

# THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson  
Speaker of the Council

Hon. Antonio Reynoso  
Chair, Committee on Sanitation and Solid Waste Management



Report of the Finance Division on the  
Fiscal 2021 Preliminary Plan and the  
Fiscal 2020 Preliminary Mayor's Management Report for the

## **Business Integrity Commission**

March 4, 2020

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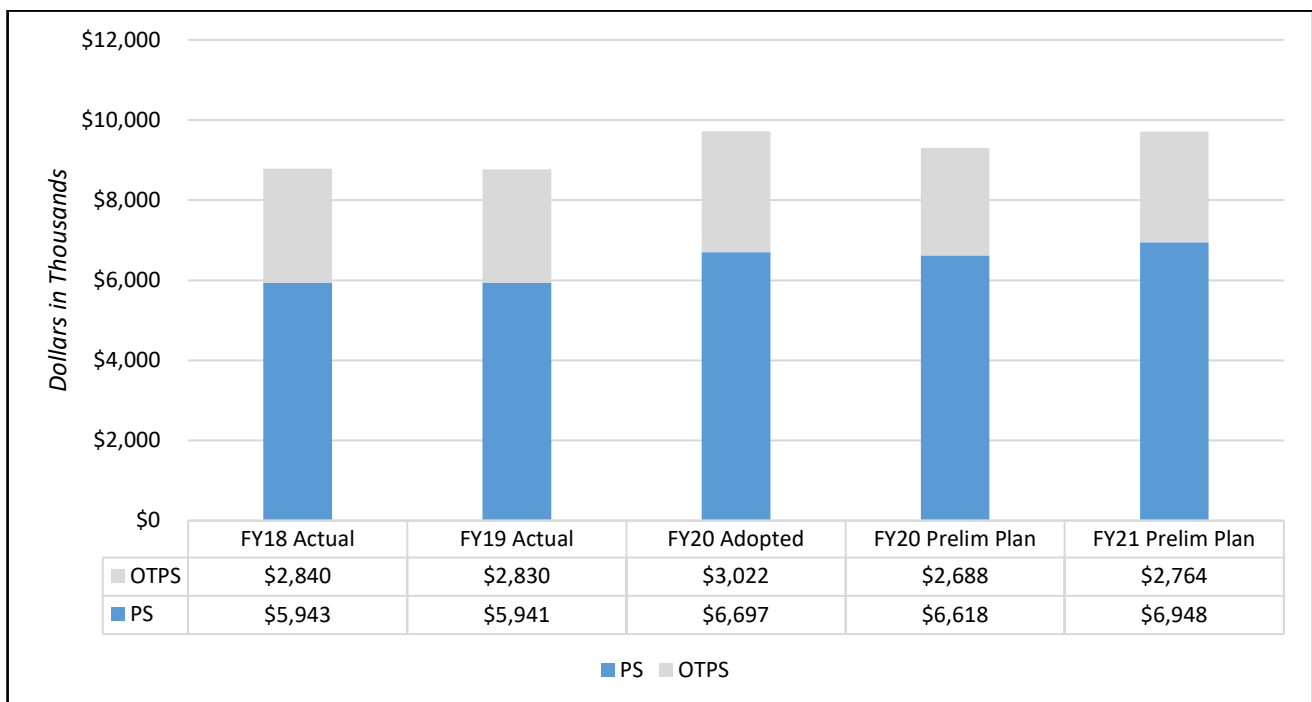
## Business Integrity Commission Overview

The mission of the Business Integrity Commission (BIC or the Commission) is to eliminate organized crime and other forms of corruption and criminality from the public wholesale markets, the trade waste and shipboard gambling industries. BIC's goals are: to ensure that the regulated businesses are able to compete fairly; that the marketplaces remain free from violence, fraud, rackets and threats; that customers receive fair treatment; and that businesses which are allowed to operate in these industries conduct their affairs with honesty and integrity.

