

Executive Budget  
Hearings  
Committees on  
Oversight &  
Investigations and  
Parks & Recreation

Date	5/22/2008
Start Time	
Finish Time	



**TESTIMONY OF ROSE GILL HEARN**

**COMMISSIONER**

**THE CITY OF NEW YORK DEPARTMENT OF INVESTIGATION**

**BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON  
OVERSIGHT AND INVESTIGATIONS**

**CITY HALL COUNCIL CHAMBERS NEW YORK, NEW YORK**

**CONCERNING THE EXECUTIVE BUDGET  
FOR FISCAL YEAR 2009**

**MAY 22, 2008**

Good morning Chairperson Gioia and members of the Committee on Oversight and Investigations. Thank you for the opportunity to address the Committee once again concerning DOI's Budget for Fiscal Year 2009 and our substantial accomplishments during FY08. My remarks will in some respect be a continuation of my testimony from March where I began to share information concerning DOI's budget for FY09 and its impact on the Department of Investigation's operations.

I continue to be pleased with the fact that despite reduced funding in Personal Services (PS) and Other Than Personal Services (OTPS) we continue to push forward in the fight against corruption and have accomplished a great deal during this fiscal year. As history has shown, and undoubtedly as this fiscal year has clearly demonstrated, a robust DOI is vital to the public's well being. It prevents tax money from being stolen, ferrets out corrupt city employees, identifies bad practices and procedures within our City government, and suggests corrective measures for improving the way vital services are provided to the public. This clearly is all in the City's deepest interest.

Thankfully, DOI continues to be staffed with highly skilled and well trained investigators, attorneys, auditors, managers and support staff who offer a wide range of creative abilities. During fiscal year 2008, DOI received over 12,000 tips and complaints. We executed or participated in 477 arrests for this fiscal year. The agency has also made over 1,300 disciplinary, administrative and civil referrals and we have conducted 558 corruption prevention lectures.

Since my last appearance before this Committee in March, DOI has participated in numerous arrests and prosecutions in connection with a variety of crimes such as bribery, theft, and fraud. I would like to highlight a few of those cases for you today.

In an investigation that has resulted in 2 prosecutions, DOI uncovered a complex embezzlement and money-laundering scheme within the Medical Examiner's IT Unit. Two employees and several City contractors embezzled millions of dollars in funds provided by FEMA and the City that were supposed to be used to set up computer systems for identifying the remains of the September 11<sup>th</sup> victims. Most of the money was wired to India. DOI conducted a copious forensic investigation of a myriad of wire transfers, tracing the money through shell companies that did not provide any services to the City, and sham transactions created to divert the funds - all intended to get the money out of reach and to hide its origin and purpose. Because of the painstaking efforts of the DOI team of auditors, investigators, and attorneys, \$4.3 million has been returned to the City from India, a large portion of that was returned several weeks ago, and another \$1.7 million is scheduled to be delivered to the City by the end of May.

On March 19, DOI arrested Edward Marquette, a DOB Inspector assigned to the Department of Building's Cranes and Derricks Division, on charges that he made a false entry in his route sheet indicating that he had performed an inspection of the tower crane located at 303 East 51<sup>st</sup> Street on March 4th. DOI began an investigation into the fatal crane accident on East 51<sup>st</sup> Street immediately after its collapse on March 15th, which included gathering documents relating to prior DOB inspections of the crane. In an interview with DOI investigators on March 19th, Marquette admitted that he had not

performed the March 4th inspection and that he had falsified his route sheet to make it look as if he had. Marquette was immediately arrested by DOI on March 19<sup>th</sup> because we felt it important to act quickly to make clear that dishonesty by City employees entrusted with ensuring the safety of construction sites cannot be tolerated. The investigation into the crane accident is on-going, as is our review of the Cranes & Derricks Division, which is being conducted to identify issues and ways that unit can function better.

Since my last testimony, we also saw the culmination of two long-standing DOI investigations. On March 7th, Brian McLaughlin, a former New York State Assemblyman and labor leader, pled guilty to a federal racketeering and fraud charge. This conviction is the result of DOI's involvement in an investigation spanning many years that ultimately proved, among other things that, McLaughlin as the highest ranking official of the electrical workers union, stole money from the union's bank account, accepted payments from union contractors and maintained a secret interest in a company doing business with the union. As part of his guilty plea, McLaughlin agreed to forfeit \$2.2 million that he derived from his crimes and to forfeit a property on Long Island.

On April 8th, New York State Assemblywoman Diane Gordon was convicted by a jury in Brooklyn on corruption charges. Gordon's conviction was the result of a DOI undercover operation which exposed Gordon's attempt to use her position as a State legislator to help a private builder acquire City-owned land in her district but only if he agreed to build her a \$500,000 house in a gated community in Queens for almost no

money at all. DOI's undercover investigation further showed that Gordon attempted to conceal her involvement in this shady and illegal transaction by having her mother pose as the buyer of the house.

Since August 2007, DOI has been working with the Manhattan District Attorney's Office investigating all of the facts and circumstances leading up to and including the fatal fire at the former Deutsche Bank building. We have had some of our most experienced people working with the DA's office on that important and complex matter.

And just this week, a woman named Judith Leekin pleaded guilty to federal charges stemming from, of all things, an illegal adoption scheme whereby she adopted 11 special needs children in New York City using several false identities, and collected the adoption subsidies that accompany each such adoption. Altogether, she collected more than \$1.6 million over almost two decades. Most of the children that Leekin adopted suffered from severe mental or physical disabilities. The case came to light last summer after Leekin abandoned one of the adopted children in a supermarket in St. Petersburg, Florida after telling the child that they were going to an amusement park. The Florida investigation revealed that the children, adopted while Leekin was living in New York, were often restrained and rarely allowed to leave the basement or the home. The Florida authorities are prosecuting Leekin on the abuse and neglect allegations. DOI pursued an investigation in New York, joined by the FBI, involving the adoption subsidies she bilked from New York for the so-called care of the children she illegally adopted. This conduct is quite obviously appalling and we felt it warranted the fullest pursuit of all possible penalties.

A manager at NYCHA was arrested on charges that he stole tens of thousands of dollars in rental payments made by 32 unsuspecting NYCHA tenants. The NYCHA employee is charged with taking advantage of his position by instructing 18 NYCHA tenants who were behind on their rent, to make their late rent payments to him with the promise that he would expedite the payment process. Upon receipt of the tenants' money orders, the NYCHA employee credited the tenants' rental account but deposited the money orders into his personal bank account.

The NYCHA employee also convinced 14 tenants just moving into the NYCHA development, many of whom were elderly or did not speak fluent English, to pay their first month's rent, security deposit and various other surcharges directly to him. The NYCHA employee is now charged with Grand Larceny.

In a case that involves depriving the most basic services to citizens of New York City, DOI received a complaint from a Brooklyn resident who stated Sanitation workers solicited money from him to collect his household garbage. After he refused to pay, his household garbage stopped being collected. The individual was forced to start placing his garbage out for collection with his neighbor's. DOI conducted an investigation that resulted in the arrest of four Sanitation workers, who were immediately suspended by Sanitation.

In March, DOI arrested an ACS employee who was working as a Child Protective Specialist whose duties included investigating allegations of child abuse and neglect. Following a DOI investigation, the ACS employee was charged with submitting a fraudulent social security number and resident alien card when she applied to work at ACS. The ACS employee has resigned from her position.

Since my last testimony in March, DOI arrested nine individuals on charges of paying bribes and giving unlawful gratuities to Department of Building inspectors in Manhattan, Brooklyn, Queens and Staten Island. In each case, a DOB inspector reported being offered bribes to DOI and cooperated with DOI investigators to gather evidence concerning the corrupt offers. Those DOB inspectors are to be commended for reporting those bribe offers. Most of the bribes were offered to induce the DOB inspectors to overlook violations discovered during inspections of commercial and residential properties throughout the City. These cases had a public safety implication.

While strides have been made over the last 6 years to push back corruption within the Buildings Department, DOI just arrested a DOB inspector for allegedly soliciting and accepting a \$500 bribe from a plumbing contractor in Staten Island. We will always remain vigilant in this area.

During this fiscal year, we have continued what is a steady docket of arrests of individuals who submit false documents understating their income in order to obtain rent or housing subsidies under false pretenses thereby depriving truly needy New Yorkers of affordable housing.

Given the public health considerations, we have continued our efforts at ensuring the integrity of restaurant inspections. As you may recall we wrote a report about the KFC/ Taco Bell case last year. In a recent case, we arrested a restaurant owner in Queens for paying a bribe to a DOI investigator posing as a DOHMH inspector after the restaurant was found to have several health code violations, including mouse droppings, uncovered food in the refrigerator, and employees who were not wearing gloves while preparing food.

In April, DOI arrested seven Department of Corrections officers in separate cases on charges of taking bribes in exchange for smuggling contraband into the City's jails. DOI received information that the officers were willing to smuggle contraband into inmates on Rikers Island, prompting a series of DOI undercover investigations where investigators posed as friends or relatives of inmates and offered bribes to the officers to deliver packages of marijuana, simulated cocaine and heroin to inmates. None of the inmates received any contraband in these operations.

In April I held a joint press conference with Michael Garcia, the United States Attorney for the Southern District of New York, to announce the unsealing of an indictment charging Asquith Reid, the Chief of Staff to a New York City Council Member, and Joycynth Anderson, another employee of that same Council Member, with embezzling approximately \$145,000 of taxpayer money. According to the Indictment, the Council Member for whom both Reid and Anderson worked, had allocated discretionary funds to a non-profit called the Donna Reid Memorial fund. That non-profit purported to be involved in educational assistance to public school children and other

non-profit activities. The indictment charged, however, that the Donna Reid Fund also served as a vehicle for Reid and Anderson to embezzle funds meant to serve the community. In addition, the indictment stated that \$14,000 in discretionary funds initially allocated to budgetary holding codes in the names of two fictitious non-profits, were re-allocated to the Donna Reid organization.

The Mayor's Committee on City Marshals, reconstituted in 2003-04 due to the dwindling number of Marshals, has continued to make appointments and reappointments. Since 2005, based on the Committee's recommendations and DOI's background investigations, the Mayor has appointed 11 new marshals and reappointed 24 marshals. The Committee is currently considering a number of applicants for both new appointments and reappointment.

The unit of DOI that oversees the Department of Education is headed by Richard Condon, DOI's Special Commissioner of Investigation for the New York City School District. In the five year period beginning in 2003 through the end of last year, SCI has conducted almost 2,600 investigations, substantiating charges in 1049 of them, with 406 of them involving some kind of sexual misconduct. In 765 of the cases SCI has recommended termination of the subject or if the subject has already left the Department of Education SCI has recommended that the subject be put on the ineligible list.

That is just a sampling of the cases that we have been working on throughout the City's agencies in the past two months.

In this DOI administration, we have placed particular emphasis on putting good management practices in place which has helped us do more with less. As part of DOI's management initiatives, we have focused on monitoring outcomes and developing systems to insure consistent and effective results. We have further tried to extrapolate from a specific issue to universal problems and develop global systematic methods of addressing those problems. The following are examples of some of the management initiatives that DOI has undertaken in this administration and the positive effects they have had.

- COIB – Pursuant to the City Charter, DOI is the investigative arm of the Conflicts of Interest Board. DOI's investigations of potential COIB violations have increased steadily, both in the number of cases closed and the fines collected. To address this increase and in order for the two offices to track this shared docket more efficiently, DOI internally centralized oversight of all COIB investigations under our Counsel's Office, and instituted monthly meetings with COIB enforcement staff. Our COIB cases now move along faster and better address all of the possible Chapter 68 issues than in the past. Since 2001, the number of investigations completed and referred back to the COIB has increased from 43 in 2001 to 143 in 2007. So far in 2008, 64 referrals have been made by DOI back to the COIB of completed investigations, which puts us slightly ahead of where we were at this time last year.

- VNC's/Compstat – Under the City's Procurement Policy Board Rules, to facilitate a City agency's responsibility determination of a prospective vendor, DOI is required within 30 days or less to vet whether the vendor has been the subject of a DOI investigation. To insure the timeliness of our responses, this DOI administration created a central unit to provide the vet responses, known as Vendor Name Checks or VNCs. DOI's central unit checks DOI's databases and composes responses to the thousands of VNC requests made to DOI each month, well within the 30 days required by the PPB Rules. In those few instances where there are circumstances that require further investigation of the vendor, DOI explains to an agency that it will not be able to complete a VNC in 30 days and will often specifically request that a procurement be held pending DOI's additional inquiry. In an effort to insure that those extended VNC investigations do not languish and unduly burden a vending agency in need of entering into a contract, we have established a bi-weekly review of each of these matters to insure they are moved along as expeditiously as possible. This review had an immediate and demonstrable benefit on the disposition of those matters. Indeed, the management methodology applied to these VNC matters mirrors the agency-wide Compstat program instituted by this DOI Administration in 2002. Compstat at DOI has greatly brought under control languishing cases that can naturally happen given the constant crush of new matters we receive.

- No expectation of privacy banner – At the outset of this administration, we noted that in order to obtain evidence from any City computer, DOI investigators had to seek court orders usually via a prosecutor’s office. To facilitate our ability to collect the ever-increasing amount of evidence that DOI must obtain from City computers used in the commission of crimes, DOI eliminated the step of having to obtain court orders in most cases by creating an advisory banner to be displayed on every City computer that informs City employees that they have no expectation of privacy on their City computers. The text was drafted by DOI and the roll out of the banner City-wide was overseen by DOI’s computer security unit in 2002, and it continues to be a useful and beneficial tool in many of our current investigations. The banner is also intended to minimize inappropriate use of the City’s computers.

