

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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January 6, 2015
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HELD AT: Committee Room - City Hall

B E F O R E:
JULISSA FERRERAS
Chairperson

COUNCIL MEMBERS:
Ydanis A. Rodriguez
James G. Van Bramer
Vanessa L. Gibson
Robert E. Cornegy, Jr.
Laurie A. Cumbo
Corey D. Johnson
Mark Levine
I. Daneek Miller
Helen K. Rosenthal
Vincent M. Ignizio
Margaret S. Chin
Donovan J. Richards
Antonio Reynoso
Jumaane D. Williams

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

John Grathwol
Deputy Director
Office of Management & Budget

Kristine Ryan
Deputy Director
Office of Management & Budget

PV Anantharam
Deputy Director
Health & Social Services
Office of Management & Budget

Larian Angelo
First Deputy Director
Office of Management & Budget

Charles Brisky
Associate Director
Office of Management & Budget

Tara Boirard
Office of Management & Budget

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2 CHAIRPERSON FERRERAS: Good morning and
3 happy New Year. Welcome to the first Finance hearing
4 of 2015. I'm Council Member Julissa Ferreras and I
5 chair this committee. We've been joined by Council
6 Members Chin, Rosenthal, Reynoso, Miller, Richards
7 and Cumbo.

8 Before we get started on today's agenda,
9 I just want to mention a few housekeeping items.
10 First, a reminder that there will be a Finance
11 Committee meeting tomorrow morning at 9:30 a.m. in
12 this room; we will be voting on the transparency
13 resolution and legislation related to the Notices of
14 Violations heard by the Environmental Control Board;
15 there will also be a Finance Committee meeting on
16 Thursday at 10 a.m. on the 14th Fl. Committee Room at
17 250, where we will be considering legislation to
18 authorize the Department of Finance authority to sell
19 tax liens. Please make sure to attend both of these
20 hearings.

21 Second, I want to point out the
22 newsletter in front of you prepared by my Counsel,
23 Tanisha Edwards; the newsletter called *A Year at a*
24 *Glance* highlights some of the achievements of the
25 Finance Committee in 2014. Since the beginning of

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2 2014, the Finance Committee has held over 70 hearings
3 on various topics and the Committee achieved quorum
4 100 percent of the time. Thank you. Your ideas,
5 opinions and questions have always proved meaningful
6 and greatly contribute to the success of these
7 hearings. Thank you for being wonderful colleagues
8 and friends and I look forward to us doing even
9 greater things in this year to come. Now, with that
10 said, let's get down to business.

11 This past Friday the Council received two
12 budget modifications from the Administration for
13 consideration. Today we are holding a hearing to
14 consider the two modifications, one of which is a
15 revenue budget modification and the other is an
16 expense budget modification. The two budget
17 modifications, if approved by the Council, will
18 implement many of the actions in Fiscal 2015 November
19 Financial Plan.

20 Before I get into the details of the two
21 modifications, I wanna thank the Finance Division
22 staff for working hard on this hearing, even over the
23 holiday break, so while many of us were doing other
24 things, they were here throughout the break and I
25 wanna thank the Finance Division Director, Latonia

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2 McKinney; Chief Counsel, Tanisha Edwards; Assistant
3 Counsel Rebecca Chasan; Deputy Director Regina Poreda
4 Ryan; Deputy Director Paul Scimone; Deputy Director
5 and Chief Economist Ray Majewski; Deputy Director
6 Nathan Toth and the entire Finance Division team who
7 pulled everything together. Thank you.

8 Of course, I also wanna thank the Speaker
9 for her leadership and vision and the Speaker's
10 Deputy Chief of Staff of Finance and Administration,
11 Jeff Rodus, who unfortunately will be leaving the
12 Council in a few short days. Thank you, Jeff.

13 [background comment] We're really sad. [applause]
14 But I have a funny feeling he's not going that far.
15 [laughter]

16 Today's hearing will provide Council
17 Members with an opportunity to engage the
18 Administration regarding the two budget
19 modifications; details of the modifications are in
20 front of you in your documents, but for the benefit
21 of the public I will provide a summary.

22 The revenue modification recognizes
23 \$284.5 million in new revenue, which corresponds with
24 the increase in the City's funds for Fiscal 2015 in
25 the November Financial Plan; the bulk of this revenue

1
2 comes from taxes. If the budget modification is
3 approved, it would allocate the new revenue in two
4 ways. First, \$104.6 million would go to the Budget
5 Civilization Account; second, \$179.9 million will go
6 to the General Reserve Fund. As for the expense
7 budget, if approved it would move approximately
8 \$822.2 million between and within City agencies to
9 implement changes in the expense budget, as reflected
10 in the November plan and reallocate appropriations to
11 fund City Council's local initiatives as well as
12 other discretionary programs. The net fiscal impact
13 for this modification is zero. The expense
14 modification contains many technical aspects which
15 are actions needed to continue the operations of the
16 City, such as providing funding for the labor
17 settlement; some funding actions are required by law,
18 such as providing funding for Avonte's Law, which
19 requires the Department of Education to install door
20 alarms and the lawsuit agreement requiring the
21 Department of Finance to rehire 16 office machine
22 aides who were laid off in 2010. While many of the
23 provisions of the two modifications are technical,
24 they also contain additions that reflect the
25 priorities of the Council. Some of the Council's

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2 priorities that were included in the expense mod are:
3 \$28.87 million for the NYPD to provide training to
4 20,000 uniformed personnel who directly respond to
5 911 calls or incidences; \$2.5 million to DCAS to
6 begin a citywide response to the President's
7 Executive Order focusing on the coordination of
8 outreach and legal services, education and fraud
9 prevention and marketing; \$6.2 million for the
10 prevention of homelessness and assist individuals
11 living in shelters and \$9 million to the Department
12 of Corrections to support specialized services for
13 adolescent inmates.