## Fiscal 2021 Preliminary Budget Highlights

The Business Integrity Commission's Fiscal 2021 Preliminary Budget totals \$9.7 million (City funds). BIC's Fiscal 2021 Preliminary Budget is \$7,000, or less than one percent less, when compared to the Fiscal 2020 Adopted Budget of \$9.7 million. For Fiscal 2021, BIC's budget is \$6.9 million for personal services (PS) or 72 percent and \$2.8 million or 28 percent for other than personal services (OTPS). PS includes all full-time and part-time position costs as well as overtime. OTPS includes property, equipment, supplies, and services contracted out to private corporations.

**Figure 1: Budget Overview\**



Since the Fiscal 2020 Adopted Budget, PS spending increased by \$251,000 or nearly four percent, while OTPS decreased by \$258,000 or eight and a half percent. This variance is due a reduction in one time OTPS funding that did not carry from Fiscal 2020 to Fiscal 2021 to develop BIC's online application portal; slightly offset by an increase in PS funding to reflect the full-year salaries of staff within the Trade Waste Industry Worker's Protection Unit.

Major changes introduced in the Preliminary Plan include the following.

**Other Adjustments**

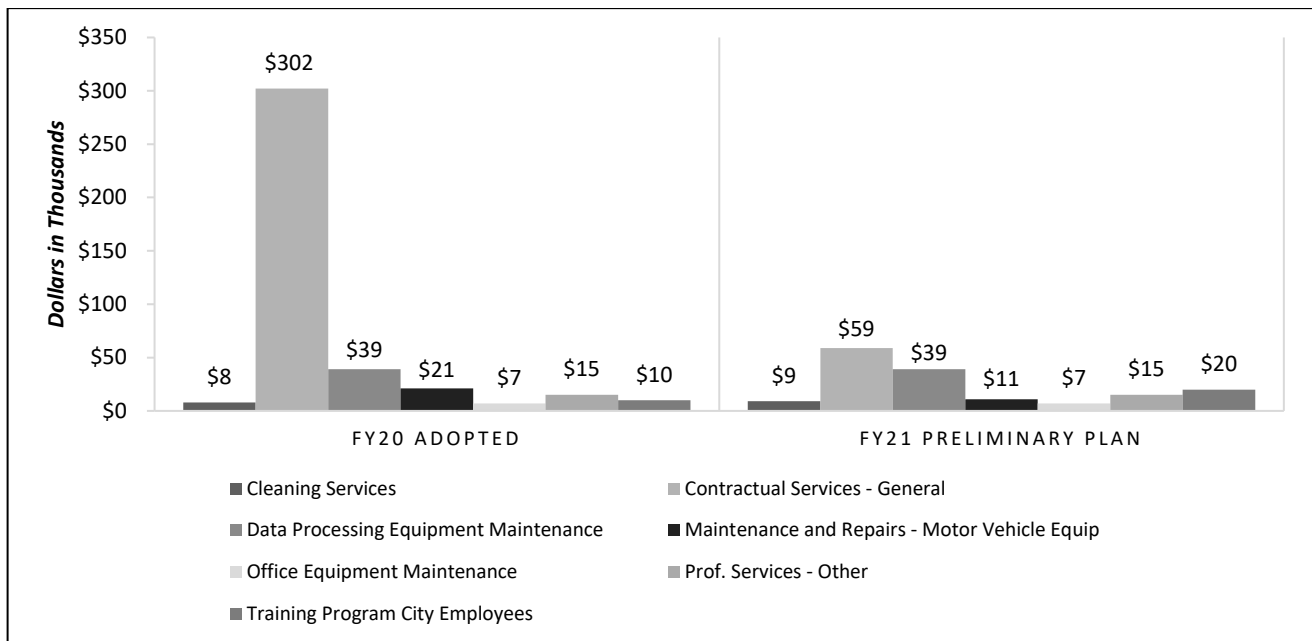
- **Enhanced Space Management.** The Fiscal 2021 Preliminary Plan includes an adjustment of \$383,423 in Fiscal 2020, decreasing to \$67,821 in Fiscal 2022 as part of a lease renewal agreement for the Department’s 100 Church Street location in Manhattan.