- Forfeiture and restitution initiative at DOI – Recognizing that a significant part of the harm to the City from fraud, waste and abuse is monetary, DOI has placed an increased emphasis on obtaining fiscal recoveries from its investigations. DOI’s efforts not only go a significant way toward recovering losses to the City from misconduct and criminal activity and generate increased funds for the City through other fines and penalties imposed, but we also view financial recovery as a law enforcement tool that increases the overall effectiveness of our work. In Fiscal 2008, the Department has been responsible for \$21.3 million in court-ordered recoveries, fines, assessments, and other recoveries on behalf of the City and other victims of misconduct in cases investigated by DOI. Approximately \$12.6 million of that amount will benefit the City. The remainder will go to the State and Federal government, and other individual victims. Indeed, the results of our financial recovery efforts since the start of this administration

through April 2008 have been dramatic: DOI cases have resulted in orders or agreements to pay in excess of \$100 million in restitution, with over \$62 million of that payable to the City of New York. So DOI has become a real revenue saving agency.

- PPRs - DOI has long had a policy of providing City agencies with Policy and Procedure Recommendations (or "PPRs") at the end of an investigation so that the lessons learned from our investigations can be used to insure that the same operational problems do not arise again and again. This is a characteristic that truly distinguishes DOI from other law enforcement agencies. As I promised in prior testimony, DOI committed resources to collecting and memorializing all of the PPRs stemming from DOI cases since 2002. During 2007, we undertook a project to ensure that the almost 1300 PPRs that we have made since 2002 have been issued to agencies throughout the City in writing. This year, we are in the process of verifying that the PPRs have been implemented or addressed in some fashion by the agencies. Thus far, we have ascertained that almost 800 PPRs have been implemented. A few examples of recent PPRs that were issued and implemented in the wake of DOI investigations include the following:

1. In response to a September 2007 news article alleging that an elevator outage at the Bushwick Houses contributed to a lethal asthma attack of a tenant, the NYCHA-OIG launched an investigation. Upon being notified of a service disruption, we found that NYCHA's practice was merely to notify the affected development's management personnel - no record of the disruption or follow-up was made. As a result of the PPRs stemming from DOI's investigation, all notifications relating to service disruptions received by NYCHA now result in a computer-generated work order and a report of elevator conditions in each of its buildings is produced and reviewed by NYCHA on a daily basis.

2. DOI has conducted several investigations relating to the theft of money from NYC parking meters. As a result of these investigations, we recommended that the Department of Transportation begin replacing vulnerable muni-meters with newer versions that are stronger and less susceptible to vandalism and theft. DOT has since replaced 123 of the old-fashioned muni-meters with the newer version in off-street parking fields. In addition, DOT has installed 1,000 electronic locks on to free standing meters in three areas in the Bronx with the highest rates of vandalism.

3. The City's Department of Consumer Affairs processes mobile food vendor license applications on behalf of the Department of Health and Mental Hygiene. As part of this process, DCA performs a check of the applicant's violation history with the Environmental Control Board to make sure that applicants have paid all outstanding fines on health related violations prior to being issued their licenses. DOI conducted an investigation of the violation search methods used by DCA and ECB after DOHMH complained that many violations were being missed and numerous licenses being issued to applicants who actually owed fines. DOI conducted a review of this issue and

found hundreds of thousands of dollars in ECB fines were being missed and identified serious flaws in the search method used by both DCA and ECB. Working with ECB's information technology staff, DOI identified and established a refined search method that both DCA and ECB adopted in January 2008. Preliminary audits conducted by DOHMH have shown that the new search method has substantially reduced the incidents of missed violations for one monthly audit period and completely eliminated them for another.

The executive expense baseline budget for the Department of Investigation for Fiscal Year 2009 is \$21.2 million: \$16.1 million for personal services and \$5.1 million for other than personal services. Additionally, we receive close to \$700,000 via Intra-City agreements with 2 other City agencies, which also includes 7 positions that are not part of the baseline budget. These funds are placed in DOI's expense budget through budget modifications, and are reflected as an increase to the modified budget after Fiscal Year '09 begins. Included in the total baseline PS budget is approximately \$3.2 million in funding, representing 61 lines, from memoranda of understanding (MOU) with several agencies. As you know, this DOI administration obtained those MOUs with agencies such as HDC, EDC and for several projects with the DEP and the DOB, in order to acquire more resources with which to supplement our oversight. That brings the total number of people under DOI's baseline budget to 260. The total budgeted headcount increases to 267 after the additional 7 positions are added through budget modifications.

We also continue to investigate the backgrounds of individuals selected to work for the City in managerial positions or positions above a certain salary level, to determine if they are suited to serve the public trust. Our Background Unit is handling approximately 2,100 open cases right now, and at any given time. A new change that the Department is implementing is a modest increase in the fee charged for each person being backgrounded to address the ever-increasing costs of conducting these checks.

The DOI Fingerprint Unit performs legally required fingerprinting of individuals who work in certain jobs including child care, home care and family shelter service providers. For public safety reasons these individuals must be screened for criminal convictions and/or pending criminal actions. As of March 3, 2008, the Department has been implementing a \$15 fee for this service.

We have done almost 52,000 vendor name checks so far this Fiscal Year. In addition, almost 2,600 Vendor Name Checks were performed for the City's Housing Authority this year, another 1,977 name checks have been done for HPD and HDC on prospective developers and leaseholders.

Earlier this month, an investigative reporter with both a keen eye and detached observation, focused on DOI in a way that illustrated how our dedicated investigators, attorneys, auditors, managers, and support staff have worked hard and effectively throughout the six years I've been privileged to head this unique agency, and I would like to share that good news with the Committee.

It started with the reporter's request for the number of investigators and auditors working at DOI each year for the past 10 years. The interest he had was whether the investigative resources of DOI, the City's "key watchdog," had grown or shrunk and whether our oversight of City government had therefore increased or declined proportionally. The reporter also asked for several years' worth of our Mayor's Management Reports. A few days later, when our press office checked in with the reporter, we learned that there would be no story.

It seems that the investigative reporter had received a "tip" that between 2002 and the present, DOI's investigative staff had dropped off "dramatically" and that, logically, the effect of the reduced resources could only be diminished oversight of the City's agencies. To test the tipster's hypothesis, the reporter looked at the data and numbers in the materials he requested of us. It turned out that the "tip" was half-right. Yes, the reporter noted, the number of DOI investigators and auditors had dropped off "considerably" – from 242 in January 2002, to 172 in January 2008 - a 28% decrease. However, the MMRs covering the same period showed that DOI's arrests were up - from 272 in FY 2002, to 368 in FY 2007 - a 35% increase.

One might have expected that with so many fewer professionals to keep track of our City's large and complex government, DOI's impact would have diminished, and that one key measure of its impact - arrests - would be down. However, contrary to that expectation, the numbers said that DOI has become even more productive, and as I already reported to you today, our arrests so far in FY 2008 are up even higher to 477 - a 57% increase since 2002. The reporter felt there was no story here, in fairness maybe because there was no problem to report. But for us, however, the story is that DOI really is demonstrably one of the hardest working and productive agencies in the City of New York. Talk about doing more with less.

As you can hopefully tell, the tremendous staff of people who I am honored to work with, continue to do such valuable work for the City of New York. Indeed, in the coming year, our goal is to not only equal the accomplishments of the past year, but to exceed them.

And the real news is that based on our experience, the vast majority of the 300,000 plus City employees are honest and hard-working people who come to work everyday and do a good job for the City.

At this time, I would be pleased to answer any questions that the Committee may have.

**Statement by Corporation Counsel Michael A. Cardozo to the City Council in connection  
with the Executive Budget for Fiscal Year 2009  
May 22, 2008**

Good morning Chairs Felder and Weprin and distinguished Members of the Government Operations and Finance Committees. It is a pleasure to come before you to discuss the Law Department's fiscal year 2009 Executive Budget.

The total appropriation for the Department in the fiscal year 2009 Executive Budget is \$125.7 million and the Department's total headcount is 1,288. This appropriation is \$4.5 million greater than the Preliminary Budget for Fiscal 2009 and \$3.7 million more than the November Plan amount for fiscal 2009.

Approximately \$3 million of the \$4.5 million increase is for a rent increase at our headquarters at 100 Church Street in connection with a lease extension. Another \$1.4 million is for the expenses of a Charter Revision Commission. As has occurred in the past, the Law Department will be the fiscal conduit through which the Commissions' expenses will be paid. The rest includes \$220,000 for two contract lawyers for the Mayor's Office of Special Enforcement and \$134,000 for a collective bargaining increase for members of the Organization of Staff Analysts.

On March 13, 2008, I testified before your Committees in connection with the Preliminary Budget for 2009. A copy of my statement at that hearing is attached. It discusses several Law Department initiatives we have under taken in past months. Thank you for your continued support for the Law Department. I would be happy to answer any questions.

**Statement by Corporation Counsel Michael A. Cardozo to the City Council  
in Connection with the Preliminary Budget for Fiscal Year 2009**

**March 13, 2008**

Good morning Chairs Felder and Weprin and distinguished Members of the Government Operations and Finance Committees. It is a pleasure to come before you to discuss the Law Department's fiscal year 2009 Preliminary Budget.

The Corporation Counsel is the attorney for the City and its agencies and has responsibility for all litigation and other legal matters involving the City. The Department employs approximately 610 support staff and 670 attorneys. Let me add that of our 670 attorneys approximately 21% are members of minority groups. While we would like – and are doing everything possible – to make this number substantially higher, I am proud to note that the number of minority lawyers in the Corporation Counsel's Office today represents a 7% increase from the start of the Bloomberg Administration; six years ago our legal staff consisted of only 14% ethnically diverse attorneys.

The total appropriation for the Department in the fiscal year 2009 Preliminary Budget is \$121,191,598 and the Department's total headcount is 1,281. This appropriation is \$853,489 less than the November Plan and the Adopted Plan for fiscal year 2009.

The Law Department consists of seventeen legal and three support divisions. We handle an extraordinary array of cases and non-litigation matters: from tort to tax, from environmental issues to economic development. Below I describe the major budget actions reflected by the January Plan and some of our more important cases and initiatives.

**Major Budget Actions**

In the Preliminary 2009 Plan, several actions are being taken. The Law Department's headcount is being reduced by forty (40) heads in fiscal year 2008 and by seventy-four (74) heads in 2009 and the out years. The cash value of those reductions is \$454,076 in fiscal year 2008, \$3,725,342 in fiscal year 2009 and \$4,802,650 in fiscal year 2010 and thereafter. On the increase side, thirty-five (35) heads were added as "tort division expansion," thereby adding \$2,145,000 in fiscal year 2009 and thereafter. In addition, the Senior Counsel Program, our essential salary program to allow us to retain senior attorneys, is being refunded starting in fiscal year 2009 with \$462,500 and going to \$2,598,500 in fiscal year 2010 and beyond.

The Law Department spends the overwhelming majority of its time and budget in three activities: defending cases where money damages or lower property taxes are being sought, bringing cases seeking damages or restitution, and prosecuting juveniles. The first two activities are directly related to protecting and enhancing the public fisc. The third is directly related to public safety. An additional major area of focus in bringing and defending cases involves major public policy challenges.

## **Public Safety**

### *Illegal Guns*

Two weeks ago, the New York Field Office of the Bureau of Alcohol Tobacco and Firearms announced a significant drop in the number of illegal guns recovered in New York City. In addition to the Mayor, a number of City Agencies deserve credit for this decrease – the Police Department, the Office of the Criminal Justice Coordinator and, I suggest, the Law Department. You may recall that last year the City commenced in Brooklyn federal court two innovative lawsuits against 27 retail gun dealers which our analysis indicated were the sellers of a disproportionate number of guns recovered in connection with crimes in the City. Many of those dealers have now entered into settlements that require a court-appointed Special Master to monitor their sales practices and records and to provide education and training to store employees. The trial on the first group of gun dealers we sued who have not settled is scheduled to begin on May 27<sup>th</sup>.

In the City's case against gun manufacturers – where we sought similar monitoring-type relief against the manufacturers – we are awaiting a decision on an appeal I personally argued before the Second Circuit Court of Appeals. We hope that the appeals court will sustain the lower court decision that allows the case to proceed following an attempt by the gun lobby to derail it.

### *Juvenile Justice*

One of the most important parts of our Office is our Family Court division, composed of 100 attorneys whose job it is to advance the needs and best interests of the juveniles while keeping communities safe. A major initiative undertaken in this area in recent years involves situations where a delinquent youth does not present an undue risk to public safety. Working with the Probation Department, the Department of Juvenile Justice, the Office of the Criminal Justice Coordinator and the Administration for Children's Services, our attorneys collaborate with community based organizations to help these juveniles receive rehabilitative services locally rather than upstate in residential facilities, at a far lesser cost to the City. In cases involving violent and dangerous youth, we work to protect the community by holding the perpetrators accountable and removing them from the community. The majority of adult criminals have a history of delinquent behavior as a youth. The best way to prevent crimes by adults is to provide alternatives and accountability to our youth so that they never become involved in more serious crimes.

## **Enhancing and Protecting the Public Fisc**

The majority of our time is spent on cases that directly affect the public fisc – where money damages or lower property taxes are sought from the City or in lawsuits we bring seeking damages from another party.

