard at Queens Housing Court. Judge Crisoi (sp?)
22 is currently at the Bronx Housing Court. I actually
23 had Judge Nembhard in my former apartment on July
24 10th of last year where I recorded him on audio
25 depriving me of my First Amendment rights of

2 violation my Fourth Amendment right about unlawful
3 search, and telling me in my own apartment that I
4 didn't have a right to record him and his court
5 officers while they were in my own apartment. Despite
6 the fact that a California Magistrate Judge in case
7 of *Crego vs. Leonard*, clearly expressed that people
8 do have a First Amendment right to record
9 governmental officers in a private residents while
10 they're engaged in the per--performance of their
11 public duties.

12 CHAIRPERSON KALLOS: Sorry to interrupt.
13 What you're talking about is a specifically a
14 Constituent Service matter. Which--where do you
15 live.

16 TOWAKI KOMATSU: I live in Brooklyn right
17 now.

18 CHAIRPERSON KALLOS: What--what are your
19 cross-streets.

20 TOWAKI KOMATSU: Right by Metro Tech.

21 CHAIRPERSON KALLOS: Um, we will--

22 TOWAKI KOMATSU: [interposing] But the
23 point of the matter is--

24

25

2 CHAIRPERSON KALLOS: [interposing] We
3 will--we'll set you up with your Council Member to
4 assist you with--

5 TOWAKI KOMATSU: I tried that already but
6 he blew me off.

7 CHAIRPERSON KALLOS: Who is your council
8 member?

9 TOWAKI KOMATSU: Um, well, this all
10 happened in Queens. I went to Daniel Dromm's Office
11 and I was blown off there.

12 CHAIRPERSON KALLOS: Okay, we'll--we'll
13 work with you on Constituent Service, but today
14 we're--we're limiting it to testimony on the four
15 bills being--

16 TOWAKI KOMATSU: [interposing] Sure. So
17 back to the--back to the original issue. Again,
18 you're looking for a pay raise and again, that should
19 be contingent up past performance. So if the actual
20 fact that your group has not performed adequately
21 there's no justification whatsoever for you to get
22 pay raise while people in the private sector are
23 working three jobs, two jobs, and fending off
24 slumlords and for this litigation. That's pretty
25 much all I have to say.

2 CHAIRPERSON KALLOS: Thank you.

3 CHAIRPERSON LANDER: Thank you very much
4 for your testimony, and I will just say on the
5 freelance legislation we are in the process of
6 scheduling a hearing. It will most likely be at the
7 end of this month or--or next month. I look forward
8 to taking that testimony. So just as a matter of
9 closing for me, I think some people know this. I
10 have a long planned trip that I am leaving on for
11 tomorrow. And so I will not be here on Friday for
12 the resumption of this meeting from recess and for
13 the Council's Stated Meeting, but I do want to make
14 clear for the public record and for the--for the
15 record that I strongly support all four of these
16 intros and the two Reso. I'd like to on the four
17 intros as a co-sponsor. So, my support for all four
18 of these bills is clear. And on the two Resos coming
19 out of the--the Rules Committee, you know, I really
20 believe that actually today's hearing and the--the
21 conversations that we've had about them has shown
22 that we've crafted them in the right way. And that
23 in particular on outside income, the approach and the
24 discussion that we had with Chair Schwarz and the
25 support of Common Cause and Council Member Borelli

2 shows that that's the right way to go. So I will
3 urge members on Friday when this committee resumes
4 from recess to vote aye on the package as it has been
5 presented in full. I think it really holds together.
6 There are obviously some slightly different ways we
7 might have done this or that. But achieving these
8 long sought very significant reforms or abandoning--
9 banning lulus, and outside income, and moving the
10 Council forward in a significant way is worth doing
11 as the package is presented as whole. So, I request
12 a sign-on to all four--six of those pieces of
13 legislation and urge my colleagues on Friday to vote
14 aye on all. Thank you, Chair Kallos. It has been an
15 honor to chair this with you, and I put the Rules
16 Committee meeting into recess.

17 CHAIRPERSON KALLOS: Sure. Thank you.

18 I'd like to just say to Mr. Komatsu my Chief of Staff
19 Jessie is here. We'll take your information and work
20 with you on your Constituent service issues. I am a
21 sponsor on Brad Lander's bill regarding wage theft,
22 and I'm also--have worked as an independent
23 contractor specifically a software developer, and I
24 am owed at least \$6,000, and I actually have some
25 outstanding lawsuits against my previous slumlords.

1 So I--I think what you see in this City Council is a
2 great representation of some of the same things that
3 you are feeling, and we are working towards. And
4 just to echo some of the sentiments that we heard
5 today from the Good Government Groups from the
6 Quadrennial Commission, we've got this amazing moment
7 where we've got a council that's actually
8 implementing reforms that people have fought for
9 longer than a lifetime, and I'm proud to be able to
10 sponsor and carry legislation to limit outside
11 income. Make the Council full time and eliminate
12 lulus. We've already accomplished so many things
13 around member item reforms and others. That being
14 said I hereby--the last piece I just want to thank
15 Council Member Greenfield, Barron and Williams for
16 staying for the entire hearing and engaging every
17 single panel with substantive conversation as well as
18 the members of the press, the Editorial Boards, the
19 Good Government Groups, and even just members of the
20 public. Thank you. I hereby adjourn this meeting.

22 [gavel]

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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 February 9, 2016