**Re-estimates**

- **Personal Services.** The Fiscal 2021 Preliminary Plan includes a re-estimate of \$100,000 in Fiscal 2020 as BIC realigned its spending forecast for personal services.

**Contract Budget**

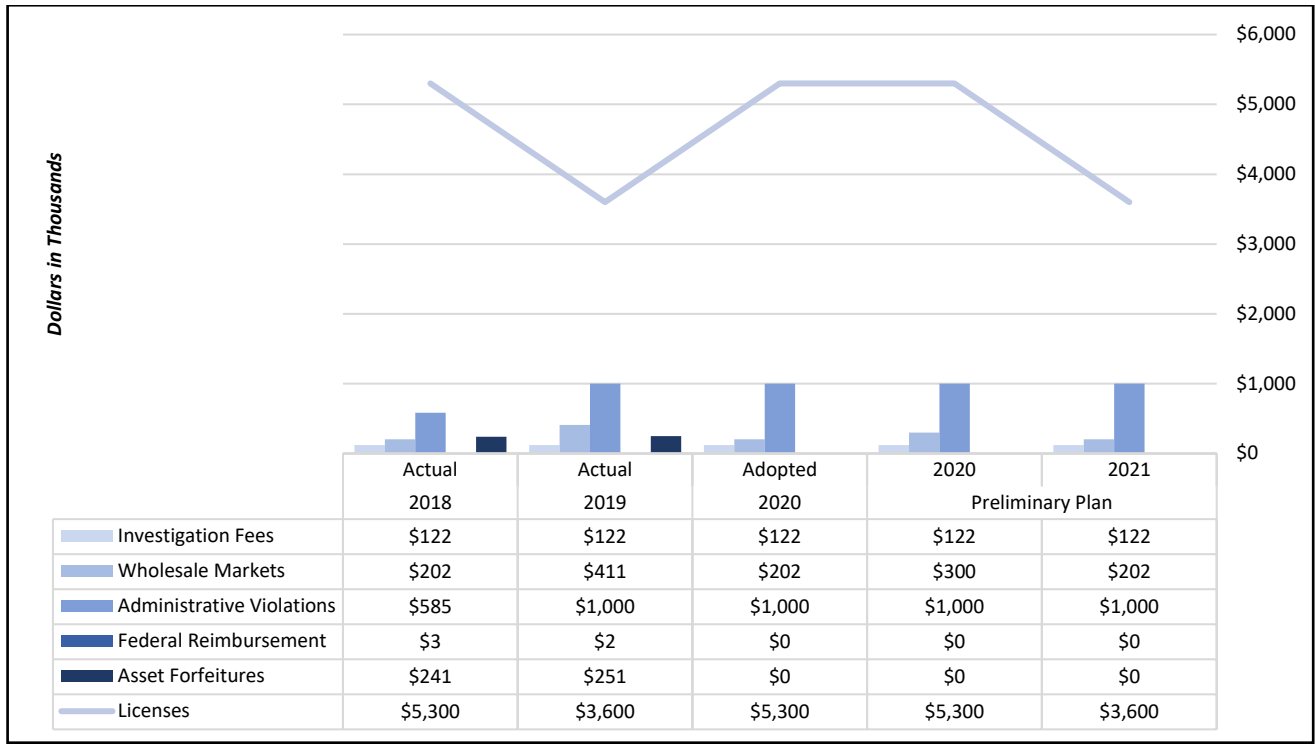
**Figure 2: Contract Budget Overview**



The Commission’s Fiscal 2021 Contract Budget totals \$159,000 a decrease of \$243,000 or 60 percent, when compared to the Fiscal 2020 Adopted Budget of \$402,000. The decrease in BIC’s contract budget is primarily due to one-time OTPS funding that did not carry from Fiscal 2020 to Fiscal 2021 to develop BIC’s online application portal.

