

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE
COMMITTEE ON AGING
SUBCOMMITTEE ON SENIOR CENTERS
COMMITTEE ON CONSUMER AFFAIRS
COMMITTEE ON TECHNOLOGY

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May 29, 2013
Start: 10:02 am
Recess: 2:48 pm

HELD AT: Council Chambers
City Hall

B E F O R E:
DOMENIC M. RECCHIA, JR.
DAVID G. GREENFIELD
JESSICA S. LAPPIN
DANIEL R. GARODNICK
FERNANDO CABRERA
Chairpersons

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Margaret S. Chin
Deborah L. Rose
Peter A. Koo
Charles Barron
Michael C. Nelson
Letitia James
Mark S. Weprin

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

Lilliam Barrios-Paoli
Commissioner
New York City Department for the Aging

Jonathan Mintz
Commissioner
New York City Department of Consumer Affairs

Shari C. Hyman
Commissioner
New York City Business Integrity Commission

Rahul N. Merchant
Citywide Chief Information and Innovation Officer and
Commissioner
New York City Department of Information Technology and
Telecommunications

Brett Robinson
Deputy Commissioner Finance Administration
New York City Department of Information Technology and
Telecommunications

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2 CHAIRPERSON RECCHIA: Sorry for the
3 delay, ladies and gentlemen. We start all the
4 Finance hearings on time at ten o'clock. We are
5 just waiting for the Commissioner. We have a long
6 day ahead of us. Just so you know we have Aging
7 from 10 o'clock to 12 o'clock, Consumer Affairs
8 starting at 12 o'clock, Business Integrity
9 Commission starting at 1 o'clock and DoITT
10 starting at one thirty. Do we serve lunch?
11 Unfortunately we don't serve lunch due to budget
12 cuts. We don't serve lunch.

13 [background conversation]

14 CHAIRPERSON RECCHIA: But if I knew
15 so many people were coming I would have served
16 breakfast. Okay.

17 [long pause]

18 CHAIRPERSON RECCHIA: Just so
19 everyone knows in the executive budget hearings,
20 the public testifies on the last day of the
21 hearings starting at four o'clock in the
22 afternoon, so if anyone would like to come and
23 testify, we start at four o'clock in the afternoon
24 on June 5th. That morning the Office of Management
25 of Budget, the director Mark Page, he comes and

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2 testifies before the entire Council, and that will
3 begin at ten o'clock sharp. Then, after we
4 conclude that at four o'clock we take the public,
5 and we stay here until everyone testifies, and it
6 usually goes on to late at night into the morning,
7 but if you cannot make it, and you would like to
8 submit testimony, you can fax your testimony to my
9 attorney, Tanisha Edwards, and I'll give you her
10 fax number in one minute. If you cannot make it
11 on June 5th and would like to submit testimony, you
12 can fax your testimony to 212-788-7061 to Tanisha
13 Edwards.

14 [long pause]

15 FEMALE VOICE: [off mic]

16 CHAIRPERSON RECCHIA: Thank you
17 very much. You are hired.

18 [long pause]

19 CHAIRPERSON RECCHIA: There are
20 more additional seating up in the balcony. Oh,
21 and in this room, there is seats also in the
22 committee room.

23 [long pause]

24 CHAIRPERSON RECCHIA: Good morning,
25 Commissioner. Okay. Can I have everyone's

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2 attention? Kindly find a seat. We are going to
3 begin. Good morning and welcome to the 10th day of
4 the City Council hearing on the mayor's executive
5 budget for FY 2014. My name is Domenic M.
6 Recchia, Jr. I am the chair of the Finance
7 Committee. The Finance Committee will be joined
8 by the Committee on Aging chaired by my colleague,
9 Council Member Jessica Lappin, and the
10 Subcommittee on Senior Centers chaired by my
11 colleague, David Greenfield. At this time, I
12 would like to introduce those members that have
13 joined us. We have Peter Koo from Queens. The
14 last time we met, we heard from the Office of the
15 Chief Medical Examiner, the Health and Hospitals
16 Corporation and the Department of Health and
17 Mental Hygiene. Today we will be joined by the
18 Committees on Aging, Senior Centers, Consumer
19 Affairs and Technology to hear from the Department
20 of the Aging, Department of Consumer Affairs, the
21 Business Integrity Commission and the Department
22 of Information and Technology Telecommunications.
23 Before we get started, I want to remind everyone
24 that the public will be allowed to testify on June
25 5th, the last day of budget hearings beginning at 4

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2 p.m. The public session will be held in these
3 council chambers. For members of the public who
4 wish to testify, but cannot make it, they can fax
5 their testimony to my attorney, Tanisha Edwards at
6 212-788-7061. Today we will begin our executive
7 budget hearing with Department of Aging. DFTA's
8 budget totals \$225 million, which reflects a
9 decrease of \$37.7 million from last year's adopted
10 budget. Much of the decrease in DFTA's budget can
11 be attributed to the absence of one-time City
12 Council funding of \$27.6 million in FY 2013.
13 Despite the Council's best efforts to urge the
14 administration to restore and base line funding
15 for key program areas, DFTA's 2014 budget includes
16 year over year funding reductions for case
17 management, senior services and senior centers and
18 meals. The remaining seven million dollar loss of
19 funding is a result of technical adjustments and
20 the federal sequestration. DFTA sees a \$1.6
21 million decrease in Older American Act funding.
22 This funding is used by states and aging agencies
23 to develop, enhance and coordinate community based
24 systems for seniors. The sequestration also
25 reduces funding for Title 20 blocks also service

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2 grant by \$3.3 million. This cut would impact DFTA
3 senior centers and meal program areas. The
4 sequestration also reduces funding for Title 3
5 funding by \$1.3 million. This cut would impact
6 DFTA's home delivered meal program. I look
7 forward to hearing from the commissioner to learn
8 more on the ways the executive budget affects the
9 Department of the Aging, and at this time,
10 Commissioner? Thank you for coming.

11 COMMISSIONER BARRIOS-PAOLI: Thank
12 you. Good morning, Chair Recchia and members of
13 the Committee. I am Lilliam Barrios-Paoli,
14 commissioner of the New York City Department for
15 the Aging. I am joined today by Joy Weng
16 [phonetic], assistant commissioner for budget and
17 fiscal operations to discuss DFTA's executive
18 budget for fiscal 2014. The fiscal year '14
19 executive budget projects \$226 million in base
20 line funding and includes allocations of \$107
21 million to support senior centers, \$32 million for
22 home delivered meals, \$60 million for case
23 management services, \$60 million to support
24 homecare for homebound seniors, who are not
25 Medicaid eligible, \$5.6 million for naturally

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2 occurring retirement community or NORCs, and \$4
3 for caregiver support services. In addition, the
4 fiscal year '14 executive budget includes an
5 estimated \$6.2 million reduction in federal
6 funding due to sequestration. Based on
7 information that DFTA has received from the New
8 York State Office for the Aging, the latest
9 sequestration estimate is 4.24 million as a \$4.24
10 million cut in federal funding is equivalent to a
11 loss of 150,000 home delivered meals, and 350,000
12 congregative meals annually, which would impact
13 600 seniors receiving home delivered meals and
14 1,400 senior center participants daily. At the
15 fiscal year '14 preliminary budget hearing, I
16 discussed a re-solicitation for neighborhood
17 senior centers in four community districts issued
18 in January of this year because there were not
19 enough viable proposals to cover the need in these
20 areas. Proposals for neighborhood centers in
21 these community districts were due February 11th.
22 The proposals have been reviewed and we have
23 awarded contracts to the American Italian
24 Coalition of Organizations, AMICO, in Brooklyn
25 Community District 6, Presbyterian Senior Services

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2 in City Island in Bronx Community District 10,
3 Convent Avenue Baptist Church in Manhattan
4 Community District 9, and Action for Retirement
5 Community or ARC, 16 Fort Washington in Manhattan
6 Community District 10. These contracts will
7 commence on July 2013. As you know, I testified
8 the past March, NORCs our residential location
9 single buildings housing developments or clusters
10 of buildings within a neighborhood that are
11 neither age restricted or built for senior. Over
12 time however, they have become home to significant
13 concentrations of older adults. Currently, DFTA
14 funds services in 28 NORCs in the Bronx, Brooklyn,
15 Manhattan and Queens. These communities are
16 located in public housing, low to moderate income
17 co-ops and low to moderate income private rentals.
18 We are pleased that the Council has also allocated
19 \$900,000 in the adopted budget for FY '13 to fund
20 ten NORC programs. To strengthen the NORC network
21 DFTA slated to release a request for proposals
22 this June for NORCs to promote the ongoing
23 evolution of this important program model. DFTA
24 plans to announce contract awards later in the
25 year. We expect to award 21 to 35 NORC contracts

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2 for a term that will begin before the end of this
3 calendar year, and that will continue for a
4 maximum of six years. In advance of the NORC RFP
5 DFTA released a concept paper in November of 2012,
6 and we accepted comments until this past January.
7 Thank you for this opportunity to testify about
8 DFTA's executive budget in fiscal '14. As always
9 I appreciate the support and partnership of the
10 City Council in these efforts. I am pleased to
11 answer any questions that you may have.

12 CHAIRPERSON RECCHIA: Thank you,
13 Commissioner. First, I just want to go over a few
14 issues here. The federal sequestration, what
15 impact you talk about it in your testimony, but
16 what is the average deduction that it will be to
17 the senior centers, like what is the average loss
18 in dollars?

19 COMMISSIONER BARRIOS-PAOLI: I use
20 the illustration of how many meals it would cost
21 and all that just to give you a sense of
22 proportion. My intention is to try to get the
23 cuts not out of home delivered meals or senior
24 centers, so I would not want to take any cuts in
25 either of those two systems because they are very

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2 vulnerable. I would try to cut other services,
3 not to say it won't be very painful, but I have a
4 deep commitment not to cut senior centers or home
5 delivered meals.

6 CHAIRPERSON RECCHIA: Okay, so
7 where do you think you will take the cut?

8 COMMISSIONER BARRIOS-PAOLI: I
9 probably will look around the other services we
10 have, and we have a number of ancillary programs
11 like the assigned counsel program, probably
12 homecare. We over match at this point. It may
13 take some of that match, and some more
14 administrative cuts. Of course, I am hoping
15 against hope it won't come to pass because six
16 million dollars for us is a very tall order.

17 CHAIRPERSON RECCHIA: The
18 sequestration cuts are taking place now.

19 COMMISSIONER BARRIOS-PAOLI: But it
20 won't come to full impact for us until September
21 and hopefully, if some miracle happens before
22 then, it will be lessened.

23 CHAIRPERSON RECCHIA: - - the
24 Republican Congress is looking to pass any bills
25 to stop that from moving forward, and if the

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2 community really wants to do something, they
3 should really write to the Speaker of the
4 Congress, John Boehner, and make it clear that
5 these cuts are really hurting our senior centers
6 and send them to the Congress members, especially
7 the Republican Congress members who control the
8 house. Just so people are clear that the
9 Republican Congress controls the house is
10 implementing the sequestration, which is cuts
11 across the board, and that is why it is hurting
12 all different agencies, especially our most
13 vulnerable seniors. This is not, repeat, this is
14 not New York City, this is not New York State. It
15 is the Republican Congress in Washington that is
16 doing this to us, and the seniors must know this,
17 and we have to figure out a way how to make this
18 up, but I am glad that you are not cutting senior
19 centers and senior meals. Meals are very, very
20 important to use, so you would look at the home
21 care, administrative costs?

22 COMMISSIONER BARRIOS-PAOLI: Yes,
23 and we have a couple of programs that are tax levy
24 funded, like the assigned counsel program, which
25 is an eviction prevention program very needed by

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seniors, but certainly I believe in my judgment it is better than cutting back on meals.

CHAIRPERSON RECCHIA: Would I be correct in saying that if these cuts keep up eventually the meals will be cut?

COMMISSIONER BARRIOS-PAOLI: Yes.

CHAIRPERSON RECCHIA: In your testimony, you don't talk about case management. Are those programs being cut? Are they properly being funded?

COMMISSIONER BARRIOS-PAOLI: So I did not mention case management, but essentially, it is not getting a cut right now, and I am not planning to cut case management any further. As you know, last year, they took the brunt of one of our peg cuts, and I feel we are now operating at a level that is not optimal, but we can sustain it. Right now the average caseload is about 80 cases per case manager, which is absolutely extremely high. Anything beyond that would be very problematic for the caseworker and for the seniors. If we get the full restoration from the City Council those caseloads will be sustained at 80 and hopefully drop.

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2 CHAIRPERSON RECCHIA: So that 80
3 will only be 80 if the City Council puts back the
4 restoration, 4.4 million?

5 COMMISSIONER BARRIOS-PAOLI: Yes.
6 You know, we also--we were being underutilized in
7 home delivered meals, and we did a pilot to see if
8 we could increase the number of seniors being
9 served because we knew the need was there. It is
10 just we weren't doing enough outreach. It was
11 very successful, and we were able to bring the
12 utilization up to 95 percent. That of course
13 increases the caseload of the case management
14 agencies because they are the entry point.

15 CHAIRPERSON RECCHIA: What was five
16 years ago, what was the average number of cases
17 per case--in case management?

18 COMMISSIONER BARRIOS-PAOLI: About
19 66.

20 CHAIRPERSON RECCHIA: Five years
21 ago, it was 66? Because 80 sounds pretty high.
22 Okay. In order to get back to that 66 alright,
23 what would the number be? Do you know?

24 COMMISSIONER BARRIOS-PAOLI: So
25 last year the Council gave us an additional \$1.1

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2 million and what we did was to allocate it to the
3 agencies that had the highest caseload, and we
4 were able to bring those caseloads down, so we
5 would need that allocation again to sort of bring
6 it down below 80. We also have a wait list of
7 about 1,300 seniors. The wait list is essentially
8 seniors who are already receiving the meal, but
9 need to be evaluated for further services, so at
10 this point, there is a - - that we expect to be
11 resolved, but in order to bring it back to 66, we
12 definitely would need additional workers. That is
13 what the money buys.

14 CHAIRPERSON RECCHIA: Okay. We
15 have a waitlist, 1300 seniors. That is a lot of
16 seniors on the waitlist to bring it down. So to
17 get to 66, what would you need? A total of six
18 million dollars?

19 COMMISSIONER BARRIOS-PAOLI: 6.6
20 Yes.

21 CHAIRPERSON RECCHIA: I'm going to
22 let some of my other council members ask some
23 questions. We have been joined by my co-chair
24 Jessica Lappin. We have been joined by Margaret
25 Chin. Jessica?

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2 CHAIRPERSON LAPPIN: First of all,
3 good morning to Bobby's Brigade. It is nice to
4 see so many seniors here this morning joining us.
5 We really appreciate your activism and your
6 advocacy - - on the importance of funding the
7 programs that have been cut in the budget every
8 year since I have taken over as chair with the
9 exception of the 14 million that has been base
10 lined this last year, and it goes without saying
11 just how important the Council knows these
12 programs are, and the Council has restored the
13 funding year after year for senior centers and
14 meals on wheels and NORCs and transportation
15 funding and elder abuse and all of these other
16 programs that you are here advocating for, so you
17 know you have allies in us. We have continued to
18 restore that money, and we are going to do our
19 best to do the same this year. I have a couple of
20 questions for you, Commissioner. Nice to see you
21 this morning. My first is just the NORC RFP. It
22 seems that the timeline has been pushed back, and
23 I wanted to ask why that is.

24 COMMISSIONER BARRIOS-PAOLI: It was
25 essentially technicalities in discussion with the

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Mayor's Office of Contracts. There was no change at all. There were discussions with them, and it got delayed. I guess there were other priorities in their office.

CHAIRPERSON LAPPIN: So we have already selected the winners?

COMMISSIONER BARRIOS-PAOLI: No, no, no. They were holding back the issuance of the RFP, which will be in June, and we expect to do it in mid-June, and then we will receive the proposals, and we will select the winners. So what was delayed was the actual publication of the RFP.

CHAIRPERSON LAPPIN: Of the RFP got it. Obviously, everybody who is going to respond knows this, I am assuming? Okay. Social adult daycare centers--last year the Council restored \$400,000 for the social adult daycare centers, and really I pushed very hard for that because I know the good ones are really critical to both the patients and the customers and also the caregivers who need some respite. Clearly, they have been in the news quite a bit over the last year, and so I wanted to ask specifically about the ones that the

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Council and the administration fund. I think it is eight?

COMMISSIONER BARRIOS-PAOLI: Eight.

CHAIRPERSON LAPPIN: Okay, so what have you been doing to make sure they are the centers that we want to be funding?

COMMISSIONER BARRIOS-PAOLI: So those centers are we are monitoring them the same way we did before, which essentially is we do a number of announced and unannounced visits. They have to adhere to regulations issued by the State Department of Aging. It is a really intense service. They cater to very vulnerable seniors, so essentially, the staffing ratio is lower. They are very good programs. The providers are very good providers, and know their service extremely well, and I think that that is why we felt that there was a huge difference between them and the social adult daycares that were just popping up in all of the neighborhoods, which were more like senior centers than they were to social adult daycare although they used that name, and our biggest concern as you know is that very vulnerable seniors will be taken to those new pop

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up centers and would not receive the appropriate care.

CHAIRPERSON LAPPIN: So these eight are following the state standards?

COMMISSIONER BARRIOS-PAOLI: Yes.

CHAIRPERSON LAPPIN: That is it for now, Mr. Chair.

CHAIRPERSON RECCHIA: Council Member Koo?

COUNCIL MEMBER KOO: Thank you, Mr. Chairman. Commissioner, you just mentioned about all these pop up service for adult daycare centers in all of these different communities, so I have a question on that too. What are the eligibility requirements for people to join these special social daycare centers? Are they different from the average daycare centers supported by us?

COMMISSIONER BARRIOS-PAOLI: So essentially, there are no regulations at the present as to what it takes to create one of these centers. Roughly, it is said that they should follow the State Office of the Aging regulations, but there is no enforcement or monitoring ability at this time. We are working closely with both

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2 the State Department of Health and the State
3 Office of the Aging to see what can be done about
4 legitimately establishing whether they are
5 providing the right level of services ongoingly
6 [phonetic], not just a one shot deal, but in an
7 ongoing way. Clearly, the state needs to allocate
8 resources to do that and monitor them. There is
9 about 189 pop ups in the city of New York we have
10 been told by the State Office of Aging, and many
11 of them are legitimate, many of them we are not
12 sure what they are doing, so someone has to have
13 the authority to go in and see what they are
14 doing, and in an ongoing way assure that they are
15 following the state regulations.

16 COUNCIL MEMBER KOO: So who is
17 reimbursing the operators of the insurance
18 company?

19 COMMISSIONER BARRIOS-PAOLI: So up
20 to now, they were getting some reimbursement from
21 the long term managed care companies. The State
22 has now issued new regulations that say that they
23 cannot recruit seniors and send them to the long
24 term care manage companies, and that the service
25 of a social adult daycare by itself does not

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2 constitute long term care. That should go a long
3 way toward stopping them continuing to replicate
4 'cause the money incentive is no longer there, so
5 our hope is that the ones that are really
6 legitimate will continue to exist, and the ones
7 that just emerge looking to make money because the
8 incentive is going to dry up, they will disappear.
9 That is what we expect to happen and that there
10 will be a way of monitoring the ones that continue
11 to exist.

12 COUNCIL MEMBER KOO: So before
13 seniors can join these adult daycare centers, do
14 they need caseworkers to evaluate them?

15 COMMISSIONER BARRIOS-PAOLI: Not
16 really. They can just walk in and participate
17 like they do in senior centers, but what is
18 happening is that many of them were given
19 incentives to join long term managed care programs
20 if they were Medicaid eligible, and so they would
21 become members of this long term care program, and
22 as such, they could receive services that would be
23 reimbursed.

24 COUNCIL MEMBER KOO: So once the
25 members enroll in the program, they are stuck in

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the program, right, so they cannot use other services?

COMMISSIONER BARRIOS-PAOLI: Well, they can receive services through that long term care company until disenroll and enroll someplace else, but yes, they would become part of that managed care company.

COUNCIL MEMBER KOO: They can disenroll at any time?

COMMISSIONER BARRIOS-PAOLI: They can disenroll. Yes.

COUNCIL MEMBER KOO: Because - - some of these centers. Some of them are really well managed. They are nice facilities. They have ping pong. They have computer rooms. They have dancing.

COMMISSIONER BARRIOS-PAOLI: I don't think any of us felt that they would have bad centers because seniors would just not go. I think the services are probably appropriate and they would be quite adequate. I think the bigger issue is if you have ambulatory seniors, seniors are in good health, then they can decide to go or not to go according to the programming. If you

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2 start putting people with Alzheimer's and dementia
3 and very physically frail in these centers, the
4 question was will they receive appropriate care?
5 There is also--the big problem I think was not so
6 much the program piece, but whether they would be
7 billing for services that were appropriate or not
8 appropriate, so would Medicaid be abused in this
9 setting, and I think that that is the question
10 that the state needs to really take a serious look
11 at.

12 COUNCIL MEMBER KOO: Because when I
13 visited these centers most of the seniors in the
14 centers, they are really healthy. Most of them
15 they sometimes they - - or they - - and they can
16 dance and they can ping pong, so I don't see why
17 they receive special service - - they approve it
18 for the caseworkers?

19 COMMISSIONER BARRIOS-PAOLI:
20 Essentially, there is a tremendous need as a
21 senior population grows for more senior centers,
22 so they were filling a void in many communities of
23 providing a place to meet and have recreation
24 activities and so on, so DFTA is not opposed to
25 them. The only thing that would be wrong is that

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2 if they were going to misuse Medicaid dollars or
3 if frail seniors would not receive the appropriate
4 service. Other than that, we welcome them.

5 COUNCIL MEMBER KOO: I have no
6 objections - - is opening, but sometimes they use
7 different means to attract members, rebate, a
8 meal, toys, different things to attract them to
9 come in, and sometimes they just sign in and then
10 they leave, they get coupons for a supermarket or
11 something, so that is not fair for other senior
12 centers.

13 [applause]

14 CHAIRPERSON RECCHIA: We will not
15 have any applause, any screaming, any shouting,
16 any whistling in this Council chamber. If we do
17 have it again, we will ask you to leave. It will
18 not be tolerated during this Finance hearing.
19 Thank you.

20 COUNCIL MEMBER KOO: I have one
21 more question. On the question of case
22 management, I know you have a decreased budget, in
23 my area a lot of our seniors, they need meals on
24 wheels, but they don't have case workers, case
25 manager to evaluate them so that they can receive

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2 the meals on wheels program, so how can we solve
3 the problem? A lot of seniors are eligible for
4 it, but we don't have enough case workers to do
5 the evaluations, especially in the Flushing area.
6 - - always complains to me about this problem.

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COMMISSIONER BARRIOS-PAOLI: Every
8 senior that needs a meal should get a meal because
9 they would get a telephone evaluation and the meal
10 would be put in place through a process that we
11 are calling presumptive eligibility. The larger
12 evaluation would happen later, and those are the
13 seniors that are in a waitlist, but the senior
14 that needs a meal should be getting a meal almost
15 immediately, so there should be no barrier, no
16 obstacle for the senior to get a meal because we
17 have the presumptive eligibility, so that the
18 evaluation for the meal should happen very
19 quickly, and the meal should be put in place
20 immediately.

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COUNCIL MEMBER KOO: There is a
22 long waitlist--

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COMMISSIONER BARRIOS-PAOLI:
24 [interposing] No, the waitlist is only for further
25 evaluation for services beyond the meal, not the

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2 meal.

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COUNCIL MEMBER KOO: I see. Okay.

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Thank you.

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CHAIRPERSON RECCHIA: Thank you,

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Council Member Koo. We have been joined by

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Council Member Greenfield, my co-chair and the

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chairman of the Subcommittee on Senior Centers.

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We have also been joined by Council Member Vincent

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Gentile and Council Member Deborah Rose from

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Staten Island, and Council Member Gentile is from

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Brooklyn. We will now recognize my co-chair,

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David Greenfield.

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CHAIRPERSON GREENFIELD: Thank you,

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Mr. Chairman. Thank you, Commissioner. I wanted

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to chat about a couple of quick things. I think

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one of the goals that we were trying to accomplish

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I guess in the preliminary budget was to baseline

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at least a portion of the case management funding.

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I guess we were not successful. Can you tell us a

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little bit more about that and where that stands,

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and what we are doing about that?

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COMMISSIONER BARRIOS-PAOLI: Other

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than the preliminary conversations that I had with

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you, I have not had any further discussions about

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2 the base lining. So I really don't have much to
3 say about it. Ideally, it is very difficult to
4 manage with funding that is not ensured as base
5 lined, and it is very difficult for the agencies
6 that is, for me, it is what it is, but for the
7 agencies it is very difficult because it gives
8 them issues around cash flow and predictability
9 and so on because staffing is so important in that
10 service. It is very difficult to hire staff if
11 you don't have money to reimburse their salaries
12 and benefits immediately, so some agencies, the
13 smaller agencies in particular tend to defer
14 hiring until they have some cash in hand, so it is
15 problematic for case management.

16 CHAIRPERSON GREENFIELD: Do we know
17 what the longest period of time a senior may be on
18 the waitlist for case management before receiving
19 services?

20 COMMISSIONER BARRIOS-PAOLI: Again,
21 I am going to reiterate that the meal is put in
22 place immediately. It is for further services.
23 They do try to prioritize on the preliminary
24 interview if a senior is either alone or isolated
25 or seems to need many more services, they are not

1
2 put on a waiting list. They are deal with
3 immediately. So we don't have a time limit to how
4 long people are in the waiting list. I don't want
5 to speculate 'cause really I don't know the
6 number, but we try to triage it as soon as
7 possible. Essentially, I am being told here that
8 it is about two months, the period of time people
9 tend to stay on waiting lists, but the staff
10 checks on them every two months to find out of the
11 status changed or not because with seniors, the
12 status could change very quickly.

13 CHAIRPERSON GREENFIELD: So two
14 months until they start--aside from the meals, two
15 months until they start getting case management?

16 COMMISSIONER BARRIOS-PAOLI: Two
17 months before they get a full evaluation to see if
18 they need any other services.

19 CHAIRPERSON GREENFIELD: Is that an
20 average or is that a maximum? What is two months?

21 COMMISSIONER BARRIOS-PAOLI: It is
22 essentially an average I think.

23 CHAIRPERSON GREENFIELD: An
24 average, so you don't know sort of the range? So
25 some people are waiting six months - - or...?

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2 COMMISSIONER BARRIOS-PAOLI: It
3 depends on each individual agency. Usually the
4 waiting is for homecare. There is not a huge
5 faster rates of services that we could put in
6 place, so once they get the home delivered meal,
7 which is the most urgent need that most of them
8 have, the waiting list is usually for home care
9 because every other service is an information
10 referral kind of thing, which can be done - -
11 easy.