### *Tort Success<sup>1</sup>*

Tort actions commenced against the City continue their downward slope and they hit a record low of 6,200 cases filed in fiscal year 2007. The Council's enactment in 2003 of the new sidewalk law has contributed substantially to this decrease. Approximately 30-35% fewer sidewalk actions were filed in fiscal 2007 than in fiscal year 2004, the last year before the law went into effect. This means that not only do we have fewer cases in this area that have to be handled, but the settlement and judgment saving realized by the City is approaching \$35 to \$40 million annually.

Aside from the sidewalk bill, several different initiatives implemented by the Law Department have also contributed to the decline in case filings, including early comprehensive investigation and analysis of cases, and the creation of the Risk Management Unit, which works to eliminate or minimize situations that can lead to litigation. Of equal impact is the Comptroller's collaboration with the Corporation Counsel's office to settle more meritorious claims before they mature into lawsuits and the Comptroller's outsourcing of statutory 50-h hearings which are conducted in an aggressive and detailed manner.

Also of significance is the Law Department's continued ability to reduce the number of cases pending against the City. As a result, in fiscal year 2007 the number of pending cases had been reduced to 26,846 – compared to 47,668 six years ago.

All that said, we have to be increasingly diligent in managing what continues to be a staggering case load, particularly given the continued willingness of appellate courts to sustain larger and larger damage awards, and the courts' increasing insistence that cases be settled or tried promptly. The City's huge judgment and claim liabilities – over \$550 million annually – including not only tort cases but discrimination and alleged police wrongful conduct cases – is the reason behind the January Plan's Tort Division expansion. This initiative, when fully implemented, should result in a decrease in the amount the City pays out in this area.

### *Public Service Program with Private Law Firms*

One of the ways the Law Department has met the demands of its huge caseload is the creation of what we call our Public Service Program. The Program functions as a public/private partnership, where the City's leading law firms volunteer associate time to the Law Department, assisting it in managing its heavy caseload. In turn, high-caliber attorneys are offered a unique

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<sup>1</sup> See the annexed charts that document the statistics in this section.

chance to give back to the City of New York in the spirit of public service and bolster their legal skills.

This past year, the Law Department worked diligently to expand and improve the Public Service Program, which resulted in a doubling of the value of donated legal services from approximately \$5 million in 2006 to more than \$11 million in 2007. Public Service Program associates assisted, without charge to the City, the Tort Division in handling dozens of trials and hundreds of depositions, and our Special Federal Litigation Division in conducting literally hundreds of depositions in a six month period. To cite but one example of the success of the Program – and the generosity and public spiritedness of New York City law firms – one of the Public Service firms has supplied us, again without charge, with 12 litigators who are serving as co-counsel with the City in the City's lawsuit against the 27 out-of-state gun dealers.

### **U.S. Supreme Court Cases**

The significance of the matters handled by the Law Department is perhaps best illustrated by the fact that in the last 12 months, the City has been involved in five cases that were argued before the United States Supreme Court, almost 4% of all the cases decided by that Court. Last April, I was privileged to argue a lawsuit brought by the City against the U.N. Missions of India and Mongolia to collect unpaid property taxes. The Supreme Court ruled that U.S. courts have jurisdiction to resolve the dispute between the City and two sovereign nations, thus allowing the case to proceed to trial. Last month, the Southern District ruled in the City's favor and stated that the governments of India, Mongolia and the Philippines must pay the City the outstanding property taxes. Following that ruling, the City has asked the Court to enter a judgment in the amount of over \$57 million.

Another successful U.S. Supreme Court ruling involved a lawsuit brought against the Environmental Protection Agency over global warming issues. The City joined Attorneys General from twelve states and several environmental organizations to challenge the EPA's earlier determination that it did not have the authority under the Clean Air Act to regulate CO<sub>2</sub> (carbon dioxide) emissions from motor vehicles. The U.S. Supreme Court ruled for the City and other plaintiffs, thus recognizing the global warming impacts of the emissions, and held that the EPA does have the authority to regulate CO<sub>2</sub> emissions from motor vehicles.

### **Other Environmental Initiatives**

The Law Department has joined other governmental entities in bringing actions against federal agencies and others in clean air, global warming and other environmental areas. In addition, the Law Department successfully negotiated the issuance of a 10-year "Filtration Avoidance Determination" (FAD) by the EPA for the City's Catskill/Delaware drinking water supply system. This important agreement allows the City to continue to use the Catskill and Delaware water supply systems (which together provide some 90% of the City's drinking water) without filtration. The FAD also acknowledges the quality of New York City's drinking water system by doubling the length of previous FADs issued to the City. New York City's drinking water supply is the largest in the country that meets the stringent federal watershed protection

and filtration avoidance criteria. The successful negotiation of this agreement saved the City an estimated \$4-10 billion in capital expenses that would have been needed to build a filtration system plus a half a billion per year in operating costs.

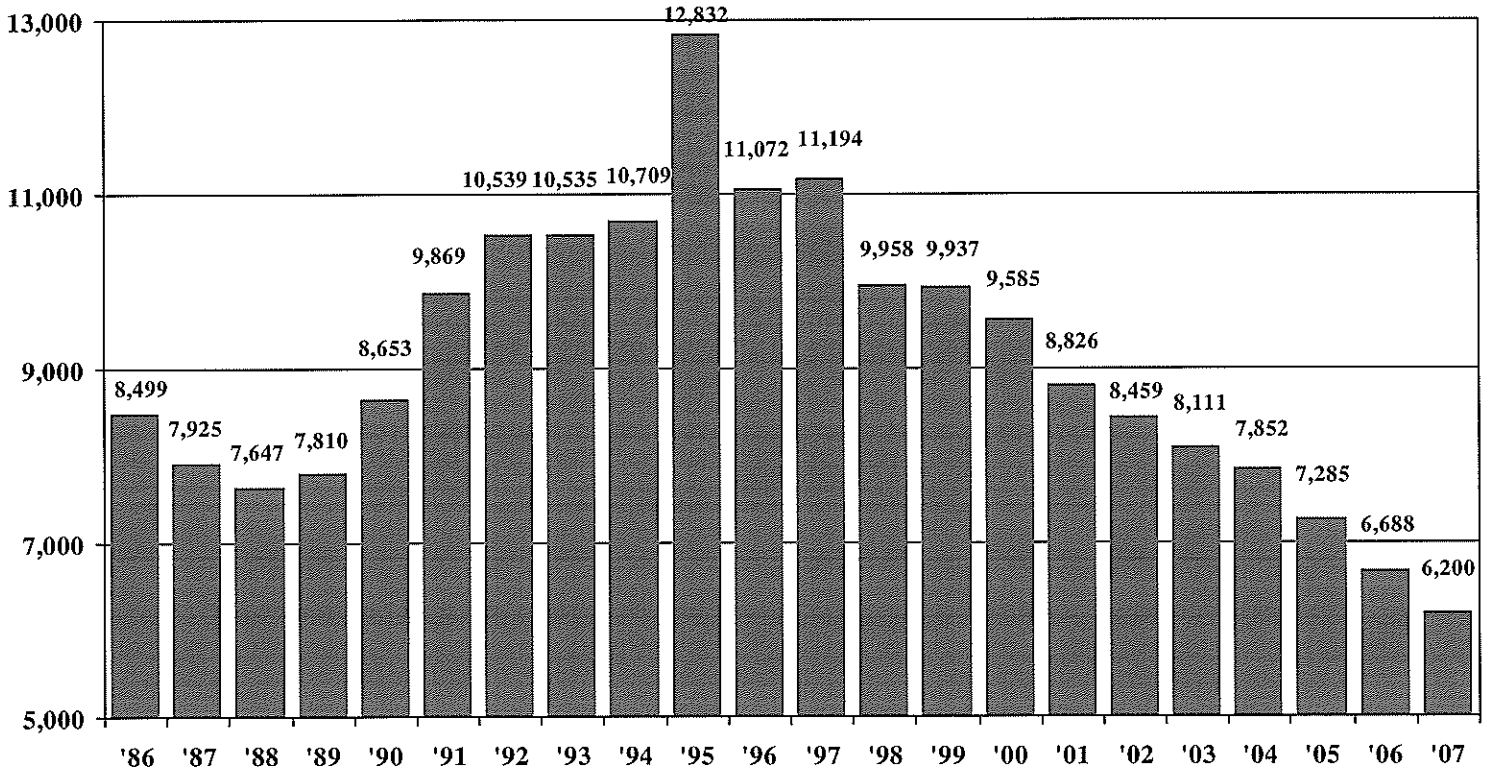
### **Conclusion**

Defending cases where money damages are being sought is our primary activity. OMB understands this and notwithstanding the headcount reduction, believes that we must have the personnel necessary to defend cases. Thus, they have given the Law Department thirty-five (35) additional heads to help deal with this problem.

Similarly, attracting and retaining our best lawyers is essential to our ability to keep up our defense. The Senior Counsel program, which gives raises to our more senior lawyers, has been very successful in helping us keep our more experienced lawyers and attract talented lateral candidates. It was first funded in fiscal year 2000. Its funding would run out in either 2009 or 2010 without new funding. Losing the Senior Counsel Program would end our ability to make the personnel decisions necessary for a stable and professional office.

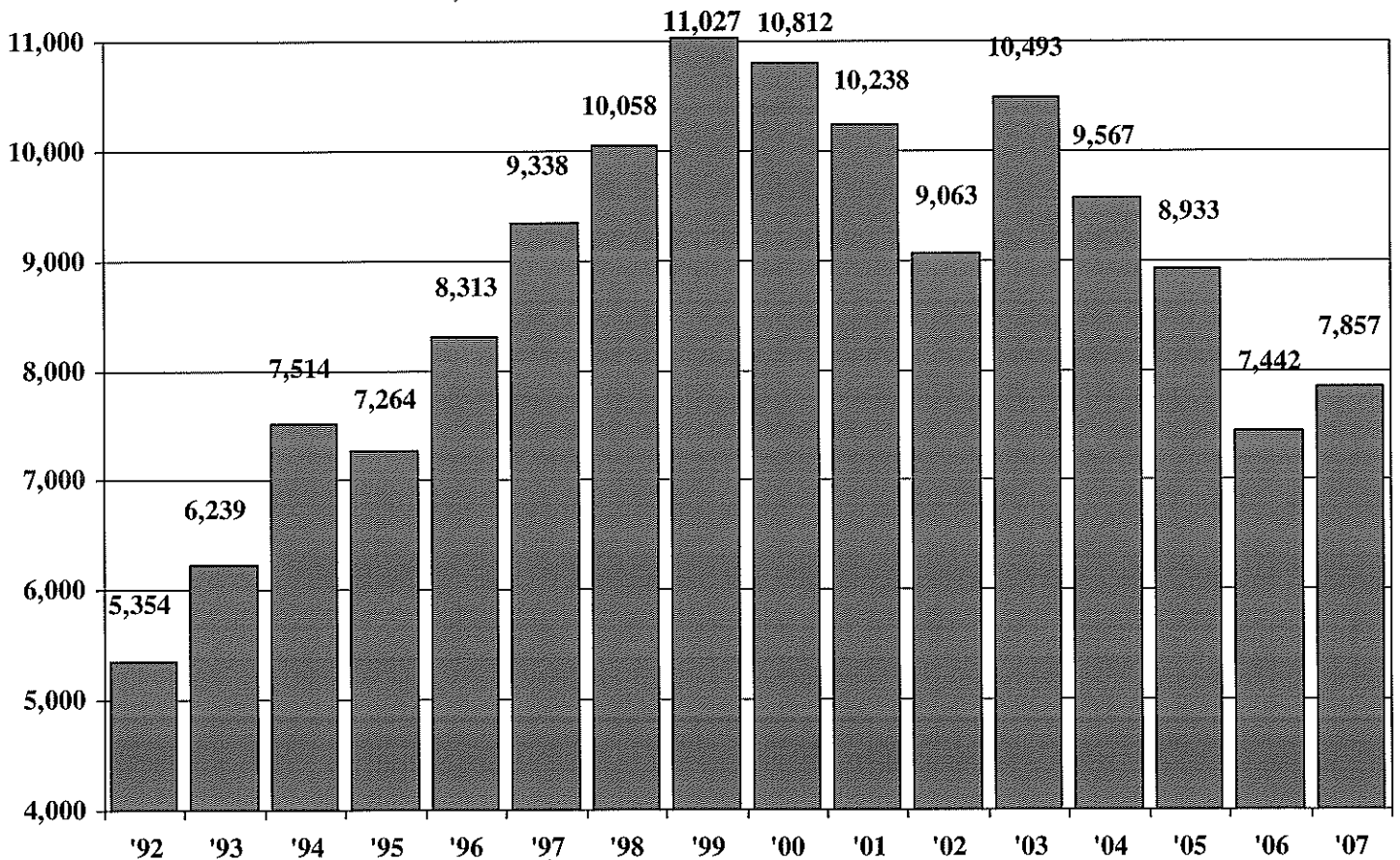
I thank you for supporting the Law Department and look forward to our continued cooperation. I would be happy to answer any questions you may have.