## Revenue Budget

Figure 3: Revenue Budget Overview



BIC is a revenue-generating agency. Revenues are derived from licenses for private carters, investigations and wholesale market fees, and administrative violation fines.

Approximately \$3.6 million, or 73 percent of total revenue generated in Fiscal 2021 will be from license, permit and franchise applications for construction and demolition removal. BIC’s revenue is projected to be \$1.7 million or 32.1 percent less in Fiscal 2021. Due largely to the agency’s license/registration application process which is on a two-year renewal cycle, the Fiscal 2021 application renewal will be lower than Fiscal 2020.

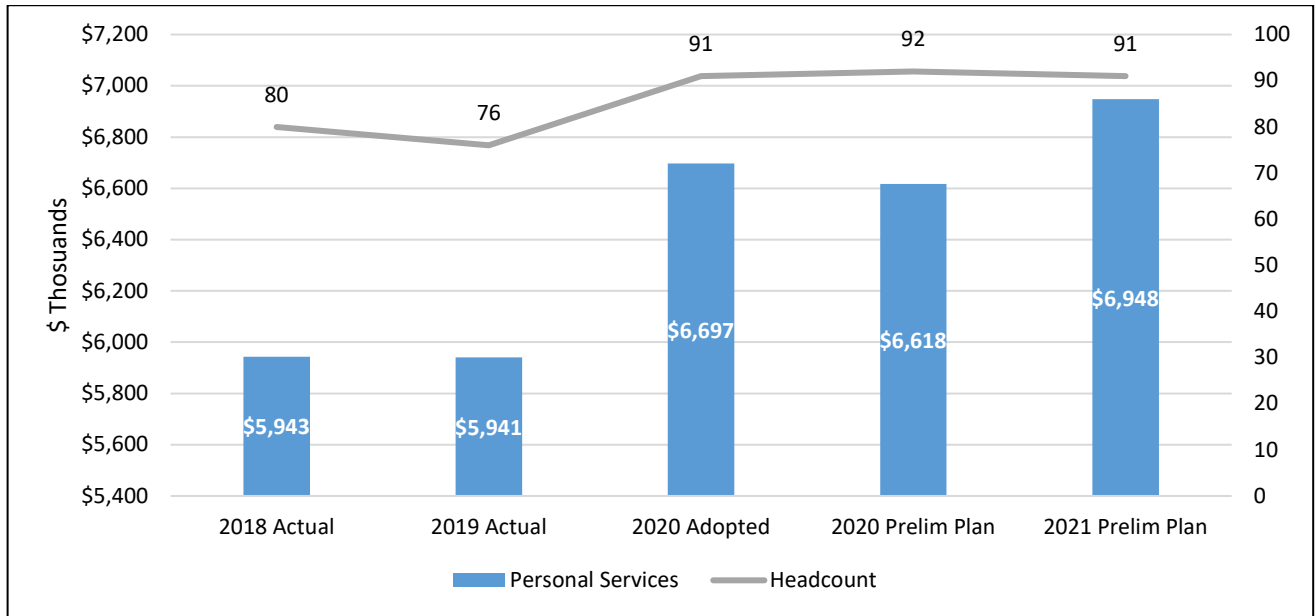
Additionally, \$202,000, or 4.1 percent of total revenue generated in Fiscal 2021 will be from charges for services related to wholesale market registration.

Approximately \$1 million, or 20.3 percent of the total projected revenue will be generated through administrative violations. These represent quality-of-life and trade waste violations. Trade waste violations include stealing or unlicensed carting of waste materials such as cardboard, grease, or bulk metal.

Violations issued at wholesale markets for activities such as idling and double parking go through the Environmental Control Board (ECB). The corresponding revenue collected by the ECB is not represented in the chart above.

## Headcount

**Figure 4: Headcount Overview**



The Commission’s total headcount for the Fiscal 2021 Preliminary Plan remains unchanged at 91 positions when compared to the Fiscal 2020 Adopted Budget.