12 CHAIRPERSON GREENFIELD: What about
13 the elder abuse programming? It is a relatively
14 small amount of money. I personally think it is a
15 little too small, but it is always on the chopping
16 block. It seems like really in the grand scheme
17 of things, it really is a very tiny amount. Is
18 there anyone else in the city that is focusing on
19 elder abuse aside from you?

20 COMMISSIONER BARRIOS-PAOLI: So we
21 work closely--there is a consortium of providers.
22 We have nine contracts for elder abuse with
23 agencies that actually work with the victims of
24 elder abuse. We have a relatively small unit at
25 DFTA that does the same. We work closely with the

1
2 district attorney's office and the police
3 department. We are now trying to work with
4 financial institutions. - - has done a lot of
5 work around banks trying to entice them to really
6 please - - for those cases that they think may
7 have abuse. It is a very underreported service,
8 and unfortunately I believe it is growing, and I
9 think in the coming years we are going to have to
10 focus more and more strongly about it. In the
11 state of New York, we are one of two states that
12 does not mandate reporting cases of elder abuse,
13 so if you see something, you don't necessarily
14 have to say anything about it, which tends to
15 underreport because it is not just the person
16 being abused or the person abusing, but it is also
17 everybody else who is watching it happen and may
18 not necessarily be forthcoming. Yesterday I had a
19 fellow commissioner come to tell me that she saw
20 that a neighbor of hers was probably being abused
21 by her son. She had no idea whether it was
22 happening or not. I have no authority to go and
23 investigate. We will do something. We will
24 contact both and try to figure out if they will
25 tell us something, but there is no ability for us

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2 to really if there is a sense that something is
3 happening for us to intervene because we don't
4 have that authority.

5

CHAIRPERSON GREENFIELD: So who
6 would intervene? It is still surprising obviously
7 when you say that. You are the Aging Commissioner
8 in the city of New York and you can't do anything
9 about elder abuse. Who would be able to
10 intervene?

11

COMMISSIONER BARRIOS-PAOLI: Unlike
12 child abuse where if you call the central registry
13 you complain of a child being abused, ACS has the
14 ability to go and investigate and they have a
15 statutory responsibility and authority to do that.
16 We don't. So if the case is one of physical abuse
17 the New York police department will intervene. If
18 it is a case of financial abuse, then we would
19 involve the district attorney most likely.

20

CHAIRPERSON GREENFIELD: Got it,
21 and do we know how often these cases are
22 investigated or not really?

23

COMMISSIONER BARRIOS-PAOLI: My
24 staff is bold and assumes that they have the right
25 to do so, so they do home visits, and they do look

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2 at it, and they do interview people. So whenever
3 we get a call from either the public or the victim
4 themselves or the police that calls us many times,
5 we do try to investigate as much as we can and
6 work together with law enforcement. My sense is
7 that many of these cases are just not reported.

8 CHAIRPERSON GREENFIELD: It just
9 seems to me that when you say \$800,000, which is
10 already on the chopping block that just seems
11 woefully inadequate for investigating elder abuse
12 in New York City. What about SNAP outreach? How
13 have you guys been doing on that?

14 COMMISSIONER BARRIOS-PAOLI: So we
15 have been doing a great deal, and we have had a
16 very good consortium with AARP and CSCS and Hunger
17 Coalition and we have made a lot of - - on that,
18 but again, seniors are underutilizing food stamps.
19 Some of it is because many seniors still
20 unfortunately feel there is a stigma attached to
21 receiving food stamps, and also because sometimes
22 the understanding that even if you receive an
23 income you are eligible, even if you have a home
24 you are eligible. It depends on many different
25 factors, so we are trying to do a lot of education

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2 as much as outreach, but every senior center we
3 try to make sure that seniors that are needy are
4 held by a case aid to fill out the forms that they
5 need to fill out and get the food stamps that they
6 need--they're called SNAP, not food stamps.

7 CHAIRPERSON GREENFIELD: Yeah, SNAP
8 is the new name. I think they spent \$100 million
9 to brand it; money well spent of course by the
10 agency that is cutting your food stamps. Is there
11 any better way in terms of signing people up when
12 they fill out their forms at a senior center, is
13 there some way to sort of coordinate that activity
14 where on some basis, they must be signing up for
15 the programming or signing in at the senior
16 centers, it seems like there must be a better way
17 to do it where we can reach out, especially when
18 we know how many folks are underutilizing it. And
19 I understand there is a stigma. There was a story
20 I forget--it may be in the Times a few weeks ago--
21 about how they have folks actually I think in
22 Florida, who go out and try to sign people up, and
23 they say no, I don't know if I want to take it
24 from the government. Is it really right? I
25 understand that, but to an extent the people may

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2 not know, is there sort of an easier way where we
3 can sort of coordinate the outreach?

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COMMISSIONER BARRIOS-PAOLI: We do.
We try to get seniors that are receiving SCRIE.
We assume that they are eligible for SNAP, so we
try to contact those preferably. We try to do
outreach in supermarkets and places where we know
they will be. HRA is trying to do everything
online now, and their plan is to put terminals in
user friendly places hopefully senior centers will
be considered one of those, and so that people can
do it online, which would be a lot easier because
we can get volunteers to help them do that, so we
believe it is moving the other way.

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CHAIRPERSON GREENFIELD: My final
question is regarding kosher meals on wheels. I
understand there has been an increase in terms of
the requests for the kosher meals. My
understanding is some of the agencies are not
reimbursed at a higher rate, which is obviously
putting pressure on them. There is some sort of
debate. I am not completely convinced that
everyone who requests kosher meals necessarily
needs them, but certainly it seems like the

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2 popular thing to do, but I wouldn't want these
3 organizations being penalized because they are
4 trying to accommodate folks. Where do you come
5 out on that because I do think it runs a dollar or
6 two more expensive per meal, and I understand from
7 some of the providers that they are having to
8 cover this deficit on their own.

9 COMMISSIONER BARRIOS-PAOLI: So
10 yes, you are correct. We reimburse the kosher
11 meals and non-kosher meals at the same rate.
12 Kosher meals tend to be more expensive than non-
13 kosher meals, not always, not necessarily, but by
14 and large.

15 CHAIRPERSON GREENFIELD: Really?
16 My experience is kosher meals are always more
17 expensive.

18 COMMISSIONER BARRIOS-PAOLI: So for
19 some providers it has become very difficult. - -
20 trying to work with them and come up with some
21 imaginative ways of helping. We have encouraged
22 them to see if some seniors could avail themselves
23 of frozen meals, which would be cheaper to
24 produce. There are good organizations like - -
25 that produces frozen meals, and seniors are happy

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2 with them, not in any way mandating them, but in
3 so far as people may want them and like them. If
4 we could do more of those then the money would
5 stretch further. We are continuing to explore the
6 way--

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CHAIRPERSON GREENFIELD:

8 [interposing] Not to compare you to the city's
9 prison system, but we have dealt with this issue
10 in the prisons and the prisons do pay more money
11 for kosher meals when they have to or halal meals
12 for example than non-kosher non-halal, so wouldn't
13 the logical thing be to simply reimburse them the
14 difference? It is not like the providers are
15 making money off of this. They are just trying to
16 break even. So there is no way to do that?

17

COMMISSIONER BARRIOS-PAOLI: I

18 would be happy to explore that.

19

CHAIRPERSON GREENFIELD: I'm sorry?

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COMMISSIONER BARRIOS-PAOLI: I

21 would be happy to explore that.

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CHAIRPERSON GREENFIELD: Alright.

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24 I appreciate it, Commissioner. Thank you very
25 much.

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CHAIRPERSON LAPPIN: Councilwoman

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Chin?

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COUNCIL MEMBER CHIN: Thank you, Madam Chair. Good morning, Commissioner. It is great to see you. Okay. During this budget thing, we have a lot of initiative in the City Council that we support senior centers, so these are really essential services, so why can't we baseline these services? We are talking about supporting centers and their programs for their rents, extra money to supplement the food programs. Those are basic, basic services. Why can't we get the administration to base line these services?

COMMISSIONER BARRIOS-PAOLI: I don't know. It would make me very happy.

COUNCIL MEMBER CHIN: I know, just like case management, four million that the City Council restored, but that is just basic, basic service.

COMMISSIONER BARRIOS-PAOLI: As you know, the money that City Council puts on DFTA's budget for all of the senior services are an integral part of the operations of these services. They are not extra. When they call them

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discretionary, they are totally vital for us and for the providers.

COUNCIL MEMBER CHIN: Yeah, and Department of Aging is under the mayor. It is not under City Council, and he doesn't even share you with us, but the City Council provides all of these vital resources. Now one other question I have is that in meeting your peg and from our briefing paper that you have to delay some of the contracts for the senior centers?

COMMISSIONER BARRIOS-PAOLI: No.

COUNCIL MEMBER CHIN: You didn't have to do that?

COMMISSIONER BARRIOS-PAOLI: No, the only reason that there were four--everything is going to start July 1st. We had four community districts that we did not get viable proposals, and so we had to re-RFP them, but now they have been awarded, and the contracts are in place.

COUNCIL MEMBER CHIN: So all of the senior centers that was awarded the RFP, they all got their contracts and everything is in place.

COMMISSIONER BARRIOS-PAOLI: Yes.

COUNCIL MEMBER CHIN: Okay. That

1
2 is good. I also wanted to follow up on your
3 question in terms of the adult social daycare. -
4 - City Council put back funding, \$400,000 is not a
5 lot of money. It is only serving, what? Eight
6 programs in the city? So is the Department going
7 out and actually checking up on some of these pop
8 ups that is happening all over the city?

9 COMMISSIONER BARRIOS-PAOLI: We
10 really have no authority to do that. We are
11 working with the state now. The state is
12 contemplating a proposal that would give us the
13 authority to go and check on them, but not until
14 they pass some sort of legislation can we do
15 anything because we really have no authority.

16 COUNCIL MEMBER CHIN: I think we
17 really have to kind of help push this forward
18 because I got new ones popping up in my district,
19 every other month. Some of them as Council Member
20 Koo said, they are trying to have some good
21 programming there, but a majority of them are just
22 like regular social get together for seniors.

23 COMMISSIONER BARRIOS-PAOLI: they
24 are like senior centers.

25 COUNCIL MEMBER CHIN: They are like

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2 senior centers, but no one knows the source of
3 funding, except that they work very closely with
4 the long term care agency, and I think that we
5 really need to put pressure on the long term care
6 agency because they are the ones that is using
7 these places to do recruitment.

8 COMMISSIONER BARRIOS-PAOLI: Right,
9 and I think that that is stopped now by the state
10 or at least there is regulations in writing that
11 says that they can no longer do that, but somebody
12 has to monitor that.

13 COUNCIL MEMBER CHIN: I know that
14 your department has been meeting with some of the
15 senior centers. Are you helping some of our
16 centers in terms of developing some of these
17 programs for the frail elderly so they can also be
18 able to serve this group of seniors and access
19 funding for them?

20 COMMISSIONER BARRIOS-PAOLI: Yes.
21 We have held a conference about that, and we have
22 an ongoing group of people looking into how can
23 senior centers in a lawful regulated way
24 collaborate with long term care companies so that
25 they can benefit as an income stream from some of

1
2 those seniors that can be coming to senior centers
3 and they can get some per capital money for them.

4 COUNCIL MEMBER CHIN: And also I
5 think the NORC program [phonetic] I am glad the
6 RFP is going out because those are really
7 important in our community because for a lot of
8 seniors who can't travel, they can access the
9 service right in their development, right in their
10 building, and it is so important. We have got to
11 make sure we fight for more resources for that.
12 Thank you, Madam Chair.

13 CHAIRPERSON RECCHIA: Okay. I have
14 some more questions, Commissioner. We have also
15 been joined by Helen Diane Foster from the Bronx.
16 She is here joining us today. Commissioner, are
17 there any plans to RFP case management contracts?

18 COMMISSIONER BARRIOS-PAOLI: Not in
19 the near future, no. They still have three years-
20 -they are extended to June 30th of next year, but
21 we were not looking to RFP them now. Actually the
22 providers, we had a discussion with the providers
23 about when we are looking to - - size the level of
24 the caseloads, we had a discussion with providers
25 about whether RFPing would make more sense than to

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2 try to do the adjustments that we were doing, and
3 most of them did not want an RFP.

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CHAIRPERSON RECCHIA: Okay, and
5 what are DFTA's plans for the next round of ISCs
6 and innovators will they be working with the
7 current innovative centers to evaluate and make
8 them better?

9

COMMISSIONER BARRIOS-PAOLI: So we
10 now have ten ISCs, and they are all functioning
11 well. The Hurricane Sandy absolutely totaled one
12 of them, but it is back on its feet so to speak,
13 and it's in good shape. We would like to do a--
14 actually as we speak, we are meeting internally to
15 see if we could have an RFP out before the end of
16 the year for ten more ISCs. The funding won't be
17 needed until the next fiscal year, but we feel if
18 we could do all of the administrative work and
19 have the selection made, that would facilitate
20 things. We have been in conversations with OMB
21 about more funding or additional funding to do
22 innovative senior centers, and they so far, the
23 discussions are going well so we feel that there
24 will hopefully be another round of ISCs before the
25 end of the year. At least we will have an RFP

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out.

CHAIRPERSON RECCHIA: Okay, and those innovative centers I see that they were base lined in the budget, and do they have enough funding to maintain itself next year?

COMMISSIONER BARRIOS-PAOLI: Yes.

CHAIRPERSON RECCHIA: Okay. And the NORC RFP you testified that it is going to be RFPed for new NORC programs. These aren't the -- programs?

COMMISSIONER BARRIOS-PAOLI: It is open to everyone.

CHAIRPERSON RECCHIA: No, no. I understand that, but these are for new NORC programs?

COMMISSIONER BARRIOS-PAOLI: This is for every existing NORC programs and new NORC programs, so the ones that are there now have to compete as well.

CHAIRPERSON RECCHIA: Okay. So everyone even if you are a NORC program you have to apply for this RFP?

COMMISSIONER BARRIOS-PAOLI: That is correct.

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CHAIRPERSON RECCHIA: Were they all informed of that?

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COMMISSIONER BARRIOS-PAOLI: Yes.

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CHAIRPERSON RECCHIA: They were all told that?

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COMMISSIONER BARRIOS-PAOLI: Yes.

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I will make sure that everybody absolutely knows.

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Yes. No, no, I agree with you because when we did

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senior centers there were some people who thought-

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CHAIRPERSON RECCHIA: [interposing]

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Are we increasing nay NORC programs?

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COMMISSIONER BARRIOS-PAOLI: The

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funding has not increased, so essentially, we will

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work with them and the budget that they submit,

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but...

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CHAIRPERSON RECCHIA: So how many

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NORC programs do we have right now?

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COMMISSIONER BARRIOS-PAOLI: We

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have 28 NORC programs. Yes.

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CHAIRPERSON RECCHIA: And so with

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the 28 NORC programs, the new RFP, there is going

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to be 28?

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COMMISSIONER BARRIOS-PAOLI: We

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2 expect to fund anywhere between 21 and 31 and we
3 are saying the ratio because it depends on the
4 quality of the responses we get. We may get
5 responses that are just they don't score the
6 minimum threshold so we couldn't fund them.

7 CHAIRPERSON RECCHIA: I am in big
8 favor of the NORC programs. In my community we
9 have several of them, and since I have been
10 elected and have been working with you and the
11 Bloomberg Administration, we did something that no
12 one else did is that we put some NORC programs in
13 low income areas, especially Coney Island. That
14 was great. I just want to make sure those
15 programs don't lose out. It's just amazing. We
16 have them in public housing, and seniors there--I
17 go there all the time, and it brings a smile to my
18 face because they had never had anything like this
19 before, and it is packed, so I just want to make
20 sure that it is given great consideration that we
21 all put in--that we don't leave out areas that are
22 really underserved. That means a great deal. I
23 just want to make that statement. We have also
24 been joined by Melissa Mark-Viverito from the
25 Bronx. Welcome. Does any other council member

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2 have questions? Yes, I recognize the council
3 member from Brooklyn, Vincent Gentile.

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COUNCIL MEMBER GENTILE: Thank you
5 and good morning, Commissioner. Just a quick
6 question. The \$6.1 million you have in capital
7 money for rehab of various senior centers
8 throughout the city, are those centers the ones
9 you contract with? I don't understand. Would you
10 be doing a capital rehab at the centers that you
11 contract with? I am not clear about that.

12

COMMISSIONER BARRIOS-PAOLI:
13 Essentially, yes. We have to have a contract with
14 them before we would be putting any capital money.
15 It is either renovating the premises or doing a
16 new roof or doing an elevator or you know, things
17 that they need to be in compliance.

18

COUNCIL MEMBER GENTILE: To make it
19 ADA compliant?

20

COMMISSIONER BARRIOS-PAOLI: Yes.

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COUNCIL MEMBER GENTILE: So you
22 would contract with them before they met those
23 requirements?

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COMMISSIONER BARRIOS-PAOLI: We
25 have centers that historically have been in

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2 certain places that may or may not be in
3 compliance or may or may not be in repair.

4 Remember many of our centers are in basements or
5 places like that. So it is more of a historical
6 contract, and they have to brought to compliance,
7 so it is not like we went out and contracted with
8 somebody who is not in compliance. We have just
9 had an ongoing relationship of 40 years with them.

10 COUNCIL MEMBER GENTILE: I see.

11 There is always issues when we as council members
12 try to put capital money into non-city property,
13 but you don't face those same issues?

14 COMMISSIONER BARRIOS-PAOLI: It is
15 only for city owned property.

16 COUNCIL MEMBER GENTILE: It is for
17 city owned property. Okay, so it has to be city
18 owned.

19 COMMISSIONER BARRIOS-PAOLI: For
20 city owned property. Yes.

21 COUNCIL MEMBER GENTILE: I see
22 okay.

23 CHAIRPERSON RECCHIA: Or if the
24 city has a lease.

25 COMMISSIONER BARRIOS-PAOLI: The

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city has a long term lease.

CHAIRPERSON RECCHIA: A long term lease.

COUNCIL MEMBER GENTILE: But if it is in a basement of a church or something you could not put capital renovations into that?

COMMISSIONER BARRIOS-PAOLI: No, we would have to use expense money, and that is problematic.

COUNCIL MEMBER GENTILE: Right. Okay. I get you. Thank you. What centers are included in that renovation? Do you know?

COMMISSIONER BARRIOS-PAOLI: I could gladly give you the list, but right now I know that there is some acquisition money in there. I can get you the list. I know that there is some--we are doing some renovations. We will give you the list because there is City Council capital money. There is CDBG money that we use, and there is also the DFTA allocated capital money, so we can give you the breakdown on the centers that are--

COUNCIL MEMBER GENTILE: Do you know how many projects you are working on?

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COMMISSIONER BARRIOS-PAOLI: I

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really I honestly don't know right now, but I can

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happily get that to you.

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COUNCIL MEMBER GENTILE: We would

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be curious just to know how many, where they are

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and what they area.

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COMMISSIONER BARRIOS-PAOLI: Sure.

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I will give you a list of exactly how much money

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they are getting, what centers - - . we will give

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it to - - .

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COUNCIL MEMBER GENTILE: Thank you.

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CHAIRPERSON RECCHIA: Some of these

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centers are renovated were they all in Sandy

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areas?

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COMMISSIONER BARRIOS-PAOLI: Some

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were in Sandy areas, absolutely, and then there

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was some that had preceded Sandy--allocation had

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preceded Sandy, but there was a lot of money tied

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up with that. Yes.

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CHAIRPERSON RECCHIA: We also have

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been--

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COMMISSIONER BARRIOS-PAOLI:

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[interposing] Particularly Coney Island we had a

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lots--

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2 CHAIRPERSON RECCHIA: Yeah, we have
3 lots. All of my centers are--believe me, I know,
4 but I have to say we are doing the best we could,
5 and I want to thank you and your staff for helping
6 my constituents out. We got some of the centers
7 up and running as quickly as possible--those that
8 could be opened - - getting back together, but
9 again, it is a problem, and that brings me to
10 another issue. I am glad you brought that up.
11 Some of these centers put in a request for capital
12 money to the City Council for funding and whether
13 it is for vehicles that they need or for equipment
14 that they need. OMB is telling us that they can't
15 come to the City Council or get capital money for
16 these projects when in the past they did because
17 they also apply to FEMA. Now these senior
18 centers, they are protecting themselves. They
19 don't know what FEMA is going to give them, and
20 they don't know if it is going to be three years
21 from now. So we are in a catch 22 here. We
22 really need to sit down with you and OMB at the
23 same table because it is not fair.

24 COMMISSIONER BARRIOS-PAOLI: I
25 would be happy to do that. Yes. Because they are

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doing it sequentially, but you need the services when you need the services.

CHAIRPERSON RECCHIA: Because maybe we could work something out where if they put the capital money in and FEMA money gets back that OMB would recoup back their money. There has to be a way to handle this and just telling them they are not eligible because they applied to FEMA is not right.

COMMISSIONER BARRIOS-PAOLI: I agree. Let's set something up.

CHAIRPERSON RECCHIA: We will follow up, and as far as following up with those centers with the renovations, we will send you a formal letter today, so if you could get it to us so I can give it out to all of the council members of those senior centers that are being renovated... okay? Melissa Mark, did you have a question? I recognize--

COUNCIL MEMBER GENTILE: I just had a quick question--

CHAIRPERSON RECCHIA: We recognize Councilman Vincent Gentile.

COUNCIL MEMBER GENTILE: Are the

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meals on wheels vans now capital eligible?

COMMISSIONER BARRIOS-PAOLI: Yes.

COUNCIL MEMBER GENTILE: They are now capital eligible. In the past there were some issues about that. So they are capital eligible.

COMMISSIONER BARRIOS-PAOLI: Yes.

CHAIRPERSON RECCHIA: Okay. Helen Diane Foster, do you have a question?

COUNCIL MEMBER FOSTER: Thank you.

Very, very briefly given that this is going to be my last executive budget in this position, I want to say thank you very much. In terms of dealing with commissioners and agencies, you are by far and your agency is the shining star. Calls are returned, work well with staff and with this administration it doesn't go unnoticed, so I definitely want to say thank you. I want to go back to--and I appreciate your answer I don't know, but just reiterate what Council Member Chin said in terms of base lining. The fact that this room is packed with seniors, we know their importance, their significance. We know--and let's be honest--their voting power. Going forward and of course, we will have new heads in

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2 place, but we need to start really protecting our
3 seniors and understanding we are living longer.
4 Study after study has shown networking
5 connections, having a place to go, having a place
6 to go that is familiar leads to longevity. Having
7 someone check on you, anything like that, that we
8 need to stop the dance of cutting, having this
9 place packed because we do the restoring. It is
10 unfortunate. We should not--when we hear there
11 are no sacred cows, there have to be some, and
12 those should be our children, our seniors and our
13 most vulnerable. So I know I am preaching to the
14 converted because you get it, but I just want to
15 make sure that the message gets out that we need
16 to stop this and baseline those services that
17 seniors rely on so that when we have these
18 hearings, they don't have to schlep down here to
19 show us that they matter because we already know.
20 Thank you very much.

21 CHAIRPERSON RECCHIA: Okay. Thank
22 you, Council Member. We look forward to all the
23 seniors coming. Before we call our next council
24 member, I just want to make an announcement. We
25 found a pair of prescription sunglasses. If

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2 anyone lost prescription sunglasses, see the
3 sergeant at arms. Okay. At this time we
4 recognize Council Member Jimmy Van Bramer from
5 Queens.

6 COUNCIL MEMBER VAN BRAMER: Thank
7 you very much, Mr. Chair and thank you,
8 Commissioner, as well for your service. Rarely
9 have I heard so much praise for a commissioner at
10 a hearing, but I want to thank you additionally
11 for your service, and I just want to echo because
12 I see some of my seniors for Sunnyside Community
13 Services over there in the second row, and also
14 some folks from the Big Six NORC in Woodside, and
15 I am always happy to see them here at City Hall.
16 It is their second trip in the last few weeks, as
17 they fight for funding that is rightfully theirs.
18 I know you share that concern, and we have had
19 some wrenching moments with some of our seniors
20 who are really concerned, and we really need to
21 baseline this funding. I know you know that. I
22 want to thank you for your service. I want to
23 thank my seniors and all seniors for fighting, and
24 I hope that we base line this funding, restore it
25 and base line, so we don't have to go through this

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2 exercise time and time again, and there may be a
3 new commissioner of DFTA next year, and we hope
4 that person is just as wonderful as you, but there
5 are no guarantees, so now is the time to protect
6 our seniors once and for all, so I just want to
7 say, thank you. Thank you, Mr. Chair.

8 CHAIRPERSON RECCHIA: Okay.

9 Everybody is praising you today, Commissioner.
10 Next we are going to recognize Council Member
11 Melissa Mark-Viverito then Lewis Fidler, and then...

12 COUNCIL MEMBER MARK-VIVERITO:

13 Thank you, Mr. Chair, and I think I will be
14 joining the choir here as well, but first of all I
15 do want to thank you because it has been a great
16 partnership in really providing quality services
17 to our seniors, and I think that the thinking of
18 those of us here that support our senior centers
19 is that our seniors deserve nothing less than
20 quality service, and sometimes tough decisions
21 have to be made along those lines, but in the best
22 interest of ensuring that we respect and we
23 provide our seniors with that quality service. I
24 thank you for the partnership that DFTA has always
25 been responsive to the needs that my district has

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2 had, and I would like to ask in these last couple
3 of months I know that we continue to have an issue
4 with NYCHA, which I have discussed a million times
5 with the Bethesda [phonetic] Senior Center in the
6 Bronx and really trying to get that center online
7 as quickly as possible with the renovations and
8 monies that have been designated, and I know that
9 that is not a DFTA property per se, but there is a
10 partnership there, and to the extent that we can
11 continue to put pressure on the authority to do
12 the right thing, these seniors have been out of
13 that center for too long and relocated elsewhere
14 and it becomes a real challenge, so I would love
15 to continue to work with you on that before the
16 year is out, and then just to add to what has been
17 said, we are always having this song and dance,
18 which is really unfortunate, and I think to all of
19 those that are in the room I thank you very much
20 for being here. At the same time, we all know the
21 importance of this year. We are changing
22 administrations and we need to demand of all of
23 the candidates to step up and to do the right
24 thing for seniors and make a commitment that we
25 not go through this song and dance every year, and

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2 so that is something that I also would ask of
3 everybody in this room in the same way you come
4 and be visible here to us, we understand this and
5 do come to bat every year, that we also put this
6 to the test of those that are seeking to provide
7 leadership in the city, and that is something that
8 we can all do together. So with that, thank you.
9 I will reach out, Commissioner. I am very excited
10 about that is happening at the Cavello Center
11 [phonetic], so thank you very much for that, and I
12 look forward to working with you on the Bethesda
13 Center.