## Tort Division - Actions Commenced\*

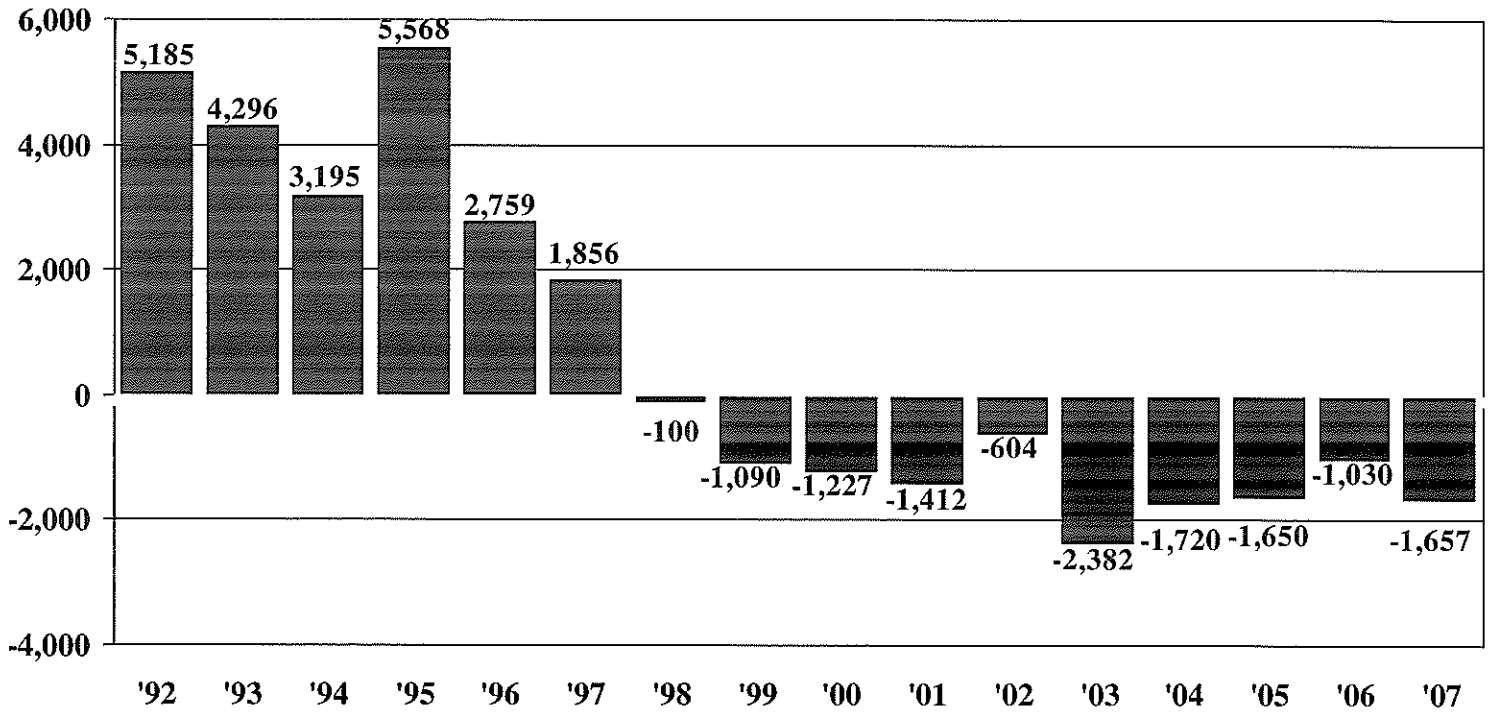


\*Fiscal Year '07 excludes approximately 400 medical malpractice cases.

## Tort Division – Cases Disposed by Settlement, Dismissal, Discontinuance, Verdicts or Insurance Takeover/Transfers Out



## Tort Division - Backlog Control



**STATEMENT of the HONORABLE AMANDA M. BURDEN, FAICP,  
CHAIR of the NEW YORK CITY PLANNING COMMISSION and  
DIRECTOR of the DEPARTMENT of CITY PLANNING  
before the LAND USE and FINANCE COMMITTEES  
of the NEW YORK CITY COUNCIL  
on the MAYOR'S FISCAL YEAR 2009 EXECUTIVE BUDGET  
and FOUR YEAR FINANCIAL PLAN**

**May 22, 2008**

Good afternoon Chair Katz, Chair Weprin, Chair Avella and distinguished members of the Land Use and Finance Committees. It is a pleasure to discuss with you the Mayor's Fiscal Year 2009 Executive Budget and Four Year Financial Plan as it relates to the Department of City Planning. As always, it is a privilege to work with you and to serve the City of New York as Commissioner of the Department and Chair of the New York City Planning Commission.

To date, 82 areawide rezonings, encompassing over 6,200 blocks in 88 neighborhoods, have been adopted in partnership with the City Council. Those rezonings encompass approximately one-sixth of the area of New York City. More rezoning has occurred in the past six years than had been achieved since 1961.

Since I last appeared before the Land Use Committee in March, more has been achieved. First, the adoption of the **125<sup>th</sup> Street Rezoning** -- with the strong leadership of Councilmembers Dickens, Jackson and Mark Viverito, the City Council adopted a balanced proposal to maintain and enhance 125<sup>th</sup> Street's unique character and identity as Harlem's Main Street. I am also pleased that the City Council adopted two citywide zoning text amendments for **Street Trees** and **Yards**, which both serve to help green the city by mandating street tree planting city-wide, and requiring planted front yards,

respectively. Both will fulfill the Mayor's PlaNYC goals for a greener, more sustainable city.

The Department is currently engaged on a wide variety of initiatives citywide, which demonstrate the Administration's continued commitment to neighborhood preservation and to updating outdated zoning rules that have hampered reinvestment in key areas of the city. Here are some highlights of our current workplan.

In Queens, the Department certified a comprehensive 280-block rezoning of the **Rockaway Peninsula** in April to reinforce and protect the special neighborhood character in five neighborhoods and provide moderate retail and housing opportunities in targeted locations near transit. The Department also certified a finely-grained rezoning for 40 blocks of **Dutch Kills** to remove current restrictions on residential development and provide incentives for affordable housing. Early next month, the Department will certify a 220-block rezoning of **Laurelton** to protect the one- and two-family character of this neighborhood, as well as a 44-block rezoning of **Waldheim**.

Just yesterday, the City Planning Commission unanimously approved a rezoning for **Hunts Point** in the Bronx. The 70-block Special Hunts Point District will create a buffer between the manufacturing district and adjacent residential areas, prohibit the expansion of noxious industrial uses and encourage the growth of food-related companies and other complementary uses.

In Brooklyn, the Department recently released rezoning recommendations for 300 blocks of **Canarsie** to preserve its unique character.

In Staten Island, we just certified a strategic rezoning for **St. George**. With its excellent transportation infrastructure, St. George is poised for targeted residential growth and expanded retail opportunities.

In Manhattan, the Department recently certified a comprehensive rezoning of 110 blocks of the **East Village / Lower East Side** that preserves the established

neighborhood scale and character, and provides incentives for affordable housing along selected corridors.

The Department's workplan continues to be ambitious and seeks to protect the city's cherished neighborhoods and realize opportunities for growth where our infrastructure can accommodate it. I thank the City Council for its leadership on these important initiatives and know that while we're proud of the collective record we've established to protect communities and catalyze investment to promote healthy economic development, we have more to accomplish.

Let me now turn to the budget.

The Department began FY2008 with an expense budget appropriation of \$29.7 million, which consisted of \$16.4 million in City funds and \$13.3 million Federal funds. Thus, 55 percent of the budget was City dollars and 45 percent Federal dollars. When the current budget was adopted in July 2007, the Department of City Planning's authorized headcount was 294 staff positions, of which 158 were tax levy funded, and the remaining 136 positions were funded with federal dollars.

Since Adoption, the Department has undergone three (3) financial plan changes pursuant to directions from OMB:

- As part of the November Financial Plan, the Department's Adopted budget was increased by \$636,835 with a prior year rollover of Community Development, Federal and State grant funding to cover programmatic needs.
- The January Financial Plan reduced the Department's FY2008 Tax Levy budget by eliminating four (4) tax levy positions to reflect a savings of \$240,000. To offset this staffing reduction, the Economic Development Corporation will fund four positions for the Department. These positions will not be reflected in the Department's headcount, and they are to be funded for a period not to exceed two years from the date they are filled.

The Department's FY2008 Tax Levy and Community Development Budget increased by \$35,341 due to collective bargaining increases. Heat, Light and Power was reduced by \$23,501, and the Department's Federal and State Grant budget was updated to include the total budgeted staff level of 42 positions and total funding of \$4.3 million.

In addition, the adopted FY 2008 budget included \$200,000 to continue funding for three staff members working on the redevelopment of the Hudson Yards project. However, the Preliminary Budget for FY2009 eliminates these positions and their funding pending further analysis by OMB of alternative funding sources.

For FY2009, the January Plan calls for the elimination of two (2) additional tax levy positions valued at \$120,000. Combined with the reductions from FY2008, the Preliminary Budget for FY2009 and subsequent years reflects the elimination of a total of six (6) positions with a combined annual reduction of \$360,000.

- The recently released Executive Budget makes the following changes to the Department's budget:

For FY2008, there were several small adjustments to the Department's budget for collective bargaining, DoITT Communications and Heat, Light and Power.

For FY2009, the Executive Budget includes \$3.32 million for EIS consultant contracts to facilitate Department-initiated rezonings. This represents a decrease of \$182,000 from the amount previously agreed upon during the January Plan. This reduction represents a portion of the Department's FY2009 PEG of \$302,000. The balance of the PEG will be achieved by the elimination of two (2) tax levy positions to reflect savings of \$120,000. For FY2010 and subsequent years, the Department would eliminate two (2) additional positions to reflect financial savings of \$120,000 and \$60,000 in PS cost to meet its target.

As a result of these changes, the Department's FY2009 Executive Budget calls for a total allocation of \$27 million. Tax Levy funds constitute \$13.3 million, or 49.9 percent of the proposed budget, while federal funds constitute \$13.4 million, or 50.1 percent of the proposed budget. This provides for 283 budgeted staff: 147 City funded positions and 136 federally funded positions.

For the Executive Budget, the Department's FY2008 revenue projections have not changed. Based on recent and current activity, the Department is projecting over \$2.5 million in FY08 revenue. Of this amount, collection of ULURP and CEQR application fees total approximately \$2.4 million with the balance generated through publication and subscription sales. For FY2009 and subsequent years the Department's budgeted revenue projections remain the same.

We seek your support of the proposed Executive Budget for Fiscal Year 2009. We are committed to find ways to meet the challenges and demands of our growing work program, and we look forward to your active participation in the planning process.

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY  
BEFORE THE CITY COUNCIL FINANCE COMMITTEE, JOINTLY WITH THE COMMITTEES ON LAND USE  
AND TECHNOLOGY IN GOVERNMENT  
FISCAL YEAR 2009 EXECUTIVE BUDGET  
THURSDAY, MAY 22, 2008**

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Good afternoon Chairs Weprin, Katz and Brewer, and members of the City Council Committees on Finance, Land Use, and Technology in Government. I am Paul Cosgrave, Commissioner of the Department of Information Technology and Telecommunications, or New York City's CIO. Thank you for the opportunity to testify today about DoITT's Fiscal 2009 budget, along with some of the agency's recent accomplishments and goals for the year to come. With me today are Ron Bergmann, DoITT's First Deputy Commissioner, Mitchel Ahlbaum, General Counsel and Deputy Commissioner for Franchise Administration, and John Winker, our Associate Commissioner for Financial Services.

DoITT's Fiscal 2009 Executive Budget provides for operating expenses of approximately \$372 million, an increase of \$26 million from the Fiscal 2008 Adopted Budget, and a net increase of \$40 million over Fiscal 2008's current modified budget. This increase is attributable to the fact that two major systems (the Emergency Communications Transformation Program (ECTP) and the New York City Wireless Network (NYCWIN)) will go into production this year, and maintenance costs which must be expensed will now kick in. The \$40 million increase consists of \$47 million in prior plan adjustments that are effective in Fiscal 2009 for these programs, partially offset by \$7 million in baseline expense savings. The savings are primarily attributable to a reduction of 44 vacancies to the 311 staffing allocation, and projected reductions to contractual lease and maintenance costs. The budget includes \$86 million in Personal Services to support 1,223 full-time positions, and \$285.6 million for Other than Personal Services. Of the \$372 million, \$114.9 million represents Intra-City funds to be transferred from other agencies for the services we provide. Telecommunications costs represent the largest portion of the Intra-City expense (\$100 million). Other major expense components include IT maintenance costs (\$125 million), 311 operating expenses (\$28 million), leases (\$15 million), NYC TV (\$5 million) and energy (\$4 million).

During this year's budget process, agencies were asked to identify recurring savings or revenue enhancements to help close projected budget gaps in Fiscal 2009 and the out-years of the financial plan. In addition to the \$7 million expense offset previously mentioned, DoITT was able to identify an additional \$7 million in recurring revenues. These recurring revenues are primarily attributable to increased cable franchise revenue collections. Despite tighter budgetary constraints citywide, at this time DoITT does not anticipate any significant impact on critical agency operations or projects in Fiscal 2009, though we will be limited in adding many new enhancements above our current level of service provision.

On a daily basis, our work as New York City's technology agency touches many aspects of the Administration's core objectives: enhancing public safety, creating jobs, combating poverty, improving youth services, and advancing economic development in all five boroughs.

Beginning with economic development, late last month Deputy Mayor Robert Lieber and I announced that the City had reached an agreement with Verizon on the terms of an historic citywide cable television franchise contract. Today, the overwhelming majority of New York City residents have just one cable television provider available to them. Under the proposed agreement, Verizon will offer cable service to every New York City resident—establishing a competitive marketplace in an industry that has been dominated by single providers.