**PMMR Performance Measures**

BIC Performance Indicators	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY19	FY20
Violations issued to private waste haulers	640	488	494	*	*	141	188
Violations issued to legally operating private waste haulers	343	312	371	*	*	121	147
Violations issued to illegally operating private waste haulers	297	176	123	*	*	20	41
Waste hauling applications denied	8	5	7	*	*	1	2
Waste hauling complaints received	351	352	423	*	*	199	127
Violations admitted to or upheld at the Office of Administrative Trials and Hearings (%)	100.0%	88.0%	100.0%	*	*	100.0%	100.0%
Average time to approve waste hauling applications (days) - New and Renewal	240	129	190	200	200	149	231
Average time to approve waste hauling applications (days) - New	136	112	122	150	150	126	158
Average time to approve waste hauling applications (days) - Renewal	274	134	205	210	210	154	243
Average age of pending waste hauling applications (days)	220	122	185	180	180	147	169
Waste hauling applications pending	359	617	524	*	*	564	597
Waste hauling applications approved - New and Renewal	876	1,006	806	*	*	301	248
Waste hauling applications approved - New	216	210	152	*	*	55	37
Waste hauling applications approved - Renewal	660	796	654	*	*	246	211
Violations issued at public wholesale markets	64	57	62	*	*	23	22
Violations admitted to or upheld at the Office of Administrative Trials and Hearings (%)	100.0%	100.0%	100.0%	*	*	100.0%	100.0%
Public wholesale market applications denied	1	0	0	*	*	0	0
Public wholesale market applications pending	16	25	83	*	*	36	93
Average time to approve public wholesale market applications (days)	270	149	196	200	200	118	238
Average age of pending public wholesale market applications (days)	227	108	133	150	150	114	151
Public wholesale market applications approved	121	37	39	*	*	9	33

BIC has the responsibility to process licenses and registrations in a timely manner. The number of waste hauling applications pending at the end of the first four months of Fiscal 2020 is 597, and the average age of pending waste hauling applications is 169 days, an increase of six percent and 15 percent, respectively, when compared to the same period in Fiscal 2019.

The Commission must also process public wholesale market applications. In the first four months of Fiscal 2020, the average approval time was 238 days, an increase of 102 percent when compared to the first four months of Fiscal 2019.

Lastly, the number of violations issued to private waste haulers at the end of the first four months of Fiscal 2020 is 188, an increase of 33 percent when compared to the same period in Fiscal 2019. For Fiscal 2020, 100 percent of violations heard before the Office of Administrative Trials and Hearings (OATH) were admitted to or upheld remained the same when compared to the same period in Fiscal 2019.

## Appendices

### A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
<b>BIC Budget as of the Fiscal 2020 Adopted Budget</b>	<b>\$9,719</b>	<b>\$0</b>	<b>\$9,719</b>	<b>\$9,956</b>	<b>\$0</b>	<b>\$9,956</b>
<b>Other Adjustments</b>						
Agency Phone Plan Review	\$1	\$0	\$1	(\$3)	\$0	(\$3)
CSBA Collective Bargaining	18	0	18	20	0	20
Establish Other Than Personal Services Forfeiture Budget	0	123	123	0	0	0
Establish Personal Services Forfeiture Budget	0	76	76	0	0	0
Other Than Personal Services Savings Initiative	(73)	0	(73)	0	0	0
Personal Services Accruals	(73)	0	(73)	(149)	0	(149)
Enhanced Space Management	(383)	0	(383)	(113)	0	(113)
Personal Service Savings	(100)	0	(100)	0	0	0
<b>TOTAL, Other Adjustments</b>	<b>(\$610)</b>	<b>\$199</b>	<b>(\$411)</b>	<b>(\$245)</b>	<b>\$0</b>	<b>(\$245)</b>
<b>BIC Budget as of the Fiscal 2021 Preliminary Budget</b>	<b>\$9,106</b>	<b>\$200</b>	<b>\$9,306</b>	<b>\$9,711</b>	<b>\$0</b>	<b>\$9,711</b>