14 CHAIRPERSON RECCHIA: We recognize
15 Jessica Lappin.

16 CHAIRPERSON LAPPIN: I am going to
17 jump in. The one thing I did want to go back to
18 sequestration and case management--if
19 sequestration really hits in September is case
20 management one of the programs you would look at
21 to cut?

22 COMMISSIONER BARRIOS-PAOLI: No.
23 No, I think I honestly believe that we have cut
24 case management as much as it could possibly be
25 cut, and as it is it is underfunded.

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CHAIRPERSON LAPPIN: Okay. Thank
you.

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CHAIRPERSON RECCHIA: Okay.
Council Member Lewis Fidler, then Council Member
Rose, the Greenfield, and then we will close it
down. Council Member Fidler?

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COUNCIL MEMBER FIDLER:

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Commissioner, how are you this morning? I am
sorry I came late, but I am sensing a theme from
my colleagues, and that makes me uncomfortable
because I like to be a contrary Mary, and I can't
be. I am one who joined them in thanking you for
everything you have done. In particular, I want
to thank you for the Temple Shalom Center that you
were instrumental in keeping open. I visited the
center three times in the last two months. Every
time it is jammed packed with happy and
appreciative, active adults. You certainly take a
great deal of the credit for helping make that
happen, and I wanted to thank you on their behalf
as well. I was going to ask you about
sequestration, but apparently, I was beaten to
that. I'm going to ask you about social adult
daycare in terms of what oversight you have over

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2 this area, and I know that there is very little in
3 the way of regulation. Our colleagues in Albany
4 certainly had an issue and a problem with that,
5 and I want to make sure that we in the city are
6 exerting whatever proper oversight there is over
7 these centers that are popping up all over the
8 place.

9 COMMISSIONER BARRIOS-PAOLI: So
10 right now the jurisdiction that we have is over
11 the eight centers that are funded by DFTA through
12 the City Council. We don't really have
13 jurisdiction over the other 100 and I believe it's
14 89 centers that exist. The state--in fact we had
15 a communication from the State Office of the Aging
16 yesterday. They are looking into deputizing the
17 ability to both license--I don't know if there is
18 going to be an official license or just the
19 ability to say yes, you are okay, to those centers
20 and to monitor them in an ongoing way. That is
21 being discussed between - - and the State
22 Department of Health. I am assuming that it will
23 be an ongoing discussion because they need to fund
24 this monitoring, but there is an awareness that
25 there is a very large number of new programs that

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2 nobody is entirely sure what they are doing and
3 how they are doing it, and there has to be that
4 programmatic component plus there has to be
5 oversight on how they are receiving or not
6 Medicaid dollars and whether or not that has been
7 done in a legitimate way, so I think that the
8 state is grappling with all of that. They have
9 taken two very important steps. I believe one is
10 that they have sent referrals from the social
11 adult daycares to long term care manage companies
12 are not allowed, which would immediately put a
13 stop to a lot of what is going on because seniors
14 were being given gifts and all kinds of things to
15 sign for a long term care manage company, so that
16 is one thing, and the other is that long term care
17 is not going to have adult day as a standalone
18 service, so just the fact that you attended for
19 120 days to an adult day center does not mean that
20 you are receiving long term care unless you are
21 also getting an additional long term care service,
22 so that should stop at least put a damper on all
23 that is going on, but essentially these facilities
24 need to be monitored in an ongoing way.

25 COUNCIL MEMBER FIDLER: It sounds

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2 that if you were given jurisdiction it would be
3 quite a substantial undertaking, and would have
4 very serious budget implications. Who could give
5 you jurisdiction? Has the state preempted us or
6 can the Council in fact create a licensing?

7 COMMISSIONER BARRIOS-PAOLI: The
8 statute for a responsibility falls within the
9 Department of Health. They have done some degree
10 of deputizing to the State Office of the Aging, so
11 in essence it should be up to the State Department
12 of Health to allow us to have any kind of
13 jurisdiction to go into the centers and monitor
14 them.

15 COUNCIL MEMBER FIDLER: I ask this
16 question under the admonition of be careful what
17 you wish for. Is this something that you would
18 think as a policy matter we should be giving to
19 your agency?

20 COMMISSIONER BARRIOS-PAOLI: If we
21 were given the right amount of funding so that we
22 could do it, I think it is probably important for-
23 -I believe it is important for somebody to be
24 looking at the quality of these programs. I think
25 it is in the best interest of the seniors,

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2 particularly if--see, my fear is that seniors are
3 now currently receiving homecare. If the hours of
4 homecare are cut back and they are very frail,
5 they will be taken to the social adult programs.
6 If they are not staffed appropriately, some of
7 these seniors--their safety could be compromised
8 and that is a real concern. Somebody has to
9 monitor what is going on with that.

10 COUNCIL MEMBER FIDLER: And since
11 this is a budget hearing, can you take a wild shot
12 at what appropriate funding to monitor the social
13 adult daycares would be?

14 COMMISSIONER BARRIOS-PAOLI: We are
15 in the process of costing it out for the State.
16 Essentially, we are saying that we would monitor
17 it the same way we are monitoring the ones we have
18 jurisdiction over, and we would do a ratio of
19 program officers--associate program officers and
20 program officers to go out and ensure the quality,
21 but it is not a cheap thing.

22 COUNCIL MEMBER FIDLER: I am
23 getting that, but can you give me a range that you
24 are in the process of doing it, just so we can all
25 have some idea whether we are talking one million

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or less or several millions?

COMMISSIONER BARRIOS-PAOLI: It would probably be closer to two million dollars I think.

COUNCIL MEMBER FIDLER: Okay.
Thank you.

CHAIRPERSON LAPPIN: I will jump in for Council Member Fidler and others who are interested, Council Member Arroyo and I have been working on legislation around this issue for some time and hope to be introducing it shortly. If you are interested in reviewing it and signing on, we would certainly welcome that. We have been looking at having DFTA and other agencies who already have that kind of enforcement structure in place possibly doing this kind of monitoring and enforcement.

COUNCIL MEMBER FIDLER: I have great faith in Council Member Arroyo, so I will speak to her about that, and again, thank you very much for you and all your personnel for the great job you are doing.

CHAIRPERSON RECCHIA: We have great faith in Jessica Lappin too. Let's set the record

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2 straight, Jessica Lappin--

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CHAIRPERSON LAPPIN: [interposing]

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Faith restored. Pheew.

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CHAIRPERSON RECCHIA: Jessica

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Lappin and Council Member Arroyo have been meeting

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with the State Senator Diane Savino up in Albany.

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They have been having discussions, and

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Assemblywoman Joan Millman, and they have been

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working on this issue. This is a serious issue

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where you have these adult care centers, whatever

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you want to call them, and they think they can

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come into our communities and throw out DFTA

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centers and get everyone to sign up for Medicaid

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with certain providers, and this is certainly not

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right, and we in the City Council are not going to

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stand by. I recently just experienced this in my

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district, and we were able to somewhat resolve it,

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but it is unacceptable, and we are working

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everyone to save our senior centers. Okay. Now,

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we are going to have Council Member Debbie Rose,

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who would like to say a few words, ask some

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questions.

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COUNCIL MEMBER ROSE: Thank you. I

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would really be remiss if I didn't add my kudos

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2 and accolades to this commissioner. Staten Island
3 has historically, our voice hasn't been heard, and
4 you not only heard us, but you moved to address
5 our issues and our concerns, and I am very
6 grateful for that. Our seniors are a very
7 important commodity and they had been ignored
8 prior to. So it is bittersweet for me because I
9 would like to see you remain in this position and
10 I will speak to any of the mayoral candidates and
11 suggest that that consideration be made because
12 often we deal with commissioners all the time, and
13 it is not often that we have such a convivial
14 relationship. I just want to say that, and I
15 wanted to know when the NORC RFP is coming out
16 because Staten Island would like to..

17 COMMISSIONER BARRIOS-PAOLI:

18 Unfortunately, it has been delayed by vetting by
19 the Mayor's Office of Contracts, but it should be
20 out in the next week or two.

21 COUNCIL MEMBER ROSE: Great. So

22 you might have some input into that process, and I
23 was just reminded you might have other plans, but
24 if not, we would truly love to have you. Are you
25 aware of the federal Older Americans Act?

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2 COMMISSIONER BARRIOS-PAOLI: Yeah,
3 part of the Title 3 funding that is being cut is
4 out of the Older Americans Act, so the cut of \$6.2
5 million part of it is Title 20 cuts, and the other
6 part is Older American Act the Title 3 cuts.

7 COUNCIL MEMBER ROSE: Okay. Will
8 it cause any significant problems to Holocaust
9 survivors?

10 COMMISSIONER BARRIOS-PAOLI: I am
11 committed to maintaining the funding that we have
12 for home delivered meals and for senior centers.
13 I am going to try very hard to find the cuts
14 elsewhere. I don't want to cut case management
15 either, so I am limiting myself in many ways, but
16 I think we have the senior center, the network of
17 services is strong right now, and I don't want to
18 go there at all. I feel the same way about home
19 delivered meals. I think these services have gone
20 through enough trauma in the last ten years, and I
21 think case management has been cut as far as it
22 could be cut, and it is underfunded, so there is
23 no way I can go there. We are going to have to
24 see where to go, and the only reason I mentioned
25 home care is because home care is in such--the

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whole service is being revamped because of the Medicaid redesign, and we are not sure where it is going to end so this is an area I need to look at as well.

COUNCIL MEMBER ROSE: Thank you so much.

COMMISSIONER BARRIOS-PAOLI: Thank you.

CHAIRPERSON RECCHIA: Okay. We have been joined by Council Member Leroy Comrie. The medical redesign team that the state put together, what kind of impact would that have on the budget for next year?

COMMISSIONER BARRIOS-PAOLI: It shouldn't have any impact for us as such only in that as home care gets redesigned and the hours are cut back and services are sort of being looked at differently, it may have sort of an unintended consequence for us in terms of increased need in home delivered meals, increased need in the demand for the utilization of senior centers, and in home care, we serve the population that is not Medicaid eligible, so I don't know if that will--

CHAIRPERSON RECCHIA: That is my

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2 question. Will these agencies now that are - -
3 Medicaid redesign team, those agencies that are
4 serving people that are on Medicaid, would they be
5 able to build Medicaid and would that money be
6 freed up to feed other people? Like how is that--
7 I see a double edged sword there.

8 COMMISSIONER BARRIOS-PAOLI: The
9 home care agencies that have traditionally done
10 services for Medicaid clients are going to
11 experience a huge change in the way they do
12 business.

13 CHAIRPERSON RECCHIA: Now I am
14 going to ask are you are a Medicaid--

15 COMMISSIONER BARRIOS-PAOLI: More
16 than that; the level of service will be determined
17 by the long term care companies, no longer by HRA,
18 so HRA is out of the--

19 CHAIRPERSON RECCHIA: [interposing]
20 So now the managed care company is going to decide
21 whether you get a home meal or not.

22 COMMISSIONER BARRIOS-PAOLI: Not a
23 meal, but a home care attendant.

24 CHAIRPERSON RECCHIA: Home care
25 attendant.

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COMMISSIONER BARRIOS-PAOLI: And
the hours are going to change--

CHAIRPERSON RECCHIA: [interposing]
But the home care attendant also cooks for the
senior.

COMMISSIONER BARRIOS-PAOLI: That
is correct, so home delivered meals may be more in
demand if the hours get ratcheted down. What
levels of service and mix of services will be
determined by then, so it is a big change. It is
a big, big change.

CHAIRPERSON RECCHIA: This has come
to my attention from many providers, and we will
see what happens. We will leave it to the next
City Council to the next commissioner to deal
with. See, you are getting out just in time.

COMMISSIONER BARRIOS-PAOLI:
Hopefully, it will be an elegant exit.

CHAIRPERSON RECCHIA: Okay. I also
want to make an announcement. The Speaker of the
New York City Council would have loved to have
been here today, but she had a scheduling conflict
that she had to be somewhere else, but she just
wants to tell everyone that this City Council is

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2 at the forefront of funding senior programs.
3 Under her leadership, this City Council has put in
4 more money in the budget for seniors than past
5 councils, and she just wants everyone to know that
6 this May she recognizes that this is National
7 Older Americans Month. She just wants you to know
8 that she honors all older Americans, and by
9 honoring all of you the way to show her
10 appreciation, this Council's appreciation is that
11 we are going to make sure that you get the core
12 services in this year's budget and that we are
13 listening to you, and I strongly recommend you
14 ought to come out and testify on June 5th when we
15 have the public testify, and we would definitely
16 try to take those seniors as soon as possible, so
17 we don't have to keep you here, especially if
18 anybody would like to come and testify and make
19 accommodations in traveling, we will address those
20 at the beginning. Okay. Council Member
21 Greenfield would like to say something, and I
22 recognize we have been joined by Council Member
23 Gale Brewer also.

24 CHAIRPERSON GREENFIELD: Thank you,
25 Mr. Chair. A quick question, and then I do just

1 want to make a closing statement of sorts.

2 Discretionary funding AKA member items, how
3 important is that to your senior centers? I know
4 the answer. I am just asking you for the record.
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6 COMMISSIONER BARRIOS-PAOLI: It is
7 completely vital to the survival of the senior
8 centers. They are an integral part of the budget
9 of every senior center. Food money, rent, money,
10 transportation money, all of those things are an
11 integral part of the budget.

12 CHAIRPERSON GREENFIELD: By my
13 count actually between the money that we give to
14 the borough presidents, between the local and the
15 aging, the Council provides over \$15 million in -
16 - that go directly to the senior centers, and
17 literally it pays for their bottom line, and the
18 reason I wanted to point this out is because when
19 we talk about shifts in philosophy and
20 differences, there are actually candidates right
21 now who are running for mayor who would say that
22 they would do away completely with the
23 discretionary funding, and in my view as the Chair
24 of the Committee on Senior Centers, the group that
25 would get hurt the most are really our senior

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2 centers, and I think that our senior center
3 administrators would agree. I want to give a
4 shout out of course to all the Brooklyn folks who
5 are in the house. Thank you for coming out here.
6 I do want to also recognize what my colleagues
7 have been saying, which is that you and your staff
8 from the top down, I think everybody at DFTA does
9 great work, and we are really grateful. I also
10 want to thank my colleagues. I think people don't
11 recognize that it is a battle every year. We do
12 have to fight. We do have to push and the Council
13 and the members and the folks who are here really
14 do fight to make sure that seniors get their fair
15 share, and my final point that I will make which I
16 think it has been made, but it bears repeating is
17 that this charade that we are engaged in, and I am
18 going to call it a charade because that is what it
19 is where every year the mayor cuts the basic
20 funding, and I just want to repeat what is going
21 on over here--this isn't like something you can
22 argue. I think elder abuse is vital. The mayor
23 may not think it is vital. He may not be worried
24 about elder abuse. I think he is wrong. When we
25 talk about the money for space costs, and we talk

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2 about the money for meals and the differences,
3 literally the money that we are discussing here is
4 the difference of whether a senior center can
5 operate or not. That is insane. It really is
6 crazy, and it is not your fault. I likened it--
7 someone asked me the other day, what is going on
8 with seniors, and I said, you know, I likened it;
9 I said you know we have got this winning racing
10 team chaired by the commissioner who does a fine
11 job, but the administration doesn't like giving--
12 after spending hundreds of millions of dollars,
13 they don't want to put gas in the cars. You can't
14 race if you have the best car in the world, and
15 you could have a \$100 million team that you could
16 be running NASCAR, the administration turns around
17 and says we are not going to give you gas, your
18 car is not going anywhere, and that is really what
19 happens every year, and I think people need to
20 know that and I think we have to shift the
21 equation, and rather than coming back every year
22 and having this conversation, having seniors
23 threatened them and the boogie monster and oh my,
24 the administration has come and we are going to
25 close down your senior center and we are going to

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2 stop giving you case management, and it is not a
3 threat because centers have had problems and some
4 of them have closed because of funding and case
5 management has gotten worse, and when you talk
6 about elder abuse, it is on the rise, and there is
7 more fraud that even when it deals with elders,
8 and that is a segment of abuse as well, especially
9 with it comes to things like the Internet, which
10 we heard from the district attorney's office, and
11 no one is doing anything about it, so I think we
12 have to really change the equation. It has got to
13 be less about holding on to what we have, and the
14 conversation has to be here is where we are and
15 where are we going in the future because there is
16 more seniors, and quite frankly, if we are not
17 opening up more senior centers - - the fact that
18 every year we have hundreds of thousands of new
19 seniors that means we are not serving the senior
20 population. In my opinion we have to follow the
21 model that we have on children in New York. More
22 children, you build more classrooms and more
23 schools, not what is happening in New York is when
24 we have gotten more seniors and you have actually,
25 not you, but the administration has reduced the

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2 services and you have maintained the levels,
3 which effectively means that seniors have nowhere
4 to go, and that is by the way why in my opinion
5 corruption thrives because if you don't provide a
6 venue, then you will see the cons that come out of
7 the social adult daycares, and these senior
8 centers can't compete. You can't compete with
9 the folks with the big screen TV and the gourmet
10 meals because they are not stealing money, and
11 that is what these social adult daycares and
12 doing, and let's just be honest about it, they are
13 stealing money, money that really should be going
14 to the legitimate folks, and so my final point is,
15 I want to thank DFTA. You guys are great. I just
16 want to point out the folks who are here, I want
17 to thank all of you for coming. All of you are
18 fantastic, but what is happening is, and I don't
19 want to be jaded because it happens when you have
20 been doing this a few years, the city of New York
21 is perpetuating the greatest scam ever on our
22 seniors, which is they are forcing seniors to come
23 back and beg for crumbs every year when they have
24 worked all their lives, when they paid their
25 taxes, when they have given their due, and we need

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2 to change the equation. The conversation has to
3 start being about what can we do for the future of
4 seniors, where are we going, how are we going to
5 handle the influx, not how can we get an extra 25
6 cents so seniors can have forks to eat their
7 chicken with because otherwise they are going to
8 have to eat it with their bare hands, and that is
9 the conversation quite frankly that we are having.
10 I apologize for saying it because I know it is
11 drastic and dramatic, but it is just so obvious,
12 and I think we get so wrapped up in our craziness
13 of fighting for a dollar here and a dollar there,
14 we forget the basic, which is seniors in New York
15 City are getting screwed, and the seniors have got
16 to stand up and they have got to be counted, and
17 they have to send a clear message in the future
18 that this is no longer acceptable, and despite
19 that, once again I just want to say thank you.
20 You are doing a great job. You are behind that
21 car pushing it as fast as you can without the gas
22 because God knows they did not give you the gas in
23 that car, and so we are grateful, but the equation
24 and the conversation in this city has to change
25 and there has to be a clear message from the

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2 future leadership, which is we value our seniors
3 and our seniors need to get their fair share.

4 Thank you very much.

5 CHAIRPERSON RECCHIA: Thank you,
6 Council Member.

7 CHAIRPERSON LAPPIN: I just want to
8 say everybody is making me look bad. I haven't
9 showered you with praise because as Chair we are
10 going to have more opportunities between now and
11 the end of the year, so I am going to hold my
12 praise, since you have gotten enough today.
13 Council Member Comrie?

14 COUNCIL MEMBER COMRIE: David
15 Greenfield just pretty much said everything I
16 wanted to say.

17 CHAIRPERSON RECCHIA: Good then we
18 can move on to the next council member.

19 COUNCIL MEMBER COMRIE: I just
20 wanted to thank you. I know you talked about case
21 management. Did you talk about--and I am sorry I
22 am late, but I had a meeting that I couldn't help--
23 -did you talk about any opportunities to change
24 food delivery so we could go back to people making
25 meals as opposed to getting processed meals that

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2 we are getting now because in Queens as I move
3 around the borough I am getting requests and
4 people pleading to us about the home delivered
5 meals that they should be homemade as opposed to
6 processed. They are eating them because they have
7 to, but it is not nutritional. There is no real
8 nutritional value. There is no real social value.
9 Is there anything that is being done to try to
10 create opportunities for people to cook the meals
11 as opposed to get the processed meals that we are
12 getting now?

13 COMMISSIONER BARRIOS-PAOLI: So in
14 Queens, we were able to go back to some of the
15 contractors that cooked that Queens Community
16 House and Florence and Smith, we are trying to
17 figure out--the problem is that unfortunately,
18 when we restructured the system catering became
19 the main way of doing business, and I think that
20 in some instances, it may be more economical
21 although not always, but I agree with you that
22 senior seem to be happier when the meals are
23 cooked. - - still cooks in Queens. So we will
24 continue to look at that because I think the
25 quality of the food--it is not just getting a

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2 meal, but getting quality meals to the seniors, so
3 we will certainly continue to look at that.

4 COUNCIL MEMBER COMRIE: I'd
5 appreciate that because I know the - - center that
6 I went to do, they cooked. - - has the capability
7 of cooking. As you mentioned, Queens Community
8 Houses, there are other centers. Glendale
9 Ridgewood has the capability of cooking as well,
10 and I just want to again echo everything that
11 Council Member Greenfield said. Well, the chairs
12 are not there maybe I can go on a little bit. I
13 really appreciate the input and feedback that you
14 have given us in your tenure as commissioner,
15 Department of Aging has really tried to help us.
16 I know that you have shackled to a degree to
17 everything you wanted to do and that is my
18 opinion, and I know that we need to make sure that
19 we fight to hold on to what is our most precious
20 commodity which are our seniors that have helped
21 paved the way for us to be here. We as a city
22 should be obligated to try and enhance the quality
23 of life for seniors and not continue to find ways
24 to make it more difficult, and as I see so many
25 seniors that came from Queens--can all the seniors

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2 from Queens just put your hand up? We have a good
3 Queens contingent in the house today. I am proud
4 of the fact that they all came.

5 CHAIRPERSON RECCHIA: Leroy, the
6 continuum from Brooklyn is larger.

7 [laughter]

8 COUNCIL MEMBER COMRIE: I can
9 appreciate that, but I am from Queens, so I have
10 got to shout out my own borough, so it is good to
11 see so many people here from Queens, and I just
12 want to let you know that we have been happy to
13 work with this commissioner over time, and even
14 when we have had difficulties, she has always been
15 willing to try to find a solution. I appreciate
16 that, and while we still have difficulties ahead,
17 especially making sure that the borough
18 president's discretionary money stays in the
19 budget because as you know she does a major
20 portion for Queens senior centers, and we need to
21 make sure that that stays in the budget and that
22 that continues to stay part of it, and hopefully
23 we can add that to the baseline, and also the
24 transportation costs, the insurance is going up,
25 the vehicle maintenance is going up. we have a

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2 lot of things that we need to try to get back onto
3 the base line of the budget. We should not have
4 to do this budget dance every year where we are
5 putting critical services and proven services on
6 the line because it is really disrespectful to the
7 workers, not just the seniors, but the people that
8 work for the Department of Aging or work for
9 senior centers. Every year they have to worry
10 about whether or not they have a job, when it is
11 really unfair because they are providing a great
12 service. I would hope that we take this off the
13 table and it is base lined, and that whoever the
14 next administration will be will stop playing with
15 seniors' lives. Thank you very much.

16 COUNCIL MEMBER COMRIE: Thank you,
17 Mr. Chair.

18 CHAIRPERSON RECCHIA: Thank you,
19 Council Member Leroy Comrie from Queens. We are
20 going to recognize Karen Koslowitz, another
21 council member from Queens. Welcome. We have a
22 large contingency from Queens. We see a
23 contingency from Brooklyn leaving, the Homecrest
24 [phonetic] seniors. Alright. Thank you for
25 coming. We want to recognize Gale Brewer from

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Manhattan.

COUNCIL MEMBER BREWER: Thank you very much. We all know you are a great commissioner, so I am not going to say how great you are, but you are great. I have a couple of questions about the technology because as you know I have been a long supporter of OATS [phonetic] and the work that they are doing, and so I guess two questions. One is do you currently work and how does it work technology wise with HHS Connect to share the client data with other human service agencies? That is question number one. I think there are two technology questions. One is what are we doing to help the actual centers that would be staffed technology wise? How are we helping seniors who really want to learn technology? That would be the second part.

COMMISSIONER BARRIOS-PAOLI: I hope I remember the whole thing.

COUNCIL MEMBER BREWER: I can do it again if you want. HHS Connect first.

COMMISSIONER BARRIOS-PAOLI: Yes, we are part of HHS Connect and it is very valuable to us. A number of DFTA staff uses it all the

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2 time to make sure that they are aware of other
3 services seniors are receiving, so for example in
4 the assigned counsel project when they are looking
5 at a senior that may be in danger of being
6 evicted, they try to figure out what benefits they
7 have, what benefits they could access so that they
8 could stabilize their income and things of that
9 nature.

10 COUNCIL MEMBER BREWER: That is
11 done on a particular platform, the connect
12 platform?

13 COMMISSIONER BARRIOS-PAOLI: Yes,
14 there is a connectivity thing. We are doing also
15 a new case management data system at DFTA that is
16 gold stars and it is now being implemented and it
17 will be compatible with connect, so we are hopeful
18 that all of that would really enable the ability
19 of workers to have real time data all the time.
20 Right now as you know, our systems are very
21 antiquated, everything sort of has to be data
22 entered after the fact. It is absolutely before
23 you turn around with stars, it will be internet
24 based and real time.

25 COUNCIL MEMBER BREWER: And that

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will be available to the contracted - - ?

COMMISSIONER BARRIOS-PAOLI: And they will be able to use - - just for the DFTA information, but for other contracts that they may have if they so choose.

COUNCIL MEMBER BREWER: Do they need upgraded hardware or is it something that they would already be able--

COMMISSIONER BARRIOS-PAOLI: [interposing] Yes, and we are providing it for them.

COUNCIL MEMBER BREWER: The hardware too in addition to the software? And what is the timing on that?

COMMISSIONER BARRIOS-PAOLI: It is in the process of being implemented right now, so it will be all done by the end of the year for sure.

COUNCIL MEMBER BREWER: Just generally for people who might access OATS or something like OATS 'cause it looks like of the stars programs is implemented and there is hardware to go with it that might help a lot with the situation in the centers in terms of

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technology.

COMMISSIONER BARRIOS-PAOLI: It should and we really would love for seniors to be more technologically savvy, and we would like to facilitate that as much as possible. The problem that we have with a program like OATS is we don't have a distinct funding stream to fund them, so if it is not part of the senior center array of services, there is no mechanism for us to fund them.

COUNCIL MEMBER BREWER: How could we change that?

COMMISSIONER BARRIOS-PAOLI: Somehow there has to be a recognition that there is a need for distinct service around technology for centers or for seniors and a funding stream that would facilitate that, and then we would have an RFP, but in essence, OATS has done a tremendous job, and it's way far ahead of what anybody else could do, but there is no mechanism for us--they are not a recognized service in our funding stream.