Under the proposed agreement, Verizon will install highly-advanced, fiber-to-the-home technology—known as FiOS—throughout the City, which will offer greater capacity and

download speeds than existing cable television technologies, such as the hybrid fiber/coaxial systems currently available to most New Yorkers. Verizon has committed to installing this state-of-the-art fiber system in every street over the next six years. The deployment schedule provides that 30 percent of the City will be built-out by the end of this year; 50 percent of residences will be passed by the end of 2010; and completion is targeted by 2014.

The agreement will preserve the City's franchise fee of five percent of gross revenues generated from cable television services—the maximum percentage permitted by federal law. Moreover, and critically important to DoITT's recommendation of Verizon as a potential entrant into the New York City cable market, the agreement also includes an extensive set of customer service obligations and protections by which Verizon must abide.

Verizon has also agreed to:

- **Nearly double the number of Public, Educational and Governmental, or "PEG" channels currently available;**
- **Provide a \$10 million capital grant to NYC TV, and increased capital funding for public access TV, as negotiated by the respective community access organizations in each of the five boroughs;**
- **Enhance the City's institutional fiber network, or "I-Net," via infrastructure improvements and extensions to the network, which will enable it to handle public safety-grade communications; and,**
- **Provide a \$4 million Technology Education and Municipal Facilities grant to expand public access to technology.**

This proposed agreement still must be approved by the City's Franchise and Concession Review Committee (FCRC), which held a public hearing on the matter two days ago, on May 20.

As you know, DoITT has also begun the renewal process for the City's current cable television franchise agreements with Cablevision and Time Warner, which expire this fall. In January and early February we hosted public hearings in each of the five boroughs regarding the performance of the City's current franchisees, gathering feedback which will provide us with valuable insight in our renewal discussions. In Fiscal 2009, we anticipate collecting more than \$100 million in cable television franchise revenues.

Moving now to our role in helping to enhance public safety, there are two major technology projects currently underway or near completion that contribute to improving integrated, interoperable communications among the City first responders and are worth mentioning today.

Last month, for example, DoITT successfully launched the initial coverage area of New York City Wireless Network, or NYCWiN, the nation's premiere government-operated wireless broadband network. Now up and running across more than 170 sites in Manhattan, southern Bronx, western Queens, and southern and western Brooklyn, NYCWiN gives first responders high-speed data access to support large file transfers, including federal and state anti-crime and anti-terrorism databases, fingerprints, mug shots, city maps, automatic vehicle location, and full-motion streaming video, all over a fully-interoperable, IP-based network. NYCWiN is connected to two redundant Network Operations Centers and staffed 24x7x365 with three tiers of support to serve the IT needs of the network and its subscriber agencies.

Over the next three months, DoITT and its vendor will continue to progressively commission new sites to achieve substantially-full network coverage by the end of the summer, and full coverage of the City's 322 square miles across 393 total sites by year's end.

The vast majority of NYCWiN sites—about 95%—consist of rooftop antennas, which are lower-powered and less obtrusive than their counterparts typically used by wireless carriers. For those few sites which require monopoles to achieve appropriate coverage and additional zoning approval by the Board of Standards and Appeals and/or City Planning Commission, we have taken the opportunity to meet and brief a number of Council Members, elected officials and community groups in these districts to gather input before submitting applications. We will continue to do so as this process continues.

As part of the overall Emergency Communications Transformation Program (ECTP), a multi-year, multi-agency effort to modernize the City's Emergency 911 System, in 2008 Police Department and Fire Department call takers and dispatchers will move into the completed Public Safety Answering Center (PSAC 1). PSAC 1 will serve as the primary call-taking environment for all of the City's emergency first responders. The subsequent milestone in this program, for deployment of a unified call-taker function to combine call-taking functions for NYPD and FDNY (including EMS) will begin this fall, due for completion in 2009.

As you know, the City is also planning a second Public Safety Answering Center—PSAC 2—to serve as a fully-redundant, load-balanced backup facility. The Department of Design and Construction has begun the Uniform Land Use Review Process application and a Draft Environmental Impact Study, while proceeding in parallel with preliminary design of the facility, which has been approved by the Art Commission. The City anticipates starting construction on PSAC 2 in 2009.

While DoITT focuses on transformative new initiatives in the realm of public safety and economic development, we also continue improving the public-facing services that have made City government more accessible, transparent and accountable to its customers than ever.

Mayor Bloomberg, Deputy Mayor Gibbs, United Way of America President and CEO Brian Gallagher and I recently announced expansion of the 311 Customer Service Center to provide information and referrals about social services. Accordingly, New Yorkers have 24x7, single entry-point access to a team of 30 specially-trained operators dedicated to helping callers with social service-related requests in what is now the nation's largest social service information and referral call center. With this expansion, the City has created a unique model for social service information and referral, which in many other jurisdictions across the country is being developed through the "211" dialing code.

Nearly 1,000 unique social services and 1,300 non-profit organizations are already accessible by calling 3-1-1; among the newest of these services, added in March, include the Department for the Aging's Summer Youth Employment Program, the Department of Correction's Inmate Lookup capability, and eviction assistance services from the Legal Aid Society, in conjunction with the Department of Homeless Services and the Human Resources Administration.

The expanded social services enhancements were developed based upon the areas of priority as identified by the City's Center for Economic Opportunity, which Mayor Bloomberg created to develop and implement innovative ways to reduce poverty in New York City.

Also unveiled was a public outreach campaign, which highlights the new, expanded services New Yorkers can access by calling 3-1-1. The campaign features the familiar 3-1-1 logo,

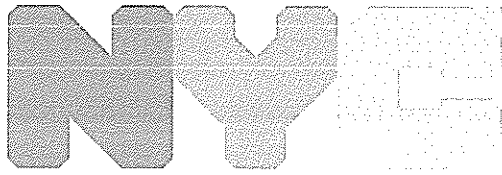
introduces a new tagline: “*Your city. Your needs. Your number,*” and tells New Yorkers in seven languages that they can, for example: “311 senior services”; “311 their noisy neighbors”; “311 food assistance”; or “311 a tree request”, among many others.

DoITT's role in enhancing service delivery extends beyond its public facing functions. In early March, for instance, DoITT migrated the Agency for Children's Services (ACS) William Street offices from the New York State data network to the City's institutional network, *CityNet*. As a result, ACS is now accessing its mission-critical, child care caseload application, CONNECTIONS, via the connectivity between *CityNet* and the State's “One Net” network. This represents the fourth ACS location to be migrated from the State network onto *CityNet*.

On the web, DoITT continues its work to develop and host websites for City agencies upon request. Last month, for instance, DoITT launched the redesigned and hosted website for the Office of the City Clerk on *NYC.gov*. Similar to the City Council's new website, which we launched late in 2007, the City Clerk's site was built using custom templates and allows the Office of the Clerk to manage its new site quickly and easily. The current Marriage Bureau Licensing Application will be replaced by a redesigned system called VENUS that will be hosted by DoITT and will support both the on-line forms as well as the functions of their current application in a stable and redundant environment. The redesign of the office's website will allow customers to submit their wedding applications and other selected forms online, reducing the amount of time spent in the office. Additionally, these electronic forms will also be available at kiosks, equipped with a queuing management system, housed at the City Clerk's Manhattan location.

Finally, on NYC TV, the official television network of the City of New York, we recently launched *City Scoop*, a weekly news magazine that provides summaries of recent news from elected officials and City government. Aiming to inform New Yorkers about the issues that directly impact their lives and communities—from key City initiatives and announcements to updates on cultural events—*City Scoop* provides programming dedicated to engaging viewers with coverage of neighborhoods and local officials through a series of stories, video footage and graphics.

Thank you for your time this afternoon. We would now be pleased to address any questions you may have.



**Department of  
Consumer Affairs**

**TESTIMONY OF**  
**COMMISSIONER JONATHAN MINTZ**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
  
on the  
**FY '09 EXECUTIVE BUDGET**  
  
at the joint hearing of the  
**NEW YORK CITY COUNCIL COMMITTEES**  
  
On  
**CONSUMER AFFAIRS and FINANCE**

May 22, 2008

Good afternoon, Chairman Comrie, Chairman Weprin and members of the Consumer Affairs and Finance Committees. I am Jonathan Mintz, the Commissioner of the City's Department of Consumer Affairs. Thank you for the opportunity to appear before you to testify about the Department's portion of the Mayor's Executive Budget for Fiscal Year 2009 and to update you regarding the Department's accomplishments since my testimony on the Preliminary Budget in March.

In furtherance of the spending restraints the Bloomberg Administration has outlined for the FY '09 Executive Budget to maintain the City's firm financial footing amid a challenging economic outlook, the Department has focused on efficiencies for the coming year while fully pursuing its mission to ensure that New York City consumers and businesses benefit from a fair and vibrant marketplace.

The Department's FY '09 budget projects expenses of \$20,060,897, which includes \$14,390,901 for personnel costs and \$5,669,966.00 for OTPS, including \$2,730,000 budgeted for the Office of Financial Empowerment

Cuts in the FY '09 January Plan are reflected in our headcount reduction, from 286 in the FY '08 Executive Budget to 259 by the end of June 30, 2009. We expect to implement these cuts through normal staff attrition.

The FY '09 Executive Budget projects revenue of \$18,532,576. The FY '08 Executive budget projected revenue of \$18,920,576. The slight deviation reflects the number of license categories given statutory two-year renewal schedules.

DCA will not only meet its FY '08 budget projections, but its increased revenue target of \$23,574,576, as well. This \$4,654,000 increase represents: \$624,000 increase in current licensing fees; \$2,750,000 million increase in sidewalk café consent fees; and \$1,280,000 million increase in fines. This increased revenue is due to improved collection efforts and higher-impact consumer protection litigation, not to writing additional violations.

As you know, DCA's FY '08 budget included allocation to create the Department's Office of Financial Empowerment ("OFE"), the first program to be unveiled as part of the Mayor's Center for Economic Opportunity anti-poverty campaign. We have recently testified to OFE's many accomplishments and plans. Below are some of the OFE initiatives completed just since our last report to you in March:

- DCA's OFE successfully completed the Mayor's Sixth Annual NYC Earned Income Tax Credit Coalition campaign with several notable enhancements. Partnering with more than 150 public, private, non-profit, media and government agencies to get the message out that "It's Your Money—Come and Get It!", this year we expanded options for free and low-cost tax preparation assistance and included information and assistance with the new Child Care Tax Credit and the economic stimulus payment package. The Coalition sponsored 25% more VITA sites than last year. Our extensive outreach efforts this year, including a City-wide EITC Leafleting Day, yielded over 34,000 calls to 311, well above the record 30,000 calls set last year.

- Of particular note, OFE implemented an innovative pilot program aimed at scaling up our ability to connect EITC-eligible New Yorkers to that important credit. Our “Tax Prep Plus” pilot offered dramatically reduced rates for assistance by a commercial tax preparer in partnership with six trusted community-based organizations at 15 sites throughout the City - only \$10 for most of the tax season. The pilot also offered free benefits screening; through ACCESSNYC, for consumers while they waited for their tax returns. While the data from the 2008 tax season is not yet complete, preliminary results show more than 1,500 New Yorkers had their taxes prepared through Tax Prep Plus and over 500 clients received free benefits screening
- To build on OFE’s financial empowerment agenda, Mayor Bloomberg and San Francisco Mayor Gavin Newsom launched the Cities of Financial Empowerment (CFE), a coalition of city governments engaged in similar efforts to expand the role of municipal governments in improving the financial health and security of residents with low and moderate incomes. New York City and San Francisco co-chair the coalition, which includes Miami, Florida; San Antonio, Texas; Savannah, Georgia; and Seattle, Washington. The CFE launched its website at <http://www.cfecoalition.org/> and has garnered national attention and support.
- In April, DCA’s expanded OFE’s comprehensive website to help consumers get, manage, save and protect their money. The site’s key feature is an accessible, easy-to-search Financial Education Network (FEN) directory where consumers can access every free and low-cost financial education classes, workshops and one-on-one counseling available anywhere in the City. Consumers can search for services across New York City by language and by topics of interest. This information will also soon be available by calling 311. The site’s user-friendly resources also help consumers create and follow a budget, pay down debt, choose banking accounts, loans and credit cards, and offer other ideas to help them take charge of their money

DCA’s core work to protect consumers and promote fair business practices is similarly vibrant. For example, thanks to the efforts of our mediation and enforcement staff, DCA recently announced recovering a record amount of \$5.3 million in restitution in FY ‘07 for consumers filing valid complaints. This remarkable achievement surpassed last year’s high marks by 47%. Of particular note, DCA successfully recovered almost half of the total - \$2.4 million – for consumers filing complaints against home improvement contractors, the DCA’s top complaint category in FY ‘07. Overall this last fiscal year, the Department received and investigated a record-breaking 6,000 consumer complaints against businesses whose practices were predatory or misleading.

The final results of DCA’s citywide enforcement sweep of tax preparers, conducted during the height of the tax season, are significant. DCA inspectors visited 598 tax preparer sites, ramping up inspections in neighborhoods, identified by OFE, with significant concentrations of EITC filers and consumers who had taken out Refund Anticipation Loans (“RAL’s”) in previous years. Our cross-trained inspectors were also focused on violations of the immigration service provider law given that many preparers engage in both businesses. DCA

issued more than 1,000 violations to 253 of the 598 businesses they inspected. The largest number of violations issued were for failing to post signs disclosing that the tax preparer was not an attorney or an accountant, failing to give consumers a copy of the Taxpayers' Bill of Rights, failing to post fee computation signs, failing to give taxpayers copies of their return, and illegal RAL advertisements. Inspectors also issued violations to 22 tax preparers engaged in immigration services, which resulted in settlements with eight of those providers for \$14,950 in fines; default decisions against three providers and charges still pending against eight providers.