### B: BIC Contract Budget

<i>Dollars in Thousands</i>				
Category	FY20 Adopted	Number of Contracts	FY21 Preliminary	Number of Contracts
Cleaning Services	\$8	1	\$9	1
Contractual Services - General	302	2	59	2
Data Processing Equipment Maintenance	39	1	39	1
Maintenance and Repairs - Motor Vehicle Equip	21	1	11	1
Office Equipment Maintenance	7	1	7	1
Prof. Services - Other	15	1	15	1
Training Program City Employees	10	1	20	1
<b>TOTAL</b>	<b>\$402</b>	<b>8</b>	<b>\$159</b>	<b>8</b>

### C: BIC Miscellaneous Revenue

<i>Dollars in Thousands</i>						
Revenue Sources	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Licenses	\$5,300	\$3,600	\$5,300	\$5,300	\$3,600	(\$1,700)
Investigation Fees	122	122	122	122	122	0
Wholesale Markets	202	411	202	300	202	0
Administrative Violations	585	1,000	1,000	1,000	1,000	0
Federal Reimbursement	3	2	0	0	0	0
Asset Forfeitures	241	251	0	0	0	0
<b>TOTAL</b>	<b>\$6,453</b>	<b>\$5,386</b>	<b>\$6,624</b>	<b>\$6,722</b>	<b>\$4,924</b>	<b>(\$1,700)</b>

\*The difference of Fiscal 2020 Adopted compared to Fiscal 2021 Preliminary Budget.



**D: Financial Plan Summary**

<i>Dollars in Thousands</i>	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
<b>Spending</b>						
Personal Services	\$5,943	\$5,941	\$6,697	\$6,618	\$6,948	\$251
Other Than Personal Services	2,840	2,830	3,022	2,688	2,764	(258)
<b>TOTAL</b>	<b>\$8,783</b>	<b>\$8,771</b>	<b>\$9,719</b>	<b>\$9,306</b>	<b>\$9,711</b>	<b>(\$7)</b>
<b>Personal Services</b>						
Additional Gross Pay	\$230	\$152	\$202	\$202	\$202	\$0
Full-Time Salaried - Civilian	5,595	5,625	6,444	6,267	6,663	220
Other Salaried & Unsalariated	13	53	27	58	58	31
Overtime - Civilian	104	111	24	90	24	0
<b>SUBTOTAL</b>	<b>\$5,943</b>	<b>\$5,941</b>	<b>\$6,697</b>	<b>\$6,618</b>	<b>\$6,948</b>	<b>\$251</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$286	\$193	\$402	\$391	\$159	(\$243)
Fixed & Misc. Charges	7	4	0	0	0	0
Other Services & Charges	2,160	2,443	2,383	2,106	2,450	67
Property & Equipment	250	129	99	42	17	(83)
Supplies & Materials	137	61	138	149	138	0
<b>SUBTOTAL</b>	<b>\$2,840</b>	<b>\$2,830</b>	<b>\$3,022</b>	<b>\$2,688</b>	<b>\$2,764</b>	<b>(\$258)</b>
<b>TOTAL</b>	<b>\$8,783</b>	<b>\$8,771</b>	<b>\$9,719</b>	<b>\$9,306</b>	<b>\$9,711</b>	<b>(\$7)</b>
<b>Funding</b>						
City Funds			\$9,719	\$9,106	\$9,711	(\$7)
Federal - Other			0	200	0	0
<b>TOTAL</b>	<b>\$8,783</b>	<b>\$8,771</b>	<b>\$9,719</b>	<b>\$9,306</b>	<b>\$9,711</b>	<b>(\$7)</b>
<b>Budgeted Headcount</b>						
Full-Time Positions - Civilian	80	76	91	92	91	0
<b>TOTAL</b>	<b>80</b>	<b>76</b>	<b>91</b>	<b>92</b>	<b>91</b>	<b>0</b>

*\*The difference of Fiscal 2020 Adopted Budget compared to Fiscal 2021 Preliminary Budget.*