COUNCIL MEMBER BREWER: Okay. Alright we need to work on it. They are also

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2 hitting the end of b top [phonetic] and we are
3 trying to get money from other sources. The next
4 question I have is the issue of course of homeless
5 prevention. I know that that is something you
6 care deeply about, and there is two aspects to it.
7 One is how much does the connect really help to do
8 that and then just secondly, what else do you
9 think because I do meet a lot of seniors who are
10 either homeless, potentially homeless. The Times
11 had that front page about hoarding the other day
12 in another city, and the efforts they are making
13 on the hoarding front. We need something similar.
14 That is one place that owners get seniors out is
15 on the hoarding front. I guess I wanted to know
16 just generally have you worked with former
17 Commissioner Diamond, but are you trying to figure
18 out how we can do more prevention of homelessness
19 for seniors?

20 COMMISSIONER BARRIOS-PAOLI: Yes,
21 we are working with DHS to try to figure out joint
22 programming around it. There are a number of
23 things that are problematic with--first of all,
24 housing is a real big issue for seniors, and the
25 seniors who are renters face rental increase.

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2 Their income is a set income, so they can't keep
3 up with the increases in rent even though they
4 access SCRIE, and still it is very problematic.

5 COUNCIL MEMBER BREWER: A lot of
6 them are just over SCRIE often.

7 COMMISSIONER BARRIOS-PAOLI: Many
8 of them are being harassed by landlords because
9 the value of the apartment has way surged beyond
10 what the seniors pay. That is one set of
11 problems. The other set of problems is that many
12 seniors get hospitalized for extended periods of
13 times and they lose their apartment. Then there
14 is the issue that they may forget to pay their
15 rent. It is not like they don't have the money,
16 but they forget. We have a bill payers program in
17 conjunction with CSCS that is really very
18 promising to help seniors do that. They are
19 bonded volunteers that make sure that people pay
20 their bills, so there are a number of things that
21 we can do for that. There is also the reality
22 that the homeless population itself is aging, so
23 now you have an issue of people who have aged as
24 homeless and continue to be homeless or
25 precariously housed. So we have to develop

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2 situations for them. Shelters as such may not be
3 the ideal place for a senior, so you have to
4 figure out for the vulnerable and frail elderly
5 that are precariously housed, what would be a good
6 situation. There are programs like the New York
7 Foundation, sharing homes and apartments that are
8 very good. We have to be really creative to
9 figure out how do we do more and more prevention.

10 COUNCIL MEMBER BREWER: Prevention
11 is the word. I don't mean to pick on you or DHS,
12 but to be honest with you, it is so complicated to
13 do the prevention, and it is too complicated for
14 the senior, so we ended up losing quite a few.
15 I'd leave it at that, but just to say there is a
16 big hole there. Between APS and other efforts
17 there is still not enough, not in prevention.
18 Then just finally, I know that you probably
19 discussed the Sandy situation. Obviously I think
20 about half the people who died in Sandy were
21 seniors if not more. So my question is we have
22 this cert program that it is out of Office of
23 Emergency Management, and the bottom line is
24 people in the neighborhood and a small number of
25 people work to try to see in a crisis what can be

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2 done, and I guess what I am saying is would there
3 be some possibility of ongoing discussions to
4 enlarge the cert program because there is a cry
5 that I hear which is we want to more know who is
6 in the neighborhood God forbid there should be
7 another crisis, and it could be an oil crisis. It
8 doesn't have to be a hurricane. It could be a
9 tornado. It could be anything. I am just
10 wondering on the emergency front, what are your
11 thoughts in order to try to make sure that in the
12 future there is more sort of personal discussion
13 about where the seniors are and what they need?

14 COMMISSIONER BARRIOS-PAOLI: Yes, I
15 couldn't agree more. The problem that we have
16 found with Sandy is not so much the seniors that
17 were known to us. We could take care of them.
18 But the seniors that we didn't know about, the
19 seniors that were independent that didn't contact
20 us, but they live on the 14th floor and no
21 electricity and they are in a crisis. So we are
22 trying to work together with landlords and
23 building managers to see if we can get the
24 beginning of the creation of some sort of roster
25 of vulnerable populations, not only seniors, but

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2 people who are disabled, people who are vulnerable
3 in any way to create some sort of a roster that
4 can be maintained on a local basis per building,
5 per management company so that if there is a
6 problem we know who do we go to first.

7 COUNCIL MEMBER BREWER: Who is
8 going to know this? Is REBNY is - - ?

9 COMMISSIONER BARRIOS-PAOLI: This
10 is something that the city has put forth in the
11 plans and the logistics are being worked out
12 exactly of how the approach would be.

13 COUNCIL MEMBER BREWER: I would
14 just add to put cert into the mix because I think
15 that they are very dedicated and they are very
16 local, and they don't necessarily have a lot to do
17 between crises, and so I thought that they might
18 be a good place to put your energy. I just want
19 to thank you because between the green market and
20 the senior centers and the home delivered meals,
21 we are actually making sure that at least on the
22 west side all meals will have fresh fruits and
23 vegetables all summer long, and you had a lot to
24 do with that, and I want to thank you. I also
25 want to thank you for Club 76 - - . It is an

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ongoing, but it wouldn't be an ongoing without you. Thank you very much.

CHAIRPERSON RECCHIA: Thank you, Council Member Gale Brewer. We also have been joined by Council Member Vincent Ignizio, and I want to recognize Council Member Lewis Fidler.

COUNCIL MEMBER FIDLER: Thank you, and I appreciate the opportunity. I wanted to pause for a moment in today's hearing to acknowledge the presence of one of our foreign colleagues. We have with us today joining us Michelle Weisman from the Barry Manchester Town Council [phonetic] in England, and - - my constituent - - . I just wanted to welcome you to the people's house in the city of New York.

CHAIRPERSON RECCHIA: Okay. Does any other Council Member have any more questions for this wonderful commissioner? Okay. Without seeing that, Commissioner, I want to thank you for coming today. I want to thank you and your wonderful staff. I want to thank you for all they have done in super storm Sandy--I know it was tough--and for getting the centers back up and running. We will take a short recess. We will

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2 begin at 12 o'clock with Consumer Affairs. Thank
3 you very much.

4 [long pause]

5 CHAIRPERSON RECCHIA: Everyone
6 kindly find their seats. - - ready to move
7 forward.

8 [long pause]

9 CHAIRPERSON RECCHIA: We are five
10 minutes behind.

11 [long pause]

12 CHAIRPERSON RECCHIA: We will now
13 resume the City Council hearing on the mayor's
14 executive budget FY 2014. The Finance Committee
15 and the Committee on Aging and the Subcommittee on
16 Senior Centers have just heard from the Department
17 for the Aging. We have now been joined by the
18 Committee on Consumer Affairs chaired by my
19 colleague, Council Member Daniel Garodnick, to
20 hear from the Department of Consumer Affairs. We
21 have three more agencies to hear from today, so in
22 the interest of time, I will turn the mic over,
23 and recognize my colleague from Manhattan, my co-
24 chair, Council Member Dan Garodnick.

25 CHAIRPERSON GARODNICK: Thank you,

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2 Mr. Chairman, and the Consumer Affairs Committee
3 is pleased to join you for this joint hearing of
4 Consumer Affairs Committee and the Finance
5 Committee. Today's hearing will focus on the
6 fiscal year 2014 executive budgets for the
7 Department of Consumer Affairs and the Business
8 Integrity Commission. The Department of Consumer
9 Affairs, which we will refer to as DCA throughout
10 the hearing is charged with protecting its
11 consumers by enforcing applicable rules while also
12 educating and empowering consumers through its
13 office of financial empowerment. The Business
14 Integrity Commission or BIC regulates and licenses
15 the commercial carting industry, the shipboard
16 gambling industry and have oversight of the
17 businesses that operate in New York City's public
18 wholesale markets. There are some specific budget
19 issues that we need to explore today. It includes
20 gaining a full understanding of the growth of the
21 agency's revenue, including sidewalk café fees and
22 fines. Fiscal year 2013, the agency's overall
23 revenue was \$27 million. In fiscal year '14, it
24 is projected to be \$31 million. We are interested
25 in how the Department is able to generate so much

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2 more revenue whether we are dealing with
3 enforcement, greater collection or whether it has
4 to do with increasing and creating new fines or
5 fees. We look forward to discussing those issues.
6 We welcome the commissioner and his staff, and
7 certainly, Mr. Chairman, I will defer to you as to
8 how precisely you wish to introduce them.

9 CHAIRPERSON RECCHIA: Commissioner,
10 before you go, I would like to recognize the
11 council members who have joined us Council Member
12 Michael Nelson from Brooklyn, Council Member Karen
13 Koslowitz from Manhattan, Council Member Lewis
14 Fidler from Brooklyn. Commissioner?

15 COMMISSIONER MINTZ: Good
16 afternoon, Chair Garodnick, Chair Recchia, members
17 of the Consumer Affairs and Finance Committee. I
18 am Jonathan Mintz, commissioner of the Department
19 of Consumer Affairs. I am joined to your left by
20 Peter Brewlin [phonetic], the assistant
21 commissioner for analysis and planning and to your
22 right, George Pape [phonetic], deputy commissioner
23 for finance and administration and chief of staff.
24 I am pleased to follow up on our preliminary
25 budget hearing of March 6th and have this

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2 opportunity to answer any questions about our
3 fiscal 2014 executive budget. In the interest of
4 time and efficiency, and since you liked it so
5 much last year, I have appended our preliminary
6 budget testimony, which recaps our innovative work
7 of fiscal 2013. Today I will share four updated
8 of particular note--a new federal protection
9 partnership, a top recognition awarded to the
10 department for government innovation, the status
11 of our online service enhancement project or OSEP
12 and the latest achievements of our unique online
13 business services to give businesses unprecedented
14 compliance tools for their easy use. Last month,
15 Mayor Bloomberg, Consumer Financial Protection
16 Bureau Director, Richard Cordrey [phonetic], and I
17 announced a special partnership to replicated the
18 New York City Department of Consumer Affairs model
19 to local governments across the county. Director
20 Cordrey hailed the city's multi-faceted approach
21 to protecting and empowering consumers as the gold
22 standard for the country, also citing the strong
23 role an actualized local consumer protection body
24 plays in partnering with federal authorities on
25 both enforcement and policy. Working throughout

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2 city's - - financial empowerment partners, we
3 would be pushing out both technical assistance and
4 private resources to help build up much needed
5 national cadre of local consumer protection
6 partners. We are also enormously proud that the
7 Department's office of financial empowerment ha
8 advanced into the top 25 programs in this year's
9 innovation in American government award
10 competition at the Ash center for democratic
11 governments, innovation at the John F. Kennedy
12 School of Government at Harvard. These awards
13 were created by the Ford Foundation in 1985 to
14 shine a light on effective government programs.
15 For the second time, our office of financial
16 empowerment stands out at Harvard Center among
17 government innovations across the nation. As you
18 may remember the office of financial empowerment
19 was launched by Mayor Bloomberg in our department
20 at the end of 2006, the first of what are now many
21 office of financial empowerment initiatives across
22 the country, with a specific mission to educate,
23 empower and protect individuals and families with
24 low incomes. A hallmark program of the office is
25 the city's financial empowerment centers

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2 initiative, which provides free one on one
3 professional financial counseling in multiple
4 languages to individuals and families with low to
5 moderate incomes. The center's professional
6 counselors help people create budgets, reduce
7 their debt, deal with debt collectors, improve
8 their credit, open safe bank accounts, start
9 emergency funds and save and plan for the future,
10 in short, to take control of their finances. In
11 fact, professional financial counselors at our 30
12 centers have helped more than 21,000 New Yorkers
13 reduce their debt by almost \$11 million and build
14 \$1.5 million in savings. Over the past decade,
15 the mayor's earned income tax credit campaign
16 spearheaded by the office of financial empowerment
17 has helped New Yorkers claim more than \$20 billion
18 in federal, state and city refunds including one
19 billion dollars directly through the city's
20 network of free and low cost tax preparation
21 options. The office of financial empowerment's
22 other programs including a nationally replicated
23 tax time savings program, Save USA, have also been
24 replicated in cities across the nation. In
25 addition, we have published numerous

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2 groundbreaking studies on the financial needs and
3 behaviors of low income communities in New York
4 City including our immigrant financial services
5 study, which we released a few weeks ago. The
6 work of our office is credited with launching the
7 field of municipal financial empowerment and has
8 led to the creation of the national cities for
9 financial empowerment fund and coalition, which
10 attracts multimillion dollars grants for program
11 replication in mayors offices across the country.
12 I also welcome the opportunity today to update you
13 regarding DCA's critical technology advances. We
14 are in the home stretch on our multi-year, multi
15 phased online service enhancement project, OSEP,
16 with the implementation this fall of Acela
17 [phonetic], which replaces DCA's antiquated 20
18 year old green screen data management system,
19 Camus [phonetic]. As we transition more than 1.5
20 million records to Acela for processing 57 DCA
21 licensing types and all related business processes
22 across divisions including licensing, enforcement,
23 adjudication, legal, consumer services,
24 collections and finance, the new system will
25 enable better access, reporting and efficiencies

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2 for the department's business functions and will
3 yield improved service levels for the city's
4 business owners and consumers alike. As
5 forerunner of the citywide enterprise licensing
6 and permitting initiative, Acela serves as the
7 standard for meeting the needs of other city
8 agencies with similar licensing and permitting
9 requirements as well. The preliminary goals of
10 OSEP, which were to enable the Department to
11 provide core services to businesses and consumers
12 online and to automate back office operations have
13 been met in a timely fashion. As we reported in
14 previous testimony, businesses are fully enabled
15 to apply for and renew their business licenses
16 online, pay fines, update their information,
17 request a replacement license and request a scale
18 inspection. The public at large can check to see
19 if a business is licensed by clicking on instant
20 license check and can file complaints about
21 businesses online as well. Our information
22 technology division is expanding to support Acela
23 implementation while maintaining approximately 17
24 critical administrative systems that will remain
25 in place over time. Those systems include DCA's -

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2 - finger imaging system, process server GPS
3 database, legal compliance tracking systems, debt
4 collection database, online business live chat and
5 much more. We have received funding for six
6 additional staff to ensure that the Department's
7 ongoing success in this arena is solid. This
8 fiscal year we are excited to add to our online
9 functionality the city's first live chat
10 opportunity exclusively for businesses to have
11 their questions answered by DCA staff during
12 business hours without having to leave their
13 store. Live chat is available Monday through
14 Friday from 9:30 to 5. Since December 24th when we
15 launched this groundbreaking municipal tool, our
16 staff is engaged in almost 2500 chats. Accessible
17 through our robust and expanded online business
18 toolbox, live chat is among the myriad resources
19 DCA gives businesses to enable them to comply with
20 the laws and rules and avoid violations, including
21 another exciting innovation, online access to our
22 inspectors' checklists as well as all required
23 signs and forms, templates, model contracts and
24 receipts, tips on resolving consumer complaints,
25 information about administrative hearings and

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2 settlements and of course, all relevant laws and
3 rules. Finally, I would like to focus on the
4 fiscal 2014 executive budget, which supports the
5 wide range of activities that further the
6 Department's mission. On the expense side, fiscal
7 year 2014 executive budget is \$28 million, which
8 includes 19.6 million in PS and 8.4 million in
9 OTPS. This is an increase of 2.4 million from the
10 adopted fiscal 2013 budget due to the creation of
11 the legal regulatory compliance division as well
12 as funding associated with the final
13 implementation of OSEP, the online service
14 enhancement program and funding for our support
15 staff to manage an increased number of violations.
16 The legal regulatory compliance division adds
17 document based review functionality to ensure
18 record keeping and compliance with consumer
19 protection laws and rules in such key industries
20 as debt collectors, process servers, employment
21 agencies and others. The department's revenue
22 projection for fiscal 2014 is \$31.6 million an
23 increase from 27. 5 million in the fiscal 2013
24 adopted budget. This increase is due to the
25 continued vitality of the sidewalk café industry

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2 and our licensing efficiencies, which has led to
3 increased expectations of public consent fee
4 revenues to the fine revenue we anticipate will be
5 generated by the new legal regulatory compliance
6 division and to the cyclical adjustments to
7 license fees based upon the two year licensing
8 cycle. If we approach the completion of 12 years
9 of working toward achieving and maintaining that
10 delicate balance between empowering, educating and
11 protecting consumers and empowering, educating and
12 helping businesses comply with the law, the
13 department's managers and staff remain focused,
14 dedicated, hardworking and proud of our many
15 successes and innovations. I am now happy to
16 answer your questions.

17 CHAIRPERSON RECCHIA: Thank you,
18 Commissioner. First, we have been joined by
19 Oliver Koppell. Welcome. Sure. First I just
20 want to start off with by asking you your agency
21 has been very uncooperative in answering budget
22 questions that my finance staff has sent to your
23 staff. We didn't receive a response. The finance
24 director reached out several times to your staff.
25 My co-chair, Dan Garodnick, called. And we got no

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2 response, and then I finally called to set the
3 record straight that pursuant to Section 29 of the
4 City Charter it provides clearly that the Council
5 has the authority to acquire information from city
6 agencies in the Council's review of the agency
7 service goals, performance and management. We did
8 not receive an answer until 4:35 yesterday. It
9 was very late. It is unacceptable, and I want an
10 explanation on why your agency refused to respond
11 to the questions that we sent.

12 COMMISSIONER MINTZ: I am so glad
13 that you asked. First of all, we didn't refuse.
14 We have always given information in advance to
15 your staff as they prep you for this hearing.

16 CHAIRPERSON RECCHIA: Stop right
17 there.

18 [crosstalk]

19 CHAIRPERSON RECCHIA: Wait. You
20 made a statement. You gave them to my staff in
21 advance. When?

22 COMMISSIONER MINTZ: We started
23 answering questions--

24 CHAIRPERSON RECCHIA: [interposing]
25 No, no, no. I want to see documentation that you

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sent it to my staff and when. You made a statement.

COMMISSIONER MINTZ: Sir, in the same way that your abusive phone call to my staff yesterday was unacceptable.

CHAIRPERSON RECCHIA: It was not abusive. If you think it was abusive, then you should learn, okay, you should learn, Commissioner, that we have a right to request this information.

COMMISSIONER MINTZ: Sir, I am going to expect a civil discourse.

CHAIRPERSON RECCHIA: You made a statement. You said you gave it to my staff before. Show me when you gave it to my staff before.

COMMISSIONER MINTZ: Sir, I am going to expect a civil discourse here, if you want me to answer my questions. I am not going to have you yell at me and I am not going to have--

CHAIRPERSON RECCHIA: [interposing]
I am not yelling at you. You made a statement, Commissioner, that you gave it to my staff before, and I am asking you show me when the documentation

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that you gave to my staff before yesterday. Where is the documentation?

COMMISSIONER MINTZ: If you yell at me again, I will leave. Are you clear about that?

CHAIRPERSON RECCHIA: Don't you ever threaten me. You know what? We will serve you with a subpoena. I am not yelling at me. I am asking you to show me the documentation. Do you have the documentation? Yes or no.

COMMISSIONER MINTZ: I am happy to show you the documentation of how the administration has answered your questions about DCA in the past. If you had let me finish my question rather than yell at me the way you yelled at my staff yesterday on the telephone, sir, if you had allowed me to answer the question that you--

CHAIRPERSON RECCHIA: [interposing] Commissioner, show us the documentation--

COMMISSIONER MINTZ: I didn't bring it because you didn't request me to bring it.

CHAIRPERSON RECCHIA: So this is what we are going to do. We are going to take a recess until you produce the documentation. You

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made a statement that you served my staff with
this information before--

COMMISSIONER MINTZ: [interposing]

If you want to recess the hearing, that is your
right.

CHAIRPERSON RECCHIA: Until you
produce the documentation. You said--where is the
documentation?

COMMISSIONER MINTZ: Sir, if you
had asked me for it, I would have brought it.

CHAIRPERSON RECCHIA: You made a
statement here that you served it. You come here
prepared.

COMMISSIONER MINTZ: Our staff has
answered your questions. OMB has answered your
questions. At some point however if you would
like to actually talk about this, at some point,
the question is raised whether the job of my job
is prepping your staff to prep you or prepping me
to come to this hearing to answer your questions.
As City Hall told you yesterday when they
responded to your tirade to my staff, if you have
questions for a department at a hearing that is
what it is for. I am here fully prepared to

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2 answer your questions, and in advance we answered
3 questions to your staff, OMB answered questions to
4 your staff sometimes in writing, sometimes in
5 person as we always do. At some point however,
6 sir, at some point however, my staff's job is to
7 do the work of the department, not of your
8 committee, and I am here prepared to answer all of
9 your questions.

10 CHAIRPERSON RECCHIA: We ask
11 certain questions, and we are entitled to have
12 this information before the hearing, and--

13 COMMISSIONER MINTZ: [interposing]
14 What is the point of the hearing? That is why I
15 am here.

16 CHAIRPERSON RECCHIA: Because we
17 will follow up. We wanted other documentation.
18 We wanted other documentation, Commissioner, and
19 you refused to do this.

20 COMMISSIONER MINTZ: Sir, your team
21 didn't ask for documentation. Your team asked
22 three very small questions at the end of the day
23 that had been left over from questions that you
24 have been asking, that your team has been asking
25 for weeks from the administration in anticipation

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2 of prepping you for this budget. At some point,
3 sir, I am perfectly happy to say that my team's
4 job, their taxpayer job is to serve this
5 department and prepare me for this hearing, so
6 that I can answer your questions. That is why I
7 am here, and if you want to ask me any questions,
8 I will do my absolute best to answer them, but I
9 do not appreciate you yelling at me, I do not
10 appreciate you calling and yelling and threatening
11 my staff. It is unprofessional. I don't like it.

12 CHAIRPERSON RECCHIA: When we ask
13 for documents and we don't have them--

14 COMMISSIONER MINTZ: [interposing]
15 You didn't ask for documents.

16 CHAIRPERSON RECCHIA: We have e-
17 mails that we sent--

18 [crosstalk]

19 CHAIRPERSON RECCHIA: --to these
20 questions, and you did not respond until after I
21 called up.

22 COMMISSIONER MINTZ: Sir, I am
23 sitting in front of you at a public hearing to
24 answer any question that you have. That is the
25 point of the hearing, isn't it?

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2 CHAIRPERSON RECCHIA: Yes, it is,
3 but before that, if I want backup documentation, I
4 am entitled to that.

5 COMMISSIONER MINTZ: You didn't ask
6 for backup documentation, sir. Your staff asked
7 for prep questions for you for this hearing.

8 CHAIRPERSON RECCHIA: No, they did
9 not. They asked questions 'cause OMB did not give
10 us the backup documentation from certain issues in
11 your budget.

12 COMMISSIONER MINTZ: Sir, nobody
13 asked for backup documentation from my department.

14 CHAIRPERSON RECCHIA: What?

15 COMMISSIONER MINTZ: Nobody asked
16 for backup documentation from my department.

17 CHAIRPERSON RECCHIA: We asked for
18 backup documentation and paperwork.

19 COMMISSIONER MINTZ: Do you have
20 any questions for me?

21 CHAIRPERSON RECCHIA: Yes, I have
22 lots of questions for you, Commissioner. I have
23 lots of questions for you. In last year, how much
24 money did the agency collect in revenue?

25 COMMISSIONER MINTZ: In fiscal '13

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through April we collected 13 million, just a little over 13 million in fines.

CHAIRPERSON RECCHIA: In fines.

COMMISSIONER MINTZ: That is correct. Was that your question?

CHAIRPERSON RECCHIA: I wanted the..

COMMISSIONER MINTZ: The overall number was 28.6 million.

CHAIRPERSON RECCHIA: 28.6.

COMMISSIONER MINTZ: That includes licensing fees, public consent fees.

CHAIRPERSON RECCHIA: So 13 million was in fines, and how many were licensing and fees?

COMMISSIONER MINTZ: 14 million. I am getting - - help here. Six million dollars were licensing fees, about eight million will public sidewalk consent fees. That makes the 14 million.

CHAIRPERSON RECCHIA: What was the other number?

COMMISSIONER MINTZ: Six million in licensing fees, about eight million in public consent fees, and then another 13 million in

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fines.

CHAIRPERSON RECCHIA: Okay, and how much was your peg that OMB asked you to take?

COMMISSIONER MINTZ: It was about 2.3 million.

CHAIRPERSON RECCHIA: What was that number?

COMMISSIONER MINTZ: 2.3.

CHAIRPERSON RECCHIA: Okay. I have more questions, but I am going to let my colleagues go. Council Member Dan Garodnick?

CHAIRPERSON GARODNICK: Thank you, Mr. Chairman and Commissioner, we don't need to get into another back on forth on the subject, but I will just express my frustration too about some of the questions that were posed to the agency where we expect there to be a collaborative back and forth here in advance and the Council does have a charter mandated responsibility to do that and we are counting on your agency to work with our staff and your staff to be able to secure--I really don't think that there were any issues here that were worth a fight, but there were just issues that we were looking on clarification on.

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So I think those can be handled in advance, and I think we can do that better. I just want to point that out to you. We don't need to get into a back and forth.

COMMISSIONER MINTZ: You don't want me to respond?

CHAIRPERSON GARODNICK: Well, you can if you want, but I think we are probably going to disagree.

COMMISSIONER MINTZ: Alright.

CHAIRPERSON GARODNICK: So let me just ask you--

COMMISSIONER MINTZ: [interposing] Did you want to ask any of those questions or are you satisfied with the answers you received on those?

CHAIRPERSON GARODNICK: My impression was that we were. They were pretty simple questions.

COMMISSIONER MINTZ: Straightforward stuff.

CHAIRPERSON GARODNICK: Yeah, that is why we thought it could have been dealt with faster. Okay. So now as to the substance of the

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2 matter, the revenue project for this year is about
3 four million dollars more than from last year, and
4 I noted in your testimony that you pointed to the
5 sidewalk café industry and licensing efficiencies
6 as the root for that additional revenue. Correct?

7 COMMISSIONER MINTZ: That is
8 correct.

9 CHAIRPERSON GARODNICK: So the
10 increased expectations on consent fee revenues,
11 that is not as a result of any change in the cost
12 of the consent fee; it is the result of more
13 applications?

14 COMMISSIONER MINTZ: It is the
15 result just of the vitality of the sidewalk café
16 industry. It has just been doing great. It has
17 weathered a bad economy. Sidewalk cafes are just
18 clearly great for business, and together with the
19 Council we have made the process of getting those
20 applications so much faster than it ever was, and
21 this is a very vital industry. The payments that
22 the restaurants make to the public to in a sense
23 rent the sidewalk have been and remained robust,
24 and so 2.3 million of that figure represents the
25 Council and the administration's ability to rely

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upon receiving that consent fee revenue.