In conjunction with the Mayor's focus on illegal sales of guns, the Department has been vigilant about ferreting out stores that sell illegal fake guns. Recently, we charged Party City with continuing to sell and display life-like imitation weapons in violation of city and state law, despite a previous and significant settlement with the Department in 2003. We have charged the company with 800 counts of violating the law by selling or displaying illegal imitation firearms, counts that could add up to more than \$800,000 in fines. DCA comes down hard on violators of the law that bans the sale of fake or imitation firearms unless the exterior surface is predominantly brightly colored in an acceptable range of colors that includes white, bright red, orange, yellow, green, blue pink or purple. The risk of confusing police officers and others about whether a gun is real or fake is so dangerous that DCA seeks maximum penalties for any violation of this law, particularly multiple violations by repeat offenders.

Maintaining a vibrant marketplace that thrives with fair transactions often means partnering with community organizations and other agencies to generate public awareness about issues to empower consumers to take steps towards effectively advocating and protecting themselves. The most recent example of such an initiative was the City's first Shred Fest NYC, held at 11 locations throughout the City on Sunday, April 27, 2008. The event launched DCA's campaign to raise public awareness about identity theft, the fastest growing crime in America that affects 9 million people annually, including 19,000 New Yorkers. DCA joined in a multi-agency effort that included the Office of the Criminal Justice Coordinator, Parks and Recreation and the Sanitation Department. New Yorkers were invited to bring their documents, including bank statements, pay stubs, credit card applications, or any other documents with personal identifying information to be shredded by equipment donated by 3 industrial shredding companies. To encourage New Yorkers to show up and carry on the effort in their own homes, Staples donated 50 paper shredders that were given away to "early birds" at each site, along with discount coupons for the purchase of home shredders. Frank Abagnale, the author of *Stealing Your Life* and the subject of the movie *Catch Me If You Can*, helped us kick off the campaign at a press conference in Central Park. We papered the City with thousands of event flyers and posters with help from the City's community boards, churches, BIDs, and community newspapers.

The event was an "inshreddable" success, with more than 1,000 New Yorkers bringing 13 tons of documents to be shredded and recycled. All participants received DCA's identity theft tips and magnets which highlight proactive steps to prevent and protect against identity theft.

Timed to coincide with the launch of our broad-based identity theft awareness and protection campaign, DCA sent a clear message to businesses seeking to take advantage of consumers concerned with identity theft. We issued deceptive advertising violations against LifeLock, Inc., a self-proclaimed “industry leader” in the identity theft consumer market.

As DCA approaches its 40<sup>th</sup> Anniversary as the nation’s first City agency dedicated to protecting consumers, we remain as energized today as we were when we first began. Recently we distributed DCA’s latest Annual Report on CD, the very first paperless, “green” report created by a New York City agency. We think it nicely captures DCA’s innovative, energetic, and dedicated commitment to fulfilling our mission and meeting the high bar set for us by City Council and the Administration.

Thank you for the opportunity to share with you some of DCA’s best efforts and initiatives. I would be happy to answer your questions.



# City of New York Parks & Recreation



Hearing before  
Committee on Finance and  
Committee on Parks & Recreation

Executive Budget Hearings for Fiscal Year 2009

May 22, 2008

Testimony by  
Commissioner Adrian Benepe

The New York City Department of Parks & Recreation oversees nearly 29,000 acres, or 14 percent of the City's land, with over 300 acres of new parkland added in the last six years. We have been charged with the task of making the City greener, our practices more environmentally friendly, and parks more accessible. By every measure, New York City's parks are in better shape now than at any time in the last four decades thanks to the support of Mayor Bloomberg and the City Council. Parks were once places that people were afraid to go into, and now they are vibrant hubs for community and economic activity. This sea change is due to an agency increase in staff, a more robust operating budget, and strong relationships with engaged citizens and elected officials.

## CAPITAL

New York City parks are already in the midst of the largest period of park improvement since the funded WPA projects of the 1930s. Over the past 5 years, the capital budget has more than doubled to over \$2.5 billion, and our park system has already seen remarkable growth. In addition, we have an ambitious commitment plan of \$3.062 billion.

## RATINGS

Because of these capital investments and because of the diligence of our operations team inspection ratings for Fiscal Year 2008 to date are 87 percent for Overall Condition and 92 percent for Cleanliness, above our MMR targets of 85 percent and 90 percent respectively, and above our performance at this time last year (84 percent, 91 percent).

## RECREATION

One of the major goals of our recreation division is to help New Yorkers fight an ever growing battle with chronic disease. One of the ways that we're supporting this fight is by investing in new world class facilities and programs. As you know, this has been a banner year for us. We opened the aquatic center at the Flushing Meadows Pool and Rink and we'll be opening the skating rink sometime this fall; early this summer we'll be opening the Fowler Recreation Center in Queens, which is going to be another terrific amenity for the Flushing community. In addition, we also opened the Greenbelt Recreation Center on Staten Island last year, which already has over 19,000 members.

Partly due to this investment, between Fiscal Year 2007 and Fiscal Year 2008, our recreation center membership increased by 28 percent, with our greatest increase coming among senior citizens, whose enrollment increased by 34 percent.

Not only are we helping New Yorkers stay healthy through improved recreation programming we're helping to keep them healthy by improving their environment.

## **PlaNYC**

I've talked with you before about the bold initiatives that Parks is undertaking through our \$1.2 billion PlaNYC program. I'm happy to report that we are already making great progress.

Our MillionTrees campaign is well under way and beginning to transform neighborhoods throughout the city. This past April, in coordination with New York Cares' Hands on New York Day, over 6,500 volunteers planted 20,000 trees throughout the five boroughs – the most trees ever planted in a single day in our city's history. In fact, to date, we've planted 80,576 trees since the start of the campaign.

We know that with this increase in tree plantings we also have an added responsibility to maintain them. This year, we have pruned over 25,000 more trees than last year, thanks to a dramatic increase in our block pruning budget from PlaNYC. Last year our Parks block-pruned 32,590 trees, and as of May 10, we have pruned 58,544 trees, already surpassing our MMR target of 50,000 trees. We've also repaired the sidewalks around 3,074 trees through our Trees and Sidewalks program.

On May 14, we cut the ribbon on the playground at P.S. 138 in the Bronx, a new \$400,000 playground which is part of the Schoolyards-to-Playgrounds Initiative and a critical aspect of the Mayor's PlaNYC goal of ensuring that all New Yorkers live within a ten minute walk of a park or playground. P.S. 138's schoolyard was the first to be renovated through the program, which invests \$111 million in funding for playground improvements in underserved neighborhoods. The next two schoolyards to open will be at P.S. 76 in Harlem, and P.S. 4 in Staten Island, and the design on 32 other sites has already been completed. I hope that you'll join us at our next ribbon cutting.

Last year, we unveiled the design for Calvert Vaux Park in Brooklyn, one of the eight regional parks that are undergoing major improvements through PlaNYC. Calvert Vaux Park is receiving a \$40 million investment and I'm happy to say that construction is slated to begin this summer, which will mark another important milestone in our PlaNYC program. We're not only improving the quality of life for New Yorkers through capital investment. We're also doing it through our operational procedures.

## **OTHER GREEN EFFORTS**

On May 5, our efforts were recognized by the National Fleet Manager's Association (NAFA). NAFA presented Parks with its first national "Greenest Fleet Award" at its Fleet Expo in Salt Lake City, Utah. In addition to biodiesel, Parks uses compressed natural gas, electric and hybrid electric vehicles, and two solar units. In total, 65 percent of the Parks fleet uses some type of cleaner, alternative fuel.

## **CLOSING**

We thank the Mayor, members of the Council, and our non-profit partners for a generous provision of resources that is allowing us to make significant improvements to open space in New York City.



City of New York  
Parks & Recreation

The Arsenal  
Central Park  
New York, New York 10065

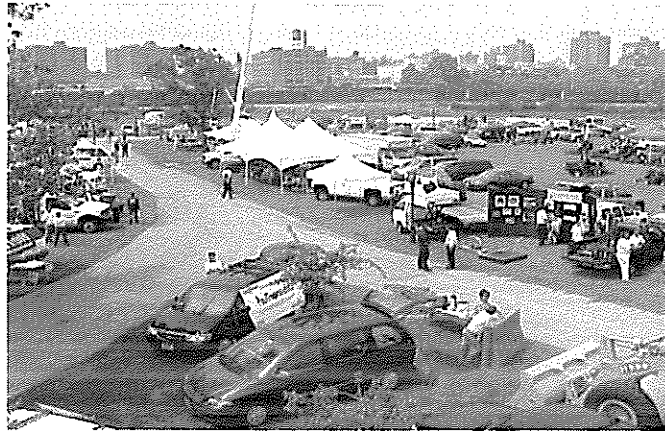
Adrian Benepe  
Commissioner

Keith T. Kerman  
Chief of Operations  
(212) 360-8228  
keith.kerman@parks.nyc.gov

## City of New York Parks & Recreation

invites you to attend

# *Our 20<sup>th</sup> Annual* **Vehicle & Equipment Show**



Over 125 vendors will present the latest in light and heavy-duty vehicles, trucks, horticultural equipment, tools, fleet related services and more.

**Thursday, May 29, 2008 from 9AM to 3PM**  
**Flushing Meadows Corona Park, Queens**

This show has previously taken place on Randall's Island, NY. For our 20<sup>th</sup> anniversary, we are moving the show to our flagship park in Queens: Flushing Meadows Corona Park. Please see attached driving directions and a map of FMCP. The show will be on the festival site just south of the Unisphere, in the central portion of the park.

If you have questions or to RSVP, please call  
(212) 360-8223.

**STATEMENT OF ALBERT K. BUTZEL**  
to the  
**Parks and Finance Committees of the City Council**  
Hearing on ~~Preliminary~~ <sup>Executive</sup> ~~Budget~~

**May 22, 2008**

I am Albert K. Butzel and speak today on behalf of Friends of Hudson River Park, of which I am a director and special counsel. Thank you for the chance to appear here today.

Friends' principal mission is to advocate for the public funding needed to complete Hudson River Park. As you know, the Park comprises four miles of the West Side waterfront between 59<sup>th</sup> and Chambers Streets.

Under current estimates, the Park will cost \$500 million. Of this, almost \$400 million has been raised from the State, City and Federal governments. This has been used to complete about 40% of the Park, and the finished parts have been hugely popular with New Yorkers from across the City. In addition, the funding appropriated to date has brought close to completion another 40% of the Park – the sections in Tribeca and at Chelsea Cove. I speak today in support of including in the City capital budget the money that will allow this second 40% to be completed.

Specifically, Friends of Hudson River Park is asking the Council to approve \$20 million for the Park that Mayor Bloomberg has included in his ~~Preliminary~~ <sup>Executive</sup> ~~Budget~~ and to add \$1 million of the capital funds the Council itself controls. The total of \$21 million would match the \$21 million appropriation that the Governor included and the State Legislature approved in the State Budget for fiscal 2008-09.

This pool of \$42 million will allow the Hudson River Park Trust to finish the Chelsea Cove section, which at 9 acres will be the largest area of contiguous open space along the waterfront and will include two new park piers. In addition, the money will allow the Trust to finish the upland section of the Park between Chambers and Houston Streets, complete Pier 25 at North Moore Street in Tribeca and nearly complete Pier 26 just to the north. Provided that the Council approves the Mayor's allocation, most of these facilities will open by the fall of 2009, in time for the Hudson Quadricentennial.

The Mayor included only \$20 million for the Park in his <sup>Ex. 2008</sup> Preliminary Budget because that was all the State had been expected to commit. Happily, the State did better than that by \$1 million, but the extra State money can be only drawn on if the City matches the sum. The Council has been a fabulous supporter of the Park throughout the years, including breaking a funding logjam in 2004. We see this as a chance to continue its leadership role and generate \$2 million by committing \$1 million. Friends accordingly asks the Council, first, to approve the \$20 million in funding for the Park the Mayor has proposed and, second, add \$1 million to that total to match the full State commitment.

Thank you for your consideration. And all your past support.

May 22, 2008

Albert K. Butzel, Special Counsel  
Friends of Hudson River Park  
311 West 43rd St, Ste 300  
New York, NY 10036  
Tel: 212.643.0375  
Fax; 212.643.0376  
Email: [albutzel@nyc.rr.com](mailto:albutzel@nyc.rr.com)



**City Council Executive Budget Hearing  
Finance and Parks & Recreation Committees  
Fiscal Year 2009**

New Yorkers for Parks Testimony  
May 22, 2008

Good afternoon. My name is Cheryl Huber and I am Director of Research for New Yorkers for Parks, the only independent watchdog and advocate for all New York City parks, beaches and playgrounds. New Yorkers for Parks is committed to ensuring that every neighborhood in every borough receives green, clean and safe parks.

**Overview**

The Mayor's Executive Budget proposes \$266 million in City Funds for the Parks Department, down from \$280 million last year. Unfortunately, this represents cuts totaling almost \$15 million, the most significant cut to Parks since 2003. This decrease most notably includes the reduction of 133 full-time Maintenance & Operations staff positions through the department's hiring freeze and vacancy reduction program. The program is also resulting in significant cuts to our Park Enforcement Patrol, as well as recreation and design staff.

As NY4P's *Report Card on Parks* and *Report Card on Beaches* have shown, damaged play equipment, weedy lawns, and littered beaches are too common. Thanks to the tremendous growth in the department's Capital budget since the advent of PlaNYC, with commitments totaling \$875 million over the next year, we are adding new facilities and acreage at an incredible rate. However, it is irresponsible to build new ballfields, playgrounds, and Greenstreets without providing the means to support them, particularly when the department struggles to maintain existing facilities at an acceptable level.

We ask that the Council consider the following budget requests.

**Restorations**

\$5 Million for Park Maintenance

The hiring freeze and vacancy reduction program will have a significant and adverse effect on the maintenance of the City's 29,000 acres of parks, beaches, and playgrounds. At a time when capital spending on parks is at an all-time high, cutting maintenance staff is ill-advised. We must ensure that sufficient care is provided to protect our investments.

\$2 Million for Playground Associates

Without this restoration, 60 full-time Playground Associates will be cut, severely limiting the opportunities that children have for supervised, structured play in parks across the city.

Playground associates are the only dedicated staff in many of our parks and help to address maintenance issues. We ask that this funding be restored.

### **New Funding Initiatives**

#### \$5 Million for Park Safety

The hiring freeze and vacancy reduction program has resulted in severe cuts to our Park Enforcement Patrol (PEP). Last year, we had approximately 150 deployable PEP officers; today, that number is down to only 50. As the City proposes cuts to the Police Department's budget, we will increasingly rely on PEP to help address and deter crime in city parks. As documented in our March report, "Tracking Crime in NYC Parks," crime continues to be a challenge in certain high-use parks, such as Flushing-Meadows Corona, Prospect, and Riverside.

We must provide additional funding to allow for more deployable PEP officers particularly for those parks in greatest need. We ask for \$3 million to support our essential Park Enforcement Patrol.

With regard to beach safety, we support increased funding to aid in the recruitment and retention of our municipal lifeguards so that our beaches can be fully staffed and therefore fully utilized throughout the summer. We ask for \$2 million to support lifeguard recruitment.

### **Capital Funds for State Parks**

We applaud the State's commitments of \$21 million for Hudson River Park and \$10 million for Governor's Island. We ask the City to match this funding to ensure sufficient support for these important parks, which will significantly expand New Yorkers' access to open space and the waterfront.

### **Increasing Revenue through Concessions**

In this time of fiscal stress, we must ensure that we continue to provide basic city services and support innovative strategies to increase revenue. Mayor Bloomberg has discussed the possibility of selling naming rights to larger parks facilities to boost revenues, expected to raise \$3 million annually. As the Administration explores this strategy, there should be a clear policy on how sponsorship contracts are awarded.

However, New Yorkers for Parks believes that a more reliable source of funding would come from allowing the Parks Department to keep 50% of the growth in revenue from concessions operated on parkland, such as push carts and golf courses. Currently, 100% of revenues from concessions go back to the City's General Operating Fund. Allowing Parks to keep some of this would offer a more consistent funding stream than selling one-time naming rights.

New Yorkers for Parks calls on the City Council to provide the funding needed to support our parks and park users, and particularly, the tremendous investments made through the Mayor's impressive PlaNYC.

Thank you.



Testimony: Finance; Parks & Recreation - May 22, 2008  
FY 09 Executive Budget Hearing

"The budget isn't a true budget. It is a sham....it does not reflect the demands of the department."  
- Parks Commissioner Robert Moses testifying before the City budget Director in 1935 after being instructed by Mayor LaGuardia to submit a less than appropriate budget.

Good afternoon, my name is Geoffrey Croft. I am the president and founder of NYC Park Advocates. NYC Park Advocates, Inc. is a non-profit, non-partisan watchdog group dedicated to restoring public funding, improving public parks, increasing park services and expanding open space and public recreation in NYC. We are the only city-wide park advocacy group that monitors all city, state, and federal parkland and open space.

I am here today to give testimony for the FY 09 Budget for the parks department, specifically the Expense Budget. Unfortunately this proposed budget allocates only a fraction – only \$ 349.6 million, including just \$ 265.9 million in tax levy funds – of the money desperately needed to properly maintain, operate and program our public parks. This represents a \$ 15 million dollar cut in expense funding from last year's adopted \$ 280 million budget in tax levy funds.

For more than four decades, the city, state and federal governments have allocated a fraction of the funds needed to maintain our vast park system. The city's parks, once the most celebrated and unprecedented public works program in the nation, have become dumping grounds and havens for drug use, prostitution, the homeless and criminal activity. Their maintenance and safety have plummeted under the weight of crippling budget cuts. Despite being in violation of the City Charter for decades, the City has been able to get away with this with virtual impunity. The question is, how much longer will the city's elected officials collectively be able to ignore this public health crisis.

The parks department is in dire need of thousands of additional workers and hundreds of millions of dollars of additional expense funding. Funding and personnel many say the agency will never receive. This is shameful. The city routinely allocates one third of what the parks department actually needs. It is imperative the city allocate a budget that reflects the true needs of the parks department. Unfortunately this one does not come remotely close as usual.

For decades the public has been told the expense funding needed to hire the skilled laborers, park enforcement, qualified managers, among other positions, that are so desperately needed, are not available for our public parks. This proposed budget is an unfortunate and constant reminder of how in both good economic times and bad, public funding for parks is simply not a priority. Our elected officials refuse to allocate adequate funding. The political will necessary to provide funding for safe, well maintained parks, and public recreation programs that every neighborhood deserves, simply does not exist. It is not a priority.

Land under the jurisdiction of the City's parks department occupies more than 14 percent of the city yet the city's elected officials regularly allocate less than one half of one percent from tax levy funds for the maintenance and operation of our parks. But that wasn't always the case. Until 1960, the DPR regularly received 1.4 % percent and higher. However, due to a drastic shift in priorities – coupled with the city's increased financial responsibilities for other government services – over the last 45 years the park's department share of the city budget from tax levy funds has rapidly declined. The city has routinely allocated less than one half of one percent. That is more than a \$ 10 billion dollar decrease in expense budget allocations over the last 45 years, had the appropriations ratio remained fixed at 1.4%. In 2004, the City allocated only \$ 153 million or (0.38%) of its \$ 44.3 billion dollar budget for the parks department, the lowest percentage in modern history. Billions of dollars in capital funding have also disappeared. These funds are also desperately needed to repair a vastly aging and neglected infrastructure.

Until the early 70's, virtually every park and playground had fixed staffing, with most having multiple staff assigned to their maintenance and the provision of recreation programming. Today, less than two percent have dedicated staffing. With increasing regularity, parks with permanent employees are those that benefit from having significant private funds. Unwilling to accept its Charter - mandated responsibilities for the care of its parks the city has instead turned to the private sector. In city parks today, adequate maintenance, programming and dedicated park enforcement now depends on what zip code you are in, and the willingness and ability of our citizens to raise and leverage private funds. With increasing regularity , the public is being asked to shoulder the municipal responsibility of managing and maintaining what is supposed to be a basic, essential city service. Services for which we already pay taxes.

However, the City's increasing reliance on these public/private partnerships has resulted in a vastly inequitable distribution of services. It has quickly become "a tale of two cities." Experience with public/private partnerships over the last twenty years has proven that private subsidies to individual parks has created an enormous gap between the haves and the have-nots, while ignoring the real problem - that our parks are not funded as an essential city service.

Every September the local community boards meet with the various city agencies to present their budget priorities and requests. And before they even get started they are invariably reminded by the parks department not to bother to ask for expense items because the chances of receiving them are next to zero. And if they do bother to submit a request, they receive the same official response, year after year, if they are lucky, "The agency recommends funding this expense budget request, but at this time the availability of funds is uncertain." Its important to remember that in most instances CB requests represent just a fraction of what the community actually needs.

The deplorable conditions found in many of the city's parks and open spaces has been caused by the tremendous losses in public funding over the last 45 years. The neglect of these valuable assets has caused a serious underutilization of parks in an overcrowded city and has created significant barriers to promoting health and providing safety. These issues affect public health, public safety, the environment, ADA, environmental justice, the equal protection clause of the Constitution, the economy, education and basic quality-of-life.

And although this is a city-wide problem that affects virtually every segment of the population, it is no secret that a disproportionate amount of the most severe issues exist in poor neighborhoods, the city's underserved communities, namely, the working class, the poor and the disenfranchised and in areas populated by people predominantly of color. This is of course the great irony considering these are the communities that rely on these public services the most. This pattern of neglect must be reversed.

Adequate funding for parks will help to make every neighborhood in NYC a better, safer and healthier place to live, work and raise a family, as well as to encourage economic investment. We believe if the City of New York is committed to having a park system, then it must be adequately funded. It will require far more political will and collective, focused public participation, much greater than has been demonstrated over the last 40 years. The health and well being of our great city absolutely depends on it. It is quite simple: Safe, properly maintained and well programmed parks save lives. Our goal is to help solve this public health dilemma.

The solutions to this public health dilemma can only be solved with the cooperation of our city, state and federal elected officials in partnership with the public at large. Our city is in desperate need of a “sound, basic” park, open space and recreation system, to borrow language from the public education funding fight. This means a much greater commitment and priority, including a far greater allocation of resources. This also means much greater accountability from our elected officials and the agencies charged with the delivery of such services. The public, and all of the city’s elected officials, must come together to demand the equitable delivery of services, based on needs, not politics. One City, One Standard.

The City Charter clearly states the Park Department’s responsibilities are to “manage and care for all parks, to maintain the beauty and utility of all parks, playgrounds and other recreational properties, to maintain trees and other plantings, to maintain areas for conservation and the preservation of natural beauty, and to supervise recreation programs.” These are among the many responsibilities charged to the agency. But without adequate funding, the agency is unable to perform its duties.

Unfortunately, the city’s long pattern of neglect is all too evident. A great deal of work must to be done, but success can only be achieved if we begin to address these issues honestly, which unfortunately the city has consistently refused to do. The response from the city is always the same: “We have the greatest parks in the world. Parks have never been better.” During the last mayoral campaign the favored phrase was “we are witnessing the golden age of parks.”

I can not help but be reminded of that Robert Moses quote that I began my testimony. Every time a parks commissioner or parks official comes before the City Council and is prevented by a Mayor from presenting the true financial and personnel needs of the agency, they are doing a tremendous disservice to the people of this great city.

“A budget is more than an accounting tool; it is a public statement reflecting the priorities and political philosophies of the mayor who proposes it and the Council that passes it.” — League of Women Voters



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Streaming 100%

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Sheep Road

Avenue of Science

United Nations Avenue North

Avenue of the States

Georgia Lakes Court

Perimeter Parkway

Long Island Expressway

Foot Path

New York Avenue

Hethell Hoover Promenade

Avenue of Commerce

Avenue of Progress

Avenue of Discovery

Georgia Point Boulevard

Van Wyck Expressway

Meadow Lake Road East

Good Groves Court

Starr Street

57th Avenue

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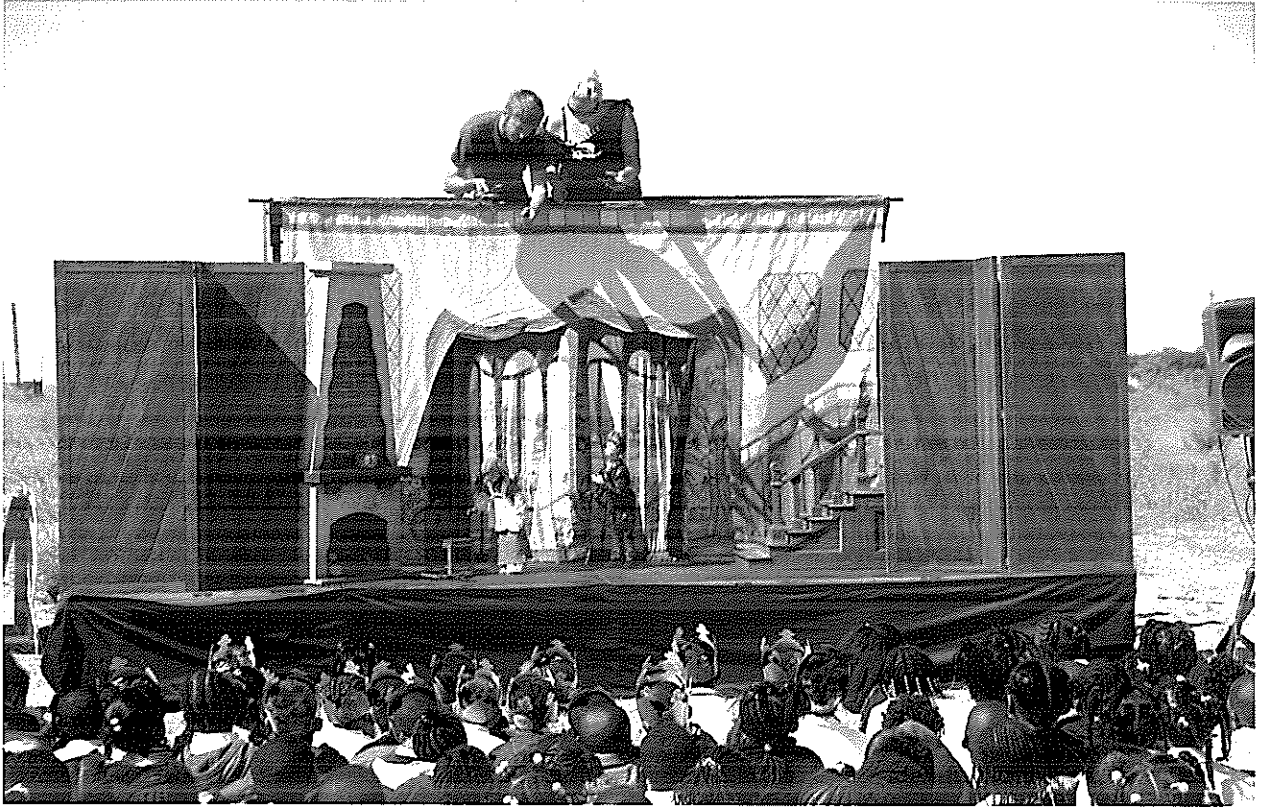
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**Testimony of David Rivel  
Executive Director of City Parks Foundation  
Thursday, May 22, 2008**

**NYC Council Joint Parks and Finance Committee FY2009 Executive Budget Hearing**

Good afternoon. Thank you, Chairperson Foster, Chairman Weprin, and members of the committees, for the opportunity to testify today. My name is David Rivel. I am the Executive Director of City Parks Foundation (CPF).