CHAIRPERSON GARODNICK: So in other words, there were more consent fee applications as opposed to the price for the consent fee going up?

COMMISSIONER MINTZ: Right. Nothing has changed in the process or in the fees.

CHAIRPERSON GARODNICK: How many more consent fees does that represent, consent applications, sidewalk consent applications?

COMMISSIONER MINTZ: Well, maybe I need to correct a misimpression. This is not because we expect there to be a significant growth in the normal rate at which restaurants add sidewalk cafes and to be honest also attrite. Some restaurants shut down, close their cafes, other restaurants open up. This amount of money is about what we have come to see over the last couple of years comes in on a steady flow. We believe the money will continue and therefore rather than being surprised by it at the end of the budget year, we are banking on it at the beginning of the budget.

CHAIRPERSON GARODNICK: So the change here is not actually a change. You have

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2 seen that in fact as revenue in the past. You
3 just have not projected it as revenue in the
4 executive budget?

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COMMISSIONER MINTZ: Right. We

wanted to make sure that these restaurants

survived the economic upheaval before we made sure

that the city was able to rely upon this being a

steady stream of revenue.

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CHAIRPERSON GARODNICK: Okay, so

there is nothing unusual about the coming fiscal

year that would bring in 2.3 million dollars more

than what was done last year; it is just that you

are expecting it this year in a way that you

didn't officially expect it in the budget?

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COMMISSIONER MINTZ: That is

exactly correct.

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CHAIRPERSON GARODNICK: The fine

revenue. I think you answered Chairman Recchia

that the total fine revenue for the agency was \$13

million, but within this category of fines for

sidewalk cafes because I think you were describing

in your testimony that the bump from 27 and a half

million to 31.6 million was attributable to a few

different factors. One of them was the first we

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2 just discussed, another one was increased fine
3 revenue. Can you tell us how much of that
4 increase was attributable to fine revenue?

5 COMMISSIONER MINTZ: Approximately
6 one million. That comes from the creation of the
7 new legal regulatory compliance unit. This will
8 enable the department to add to its regulatory
9 oversight the books and records review that allows
10 us to make sure that industries like debt
11 collectors, process servers and others that are
12 required to keep certain records to show that they
13 are complying with some really terrific strong
14 local laws that in fact they are doing that.

15 CHAIRPERSON GARODNICK: Good, and
16 then lastly, you noted the cyclical adjustments to
17 license fees.

18 COMMISSIONER MINTZ: Licenses run
19 every two years, and so every other year the
20 number is slightly higher.

21 CHAIRPERSON GARODNICK: This is one
22 of those years.

23 COMMISSIONER MINTZ: That is
24 correct.

25 CHAIRPERSON GARODNICK: Now if we

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2 were to--as you know we are discussing the
3 possibility of creating a four year cycle for
4 revocable consents. If we were to do that what
5 would be the impact on the DCA budget?

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COMMISSIONER MINTZ: We don't
7 expect any impact. I mean the money would still
8 come in.

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CHAIRPERSON GARODNICK: It would
10 come in every four years instead of every two
11 though?

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COMMISSIONER MINTZ: If that is the
13 way the legislation is written.

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CHAIRPERSON GARODNICK: I see.
15 Let's say we were to write it that way--

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COMMISSIONER MINTZ: Then it would
17 be the same thing. Every two years we would make
18 the adjustment for whether or not this was the two
19 years--we would make the adjustment for is this
20 the cycle we are expecting the revenues or not.
21 Currently it is spread out in every two years. If
22 you spread it out in four years, we will just do
23 the math.

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CHAIRPERSON GARODNICK: I noted in
25 your testimony, and this was one of the pending

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2 questions before DCA over the past week was on the
3 subject of additional staff, which was identified
4 as a new need--three violations staff, it looked
5 like one account receivable staff member and three
6 new vehicles. Yesterday we learned that the
7 violation staff was one clerical officer for
8 enforcement, one settlement officer for
9 adjudication and one additional collector for
10 collections. Can you explain or us those three
11 positions for new needs and also address for us
12 the vehicle need as well?

13 COMMISSIONER MINTZ: Sure. What is
14 a clerical for enforcement do? Well, their
15 primary job is to process any violations and
16 notices of inspections that are brought back from
17 the field to our inspectors, to schedule hearings
18 when a violation has resulted in the need for a
19 hearing, to otherwise process the kind of
20 information, to get me the data I need to get back
21 to council members or other elected officials on
22 requests they have, to get it off to the press--

23 CHAIRPERSON GARODNICK: Do you need
24 more than one for that?

25 COMMISSIONER MINTZ: Well, we have

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2 got a lot, and we need one more, but there is a
3 lot of data, and we need to make sure that our
4 data is accurate so with the expected additional
5 flow of enforcement we needed that clerical. What
6 does a settlement officer do? When a business
7 wants to talk to a settlement officer and try to
8 cut a deal for a lower fine rather than taking
9 their chances going to a judge then a settlement
10 officer sits down with them, discusses the options
11 that they have, generally speaking we find that
12 about half of the businesses who show up for a
13 hearing end up preferring to speak to a settlement
14 office and resolve the dispute more quickly. So
15 that is what a settlement officer does.
16 Collectors collect.

17 CHAIRPERSON GARODNICK: So okay.
18 The question was really less about their specific
19 roles and more about why you need more of them
20 this year as opposed to last year.

21 COMMISSIONER MINTZ: We are very
22 excited about adding the legal regulatory
23 compliance unit. We really believe that when we
24 have such strong local laws requiring the kind of
25 work from businesses that can only be verified by

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2 document review, some things my inspectors can
3 check walking on patrol--do you have a refund sign
4 up? I don't need a document review for that. I
5 just have an inspector walking the beat, but as a
6 debt collector, do you have proof of the original
7 debt of the debtors that you are collecting from,
8 and as a reminder we have debt collectors licensed
9 in the city from 47 states and nine countries
10 unfortunately, and so the ability to look at what
11 they are doing and process that compliance review
12 and any violations that come from it we believe it
13 will lead to an expected increase in the fines and
14 you need the infrastructure in order to be able to
15 absorb that increased effort.

16 CHAIRPERSON GARODNICK: Certainly
17 more is always going to be better, but is there
18 something that has--is it the expansion of the
19 legal regulatory compliance division that creates
20 the need here?

21 COMMISSIONER MINTZ: That is the
22 primary generator of the need?

23 CHAIRPERSON GARODNICK: How big is
24 that legal--by the way, I had been calling it the
25 legal examination unit--it is the same thing.

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2 COMMISSIONER MINTZ: It is the same
3 thing. We haven't launched it formally yet, so it
4 has had a few different names.

5 CHAIRPERSON GARODNICK: And the
6 size of that unit, the number of people who will
7 be a part of that?

8 COMMISSIONER MINTZ: So there will
9 be 16. Do you want a breakdown of what that staff
10 is?

11 CHAIRPERSON GARODNICK: Sure.

12 COMMISSIONER MINTZ: So there will
13 be five attorneys, five paralegal researchers, a
14 director and a deputy director, that is 12. There
15 will be an auditor. There will be a program
16 analyst and there will be two clerical support.

17 CHAIRPERSON GARODNICK: Thank you.
18 I am going to give some of my colleagues an
19 opportunity to ask some questions, and to the
20 extent as necessary, we will come back. I want to
21 note that Council Member Barron has joined us. We
22 are going to take some questions from Council
23 Member Koppell.

24 COUNCIL MEMBER KOPPELL: Thank you.
25 I want to follow up a little bit on what council

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2 member Chairman Garodnick mentioned because I have
3 been going to these budget hearings regularly over
4 the last couple of weeks, and your department is
5 notable for the increase. Most of the departments
6 have shown either a decrease or a very modest
7 increase, but you show almost a ten percent
8 increase, and it is surprising, and I mean I don't
9 know, we haven't yet begun to discuss the ultimate
10 budget resolution, but if things are talk as some
11 talk things are tight, I am not sure that we
12 should just sign off on this without understanding
13 a little better--

14 COMMISSIONER MINTZ: [interposing]
15 Do you mind if I respond to that really quickly?

16 COUNCIL MEMBER KOPPELL: Go ahead.

17 COMMISSIONER MINTZ: Thanks. I
18 just want to be clear that those increases are
19 offset by revenues, so it won't be a net increase
20 in expense. It is full offset by revenue, and I
21 think it is something that the Council can be
22 proud of. We are going to be going after the debt
23 collectors and the process servers that you all
24 have passed such nationally top local protections
25 about, so I think this is good stuff, and it won't

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influence the budget.

COUNCIL MEMBER KOPPELL: First of all on the bottom of page 2 of your statement, you talk about what apparently is a major contributor to this increase, and you say here the legal regulatory compliance division adds document based review functionality, and there is no punctuation, but I look at the next page, and it starts a new sentence. Is something missing there?

COMMISSIONER MINTZ: Heads will roll.

COUNCIL MEMBER KOPPELL: It's not a joke. Maybe you are missing some sentences that are describing that a little better.

COMMISSIONER MINTZ: Oh, I apologize. Aha. There is a sentence missing. Good for you. Would you like me to find it in my written? I am happy to read that to you. I apologize. Of course.

COUNCIL MEMBER KOPPELL: It is part of a sentence that is missing, maybe more than that; it ends in a hanging phrase.

COMMISSIONER MINTZ: As an English major, that pains me. I promise you. The legal

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2 regulatory compliance division adds document based
3 review functionality to ensure record keeping and
4 other compliance with consumer protection laws and
5 rules in such key industries as debt collectors,
6 process servers, employment agencies and others.

7 COUNCIL MEMBER KOPPELL: So that is
8 what was missing. That does explain it a little
9 better. Wasn't all of this being doing already?
10 I mean all of that is not new, is it?

11 COMMISSIONER MINTZ: Well, if we
12 weren't in public what I would say is that the
13 work that we are able to do with a relatively
14 small staff and overseeing dozens and dozens of
15 industries, we can't do everything all the time,
16 and it is absolutely true that we have been very
17 vigorous in our work around debt collection and
18 process serving, but the trust is if we want to
19 check whether--let's say we take a debt collector
20 where we are getting a lot of consumer complaints,
21 we know something is wrong with what is going on
22 at that debt collector's shop. Maybe that debt
23 collector is in Washington State somewhere, right?
24 What we are going to do now that we frankly have
25 just not had the bandwidth in our resources to be

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2 able to do in the past is we are going to subpoena
3 every single record of every single New Yorker
4 that they have tried to collect debt against for
5 the last three years, and we will review those
6 records to find out whether they have been
7 violating any rights of New Yorkers. That is a
8 very intensive review process. We have done it
9 now and again where we can. This unit will
10 finally allow us the dedicated and trained staff
11 to be able to do that.

12 COUNCIL MEMBER KOPPELL: So you are
13 not going to be complaint driven only?

14 COMMISSIONER MINTZ: Oh no, no.
15 Not at all. In fact, if you think about it, and
16 there are so many different hats the department
17 can wear, but we are a regulator primarily. We
18 are regulating these industries and regulators
19 take a look at the books and records of the
20 businesses that they regulate to make sure that
21 they are doing what they are supposed to do.

22 COUNCIL MEMBER KOPPELL: Well,
23 usually on a spot check basis, not on an a every--
24 you don't check every transaction.

25 [crosstalk]

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2 COUNCIL MEMBER KOPPELL: You follow
3 up on complaints and then you do perhaps some
4 random checking to make sure that - - are
5 followed.

6 COMMISSIONER MINTZ: Sometimes we
7 also do sweeps. I can also tell you that for
8 example in the employment agency context, we are
9 reviewing the model contracts, the core contracts
10 that these employment agencies are using as we are
11 reviewing their license applications or their
12 renewals. It is a very intensive process. I want
13 to see those applications. I want someone on my
14 team to go through those contracts. I want
15 someone on my team to go through them and make
16 sure they are not violating people's rights.

17 COUNCIL MEMBER KOPPELL: As you
18 know, there was at least one year when I played a
19 regulatory role in the consumer area as attorney
20 general, and I would say that I wouldn't expect
21 that--I mean, we have to make a line between
22 appropriate regulation and harassment or
23 overregulation, and we get a lot of complaints in
24 the Council. I think the chairman is well aware
25 of this that we get a lot of complaints from small

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2 businesses that they are being harassed, and the
3 idea of checking every contract or every
4 transaction I think is overdone. You should check
5 every complaint and you should do a spot check
6 otherwise, and that actually is a segue into an
7 area which I want to focus on that you have
8 mentioned and that we have discussed before, and
9 that is the regulation of process servers. I just
10 happened to be at a social function within the
11 last two months with someone who runs a process
12 serving agency, and I am not saying that
13 everything he said I believe, but he told me that
14 new regulations that are in effect are driving he
15 said hundreds of people out of the process serving
16 business, and I don't--look, if they are all
17 doing--we talked about before and you had some of
18 the legal service people in when we did the
19 legislation, and I am not in any way questioning
20 that there was a need to clean up that industry.
21 I agree and that sewer service [phonetic] was a
22 major problem, and it needed response, but you can
23 over respond also, and in this area of the process
24 serving I would be interested to know your feeling
25 about how that law is working.

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COMMISSIONER MINTZ: Well, thanks for asking. I appreciate it.

COUNCIL MEMBER KOPPELL: Because I told you what this man told me, and this is his business and he said to me, you know, the city is driving hundreds of process servers out of business.

COMMISSIONER MINTZ: At the end of the day the thing that the Council and the administration did together, something that you can't imagine the envy of cities across the country is basically something very simple which is said to process servers you need GPS proof that when you say you knocked on somebody's door, you knocked on somebody's door. It is not that complicated. The technology is not that complicated. The technology is not expensive. I would say that any process server who tells you that that requirement is putting out of business probably shouldn't be in the business. They either were where they said they were or they weren't, and when somebody is the victim of sewer service, it is as you particularly known from your background, it is one of the worst abrogation of a

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2 person's civil right to not know that they have
3 been dragged into a court to not realize that
4 their bank accounts have been sealed by a judge in
5 a matter that they knew nothing about and based
6 upon our experience in regulating debt collectors
7 probably half the time aren't even a debt that
8 applies to them in the first place, so I think
9 this Council should stand proud of the GPS
10 requirements. The GPS requirements are not
11 costly, and I understand that businesses don't
12 like regulatory expenses. I understand that
13 whatever money they are spending on the GPS--I
14 don't know what it is--a few hundred dollars, you
15 know, is something that they would rather pocket,
16 but I think New Yorkers deserve that protection,
17 and I think you should be proud of it.

18 COUNCIL MEMBER KOPPELL: Don't
19 misunderstand my question. It wasn't directed at
20 the GPS requirement particularly; it was addressed
21 generally. Are you finding that--have you looked
22 into the complaints of process servers who are
23 complaining that they are being harassed or
24 otherwise unfairly treated, have you looked into
25 that? Not you personally. Have you had someone?

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2 COMMISSIONER MINTZ: I have not
3 been made aware of a process server, and maybe I
4 am the last person to hear it--they don't often
5 complain to their regulator--they will complain to
6 others, but I have not heard of process servers
7 saying that they are being illegally harassed. We
8 are asking process servers to prove that they were
9 where they said they were.

10 COUNCIL MEMBER KOPPELL: Would it
11 be possible for you to do a survey, and not every
12 process server, but a random survey and ask people
13 how they are faring under the new regulatory - -

14 COMMISSIONER MINTZ: [interposing]
15 Let's think about the right way to do that. That
16 interests me.

17 COUNCIL MEMBER KOPPELL: I think it
18 would be useful if you would do that and give us
19 the results. The other thing is as one of the
20 questions that I want to ask them is are they
21 finding it difficult to bond because as you know
22 there is a bonding requirement, and I was very
23 concerned that bonds be available, and you and
24 your representatives assured us bonds would be
25 available, and I am curious to know whether--

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COMMISSIONER MINTZ: We haven't seen a significant drop.

COUNCIL MEMBER KOPPELL: Nobody has come and said, look, this bonding requirement is making it impossible for me to do business?

COMMISSIONER MINTZ: No.

COUNCIL MEMBER KOPPELL: You haven't seen that?

COMMISSIONER MINTZ: No.

COUNCIL MEMBER KOPPELL: So would you do me the courtesy of you would of responding and saying whether you would be willing to do a-- not every process server, but a spot check of 20 process servers and find out?

COMMISSIONER MINTZ: You know what I am going to do? I have a great idea actually. We have a series of open houses that we do for individual industries.

COUNCIL MEMBER KOPPELL: Do you have an open house for process servers?

COMMISSIONER MINTZ: We did one for process servers last year. I am happy to do another one.

COUNCIL MEMBER KOPPELL: Are you

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doing another one?

COMMISSIONER MINTZ: I'm happy to do another one.

COUNCIL MEMBER KOPPELL: I would say if you do one and you give me advanced notice, I will come. I will personally come. Okay? But maybe even short of that as I say, just take at random 20 and have one of your staff people call them and meet them and say how are you doing, are you have any problems with this?

COMMISSIONER MINTZ: Let me figure out the right--it's an unusual phone call from a regulator, but let me give it a little thought. I will--

COUNCIL MEMBER KOPPELL:
[interposing] You have been good about sending people to my neighborhood to go store to store to--

COMMISSIONER MINTZ: But process servers, they are not storefront. It is harder to just call them and say, this is your regulator.

COUNCIL MEMBER KOPPELL: You have played that role of going to see the businesses and talk to them--

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[crosstalk]

COUNCIL MEMBER KOPPELL: I think it is an appropriate thing for a regulator to ask the regulated industry how are we doing, how are these regulations affecting you, do you think we are doing it fairly?

COMMISSIONER MINTZ: I agree with you, and that is why we do industry open houses, and that is why we go out into the public and we do our town halls and all of that. Listen, I have yet to meet a business that has ever thanked me for a violation. I have yet to meet a business that said that additional regulation was good for them. They say it is good for their competitors, but it is not always good for them. You know that. There is sort of those basic--

[crosstalk]

COUNCIL MEMBER KOPPELL: --will say if they feel they are being unfairly treated. They will say. If you send someone out to a process server and you say, well, how is it going, and he said, oh my God, this is making it impossible for me to do business, and I am getting fines all up the ying yang. I mean--

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2 COMMISSIONER MINTZ: Listen, I
3 don't think we are disagreeing. I think we both
4 agree on a couple of things. I think we both
5 agree that when a process server says they knocked
6 on somebody's door, they have to have been there,
7 and that every single time they weren't, they are
8 doing something really injurious - - and I know
9 that you agree with that. I also think that we
10 can agree that industries that are often the focus
11 of enhanced regulations like the GPS requirement
12 generally aren't happy about it and will come and
13 testify and talk about how dramatically it will
14 influence them, and you know that as well.
15 Whether or not an industry feels that they are
16 being selectively targeted for enforcement,
17 whether or not the regulation has created an
18 economy that is impossible to survive in, those
19 are important questions. Those kinds of questions
20 get fleshed out in your public hearings. They get
21 fleshed out in our open houses and in our city
22 hall gatherings in different communities, and I am
23 happy to do another one of those.

24 COUNCIL MEMBER KOPPELL: Well, I'd
25 like your response maybe say within a month?

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COMMISSIONER MINTZ: Well, I couldn't fill a room in a month of process servers, but we are happy to put this on the schedule--

COUNCIL MEMBER KOPPELL: [interposing] Could you get back to me about what you are doing?

COMMISSIONER MINTZ: Absolutely, and we will schedule it so that you can come.

COUNCIL MEMBER KOPPELL: The other-- well, no, no. Are you also going to look into whether you do a survey 'cause an open house--

COMMISSIONER MINTZ: [interposing] I'll get back to you in a week about what I think I can do that makes sense in that regard.

COUNCIL MEMBER KOPPELL: You will get back to me on that?

COMMISSIONER MINTZ: Yeah.

COUNCIL MEMBER KOPPELL: Okay. I said get back to me in a month.

COMMISSIONER MINTZ: Oh, on the question of how to do it? I can get back to you in a week.

COUNCIL MEMBER KOPPELL: Yes, yes.

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2 You have issued a critical report, and some people
3 have been unhappy with the report, let me put it
4 that way, about supermarkets' compliance with
5 various requirements including item pricing, and I
6 think I had asked you at a prior hearing whether
7 you thought it would be worthwhile to grade
8 supermarkets on their compliance with these
9 requirements like we grade restaurants.

10 COMMISSIONER MINTZ: As I said to
11 you before, there are a couple of issues. I
12 absolutely agree that the public's right to know
13 which supermarkets are not getting it right at the
14 cash register is important, absolutely important.
15 I think that it brings the public pressure on the
16 supermarkets to stop complaining about enforcement
17 and instead getting it right. I think that the
18 problem that we have run into in thinking about
19 your idea about a grading system, aside from the
20 regulatory part of that and the politics of that
21 is that we are not the primary regulator of
22 supermarkets. We regulate around basically their
23 consumer transactions. We don't regulate them
24 around their health issues. We don't regulate
25 them around their buildings issues, so it might be

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2 a little complicated to give a grade for a part of
3 a business but be ignoring another part of the
4 business, so that is the quandary that we ran into
5 when we were thinking about your idea after the
6 last hearing. The newspapers have often FOIL-ed
7 [phonetic] lists from us of the violations that we
8 have had to issue against supermarkets. Those
9 lists tend to get published. I assume that is
10 what you are referring to that the supermarkets
11 don't like, but if you have further thoughts about
12 this quandary that we ran into, I would be really
13 interested.

14 COUNCIL MEMBER KOPPELL: Thank you,
15 Mr. Chairman.

16 CHAIRPERSON RECCHIA: I just want
17 to follow up with the process servers, and the big
18 problem that we are hearing from the process
19 servers is the bond. They have to post a bond. A
20 lot of them cannot afford the bond. That is the
21 problem.

22 COMMISSIONER MINTZ: I think it is-
23 -listen, I think that there are businesses who
24 can't necessarily afford to be in business, right,
25 and then there are also times where we might agree

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2 that sometimes there are costs that door don't
3 feel fair. I think a bond is something you all
4 should be proud of. I think that is a fair
5 expense, and I think that if a processor, and we
6 have not seen a steep decline in the licenses. I
7 don't have the data in front of me, but we have
8 not seen a steep decline in the number of licenses
9 for process servers.

10 CHAIRPERSON RECCHIA: No. What
11 happened was the smaller operators couldn't afford
12 it, so they merged with the bigger guys, and so
13 basically what you have now is you have large
14 process serving companies instead of having a
15 bunch of small companies.

16 COMMISSIONER MINTZ: You know, in
17 the process serve industry given the problems with
18 that industry that might not necessarily be bad.
19 It may be that larger companies feel they have
20 more at stake in complying with the law. It may
21 be that the larger companies do a better job of
22 paying their process servers. One of the things
23 we saw in our public hearing that we had several
24 years back is that some of the worst process
25 serving stories are because process servers are

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2 literally given a few dollars to serve process, so
3 rather than going to the Bronx to serve process
4 for seven bucks, they do sewer service, so it may
5 be that if the industry is shifting it may be
6 something that you should be proud of.

7 CHAIRPERSON RECCHIA: I am just
8 saying that that is the problem that we are
9 hearing is the bond. That is why the smaller
10 companies have to go with the bigger companies.
11 That is it. Council Member Dan Garodnick?

12 CHAIRPERSON GARODNICK: Thank you,
13 Mr. Chairman. Just a few cleanup questions, and
14 by the way I agree with you, Commissioner, that
15 the Council should be proud of that legislation.
16 I think it was a good and an important leading
17 step that we took here in New York City and of
18 course to the extent that people are coming and
19 raising particular issues with you at the open
20 house or otherwise, I think we should discuss them
21 and see if the city is not being fair in one way
22 or another that we can address that.

23 COMMISSIONER MINTZ: My colleague
24 reminds me that the law also provides for people
25 who don't want to get the bond that they can

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2 instead pay into a trust fund as an alternative,
3 so there is actually an alternative built into the
4 law. That may or may not change the economic
5 calculus, but it is not a bond or nothing just so
6 you know.

7 CHAIRPERSON GARODNICK: Right.

8 Thank you. So let's just ask a couple of
9 questions about your increased cost related to
10 Hurricane Sandy. We know that there was about
11 \$104,000 from our information that DCA spent in
12 relation to advising businesses or consumers et
13 cetera about their rights or obligations under the
14 law as it related to that terrible incident.
15 First of all was that number right of the cost
16 that DCA incurred?

17 COMMISSIONER MINTZ: Hold on. I
18 want to make sure. The number that you have is?

19 CHAIRPERSON GARODNICK: 104,000.

20 COMMISSIONER MINTZ: That sounds
21 right. The bulk of that expense, but not all of
22 it, but the bulk of that expense was a very large
23 targeted mailing that we did to homeowners in the
24 affected areas to warn them about the rights and
25 potential scams around people who would take

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advantage of the remodeling that unfortunately too many people needed after that storm.

CHAIRPERSON GARODNICK: Is that a reimbursable expense?

COMMISSIONER MINTZ: That was reimbursed by FEMA.

CHAIRPERSON GARODNICK: Already.

COMMISSIONER MINTZ: That is right.

CHAIRPERSON GARODNICK: Okay. Are there still homeowners and businesses that are coming to DCA looking for storm related help still and if so, what are they seeing and what are you all doing?

COMMISSIONER MINTZ: We never really saw a huge spike in what we would classify as storm related home contracting complaints. I am delighted by that. There are certainly some, but I think we are past the danger period on seeing what we feared, which would be a very large hump of those complaints. I think given the timing, we are past that.

CHAIRPERSON GARODNICK: We also noted that there was \$157,000 in cost of living adjustments from new York State included in the

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2 DCA budget. I had not noted COLA [phonetic] as
3 part of the budget of other agencies, and we are
4 interested in knowing whether DCA is unique or
5 what exactly--

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COMMISSIONER MINTZ: [interposing]

7 Those are grant based dollars that come from the
8 state of New York to pay for our unit that does
9 the 10,000 plus undercover tobacco inspections to
10 make sure the tobacco retailers aren't selling to
11 kids.

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CHAIRPERSON GARODNICK: I have come

13 to learn that if there is anything odd or unusual
14 in the DCA budget it almost always has to do with
15 grant based or tobacco in particular. Okay. Last
16 thing I will note as a follow up to our sidewalk
17 café hearing, we have one or two requests for
18 additional clarifying information pending with
19 DCA. This is a recent request yeah. I just want
20 to flag it for you just so you know we are looking
21 to finish our work on the subject of sidewalk
22 cafes and to the extent that you can give that
23 your prompt attention, we would appreciate it.

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COMMISSIONER MINTZ: Okay. I'll go

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look for that. Thank you.

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2 CHAIRPERSON RECCHIA: We have been
3 joined by Council Member Diana Reyna. Council
4 Member Oliver Koppell has one quick question about
5 the bond for process service.

6 COUNCIL MEMBER KOPPELL: You
7 mentioned, and you remember that I insisted that
8 there be a fund, right, and there is a fund, but
9 that is only available I think to people who are
10 individuals. They are very great limitations on
11 that.

12 COMMISSIONER MINTZ: You are
13 exactly right.

14 COUNCIL MEMBER KOPPELL: So why
15 don't we just try and see if there is a problem
16 with the bonding that we expand the number of
17 people that would be eligible to contribute to the
18 fund rather than to have to get a bond if it is
19 hard to get a bond.

20 COMMISSIONER MINTZ: Do you mean to
21 offer the trust to businesses?

22 COUNCIL MEMBER KOPPELL: Yes.

23 COMMISSIONER MINTZ: That would
24 require legislation, but I am happy to look into
25 it with you.

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COUNCIL MEMBER KOPPELL: Yes, that would require legislation. Would you consider that?

COMMISSIONER MINTZ: I absolutely would consider it. I am sure there are issues about it that I would love to be briefed on.

COUNCIL MEMBER KOPPELL: Chairman Garodnick, I would suggest we work together and see if we can expand the availability of the trust fund to more than just the individuals.

CHAIRPERSON GARODNICK: I am certainly open to that. Thank you.

CHAIRPERSON RECCHIA: Thank you. We have been joined by Julissa Ferreras from Queens. Any other council member have any questions? Without seeing any more questions, I want to thank you, Commissioner, for coming today. We will take a two minute recess. We will have up next the Business Integrity Commission.

[long pause]

CHAIRPERSON RECCHIA: Alright. Okay. Alright. We will continue on with our hearing this afternoon. It gets a little exciting every now and then.

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2 COMMISSIONER HYMAN: Good morning,
3 Chairperson Garodnick--

4 CHAIRPERSON RECCHIA: [interposing]
5 Hold on. I have got to make my opening statement.
6 You are ready to go. We will now resume the City
7 Council hearing the mayor's executive budget FY
8 2014. The Finance Committee and the Committee of
9 Consumer Affairs just heard from the Department of
10 Consumer Affairs. We will now hear from the
11 Business Integrity Commission. The Business
12 Integrity Commission regulates and licenses the
13 trade waste and commercial carting industry and
14 the wholesalers and businesses operating in the
15 city public wholesale markets and is responsible
16 for processing applications and renewals. Through
17 background investigations of licensed and
18 registration applications the establishment - -
19 and criminal investigations, the Commission
20 carries out its mandate to make certain that these
21 industries and businesses remain free from the
22 influence of organized crime and other outside
23 forces. BIC, that's the short term for it, is a
24 revenue generating agency. Between FY '09 and FY
25 '13, BIC generated \$5.5 million in revenue,

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2 roughly 60 percent from licenses, permits or
3 franchises, which are mainly trade waste and
4 market license and registration fees.

5 Additionally BIC generates revenue through fines
6 and forfeitures, which are roughly 30 percent of
7 its revenue and include violations for infractions
8 like unlicensed and unregistered activity, failure
9 to meet reporting requirements and illegal
10 dumping. The Business Integrity Commission FY
11 2014 executive budget is \$7.5 million, which is
12 \$25,000 more than the \$7.12 million in FY 2013.

13 This increase is due to two new needs--a new
14 integrated cloud based IT system that will cost
15 \$135,000 and the hiring of a chief program officer
16 to oversee the design and built out of the
17 database consolidation system. The program
18 officer will cost approximately \$125,000. I think
19 I might be interested in that. Before we hear
20 from the commissioner, I will turn the mic over to
21 my co-chair, Dan Garodnick.

22 CHAIRPERSON GARODNICK: Thank you,
23 Mr. Chairman, and I think you put it very well.
24 We are pleased to in the Consumer Affairs
25 Committee have oversight over the Business

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2 Integrity Commissioner, and since you did such a
3 good job in your opening, I think we should just
4 get on with it, so Commissioner, welcome.

5 COMMISSIONER HYMAN: Thank you,
6 Chairpersons Garodnick and Recchia. My name is
7 Shari Hyman, and I am the commissioner and chair
8 of Business Integrity Commission or BIC. I
9 appreciate the opportunity to testify before you
10 today regarding the commission's executive expense
11 revenue contract and capital budgets for fiscal
12 year 2014. With me here today is my chief
13 operating officer, Jake Hiram [phonetic]. Before
14 I discuss the fiscal year 2014 budget, I wanted to
15 take a brief moment to mention BIC's 2012 annual
16 report, which was released last week. This self-
17 produced report is a first for the agency and
18 provides a detailed look into our operations and
19 reach the industries we oversee, and our
20 accomplishments this past calendar year. I am
21 very grateful to the staff for their hard work on
22 this report, and I am pleased to share it with
23 you. Copies are also available on our website at
24 nyc.gov/bic. Now onto the budget, BIC's executive
25 expense budget for fiscal year 2014 is \$7.15

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2 million. Of this total \$5.2 million is allocated
3 to personnel services and \$195 million to other
4 than personnel services or OTPS. Overall BIC's
5 fiscal year 2014 executive budget does not reflect
6 any changes to the agency's core programmatic
7 aspirations from when I testified this past March.
8 With regards to the PS budget, there is a \$71,639
9 increase between the fiscal year 2014 executive
10 budget and the fiscal year 2013 current modified
11 budget. This increase reflects funding through
12 fiscal year '14 for the database consolidation
13 project manager mentioned by Chairperson Recchia
14 as well as restitution of a onetime \$73,000 PS
15 accrual savings change instituted in fiscal year
16 '13. In fiscal year 2014, BIC's budgeted
17 headcount will remain at 81. BIC's OTPS budget
18 for fiscal year 2014 reflects a \$324,925 decrease
19 from the fiscal year 2013 current modified budget.
20 This was the result of a number of adjustments in
21 fiscal year 2014, which include a one year
22 \$146,000 lease related savings and an ongoing
23 lease abatement savings of \$88,000, the conclusion
24 of a \$75,000 New York State grant for document
25 imagine, the reduction of \$150,000 in federal

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2 funds and the addition of \$135,000 in ongoing
3 funding for subscription costs related to the new
4 IT database. These ongoing costs will be offset
5 by increased revenue from licensing and
6 registration fees. The funds for ongoing
7 subscriptions are currently reflected in the
8 contract budget, which is set for \$343,743 overall
9 in fiscal year '14. BIC's executive revenue
10 budget for fiscal year 2014 is 6.36 million, a
11 decrease of \$417,456 from the fiscal year 2013
12 current modified budget. This overall decrease in
13 revenue seen between the fiscal year 2013 current
14 modified budget and fiscal year '14 is
15 attributable to adjustments to licensing
16 registration fees and investigation fee revenue.
17 The trade waste licensing and registration revenue
18 projection base lines \$135,000 increase in trade
19 waste fees. From fiscal year '10 through fiscal
20 year '13, BIC has averaged 4.28 million dollars in
21 license and registration revenue and maintained
22 stable applicant volumes. Considering these
23 recent trends in the BIC regulated population, the
24 increase in the revenue target is a reasonable
25 adjustment. It is worth mentioned the steps BIC

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2 has taken to ensure firms receipt appropriate
3 licenses and registrations and achieve compliance
4 and transparency continue in the trade waste
5 industry. These include targeted compliance
6 efforts, such as those directed at the e waste and
7 scrap metal sectors that were discussed in March
8 and a program that leverages the agency's denial
9 authority to compel entities to pay off
10 outstanding debt in order to receive a license or
11 registration. Authorizing company sales is also
12 critical to ensuring transparency in the industry
13 and in fiscal year '13 the agency strategically
14 emphasized thorough investigations of ownership in
15 these transactions. We will look to continue and
16 expand on all these efforts in fiscal year '14 and
17 in the out years. Similarly on the market
18 registration operations, we have taken a few steps
19 to ensure compliance and reduce paperwork. BIC
20 has significantly streamlined renewal applications
21 for market businesses that should dramatically cut
22 company paperwork and reduce BIC's processing
23 burden while retaining the full investigative
24 breadth common to our applications. The new
25 version will be available on our website by the

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2 start of fiscal year '14. We recently completed a
3 second nuisance abatement in the Hunt's Point
4 adjacent area against S&M produce, a company that
5 was operating as a front for a previously denied
6 company, Three's Produce, whose principal had been
7 convicted of embezzlement. As a result of this
8 action S&M has ceased operations and vacated the
9 premises and the landlord has agreed to notify the
10 city of future tenants to ensure compliance with
11 BIC regulations. Not only is this a critical use
12 of innovative law enforcement tactics, but it has
13 sparked a jump in the number of new applicants
14 from the Hunt's Point adjacent area with ten
15 applications in fiscal year '13 up from two in
16 fiscal year '12. In fiscal year '13 BIC received
17 \$1.97 million in capital funding to be used for
18 the technical and development consulting team
19 brought in to perform to build Nimbus [phonetic],
20 the agency's new CRM system, which will be
21 completed by the end of 2013. These funds are
22 included in the fiscal year '14 capital commitment
23 plan. As I mention in my testimony in March this
24 new system will greatly improve the data
25 management reporting, processing and operations of

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2 the agency and provide mobile accessibility to
3 field agents for use in real time enforcement and
4 investigative work. The first phase of the
5 project, a fully integrated base system will be up
6 and running by August, less than 12 months after
7 the build began. This concludes my testimony, and
8 I am happy to answer any questions you may have.

9 CHAIRPERSON GARODNICK: Thank you
10 very much, Commissioner. I only have a few
11 questions, and then we will see if Chair Recchia
12 or any of our colleagues have questions as well.
13 Let me just start off on the two new needs, which
14 really it seems like it is one big new need
15 altogether, the consolidated database and the
16 project manager for the consolidated database. Am
17 I understanding that correctly?

18 COMMISSIONER HYMAN: Yes, although
19 the project manager will continue through fiscal
20 year '14, but when the build is done we won't
21 necessarily need to keep that head on.

22 CHAIRPERSON GARODNICK: I see, but
23 the \$135,000 for the integrated cloud based IT
24 system will be ongoing?

25 COMMISSIONER HYMAN: That is

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correct.

CHAIRPERSON GARODNICK: Okay, so the project manager is to oversee design and build out, but not on an ongoing basis. Okay. If you can help us understand this in sort of plain language as to what this cloud based IT system will mean for BIC or for those who have to be licensed by BIC, I know you are consolidating 25 different independent databases, but what will this mean for the user or for you?

COMMISSIONER HYMAN: Well, speaking internally right now things get slowed down because they go from licensing over to the background investigation unit, over to the legal unit, and you are taking about paperwork that can be carried and e-mail, so there is not as much tracking that could go on as there should be. Once the way the system works is once the information is going to be inputted it will be able to be accessed by the necessary users within the agency as soon as it's input, so comments and work processing and tracking can all go on simultaneously with the work so the agency can stay on top of it, and when questions come in from

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2 applicants as to where things stand, we will
3 obviously be able to answer those questions
4 quickly. As to the outward facing, we are going
5 to retain the information, so if you have a
6 license that comes in and there is some question
7 about the information that is going back and forth
8 we will at least be able to have a computer record
9 that can be accessed again by anybody who gets a
10 question. We are also--we just moved to do
11 subcontracting applications, so where let's say
12 you're a trade waste company, and you want a
13 different trade waste company to handle a
14 particular area because it is not actually
15 contiguous with the stops that your company is
16 making we now have made it so that the companies
17 can apply online through a fully online
18 transaction, so they go onto the computer, it gets
19 housed. There is no more faxing and going back
20 and forth, and we store the information for the
21 future.

22 CHAIRPERSON GARODNICK: Well, that
23 sounds useful and important actually particularly
24 for the internal operations. The subscription, I
25 have information here that suggests that each

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2 subscription is about \$1700 per year. How many
3 subscriptions do you need for this? What does it
4 mean to have a subscription at \$1700 a year?

5 MALE VOICE: Good afternoon,
6 Chairperson. The subscriptions are \$1700. It
7 covers the costs--the cost of the subscription as
8 well as the maintenance and upgrades too, so it's
9 using the sales force technology, so it is cloud
10 based. We are no longer going to be using
11 internal servers or internal databases. We will
12 be putting everything online and secure.
13 Everything is going through security protocols.
14 So the \$1700 makes sure that - - maintaining it,
15 data is accessible and available to us 24-7 and
16 also if we want to if there is any issues, it
17 covers maintenance cost, and then one part that
18 the commissioner was alluding to was the mobile
19 accessibility, so we are going to have real time
20 information for investigators out in the field.
21 They can access the database on their mobile
22 devices if they need information--something like a
23 license plate or any information on a company if
24 they are doing surveillance work, as well as our
25 market agents. So that covers the ability to

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2 build aps and pay for those aps throughout the
3 year, and it covers--I don't have the number in
4 front of me, but it is for the full agency. This
5 is going to be for the entire agency. We have
6 currently an 81 headcount, so subscriptions will
7 be for everybody in the Commission.

8 CHAIRPERSON GARODNICK: So it is
9 each person has one subscription, and each person
10 will have access to it?

11 MALE VOICE: Correct.

12 CHAIRPERSON GARODNICK: So really
13 so most of the costs of the consolidated database
14 is for the individual subscriptions for the
15 individual staff of BIC.

16 MALE VOICE: Correct.

17 CHAIRPERSON GARODNICK: Okay. Just
18 to go to your annual report for a second, which I
19 thought was very interesting, on page 11, you know
20 there is a heat map visualizing hot spots of
21 unlicensed activity, which I thought was visually
22 very interesting, but also very revealing and
23 showing a high, high intensity of heat in midtown
24 to lower Manhattan, and I am sure that there is an
25 obvious explanation for that, but I also thought I

1
2 would ask you to help us understand why that is,
3 and whether or not this is hot spots of unlicensed
4 activity for cardboard grease and scrap metal or
5 whether that relates to other things.

6 COMMISSIONER HYMAN: It's all
7 grease. It's all grease, and what the black
8 triangles represent would be where there are some
9 issues so we have a heat map where there is a
10 concentration of red would indicate a
11 concentration of the Department of Health data
12 along with DEP, and then what we did is by doing a
13 dig into the data identify where some hotspots
14 would be, where we might be having unlicensed
15 activity and pickups, so this just helped target
16 enforcement, and we have been working with DEP to
17 do coordinated enforcement against these
18 establishments.

19 CHAIRPERSON GARODNICK: What makes
20 it a potential hotspot?

21 COMMISSIONER HYMAN: it has to do
22 with sewer backup data, so you have restaurants,
23 sewer backups because you are talking about
24 potential illegal disposal if you are not getting
25 a carter at all to pick up your grease as

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2 required, it could be going into the sewers, so we
3 used it to identify these particular hotspots.

4

CHAIRPERSON GARODNICK: So DEP says
5 in its own data we have identified certain areas
6 in which there is sewer backup, and you guys take
7 a look at that, and you say, well, maybe that is
8 because restaurants are not hiring carters to
9 properly pick up and dispose of the grease, and
10 that makes this an area of higher concentration?

11

COMMISSIONER HYMAN: Well, also
12 Department of Health data at restaurant locations,
13 so it would be, right, because it is a commercial
14 establishment, so you need all three to take a
15 look at it and identify a hotspot.

16

CHAIRPERSON GARODNICK: So let's
17 also take about your focus and allocation of
18 resources when it comes to wholesale markets. I
19 know there are six of them, right, that you cover?

20

COMMISSIONER HYMAN: Yes.

21

CHAIRPERSON GARODNICK: Now your
22 enforcement agents are out and about presumably to
23 all of them rather regularly. Is your enforcement
24 effort more complaint driven or are you trying to
25 take advantage of the element of surprise or both?

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2 COMMISSIONER HYMAN: The market
3 agents are tasked with both going and making sure
4 that things are going smoothly within the market
5 areas that we regulate, but also to follow up on
6 overnight complaints with respect to trade waste,
7 so they are deployed to deal with both aspects of
8 our enforcement. It is not just focused on the
9 market itself.

10 CHAIRPERSON GARODNICK: Are your
11 agents dedicated to one particular market or do
12 they move across all the six?

13 COMMISSIONER HYMAN: They move.

14 CHAIRPERSON GARODNICK: Okay. One
15 last one from me, and then we have questions from
16 Council Member Koppell and Council Member Reyna.
17 I noted in your testimony that your revenue budget
18 was \$6.36 million and that there was an adjustment
19 to the licensing and registration fees and
20 investigation fee revenue, and that you base lined
21 \$135,000 in increase in the trade waste fees.
22 Were you on average about \$135,000 off in your
23 projections in prior years that is what prompted
24 you to base line that number? Help me understand
25 that.

1
2 COMMISSIONER HYMAN: That comes
3 from our focus on other areas where we are not
4 currently regulating so things like scrap metal
5 and e waste, which are within our jurisdiction,
6 but not previously been registered with us.

7 CHAIRPERSON GARODNICK: I see. So
8 the 135,000 is the anticipated additional revenue
9 as a result of those areas, which were not
10 previously registered which now are required to
11 be?

12 COMMISSIONER HYMAN: Right, that is
13 correct, and also we have continued to go after
14 unlicensed activity and hopefully as we continue
15 to find unlicensed actors, we ask them to come in
16 and fill out applications, so that should also
17 with continued focus on that aspect of it, we
18 should continue to see that amount of revenue
19 generated.

20 CHAIRPERSON GARODNICK: Thank you,
21 Commissioner. We are going to go now to Council
22 Member Koppell.

23 COUNCIL MEMBER KOPPELL: Thank you.
24 With respect to picking up of the commercial
25 waste, those haulers are licensed by you. Is that

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correct?

COMMISSIONER HYMAN: That is
correct.

COUNCIL MEMBER KOPPELL: And do we
have a robust competitive market out there? I
know that years ago one of the reasons for the
creation of your business was that we had division
of territories by illegal agreement that was a big
problem. Has that problem been solved?

COMMISSIONER HYMAN: We certainly
are on top of it, and I would say that we do have
a level playing field for this industry. One
thing where we felt and I felt that we could focus
a little bit more on was to avoid going back to
that system was the subcontracting, right, where
you have one carter who wants to keep the business
of a stop, but isn't going to actually do the
pickup of that stop because is not within a
contiguous route of their trucks, so to encourage
transparency and ensure that we do go back to the
system that we have worked so hard to ensure has
been rectified, we are being more aggressive about
the subcontracting applications to make sure that
we are seeing where these subcontracting

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allocations are going, so we know who is doing all of the stops.

COUNCIL MEMBER KOPPELL: But if I open up a business that requires pick up say in the Bronx somewhere I would have a choice of carriers, of haulers?

COMMISSIONER HYMAN: Absolutely.

COUNCIL MEMBER KOPPELL: I know that in past years and I was involved in several meetings, there were serious problems in the relationship between the commission and the Hunt's Point co-op market. What is the status of those bad relationships today?

COMMISSIONER HYMAN: We do have an ongoing dialogue with them. We talk to them. We respond to their complaints. We are processing applications. I would say that it is positive.

COUNCIL MEMBER KOPPELL: And what is the status of the city's lease there? Is there a firm agreement on the future of the Hunt's Point co-op market?

COMMISSIONER HYMAN: BIC is actually not involved in the lease negotiations, so I can't actually comment on the current status

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of the negotiations.

COUNCIL MEMBER KOPPELL: One of the things that concern me some was the many complaints about traffic enforcement by the Commission. Is that still a major issue for you?

COMMISSIONER HYMAN: We are focused on idling at this point in the markets with our market agents with respect to enforcement of vehicles. 80 percent of all the violations that were issued by the market agents with respect to parking were in fact idling in all the markets, so we have definitely focused our attention on that. I can also say that in fiscal year '12 within the markets proper--that would be the meat market, the produce market and the fish market that there were no double parking type of violations, which I believe was the subject of complaints before.

COUNCIL MEMBER KOPPELL: So you have pulled back on that?

COMMISSIONER HYMAN: We are focusing on where we need to focus, which would be idling for sure for the community.

COUNCIL MEMBER KOPPELL: Yeah, well, I think idling is important, but my own

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2 view, Mr. Chairman, is that the primary thing that
3 I am concerned about is corruption and anti-
4 competitive behavior and frankly speaking, I would
5 prefer, I am speaking now as a council member that
6 the trade waste commission not focus on parking
7 violations and you say you are not, which is good,
8 maybe not even on idling. Maybe somebody else
9 ought to do that 'cause it is a sideshow--as far
10 as I am concerned, that is a sideshow. What I am
11 interested in that you make sure there is no anti-
12 competitive or coercive behavior in the market.
13 So that is my recommendation.

14 COMMISSIONER HYMAN: Good point.

15 COUNCIL MEMBER KOPPELL: I am glad
16 to hear that there is no longer a lot of fussing
17 about double parking and so on because it is very
18 important to us from the Bronx, and I say tis
19 speaking for all my colleagues and for the city to
20 keep their market here, and I think that a lot of
21 progress made as far as I know there isn't a 100
22 percent guarantee yet that they are going to stay,
23 although it looks like they are going to stay, and
24 we don't want them to leave because they feel that
25 they are subject to nuisance enforcement even

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2 though it may be justified in some cases. We
3 don't want them to leave because they are saying
4 we are getting too many parking tickets. Thank
5 you.

6 CHAIRPERSON GARODNICK: Thank you,
7 Council Member Koppell, and I want to recognize we
8 have been joined by Council Member Cabrera, and we
9 now will have some questions from Council Member
10 Reyna.

11 COUNCIL MEMBER REYNA: Thank you so
12 much, Mr. Chair. I just wanted to try to
13 understand the commission and their scope of work
14 as far as the rules that govern what you would
15 investigate. Is that self-produced through the
16 commission or is that laws that are passed through
17 executive order? I just want to understand the
18 issue of how you have expanded beyond what would
19 be the public markets, the trade?

20 COMMISSIONER HYMAN: That is still
21 our jurisdiction. The trade waste industry and
22 the wholesale markets throughout the city.

23 COUNCIL MEMBER REYNA: And so
24 forgive me, I just wanted to figure out, the
25 commission I thought had jurisdiction over the

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2 public markets within the certain boundaries,
3 right?

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COMMISSIONER HYMAN: Yes, So the
5 public wholesale markets in the Bronx, but in
6 addition there was a lawsuit several years ago
7 with respect to a request from the cooperative
8 produce market with respect to our jurisdiction
9 and the result of the lawsuit was we were granted
10 additional authority over what we call the Hunt's
11 Point adjacent area, which is also a defined
12 boundary, and we do enforce the market regulations
13 there as well.

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COUNCIL MEMBER REYNA: How far does
that extend?

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COMMISSIONER HYMAN: It is a street
map, which I would be happy to provide you the
exact boundaries of, but there is a defined
perimeter therein which businesses have to be
registered with us.

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COUNCIL MEMBER REYNA: Is that
publicized within the website as well?

23

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COMMISSIONER HYMAN: It is not
currently, but we can add that.

25

COUNCIL MEMBER REYNA: That would

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2 be helpful because we were receiving complaints
3 and as chair of the small business committee, and
4 within the boundaries, I thought there were
5 boundaries that were set forth specifically within
6 what would be the public market as opposed to the
7 adjacent areas, so you have clarified what would
8 be this court order, and there is a specific map,
9 and is that the same for other areas?

10 COMMISSIONER HYMAN: That is the
11 only public--well then there is Gansevoort and in
12 Sunset Park, we also have the Brooklyn market.

13 COUNCIL MEMBER REYNA: Right, but
14 as far as this court order is concerned an
15 adjacent square footage to the public market where
16 you have jurisdiction.

17 COMMISSIONER HYMAN: That is
18 correct. We refer to it as the Hunt's Point
19 adjacent area.

20 COUNCIL MEMBER REYNA: Okay, so if
21 that could be just updated on your website, it
22 would be helpful because I know I myself looked it
23 up, and it wasn't part of it so it misleads
24 anything thinking that you are advocating for
25 unjust violations, and lo and behold, the court

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order has said otherwise.

COMMISSIONER HYMAN: That is a good idea, and we will do that.

COUNCIL MEMBER REYNA: I appreciate that, and then my final question in your investigations regarding the trade waste have there been any licenses that have been revoked due your substantiated investigations?

COMMISSIONER HYMAN: Yes. In fiscal year '13, we issued 18 denials, 17 of them were to trade waste firms, and we do keep a list of those on our website.

COUNCIL MEMBER REYNA: Fantastic, so I will refer to that. And as far as the trends are concerned within the trade waste, what do you--because I see that you have published in your report, which I again concur with what the chair mentioned regarding this report. It is very handy and useful with information that is very clear and concise. The increase of 13 percent in commercial recycling, is that a trend that you foresee growing?

COMMISSIONER HYMAN: We certainly hope so.

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2 COUNCIL MEMBER REYNA: Policies
3 right now are not encouraging what would be
4 recycling, but rather we have because what this
5 also says is that of the remaining percentage of
6 commercial haulers, the majority of what they are
7 hauling is not recycled.

8 COMMISSIONER HYMAN: Right, there
9 is an attempt by all of us to work together to
10 increase the efforts to recycle and then for us to
11 work with the carters to see how we could help
12 them increase their efforts to help businesses
13 recycle.

14 COUNCIL MEMBER REYNA: But the
15 incentive is not tied to the licensing. Correct?

16 COMMISSIONER HYMAN: No, it is not.

17 COUNCIL MEMBER REYNA: And there is
18 no reason why it shouldn't or couldn't?

19 COMMISSIONER HYMAN: There are
20 various discussions going on about that right now,
21 so...

22 COUNCIL MEMBER REYNA: Thank you
23 very much.

24 CHAIRPERSON GARODNICK: Thank you,
25 Council Member Reyna, and Commissioner, we

1
2 appreciate your presence here today, and the
3 presence of your staff as well, and with that, we
4 are going to take a recess for a couple of minutes
5 before the Committee on Technology joins the
6 Committee on Finance, and we will hear from the
7 DoITT Commissioner, so thank you again.

8 COMMISSIONER HYMAN: Thank you.

9 [long pause]

10 CHAIRPERSON RECCHIA: Okay. We are
11 going to begin. We will now resume the City
12 Council hearing on the mayor's FY budget 2014, the
13 Finance Committee and the Committee on Consumer
14 Affairs has just heard from the Business Integrity
15 Commission. The Finance Committee will not be
16 joined by the Technology Committee chaired by my
17 council member, Fernando Cabrera. This is the
18 last agency for today, so in the interest of time,
19 I will forgo my opening statement. Council
20 Member, would you like to say something?