As you know, CPF works in over 700 parks city-wide and plays an indispensable role in sustaining parks as focal points of urban communities bringing new life to struggling parks and communities through free arts, sports, education and community-organizing initiatives. Our programs serve 600,000 New Yorkers of all ages, backgrounds and ethnicities, with a focus on low-income communities. We run *Partnerships for Parks* (with the Department of Parks and Recreation) to help citizens become a force for change in their parks on a local level.

I am here to request your support once again for CPF's **\$300,000 Leadership Expense Request** to assist us in providing our free education, sports, and community organizing initiatives, as well as our **\$475,000 Capital Request** to help us complete the construction of our *Junior Golf Center* at Dyker Beach Park in Brooklyn and for the purchase of a new *PuppetMobile*.

We have an annual budget of \$11 million and over 90% of our income is raised privately from corporations, foundations, and individuals. During these tough economic times everyone is tightening the purse strings. I can not think of a time when we needed your support more.

### **Capital Request**

We are requesting \$400,000 to help complete the construction of the *Junior Golf Center* facility. The Center will be the first facility of its kind in the nation in that it will be free and open only to juniors. It will make the sport accessible and affordable for thousands of junior golfers, and will include a six-hole golf course, practice putting green, chipping green with sand trap, covered driving range, and a clubhouse with classroom space. Your contribution will go directly towards the completion of the clubhouse.

The remaining \$75,000 of our Capital Request will purchase a new *PuppetMobile*. The *CityParks PuppetMobile* allows us to, literally, take our show on the road reaching 9,435 kids last year. We could have reached even more kids, but we were forced to cancel multiple shows because after 11 years, it simply broke down.

### **Sports Programs**

Our sports programs promote physical fitness and healthy lifestyles by providing free, regularly scheduled sports lessons in neighborhood parks.

- *CityParks Tennis*, one of the largest municipal tennis programs in the country, provides free lessons and an advanced training academy to children ages 5 to 16 in parks during

the months of July and August. Hundreds of program graduates have earned college athletic scholarships and achieved regional and national rankings.

- *CityParks Track & Field* offers a variety of track and field events, including short distance running with hurdles, the javelin, and long jump, to youth ages 5 to 16. The program culminates with a citywide track meet held at Icahn Stadium, where our young athletes compete individually and in teams in six track and field events.
- *CityParks Golf* brings free instruction by golf professionals to over 1,500 children ages 5 to 16 each year. In addition to beginner and intermediate lessons, we offer an advanced training program for 25 talented youth conducted by PGA professionals and instructional clinics with professional players. By offering instruction in neighborhood parks, CPF has been able to introduce thousands of kids to the game of golf, who would not have otherwise had the opportunity.
- *CityParks Senior Fitness* offers eight weeks of free tennis lessons, yoga instruction, and fitness walking to people ages 60 and over in the spring and fall. This spring we expanded our program from 6 parks to 9 parks around the city.

## Education Programs

City Parks Foundation's free education programs help students meet state standards and connect teachers, students, and families with parks. We present classroom, after school, and teacher-training programs in parks, schools, and recreation centers in underserved neighborhoods reaching 6,000 students and community members, and 500 teachers each year.

- *Coastal Classroom* educates youth and adults about their waterfront and facilitates local action to improve it. The project uses the waterfront as an outdoor classroom, teaching participants how to test water quality variables; allowing them to enter the water to carefully observe East River wildlife; and providing service learning opportunities, such as volunteer shoreline clean-up events.
- *Seeds to Trees* introduces New York City elementary and middle school children to nature in the urban environment, and provides public school teachers with professional development workshops, empowering them to use city parks as an extension of the classroom. This year, *Seeds to Trees* will be contributing to the MillionTrees NYC initiative, by getting kids involved in the planting and stewardship of new trees in areas that suffer from lack of green spaces. We have also launched an early childhood development version of the program, working with Head Start sites, to bring three and four year olds into parks for hands-on, exploratory lessons.
- *Learning Gardens* uses community gardens as environmental and social learning resources for 2,500 participants from local schools, youth programs, churches, and other community organizations. The program consists of structured lessons year-around at four locations across the city, and workshops, festivals, and family days open to all community members.
- *Green Girls Summer Institute* encourages middle school girls from minority backgrounds to excel in the sciences and realize their potential to create change within the natural

environment and their own lives. Participants, ages 11 to 14, get hands-on lessons and field trips at various natural and institutional resources around the city culminating in an overnight trip to the Catskills to learn about the city's watershed.

- *Hook and Smith Productions*, based in the Red Hook Recreation Center in Brooklyn and the Al Smith Recreation Center in Manhattan, is CPF's technology-based after school program. It provides professional, state-of-the-art multimedia and technology training for youth in NYC, ages 13 to 21. *Hook & Smith Productions* introduces teens to video and sound production training, media literacy, and creative writing activities with academic support and life skills lessons. *Smith Productions'* documentary, "Gentrification of the Lower East Side," written, directed and produced by our summer participants, won Kodak's Excellence in Filmmaking Award, and won "best documentary" at the RECYouth's 4<sup>th</sup> Annual Multimedia Festival.
- *Reading and Racquets* provides 70 children, ages 6 to 13, with homework assistance, intensive literacy instruction, health education workshops, and tennis instruction. This program, conducted at the Williamsbridge Oval Recreation Center in the Bronx and the Vic Hanson Recreation Center in Queens, combines literacy and tennis instruction to make learning fun.

### **Partnerships for Parks**

- Through our community organizing program, *Partnerships for Parks*, we provide free capacity-building assistance, including small grants, outreach and organizational development assistance to support community groups working in parks citywide. We offer workshops free of charge, one-on-one consultations, offer practical training in tree care, and work with local groups to develop promotional materials such as park brochures and maps. Last year, *Partnerships* assisted over 4,000 community organizations in various capacities. Additionally, *Partnerships* is responsible for organizing the citywide It's My Park Days in each spring and fall.
- *Catalyst for Neighborhood Parks* is our intensive, long term initiative that focuses on 16 parks in four historically underserved regions of New York City. Our four *Catalyst* sites are: 1) Astoria and Long Island City Waterfront Parks, 2) The High Bridge Project, 3) Historic Harlem Parks which encompasses Jackie Robinson, Marcus Garvey, Morningside, and St. Nicholas Parks, and 4) Red Hook Parks. *Partnerships* plays a unique role in these areas, working to enable local community stakeholders to independently transform and revitalize waterfronts, parks, and recreation centers

City Parks Foundation creates vibrant parks, stronger communities, and active, engaged citizens. By connecting people with their local green spaces, CPF encourages a sense of ownership of parks that contribute to sustainable neighborhood revitalization. When you have great parks, you have great neighborhoods.

We are grateful for the Council's past support. With your help, our work will continue to reach every Council District. Every year, with your support, we have been able to expand our free programming, touch the lives of more New Yorkers, and make our City a better place to live. I would like to thank the Council for allowing us to continue our vital work.

City Parks Foundation (CPF) is the only independent, nonprofit organization to offer park programs throughout the five boroughs of New York City. We work in over 700 parks citywide, presenting a broad range of free arts, sports, and education programs, and empowering citizens to support their parks on a local level. Our programs and community building initiatives reach more than 600,000 people each year, contributing to the revitalization of neighborhoods throughout New York City.

CPF has an eighteen-year history of turning some of New York City's failing parks into vibrant community assets. The following is a summary of our four program areas:

1. We provide free summer **sports instruction** to over 10,000 kids, ages 5 to 16, at over 60 locations citywide, making neighborhood parks centers for recreation and fitness. Sports offered include golf, tennis, track & field, and a new fitness program for senior citizens.
2. Our **education** programs connect children, families, and teachers to nature in the urban environment, and make parks outdoor classrooms, by providing comprehensive classroom, after school, teacher-training, and summer programs in parks, schools, and recreation centers across New York City.
3. **Partnerships for Parks** is our award-winning program (Innovations in American Government, 2000) through which we foster grassroots networks and rally people around park revitalization. Partnerships is a pioneering blueprint for urban park revitalization, and has served as a model for similar programs in numerous cities nationwide, including Baltimore, Philadelphia, Atlanta, and Boston.
4. CPF brings more than **1,200 arts and cultural** performances each year to a total audience of nearly 350,000, making us one of the largest arts presenters in New York City. Arts programs include concerts (highlighted by the world-famous Central Park SummerStage), dance and theater performances, a traveling PuppetMobile and a wide range of kids' programs.

CPF strives to ensure that all of New York City's parks fulfill their potential as vibrant centers of community life. Our methods for engaging communities in parks are widely considered the best in the country, and we receive hundreds of requests from around the world for advice and materials each year. We have played an indispensable role in helping to create and sustain parks as focal points for urban communities since our founding in 1989.



## FY09 New York City Council Capital Request

City Parks Foundation (CPF) requests a total of \$475,000 from the New York City Council for two capital projects, which will address two different needs:

### I. Junior Golf Center at Dyker Beach Park

City Parks Foundation requests \$400,000 in funds to complete the construction of our state-of-the-art Junior Golf Center, the first of its kind in the nation, which will be open exclusively for youth ages 5 to 17 and will be free of charge. *The CityParks Junior Golf Center* will be located on 11.5 acres of land adjacent to the Dyker Beach Golf Course in Brooklyn. Building this expansive new facility will enable CPF to offer New York City youth a new opportunity to excel through year-round golf instruction and open practice time on a course made specifically for young people, providing physical exercise, after-school programs, education life skills workshops, and tournament opportunities—all for free.

CPF is raising an additional \$5.6 million in construction costs and an operating endowment, supporting the costs of these free programs on an ongoing basis. The Center will offer young golfers a clubhouse with classroom space, a six-hole junior golf course, practice putting and chipping greens, and a covered driving range. The clubhouse will enable CPF to extend our existing summer program, and offer golf instruction, after-school activities, life skills workshops, and mentoring opportunities year-round. Participants in CPF's long-running *CityParks Tennis* program have gone on to improve their academic record, earn college scholarships, and achieve regional and national United States Tennis Association (USTA) rankings. In the future, the Junior Golf Center and expanded *CityParks Golf* program will enable CPF to offer similar life-changing opportunities to thousands more young people in New York City.

CPF launched *CityParks Golf* in 1999 to introduce New York City children and teens from low-income neighborhoods to the sport through a multi-level, instructional summer program. The Junior Golf Center will provide these junior golfers a much-needed opportunity to advance and hone their skills. Children will also attend the Junior Golf Center with their schools, camps, or their parents, and they will get to the facility by bus, private car or foot. Golf helps teach children important life skills, such as sportsmanship, confidence, patience, focus, responsibility, and cooperation. However, the cost of high quality instruction, golf equipment, and time spent on regulation courses can be prohibitive, and makes it impossible for many parents to introduce their children to the game.

The Junior Golf Center will open the door to what has been an exclusive sport and offer New York City kids an opportunity that simply does not exist anywhere else. In addition, the Junior Golf Center will create jobs and increased economic opportunities for local area businesses, while beautifying a community resource.

## II. CityParks PuppetMobile

We request \$75,000 for a customized cargo van to replace our aging and dilapidated *PuppetMobile*. The travelling puppet program, which was started in 1937 and is the oldest traveling puppet theater in the country, provides high-quality and accessible arts performances to 50,000 children in diverse communities throughout New York City that often lack venues and /or sufficient organizations dedicated to presenting such programming. In 2007, the breakdown of the 11-year-old PuppetMobile caused 12 shows to be cancelled.

*CityParks PuppetMobile* offers 165 shows a year, as well as 125 puppet-making workshops, in 45 parks and playgrounds across the five boroughs. *CityParks PuppetMobile* helps address the lack of arts programming in underserved communities by offering children, adults, and families the occasion to attend a first-rate professional arts event, free of charge, in their local park or playground. CPF's productions offer thousands of citizens the opportunity to enrich their cultural life and that of their neighborhood park.

The vehicle will need to be customized to be used as the primary self contained mobile vehicle for puppet performances in various sites in parks throughout the City of New York. The vehicle will meet all NYS DOT and FMVSS 108 rules and regulations.

City Parks Foundation has an agreement with the New York City Department of Parks and Recreation (DPR) that they will use the requested funds to purchase a vehicle for our traveling puppet theater program, which is a key component of our city-wide *CityParks Kids* programming.