21 CHAIRPERSON CABRERA: Thank you so
22 much, Chair Recchia, and I am going to openly just
23 appreciate all of the hard work that you have
24 spent this last it has been two weeks, a week and
25 a half, three weeks, and the accommodation is

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2 truly due to you. Well, good afternoon. It is a
3 real pleasure that I welcome you here today for
4 the fiscal year 2014 executive budget hearing for
5 the Department of Information Technology and
6 Telecommunications. My name is Fernando Cabrera,
7 and I am the chair of the Committee on Technology.
8 I am glad to be co-chairing today's hearing with
9 my colleague Domenic Recchia, chair of the
10 Committee on Finance. I would like to welcome
11 DoITT commissioner and the city chief information
12 and innovation officer, Rahul Merchant. We look
13 forward to your testimony. The Department's
14 proposed fiscal 2014 expense budget totals 443.5
15 million including 96.3 million personnel services
16 to support 1,230 fulltime positions because DoITT
17 purchases the telecommunications services for the
18 majority of city agencies intercity transfers
19 totals 120 million comprised 27 percent of the
20 Department's total funding. Today we will examine
21 all components of DoITT's fiscal 2014 budget,
22 including the approximately 40 million in - - that
23 DoITT has identified since adoption. As the city
24 advances technologically more resources are
25 required to operate, maintain and update the

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2 city's IT system. At the same time, we must
3 thoroughly review all new spending to ensure that
4 the taxpayers are getting their money's worth. We
5 must also ensure the proper cost controls are in
6 place to avoid inefficiency and waste. At a time
7 when the city's financial condition remains
8 uncertain, it is vitally important that we look
9 closely to see where the city can save money.
10 It's a lot to talk about, so let's get started.
11 Commissioner Merchant, please proceed with your
12 prepared remarks whenever you are ready.

13 COMMISSIONER MERCHANT: Thank you.
14 Good afternoon, Chairs Recchia, Comrie and
15 Cabrera. Firstly, thank you for accommodation in
16 moving the hearing by two weeks. I truly
17 appreciate your accommodation. I am Rahul
18 Merchant. I am commissioner of the Department of
19 Information Technology and Telecommunication, and
20 New York City's chief information and innovation
21 officers. Thank you again for an opportunity to
22 testify today about DoITT's fiscal 2014 executive
23 budget. With me are Brett Robinson, deputy
24 commissioner for finance, management and
25 administration, John Minker [phonetic], our

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2 associate commissioner for financial services and
3 Chuck Frazier [phonetic], our general counsel.
4 DoITT's fiscal 2014 executive budget provides for
5 operating expenses of approximately 443.5 million,
6 an increase of 28 million from the fiscal 2014
7 January budget, and a net decrease of 34 million
8 from fiscal 2013's current modified budget. The
9 additional 28 million represents a net increase to
10 DoITT's budget is to extend funding associated
11 with IFA position that previously had their
12 funding expire and maintenance costs associated
13 with capital projects that have been recently
14 approved. The net decrease between the fiscal
15 2013 current modified and fiscal 2014 budget
16 allocation is largely attributable to one time
17 grant funding that has been reflected in the
18 fiscal 2013 current modified budget. Any unspent
19 fiscal 2013 grant funding will be rolled over into
20 fiscal 2014. The budget includes 96 million in
21 personnel service to support 1,230 fulltime
22 positions and 347 million for other than personnel
23 services. Of the 347 million, 34 percent of all
24 117 million represents intercity funds to be
25 transferred from other agencies to DoITT for

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2 services it provides. Telecommunication costs
3 represents the largest portion of the intercity
4 expense, fiscal 2013 intercity telecommunication
5 expenditures were budgeted at 94 million, while
6 total telecommunication costs are budgeted at 141
7 million. As the city's technology leader, DoITT
8 implements, maintains and administers city's
9 backbone IT and telecommunications system. over
10 the last year, we have continued to modernize our
11 infrastructure, extend broadband across the five
12 boroughs and foster innovative public, private
13 partnership to provide technology, resources and
14 access to New York City's - - , residents,
15 businesses and visitors. Before I proceed, I
16 would like to thank the Council for supporting the
17 help offered in my time as the CIO and
18 commissioner. Since we last appeared before you
19 in March, DoITT has continued to build on a number
20 of critical agency initiatives. Number 1,
21 hardening and enhancing the city's IT
22 infrastructure, city serve. To date DoITT has
23 successfully migrated 20 agencies to the
24 centralized city serve environment [phonetic] and
25 by next month, we will achieve a combined cost

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2 savings and cost - - of approximately 15.3
3 million. This of the total program cost savings
4 and cost - - of more than 47 million through
5 fiscal 2015. City serve site B, earlier this
6 month DoITT commissioned a new backup data center
7 known as site B designed to mirror the citywide
8 data center at Metrotech data center, technical
9 architecture monitoring, reporting and management
10 tools. City net upgrade, the update and hardening
11 of our city's institutional fiber network, City
12 Net, will also be complete in 2013. - - enhanced
13 with its new omni directional optical technology
14 DoITT can remotely switch light and route traffic
15 around a failed fiber path. NYC 311, - - as call
16 volumes to city's non-emergency service center
17 peaked at more than 270,000 calls per day during
18 Hurricane Sandy. NYC 311 remained up and
19 operational throughout the storm. We are now
20 working to further expand call taking capacity
21 during emergencies by implementing a redundant
22 call routing solution to ensure continuity of 311
23 call taking by establishing an alternate location
24 for 311 call takers and by expanding the use of
25 cloud based mapping to support emergency capacity.

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2 Second, building up on our world class
3 technological tool, as we harden the
4 infrastructure supporting the city's IT
5 investment, we also continue to enhance the
6 investment themselves that make New York a global
7 digital leader. Again going to NYC 311, as I just
8 described the measure taken to expand call taking
9 capacity at NYC 311 and earlier this year as you
10 know, we marked our 10th birthday. The nation's
11 largest and most comprehensive government
12 information and service center, NYC 311 is
13 available 24 hours a day, seven days a week in
14 nearly 180 languages and now serves more than
15 60,000 customers filing 7700 daily requests via
16 phone, online and text messages. Reinvent
17 nyc.gov, New York City's official website,
18 nyc.gov, will be re-launched in the coming months.
19 Today nyc.gov is accessed by over 25 million users
20 each year and improve its effectiveness of its
21 user interface will enhance service delivery of
22 New Yorkers. - - , the New York City's wireless
23 network, - - is the most aggressive commitment by
24 any municipality in the United States to provide
25 the next generation public safety infrastructure

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2 and has eliminated many of the challenges of - -
3 sharing in the ultra-urban environment. Today
4 there are more than 850,000 network points of
5 presence called POPS citywide supporting fixed,
6 mobile and portable application across 30
7 agencies. Some of the innovative applications
8 include the citywide interoperable video system,
9 police department mobile and desktop computing for
10 about 1145 NYPD patrol fleet vehicles, NYPD fixed
11 location technology for monitoring critical city
12 infrastructure to support anti-crime and
13 counterterrorism efforts. The fire department
14 uses - - to support fire grounds monitoring, and
15 last but not least, Department of Environmental
16 Protection Agency, DEP, uses it for monitoring its
17 water meters. Third initiative is improving the
18 management of technology projects. TDC, earlier
19 this year, New York City launched the Technology
20 Development Corporation, TDC as it is called, a
21 non-profit organization tasked with improving
22 citywide IT delivery. By infusing talent and
23 discipline, building new capabilities in project
24 management, business analysis and enterprise
25 architecture, TDC will increase transparency into

1
2 citywide IT activities and hold contractor
3 technology vendors more accountable for their
4 performance than ever before. Furthermore, TDC
5 will ensure its one client, the city of New York,
6 - - IT projects on time and on budget, and unlike
7 private sector, IT consultants - - without the aim
8 of turning a profit. It will do so by providing
9 governance over key IT projects during the major
10 project phases as well as provide a common
11 framework, tools, best practice and diagnostics
12 for an on time and on budget project delivery.
13 New solicitation for system integration and
14 quality control, we are also focused on the
15 technology project not under purview of TDC by
16 opening up a new series of citywide solicitation
17 for system integration and quality control
18 services. Last month, DoITT issued requests for
19 proposals for system integration or SI services
20 since the system integrators can now help design,
21 build and implement application, network systems
22 and IT infrastructure by applying two different
23 classes of service, one for smaller IT initiatives
24 and the other for larger IT projects. The two
25 classes were designed to encourage a diverse range

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2 of SI firms to submit proposals leveraging the
3 city's talented and ever growing tech sector from
4 small startups to global IT firms. Any SI can
5 apply and help New York City lead its way as a
6 technical - - . Interest is substantial so far
7 with approximately 300 attendees joining DoITT at
8 its pre-proposal conference on May 15th, and last
9 week, we had also released a proposal for quality
10 control services. Three classes of contract that
11 clearly delineate responsibility ranging from
12 requirements gathering to strategic planning and
13 from audit functions to application testing and
14 project oversight will help the citywide duties on
15 large projects to avoid conflicts. Clear
16 requirements for reporting and escalation, higher
17 minimum experience requirements, pay - -
18 acceptance of agreed upon deliverables, and
19 integration with the newly formed TDC can help
20 ensure these new contractors are deliverable high
21 caliber projects to best serve our taxpayers.
22 Fourth, continuing our innovation. As we move
23 into fiscal 2014 and beyond DoITT will also
24 continue its innovation work to expand the reach
25 and power of technology directly to New Yorkers.

1
2 NYC open data, in March DoITT announced the stride
3 made on implementation of Local Law 11 of 2012,
4 the landmark open data legislation signed by Mayor
5 Bloomberg last year. This included the
6 publication of crowd source open data policy and
7 technical standards, manuals for use by agencies
8 when categorized the public data sets and nearly
9 2,000 representation [phonetic] of the data on
10 city NYC open data portal, and coming in
11 September, DoITT with its assistance from city
12 agencies will publish an open data compliance plan
13 categorizing all public data sets held by the city
14 and outlining plans to make them available on NYC
15 open data by end of 2018. Beginning July 15,
16 2014, DoITT will publish annual updates to the
17 open data compliance plan detailing the city's
18 progress in opening public data sets since its
19 last report. Appoint of earlier this year of New
20 York City's first chief open data platform officer
21 further underscores the administration's
22 commitment to open data and will help ensure
23 compliance with this historic law. Crime mapping,
24 DoITT was recently pleased to support Intro 984,
25 championed by Chairman Cabrera, which calls for

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2 creation and maintenance of interactive crime
3 mapping website, and we look forward to working
4 with the police department to deliver this tool by
5 the end of this calendar year. NYC developer
6 platform, earlier this month DoITT launched a
7 better version of NYC developer portal, a hub for
8 talented civic developers. This site will help
9 developers make the best use of NYC open data
10 building the city's capacity as its platform for
11 innovation and civic participation. Broadband
12 deployment, enhancing a city's digital inclusion,
13 the city's three federally funded broadband
14 technology opportunity program, NYC Connected
15 Learning, NYC Connected Foundation and NYC
16 Connected Communities were designed to foster
17 sustainable broadband adoption at home and create
18 access for all through public computing centers
19 across the five boroughs and through these
20 programs alone, we have served more than 300,000
21 New Yorkers so far. Parks Wi-Fi, DoITT and Parks
22 Department for example are working with Time
23 Warner Cable and Cablevision to ensure dozens of
24 city parks across five boroughs are equipped with
25 public Wi-Fi as a consolidation of their franchise

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2 renewals. These services is in addition to 24
3 locations in 19 parks now wired for free public
4 Wi-Fi through agreement with AT&T. Micro-
5 trenching [phonetic], since fiber is a means by
6 which an increasing share of broadband services is
7 provided, the city also recently launched an
8 innovative pilot program to speed the deployment
9 of fiber optic cabling to businesses and residents
10 across the five boroughs while minimizing
11 construction time, environmental impacts and cost.
12 Finally, I would like to provide an update on
13 minority and women owned minority business
14 enterprises. When I last appeared before these
15 committees, I described the recognition DoITT
16 received in December from the Department of Small
17 Business Services, which recognized - - units for
18 outstanding use of WMBE in the small purchase
19 category. Since that time DoITT's own Jenny
20 Torres [phonetic], director of procurement, was
21 recognized by SBS as an agency WMBE champion at a
22 citywide ceremony. This award is presented to
23 individuals who go above and beyond in their
24 efforts in providing opportunities for WMBEs and
25 we are honored to have Jenny on our team. Thank

1
2 you again for your time this afternoon, and we
3 will now be pleased to answer any questions.

4 Thank you.

5 CHAIRPERSON CABRERA: Thank you so
6 much, Commissioner, for your extensive, but well
7 informed presentation here today. I am going to
8 ask one question, and then I am going to turn it
9 over to Chairman. Regarding 311, customer center,
10 I noticed that we have eliminated 100 call taker
11 positions in the last five years, and so my
12 question is how--and I know that we have now
13 website where people can go to and get more
14 information, but have we been able to keep
15 response time at the same time or reduced or has
16 it increased? Are there plans to hire more
17 people? I recently called 311. They answered
18 fairly fast. So I am just curious.

19 COMMISSIONER MERCHANT: Sure.
20 Thank you. I am happy to answer the question. As
21 we talked last time - - multi-prong approach in
22 making sure that the 311 calls get answered within
23 time. Our internal SLA, which we call service
24 level agreement, is to try and answer 80 percent
25 of all the calls that we receive within 30 seconds

1
2 or less. That is kind of our internal SLS that we
3 would always strive to achieve, and I am sure if
4 you went into the bullpen, the Mayor is himself
5 always constantly monitoring visually our 311
6 activities. We took a multi-prong approach. One
7 is website. Second is tiering of calls, and
8 routing the calls in the best possible way to the
9 right person quickly, and third also, the mobile
10 application that was also released, and we
11 continue to upgrade the mobile applications, but
12 let me get to the numbers. I think numbers will
13 tell you the story. From the year 2012, July 1,
14 2011 to May 15, 2012, we got about 16,926,000
15 calls. The service level that we talked about
16 percentage of calls responded within 30 seconds,
17 we were at 69.6 percent. That was last year. For
18 the current year, we received more calls. We
19 received almost 18 million calls, so 17,921,000
20 calls and percentage of calls answered within 30
21 seconds went up to 80.7 percent, so we slightly
22 increased our SLA--not slightly, but quite a bit,
23 almost 10 percent point increase in our SLA. At
24 the same time, folks have become more
25 technologically advanced. Our website and mobile

1
2 applications have gotten better, so use of our
3 what you would call the computer based website has
4 gone up from 1.8 million to almost 3.4 million, so
5 folks are using--the usage has substantially gone
6 up, which is a good thing that more and more folks
7 are going and using 311 services, but the time to
8 respond has come down substantially, so we want to
9 continue to keep that--in fact, continue to get
10 better and what we are trying to do is put more
11 and more tools on our website, better architect
12 our 311 app on a mobile site, so people can find
13 answers quicker, but at the same time, we do not
14 want folks to wait more than 30 seconds, so if we
15 ever cross that line, of course we will be happy
16 to take a look at having more folks.

17 CHAIRPERSON CABRERA: Thank you so
18 much, Commissioner. I am going to turn it over to
19 Chair Recchia, and I will be back for some
20 questions later on.

21 CHAIRPERSON RECCHIA: Commissioner,
22 my colleagues have questions. We have Council
23 Member Jackson, Council Member Reyna, but before I
24 just turn it over to them, I want to just ask you
25 a question about TDC, the not for profit. What is

1
2 the purpose of forming this not for profit, and
3 where is their money coming from?

4 COMMISSIONER MERCHANT: Okay. TDC
5 the not for profit, the purpose was three fold.
6 As we were going through projects, especially the
7 large project management capacity, there was a
8 limited talent that we could bring in within the
9 city agencies - - not all city agencies always
10 have large projects within their boundaries, so we
11 saw that there was a talent gap that we could not
12 hire people within the city for the compensation
13 that we could give and the opportunities that were
14 there. Second was making sure that we were
15 collecting the right level of business
16 requirements and managing the projects
17 appropriately. So when we went out to recruit
18 talent today these functions are performed by what
19 we call the PMQA vendors, project management
20 quality assurance vendors, they provide
21 exclusively these services, and we saw these
22 people would come in for a few months and will be
23 gone, so we lost all the what you would call the
24 knowledge that they had collected and for new
25 projects we were to go back and get other sets of

1
2 PMQAs, so what we thought was the best thing we
3 could do was to bring in a handful of very senior
4 talented folks into the TDC and then have them
5 stay with TDC for a longer period of time, hence
6 we could retain the talent, we could take them
7 from one agency to the other agency as the
8 projects portfolio grew and also have the
9 discipline that we needed in order for us to
10 deliver projects on time and on budget. So the
11 goal is to not build a large what you would call
12 an IT company is to have no more than 20
13 employees, and this corporation with only one
14 client and one thing in mind is to provide project
15 management, quality assurance, and business
16 requirements gathering talent within this
17 organization.

18 CHAIRPERSON RECCHIA: And where
19 does their funding come from?

20 COMMISSIONER MERCHANT: The funding
21 comes from the city.

22 CHAIRPERSON RECCHIA: How much?

23 COMMISSIONER MERCHANT: For three
24 year funding it is going to add to 18.5 million.
25 This--

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CHAIRPERSON RECCHIA: How much?

COMMISSIONER MERCHANT: Three
years, 18.5 million.

CHAIRPERSON RECCHIA: 81.5 million
for three years?

COMMISSIONER MERCHANT: 1-8. 18.5.

CHAIRPERSON RECCHIA: 18.5 for
three years, so six million a year.

COMMISSIONER MERCHANT: It's a
total of six million a year.

CHAIRPERSON RECCHIA: And this
corporation is it formed?

COMMISSIONER MERCHANT: Yes.

CHAIRPERSON RECCHIA: and who runs
that corporation?

COMMISSIONER MERCHANT: The
corporation right now, they report to me as a
chief information innovation officer with a board.
There are three board members who got appointed by
the mayor - - myself, Deputy Mayor Holloway, and
Mark Page from Office of Management and Budget,
two folks that were appointed by the comptroller,
Ari Hoffman [phonetic] and Steve Salinzer
[phonetic]. Those two were appointed by the

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comptroller.

CHAIRPERSON RECCHIA: And the
comptroller has a seat on this board also?

COMMISSIONER MERCHANT: Yes.

CHAIRPERSON RECCHIA: They have two
seats?

COMMISSIONER MERCHANT: They have
two seats, and one seat is for the City Council
and Speaker can nominate anybody at their choice.

CHAIRPERSON RECCHIA: We have not
nominated anybody, so as I understand, this board,
the mayor has three appointees, the comptroller
has two and the City Council has one.

COMMISSIONER MERCHANT: That is
correct.

CHAIRPERSON RECCHIA: We recognize
Gale Brewer who just walked in. So this not for
profit, we are paying for it?

COMMISSIONER MERCHANT: That is
correct.

CHAIRPERSON RECCHIA: Does it make
any other money? Does it charge the city
agencies?

COMMISSIONER MERCHANT: No.

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CHAIRPERSON RECCHIA: So it's an oversight to projects?

COMMISSIONER MERCHANT: It is not oversight. It performs the project management function.

CHAIRPERSON RECCHIA: So it's a project manager.

COMMISSIONER MERCHANT: Project management and business requirements gathering. Yes.

CHAIRPERSON RECCHIA: And business?

COMMISSIONER MERCHANT: Requirements gathering, so if you are building a project you need to get all of the requirements in.

CHAIRPERSON RECCHIA: So this not for profit does not charge the city agencies. That is correct?

COMMISSIONER MERCHANT: That is correct.

CHAIRPERSON RECCHIA: Okay. Does it make any other revenue? Does it bring in any other revenue any other way?

COMMISSIONER MERCHANT: No.

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2 CHAIRPERSON RECCHIA: Okay. I have
3 some more questions, but I will turn it over to my
4 other council members. We were joined by Council
5 Member Mark Weprin. We will call Council Member
6 Jackson and then Council Member Reyna. If any
7 other council members have questions please see my
8 lawyer, Tanisha Edwards.

9 COUNCIL MEMBER JACKSON: Thank you.
10 Commissioner and staff, good afternoon. So let me
11 stay on the questions concerning the non-profit
12 TDC. I was reviewing your statement when you read
13 it, and what came to my mind is an opportunity for
14 the city to circumvent the employees that
15 currently exist in the city of New York, so
16 basically what I am hearing from you by forming
17 this non-profit organization or corporation is
18 that you don't feel that you have highly qualified
19 staff to do project management or quality control?
20 That is basically what I am hearing from you. As
21 a result of that, you are forming a non-profit
22 organization in order to provide those type of
23 services, and my question to you is you have
24 staff, city of New York has civil servants that do
25 this job. Are you telling me that you don't have

1
2 the type of quality in order to do project
3 management, quality control and the third aspect
4 you said--I forgot what that was.

5 COMMISSIONER MERCHANT: - -

6 requirements gathering. Now I did not say that we
7 did not have qualified staff. I think when the
8 city does lots of small, medium to large sized
9 projects, especially when there are projects that
10 are of extremely large size that span across
11 several agencies, the complexity grows
12 substantially. In order for us to address this
13 growing complexity, we do not have the senior
14 level of resources that are needed for handling
15 these selected projects, so we are not saying that
16 we do not have talent to handle day to day or
17 regular--up to mid-size projects, I think we are
18 extremely good. We are very good at delivering
19 small to midsize projects. When the projects
20 cross agency boundaries and the projects become
21 extremely large we do not have the level of
22 talent, senior level of talent that we would like,
23 so today we do go out. They city does go out
24 always and hires consultants to go this.

25 COUNCIL MEMBER JACKSON: I don't

1
2 see the necessity in my opinion of forming a non-
3 profit or a corporation in order to bring those
4 individuals in. you can bring them in into your
5 agency as a director or as assistant commissioner
6 or as a deputy commissioner. You can bring those
7 in at that level, unless for example the non-
8 profit organization is going to be paying so much
9 money that it is not on the same scale as city
10 employees. Talk to me about it. I am trying to
11 understand.

12 COMMISSIONER MERCHANT: Absolutely.

13 COUNCIL MEMBER JACKSON: I am
14 trying to understand the logic and reasoning, and
15 you expressed that overall, but it is not to my
16 satisfaction as a legislator because from a
17 legislative point of view, I don't think that the
18 city is in business of continuously forming non-
19 profit organizations that will carry out the
20 duties and responsibilities of city agencies,
21 especially when you said part of the reasoning and
22 logic for that was that you have people there that
23 was for three months, and then you lost the memory
24 of these individuals, so why don't you just hire
25 them as city employees so you have that continuity

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2 of programming, of project management, of quality
3 control and institutional memory as city
4 employees.

5 COMMISSIONER MERCHANT: Again, let
6 me give you further clarification. I am glad you
7 are asking me these detailed questions because
8 this is exactly what I have gone through with
9 quite a few folks within the City Council as well
10 as outside groups, but let me expand a little bit
11 more. When we look at the scales of what we pay a
12 project management as well as high level of
13 business gathering, business requirement gathering
14 folks, the seniority, the level at which we would
15 like to hire that we would need to hire these
16 qualified folks, since there are very few in
17 numbers and they would be paid a little bit higher
18 than a regular level of project management folks,
19 we did not want to break the pay structure since -
20 - handful of people only who would be hired in
21 this slot, and if we paid according to what our
22 ranges were, they would not come, and if we paid
23 them too high, we would have to increase a pay
24 structure for everybody else, so in order for us
25 to ensure that we got qualified people who are

1
2 paid according to what they deserve not usually
3 higher than what city salaries are, they are
4 slightly higher than folks within the city salary,
5 this was the best way we could do it. We went out
6 and asked for as many advisors [phonetic]. It
7 took us six to seven months to ask as many
8 advisors as possible, so that is - - handful of
9 people, not paid according to what we are paying
10 the consultants today, so we are paying less than
11 half of what we would pay a consultant.

12 COUNCIL MEMBER JACKSON: Well, that
13 is appropriate. We want to make sure that we
14 spend the city dollars appropriately.

15 COMMISSIONER MERCHANT: Thank you.

16 COUNCIL MEMBER JACKSON: So in
17 response to the Chairman Recchia you said that
18 this non-profit corporation is going to cost city
19 taxpayers \$18.5 million over three years,
20 approximately six whatever a year. How many
21 employees do you envision in this non-profit
22 corporation?

23 COMMISSIONER MERCHANT:
24 Approximately 20.

25 COUNCIL MEMBER JACKSON: 20, and

1
2 these are all going to be at the level of
3 employees that you are basically based on what you
4 said cannot be handled by city employees?

5 COMMISSIONER MERCHANT: That is
6 correct. We want to build these capabilities
7 internal to the city as much as we can, and we
8 have built it very well, and Mr. Jackson, the
9 number of projects that are of this size and this
10 complexity are always going to be limited, so to
11 populate the entire city's project management
12 structure with extremely senior talent would not
13 be fair to the taxpayers and pay all of them high
14 salaries. That was the reason why we created this
15 structure.

16 COUNCIL MEMBER JACKSON: So give me
17 an example of the type of projects that you are
18 making reference to.

19 COMMISSIONER MERCHANT: Absolutely.
20 There are five projects that we are currently
21 looking at or we are working on. The first one is
22 called nyc.gov, which is the - - website of New
23 York City, and it spans practically every agency
24 in the city, and it is one of the most complex
25 projects.

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2 COUNCIL MEMBER JACKSON: Just give
3 me the projects. You don't have to expand.

4 COMMISSIONER MERCHANT: Nyc.gov,
5 there is a project called Acela [phonetic], which
6 is licensing and permitting across five different
7 agencies, sanitation smart [phonetic], which is
8 basically routing of all the sanitation trucks and
9 all their internal work flow, so that is the third
10 one. These are the kinds of projects that we are
11 talking about. These are multi-million dollar
12 large projects.

13 COUNCIL MEMBER JACKSON: Okay, and
14 so I understood in your response to me that these
15 approximately 20 some odd employees are going to
16 be earning a little bit more than your project
17 managers or those type of individuals. How much
18 do you envision their salaries to be on an
19 average?

20 COMMISSIONER MERCHANT: Sure. So I
21 will give you the exact examples. The highest
22 paid, senior most person today in TDC is getting
23 paid \$225,000.

24 COUNCIL MEMBER JACKSON: That is
25 the highest paid, so that is like whoever is going

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to be the director of TDC. Is that correct?

COMMISSIONER MERCHANT: The
president of TDC.

[crosstalk]

COMMISSIONER MERCHANT: We have
slated them at 275. We have not found somebody to
take that job, but that is approximately 275. It
is the highest paid employee of TDC. The two
folks that are at \$225,000, they both come from
our system integration background people who we do
business with with 20 to 25 years of experience in
doing the projects that we are today undertaking.
So the pay scale is slightly higher, but not
extraordinarily high.

COUNCIL MEMBER JACKSON: I
appreciate your explanation and communicating to
this committee the justification for that
particular direction. I guess since I don't know
and I am not on the IT Committee, forgive me, but
I am on the Finance Committee on the City Council,
the project managers or the people that work for
your agency now, when you indicated that these
people coming in there is going to be a little
slightly higher, what is the highest salary for

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2 those employees that work for the agency right
3 now, give or take?

4

COMMISSIONER MERCHANT: Give or
5 take, I would say they span from a junior project
6 manager of between 80 to 85,000 all the way up to
7 150 to \$160,000.

8

COUNCIL MEMBER JACKSON: Are those
9 individuals are in the civil service system or
10 they are part of management confidential?

11

COMMISSIONER MERCHANT: Most of
12 them are management--

13

COUNCIL MEMBER JACKSON:
14 Confidential? Most of them?

15

COMMISSIONER MERCHANT: Most of
16 them.

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COUNCIL MEMBER JACKSON: Okay. Can
18 I just ask about three more?

19

COMMISSIONER MERCHANT: Mr.
20 Jackson, if you would like, I would be happy to
21 come in and have a detailed conversation with you
22 on TDC.

23

COUNCIL MEMBER JACKSON: Overall,
24 my concern is the city of New York doing off
25 shoots of non-profit organizations to circumvent

1
2 city employees and the services that the city
3 provides and they come forward and say they need
4 it because of x, y, z and in my opinion, it is not
5 x, y, z, it is to circumvent the civil service
6 system. Basically, what you are saying is no,
7 that that is not happening here.

8 COMMISSIONER MERCHANT: That is why
9 we have been very transparent. I have been
10 seeking guidance from your colleagues on the
11 Technology Committee. I have been seeking
12 guidance for - - office, from good government
13 groups, so we have gone out and asked for guidance
14 from everybody including I held Town Halls within
15 DoITT way in advance before even we launched
16 something, so that it is extremely transparent,
17 and asked for any guidance that I could in order
18 to make sure all the constituents were satisfied.

19 COUNCIL MEMBER JACKSON: So
20 Commissioner, does your agency oversee the 311
21 call centers?

22 COMMISSIONER MERCHANT: That is
23 correct.

24 COUNCIL MEMBER JACKSON: Okay, and
25 the reason why I ask that is because the union

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2 that represents the 311 call center unionized
3 employees, DC 37 Local I think 1548 or 49, I
4 forgot the number, they held a press conference on
5 the steps of City Hall where I was there, and I
6 spoke on their behalf, and what they are saying
7 and they wanted to bring attention to the fact
8 that they feel that your agency should hire over
9 200 more call center operators or employees that
10 they represent--is it 911 or 311?

11 COUNCIL MEMBER BREWER: 911.

12 COMMISSIONER MERCHANT: That is 911
13 I assume you are saying, not 311. I just gave
14 you--

15 COUNCIL MEMBER JACKSON: Is it 911,
16 Gale?

17 COUNCIL MEMBER BREWER: Yes.

18 COUNCIL MEMBER JACKSON: Okay.

19 Thank you. I appreciate that. Do you have a
20 situation, they were making reference to is their
21 employees are working 15 hour shifts where
22 mistakes can be made because they are working so
23 long, what about the 311 call center?

24 COMMISSIONER MERCHANT: The 311
25 call centers as I just answered to Chairman

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2 Cabrera's questions, I think since we have had
3 multiple ways in which calls come into 311--in
4 fact the performance because compared to 911 where
5 they all come through a direct call center, we
6 have 311 through your phones, 311 through your
7 website and then you call also. The number of
8 calls have gone up, and in fact since we are
9 better informing public through the websites,
10 through the mobile application and all the other
11 ways, the performance has gone up. It has gotten
12 better. So I think the reference you made about
13 DC 37, I think it is more towards 911. That is
14 not something that I oversee.

15 COUNCIL MEMBER JACKSON: Sure, and
16 what about I know that at a certain point in time,
17 and I don't know the situation now, you had 311
18 call operators--what is the formal title that you
19 call the 311 people that answer the phone? What
20 is their formal title?

21 COMMISSIONER MERCHANT: It's a
22 customer service representative.

23 COUNCIL MEMBER JACKSON: So you had
24 311 customer service representatives--I believe
25 some of them were represented by the union and

1
2 others were on a contract from a contractor that
3 you have hired and some may have even been some
4 college students as part of their requirement for
5 getting their funding because I believe my niece
6 at one point in time was going to college and that
7 was what she had to do in order to receive the
8 type of grant or scholarship that she was entitled
9 to. What percentage of the total number of
10 employees are represented by a city service versus
11 contract out versus the students?

12 COMMISSIONER MERCHANT: Today there
13 are about 158 call takers.

14 COUNCIL MEMBER JACKSON: 158 311
15 customer service representatives.

16 COMMISSIONER MERCHANT: And 54 CUNY
17 call takers, 54.

18 COUNCIL MEMBER JACKSON: What do
19 you call them? CUNY what?

20 COMMISSIONER MERCHANT: They are
21 call takers. They are interns who come in and
22 help us out.

23 COUNCIL MEMBER JACKSON: As part of
24 their requirements.

25 COMMISSIONER MERCHANT: As part of

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2 their requirements, and it is a very successful
3 program. They come in and really contribute
4 extremely well. At the same time, they are asked
5 to maintain a certain GPA in order for them to
6 stay on the job, and I think that has worked
7 extremely well. As far as the - - services, which
8 is the contract out service is concerned, they
9 take overflow.

10 COUNCIL MEMBER JACKSON: They take
11 what?

12 COMMISSIONER MERCHANT: Overflow.
13 So if we have excessive calls, they would take
14 overflows. For example, during Sandy time there
15 were about 270,000 calls.

16 COUNCIL MEMBER JACKSON: So the
17 overflow would automatically go to contract
18 services. Is that correct?

19 COMMISSIONER MERCHANT: That is
20 correct.

21 COUNCIL MEMBER JACKSON: Just like
22 if you have three lines, it just rolls over to the
23 next appropriate. Is that correct?

24 COMMISSIONER MERCHANT: That is
25 correct.

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COUNCIL MEMBER JACKSON: How many employees--how big is your contract, and is that in your budget this year?

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COMMISSIONER MERCHANT: That is correct.

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COUNCIL MEMBER JACKSON: You gave me the number of city employees. You gave us the number of college students that are part of the program, but you didn't give us the number of contract employees under that contract.

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COMMISSIONER MERCHANT: It was a five year contract and I think it is about 12 million per year.

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COUNCIL MEMBER JACKSON: So you know obviously it is to provide the overflow--how many overflow calls do they take, and is it necessary to continue that contract?

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COMMISSIONER MERCHANT: It's a five year contract and what I can do is I can come back to you with how many calls they take and details, and if we need to adjust that contract, we would be happy to do it.

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COUNCIL MEMBER JACKSON: And when does that five year contract expire?

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2 COMMISSIONER MERCHANT: We just had
3 the first renewal. First renewal--we are in the
4 fourth of a five year contract. So it will be due
5 next year.

6 COUNCIL MEMBER JACKSON: I will
7 leave that to staff to follow up on. Thank you
8 very much, Commissioner. I appreciate your
9 response to my questions.

10 CHAIRPERSON CABRERA: Thank you so
11 much. Council Member Reyna and then followed with
12 Council Member Brewer.

13 COUNCIL MEMBER REYNA: Thank you
14 very much, Mr. Chair. I just wanted to take a
15 moment to understand the--congratulations on your
16 - - officer, Jenny Torres [phonetic] who had
17 brought to your agency what would be the champions
18 of the MWBE agency award.

19 COMMISSIONER MERCHANT: Thank you.

20 COUNCIL MEMBER REYNA: I wanted to
21 just take a moment to understand the value in
22 dollars of the contracting that merited this
23 award, so we understand on the record what your
24 contracting goal has been and achieving it and
25 exceeding it.

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2 COMMISSIONER MERCHANT: Okay, what
3 I have is the number of contracts, not the exact
4 dollar value because this is for small purchases,
5 and I will tell you it is about 11 out of 100--11
6 percent--

7 BRETT ROBINSON: Brett Robinson,
8 deputy commissioner finance administration. So
9 broken into categories the formal contracts that
10 the large contracts, it is 11 percent of 100
11 overall contracts. The micro purchases, which is
12 where sort of the bulk is in our micro and small
13 purchasing--micro purchased 31 out of 91
14 contracts, so that is 28 percent utilized MWBE
15 vendors.

16 COUNCIL MEMBER REYNA: You said 31
17 percent?

18 BRETT ROBINSON: 31 of 91, so 28
19 percent altogether. In terms of small purchases,
20 it was 18 out of 38 contracts. That is 41 percent
21 were awarded to MWBEs and then in the
22 subcontracting it is 25 percent, one out of every
23 four contracts.

24 COUNCIL MEMBER REYNA: And how is
25 the agency preparing for Local Law 1 in the months

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ahead?

BRETT ROBINSON: Very diligently. Obviously Local Law 1 expands significantly the reach of the goal setting that the city has put in place for itself, and so we are working very closely with the Mayor's Office of Contract Services to ensure that we are ready to comply.

COUNCIL MEMBER REYNA: And the conversations have taken place where you have been discussing what would be an expansion of your - - officer or...?

BRETT ROBINSON: I am sorry?

COUNCIL MEMBER REYNA: What type of personnel demands does Local Law 1 bring to the agency to comply with the law?

BRETT ROBINSON: Well, certainly it increases the scope of the work that we have to do. Financial times are tight, so we don't have a plan right now to expand our procurement function. We are just going to double down and work a lot harder, and as we go through the first year of that program, obviously we will be reassessing and if staffing needs a rise, we will obviously look to make good on those.

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COUNCIL MEMBER REYNA: And so the team as far as complying with Local Law 1 will be how many individuals?

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BRETT ROBINSON: I would have to get back to you with the specifics on that. We do have a group--it is less than five individuals that handle our compliance functions including MWBE and Local Law 1.

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COUNCIL MEMBER REYNA: What is the prime contracting on MWBEs with your agency? Do you have that?

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BRETT ROBINSON: I am sorry.

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COUNCIL MEMBER REYNA: Prime contracts?

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BRETT ROBINSON: I believe when I said formal contracts that first category, 11 out of 100 of our contracts were awarded to MWBEs.

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COUNCIL MEMBER REYNA: And that is 11 out of 100 plus contracts you had mentioned is a percentage of how much?

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BRETT ROBINSON: It's 11 percent altogether.

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COUNCIL MEMBER REYNA: Oh, it is a total of 11 percent. I see. And the Chair was

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2 teasing me because we are doing great on MWBE and
3 there is a lack of female representation all
4 around you, Commissioner, so I hope we continue to
5 improve what would be more women on your team.

6 COMMISSIONER MERCHANT: Would love
7 to. In fact one of the things that we have done
8 especially in TDC - - we have been able to bring
9 in female, very senior level females, and we
10 continue to recruit for that. I think frankly
11 there is a tremendous amount of talent that we
12 would like to bring in, and if I can, by all
13 means, I would love to do it.

14 COUNCIL MEMBER REYNA: I am sure
15 there is many qualified women out there.

16 COMMISSIONER MERCHANT: I could not
17 disagree with you at all. I think it is--we would
18 love to have more.

19 COUNCIL MEMBER REYNA: Fantastic.
20 Thank you very much, and congratulations on your
21 award, and I look forward to the progress you are
22 going to making on Local Law 1. The number
23 represented at 11 percent can only double and
24 triple as the months ahead, and congratulations on
25 your award once again.

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2 COMMISSIONER MERCHANT: Just one
3 more thing that I would just bring up is the new
4 system integration contracts that we help put out.
5 I think - - address that only, so just to give you
6 a little bit more detail on it, traditionally
7 these contracts were awarded to large system
8 integration house, so small to midsize companies
9 and there are plenty of them on WMBE as well as
10 local vendors, who would love to participate, so
11 we have taken that whole contract into two
12 different categories, small, which is zero to five
13 million and then five million up, and there were
14 300 vendors who participated in our three out of
15 three dialogues, and the goal is to really bring
16 in more WMBE, more local vendors, and not just the
17 global corporations so that we can access more
18 local talent. We are doing whatever we can and
19 double up our efforts to get more local talent
20 here, so I appreciate your feedback.

21 CHAIRPERSON RECCHIA: Okay.

22 Council Member Brewer?

23 COUNCIL MEMBER BREWER: Thank you
24 very much.

25 CHAIRPERSON RECCHIA: We are going

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to be here at least an hour.

COUNCIL MEMBER BREWER: Shush. I want to get an update on the franchise agreements, cable and Verizon. One of the issues I think in the paper the other day, I think it was in the paper with Verizon wanting to pull out post Sandy on the copper [phonetic], and I know that may not be part of the agreement, but it is of concern of people who are using phones, regular phones, so they seem to get away with lots of things.

COMMISSIONER MERCHANT: As far as -
- to Verizon conversation, they were supposed to be 80 percent done with the roll out of fiber, which they assert that they have, and we are following up and making sure that we do the checks to ensure that when they say 80 percent they are done, it means they are done. That was the first thing. Also, when we talked about micro-trenching, one of the things that we wanted to make sure as they sustained substantial damage in the copper plant [phonetic] and one of the requests that they made is if they have to put the fiber in the ground and the way current technology worked it would have taken them a long time, so

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2 what we did is we looked at this micro-trenching
3 pilot as we talked about, which allows them to
4 insert--do a micro-trench which would take hours,
5 not days and months, and you don't have to dig all
6 of the streets. Giving that flexibility has also
7 allowed them to go faster in terms of replacing
8 the copper that they have lost and putting more
9 fiber. We are holding their feet to the fire, but
10 at the same time, we are looking after the
11 interest of our businesses and residents, giving
12 flexibility and giving better access to technology
13 like micro-trenching so we can repair the damages
14 that we done to our business and residences
15 faster. So in terms of Verizon, they have again
16 asserted that 80 percent they are done. We are
17 helping where we can in terms of replacing their
18 copper, so that - - both Cablevision, Time Warner
19 as you know, we have what you call a franchise
20 agreements with them, but over and above we are
21 only allowed to tax up to five percent of their
22 gross revenue, but we get a little bit more
23 advantage by them being good citizens, and we have
24 taken approximately \$60 million of more services
25 out of them that includes Time Warner is supposed

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to build 40 education labs--

COUNCIL MEMBER BREWER: I thought
it was 100.

COMMISSIONER MERCHANT: Time Warner
alone is supposed to do 40.

COUNCIL MEMBER BREWER: Do we know
where they all are? Are they on your open data
list somewhere?

COMMISSIONER MERCHANT: I don't
know that there is an open data list, but I am
happy to make it available.

COUNCIL MEMBER BREWER: I think
whatever you can put visible for the public as to
what in the world these franchise agreements do
for the public that would be helpful. I don't
know that the public has a clue what they do.

COMMISSIONER MERCHANT: I think it
is a great suggestion.

COUNCIL MEMBER BREWER: People hate
Time Warner. They hate Verizon. They hate
everything, and it would be good to know that they
do something good.

COMMISSIONER MERCHANT: They are
going to doing 40 public computer centers.

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COUNCIL MEMBER BREWER: But nobody knows where they are.

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COMMISSIONER MERCHANT: We will be happy to put that list out. I think it is a great thing. They also do Wi-Fi in the parks - - AT&T agreement - -

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COUNCIL MEMBER BREWER: You know how I feel about that though.

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COMMISSIONER MERCHANT: Sorry?

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COUNCIL MEMBER BREWER: I don't like that because they end up charging, so I am not a big fan.

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COMMISSIONER MERCHANT: First 30 minutes is free and after that they charge.

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COUNCIL MEMBER BREWER: I want it free. So on the franchise agreements, you will get on somewhere either an open data or somewhere you will put up what this franchise agreement has done for the city, so that people--

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COMMISSIONER MERCHANT:
[interposing] My counsel corrects me that they are on the website now.

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COUNCIL MEMBER BREWER: So all the data centers are listed?

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MALE VOICE: No, no, the franchise agreements.

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COUNCIL MEMBER BREWER: The franchise agreements are there, but nobody knows-- I always thought that Time Warner was 100 and not 40, but whatever, where are they? I only know about one. So whatever is I guess you would say physically relevant...

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[crosstalk]

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COUNCIL MEMBER BREWER: There may be other things that are in the franchise agreement that nobody knows what it is that has resulted. We don't even know how to complain about all three services.

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COMMISSIONER MERCHANT: I could not agree with you more. I am happy to make that available.

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COUNCIL MEMBER BREWER: Where are we with .nyc? We have been meeting with Rachel, but where are we with .nyc?

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COMMISSIONER MERCHANT: The thing that I can tell you is we should get some level of announcement hopefully soon. We are just waiting.

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COUNCIL MEMBER BREWER: Okay, and

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2 the issue just generally of open data. I
3 appreciate all your efforts. Can you just talk
4 about what challenges--you have a wonderful staff
5 member, who has been working on this, and then
6 there is a new person, who seems to--I don't know.
7 He has a title of some kind, but I don't know what
8 he does versus what you do in terms of open data,
9 the new guy.

10 COMMISSIONER MERCHANT: So I will
11 tell you--Mike Flowers [phonetic]--for open data,
12 he is accountable to me. One of the challenges
13 and last time--

14 COUNCIL MEMBER BREWER:
15 [interposing] Because when he was appointed, it
16 wasn't clear.

17 COMMISSIONER MERCHANT: I think if
18 you read it carefully, there was a couple of lines
19 that talked about his involvement with open data,
20 open data platform, and he is working with me to
21 make sure--the challenges we had, and I think you
22 can appreciate more than most of us, is ensuring
23 that data comes from all of the agencies, and
24 there has to be somebody who needs to just sit on
25 top of this, coordinating these efforts, making

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sure that they are able to get the data out now.

COUNCIL MEMBER BREWER: I ask at every hearing--this is my question for all the agencies--are you complying, and they sort of say yes, but first, they don't know what I am talking about, but then they say yes. Go ahead.

COMMISSIONER MERCHANT: The good part is come end of May, end of June, I think you will see constant releases.

COUNCIL MEMBER BREWER: End of June.

COMMISSIONER MERCHANT: End of May we are putting a few things out. End of June there will be some more stuff that is coming out, so before I leave I will tell you this, this is my commitment because it is a good transparent thing to do, so we are pushing this as hard as we can, so that May, June and September, there will be three releases with lots of data coming out, and Mike Flowers I think to his credit, he has done a wonderful job. He is the chief analytics officer also, so in his role as the chief analytics officer, he could get the data quickly.

CHAIRPERSON RECCHIA: Could I just

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intervene for one second? You said May, June and September?

COMMISSIONER MERCHANT: End of May, we are putting on release out--

CHAIRPERSON RECCHIA: What year?

COMMISSIONER MERCHANT: This week.

CHAIRPERSON RECCHIA: May is over. You have two days.

COMMISSIONER MERCHANT: Yes, end of May. Yeah, so we are to put a release out.

COUNCIL MEMBER BREWER: I trust this commissioner.

CHAIRPERSON RECCHIA: Okay. I just want to make sure.

COMMISSIONER MERCHANT: I also am very much aware of it. Thank you.

CHAIRPERSON RECCHIA: You have exactly 48 hours.

COMMISSIONER MERCHANT: Yes, and it will be there.

COUNCIL MEMBER BREWER: On the b top [phonetic], you know, that we have been trying to find funding for the programs that are going to be phased out, what is the status? Because they

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are very nervous and they call me every minute.

COMMISSIONER MERCHANT: So am I.

Here is what is happening. Of the 42 million that was given to us as a stimulus, half of it was on the DOE side, half of it was on the DoITT side, so about 21 million of the 42 million is what is expiring in September. Some of it will be remaining will - - off. I am looking as for a detailed plan because we are not getting another stimulus. We are not getting another 21 million. I am requesting some funds if I can go to the mayor's fund. In fact, I am coming to the City Council with my tin cup.

COUNCIL MEMBER BREWER: The City Council is only going to be able to give so much. We need the mayor's fund to come up with - - .

COMMISSIONER MERCHANT: Once I get some from you, I am going to go to the mayor's fund, and then I would like to go to the private sector.

COUNCIL MEMBER BREWER: In September some of these programs are going to be in deep you know what.

COMMISSIONER MERCHANT: I am aware

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of it.

COUNCIL MEMBER BREWER: They can't wait too long.

COMMISSIONER MERCHANT: At the same time I have asked them that they cannot expect the same level of funding that we got through--

COUNCIL MEMBER BREWER:
[interposing] I know, but they need enough to be able to sustain. Okay. Just generally a contracting question. In the old days, and I might be dating myself, most of the contracts would come through the State in order to have some kind of consistency because contracting for technology is different. It has to be faster and blah, blah, blah. So I am just wondering how is the contracting process done when you are doing your contract? Is it the same or is there any changes or any improvements because it is obviously difficult when something if it takes too long, the item can no longer be relevant?

COMMISSIONER MERCHANT: The process if you ask me, my personal opinion is that it does take too long.

COUNCIL MEMBER BREWER: I didn't

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know if there was any improvement in the last 12 years.

COMMISSIONER MERCHANT: We have constantly looked to improve the contracting mechanism, so we shortened the process, but not what you would call the due diligence part of it. So internal reviews, internal dealing with MOCS or internal dealing with the Law Department, those things continue to improve, and also, when we put out something for the contract, I think we are much better equipped with better requirements also, so the conversations are quicker, but as far as the other formalities are concerned, I think they kind of remain the same, and it is hard to reform those.

COUNCIL MEMBER BREWER: And do you still work with the state or we have our own process?

COMMISSIONER MERCHANT: Do you want to that take?

BRETT ROBINSON: There are three basic channels that we procure through--the state, OGS - - contracts particularly in the hardware/software arena, the federal GSA contract

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provides a number of services, and then we will release our own contracts as well. When we are doing a procurement, we evaluate all three of those channels to come up with what we believe is going to be the best eventual contract for the city, and that is the mechanism that we--

COUNCIL MEMBER BREWER: And do you use one more than another or it just depends?

BRETT ROBINSON: It just depends. I would say probably by and large software tends to be through the state, services tend to be through the GSA, but that is a recent development since the OGS dropped a lot of the services off of their backdrops.

COUNCIL MEMBER BREWER: Quick question because I know I am going to get in trouble. What is the story with NYC Wireless 'cause when I asked the agencies I don't know how much they are using it? Do you think they are using it enough and - - ?

COMMISSIONER MERCHANT: - - I think is quite a bit, I think our usage I think last time I briefed you the usage has gone up quite a bit, over 40 percent, and once you get to 50

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2 percent then in networking terms you start seeing
3 collision [phonetic] and the quality degrades, so
4 we are almost running to a limit, so yes, the
5 usage is increasing every day, and it is NYPD,
6 Fire. More and more folks are asking for better
7 usage. So it started slow, but it has picked up
8 substantially.

9 COUNCIL MEMBER BREWER: You know, I
10 am never a big fan of the ECTP or PSAC 1
11 [phonetic] or particularly PSAC 2 [phonetic]. I
12 know it is mostly the police department, but how
13 do you manage the budget because it is very much
14 over budget as you know?

15 COMMISSIONER MERCHANT:
16 Unfortunately or fortunately, I don't.

17 COUNCIL MEMBER BREWER: You don't.
18 So that is all done through the Mayor's Office.
19 You have nothing to do with it at all.

20 COMMISSIONER MERCHANT: No.

21 COUNCIL MEMBER BREWER: And you are
22 so pleased that you don't have anything to do with
23 it.

24 COMMISSIONER MERCHANT: I am not
25 going to say that.

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COUNCIL MEMBER BREWER: Community boards are supposed to meet with you at some point. Are you aware of that? Nick is...

COMMISSIONER MERCHANT: - - .

COUNCIL MEMBER BREWER: You are supposed to meet with them by law, and talk about what their issues are.

COMMISSIONER MERCHANT: Absolutely.

COUNCIL MEMBER BREWER: When are we going to set that meeting up?

COMMISSIONER MERCHANT: We will get it on the calendar.

COUNCIL MEMBER BREWER: I am not talking about on the phone. I am talking about in person. Thank you very much, Mr. Chair.

CHAIRPERSON RECCHIA: Okay. Do you have more questions, Mr. Cabrera?

CHAIRPERSON CABRERA: I only asked one when we started. I am going to ask you, Commissioner, if you could be parsimonious with the answer, a short answer. I am going to give you short questions. If you could give me an update on what are we doing to prevent our city IT system from being hacked?

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2 COMMISSIONER MERCHANT: If I told
3 you this here, I think you will see it in some
4 papers, and I don't want to encourage hacking, so
5 I am happy to give you or anybody who is
6 interesting a briefing in private. I hope you are
7 comfortable with that.

8 CHAIRPERSON CABRERA: I heard you
9 mention that the mayor's office is handling the
10 whole issue with the ETCP budget, but can you tell
11 me would you be making recommendations as to the
12 budget for the maintenance of it?

13 COMMISSIONER MERCHANT: - -

14 CHAIRPERSON CABRERA: Whose office
15 does that come through?

16 COMMISSIONER MERCHANT: That is
17 OCEC [phonetic] Bruce - - office.

18 CHAIRPERSON CABRERA: So they will
19 be determining what the budget will be for that?

20 COMMISSIONER MERCHANT: Yes.

21 CHAIRPERSON CABRERA: The parks.
22 Really quick here. I am happy to have Wi-Fi
23 technology in the parks, and of course, if it is
24 free, it is even better. How much usage have you
25 found--do we have a way to track if there has been

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a lot of usage? Second, for those parks in which people have to pay I forget what the fee was--a dollar or so--do we know how much those providers, how much that they are earning?

COMMISSIONER MERCHANT: I have not seen a report that there is tracking. There is 41 parks in detail, but if you want, I am happy to take a look at it.

CHAIRPERSON CABRERA: Okay.

COMMISSIONER MERCHANT: We can ask the providers if they can give us--it's 30 minutes free, and after 30 minutes, they charge a dollar or something.

CHAIRPERSON CABRERA: Okay. Thank you so much. Mr. Chair?

CHAIRPERSON RECCHIA: Thank you very much. Thank you, Commissioner. This concludes today's hearing. The Finance Committee will resume the executive budget hearing on May 30th at 1 p.m. That is this Thursday. That is tomorrow. We will be joined by the Committee on Parks, Recreation and Sanitation and Solid Waste Management to hear from--tomorrow we have Parks and Sanitation. As a reminder, the public will be

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allowed to testify on June 5th at four o'clock.

For members of the public who wish to testify, but cannot make it, you can fax your testimony to my attorney sitting to my right, Tanisha Edwards at 212-788-7061. This concludes today's hearing.

[gavel]

C E R T I F I C A T E

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

Signature

Kimberley CampbellDate _____ 6-15-13