14 While all of the Council's priorities are
15 not reflected in the expense modification in dollar
16 amounts or substance, as a result of the Council's
17 engagement with the Administration the modifications
18 reflect many of the Council's priorities, as well as
19 the Council and the Administration's shared values
20 and actions that are necessary to keep the City
21 solvent; for that we should be proud, as we have
22 performed a great service to our city. On February
23 9th, the Mayor will release the Preliminary Budget
24 for Fiscal Year 2016; after the release of the
25 Preliminary Budget negotiations can begin and the

1 Council will be given another opportunity to restate
2 its priorities.

3
4 On the desk in front of you are
5 modifications themselves and a write-up prepared by
6 the Council's Finance Division. These documents
7 contain the specific details of sources of the new
8 revenue and the movement of funding within the
9 expense budget. In addition, representatives from
10 the Office of Management and Budget are here to
11 testify about the details of the two modifications
12 and to answer any questions that members may have.
13 Please use this hearing as an opportunity to obtain
14 clarity on provisions in both the revenue and expense
15 budget modification.

16 Before we hear from OMB, I want to remind
17 members to please stay on topic and limit your
18 questions to the two budget modifications, any off-
19 topic questions will not be heard at this hearing.
20 Additionally, to ensure that all members in
21 attendance have an opportunity to ask questions,
22 members will be allowed five minutes to answer all
23 their questions; if members have additional questions
24 beyond their five minutes, you will have another
25 round for questions to follow after that. With that

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2 said, we will now begin this hearing; I know OMB is
3 not... we're gonna go straight into the questions, is
4 my understanding. Great. Let me get to my
5 questions; give me one second so I can drink some
6 water.

7 [pause]

8 Thank you for coming today and we're
9 ready to ask some questions. The budget modification
10 proposes to send City-supported Cultural
11 Institutions, or CIGs, funding from wages after
12 subtracting money from the expected healthcare
13 savings. We understand the Administration may be
14 planning a formal update soon; what can you tell us
15 today about the effort to secure the healthcare
16 savings announced in May and when will the
17 Administration formally share more concrete details
18 regarding this progress? When... [interpose,
19 background comment] Oh, we have to swear you in, so
20 don't answer that.

21 COMMITTEE COUNSEL: Do you affirm that
22 your testimony will be truthful to the best of your
23 knowledge, information and belief? All at the table.

24 CHAIRPERSON FERRERAS: All.

25 [collective yes]

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2 COMMITTEE COUNSEL: Okay. You may
3 proceed.

4 CHAIRPERSON FERRERAS: Thank you,
5 Counsel. Back in our Executive Budget hearings we
6 had talked to Dean Fuleihan and he had expressed that
7 we would get quarterly updates on what was happening
8 with our health savings, so can you please speak to
9 where we are and how are we going to be engaging with
10 updated information on this?

11 JOHN GRATHWOL: Hi, my name's John
12 Grathwol. Good afternoon, members of the Finance
13 Committee; Madame Chair.

14 And in answer to your question, we are...
15 as you know, we have this agreement with the MLC from
16 last May and... [pause] thank you... and we are planning
17 to release a detailed report on that health savings
18 plan and the actions that we've taken in the first
19 quarter of the year and what we've taken since then
20 sometime early this month and that will provide a lot
21 of detail of how we are very competent that we are
22 going to reach the \$400 million we have scheduled for
23 this fiscal year and in addition, our actions we're
24 taking to achieve the \$700 million savings we have in
25 the plan for the next fiscal year.

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2 CHAIRPERSON FERRERAS: So when you say
3 early this month, we're in early this month, so is...

4 JOHN GRATHWOL: Well obviously is not...
5 it's going to be very soon.

6 CHAIRPERSON FERRERAS: Okay, so we can
7 expect it within the next week, week-and-a-half?

8 JOHN GRATHWOL: Well I can't... [background
9 comments] certainly very soon.

10 CHAIRPERSON FERRERAS: Okay. So my
11 understanding is that we're gonna get this within the
12 next week, which is the early part of this month, so
13 that we can... [interpose]

14 JOHN GRATHWOL: I can't guarantee that it
15 will be released within the next week, but I think
16 that that would be a reasonable assumption.

17 CHAIRPERSON FERRERAS: Okay. Thank you.

18 JOHN GRATHWOL: I don't have an exact
19 date, which I'd love to give you, but since I don't
20 have one, I have to somewhat be general in my
21 statement.

22 CHAIRPERSON FERRERAS: Okay. We're going
23 to go onto taxi medallions. The modification would
24 reduce expected revenue from the taxi medallion sales
25 significantly by over \$500 million this year;

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2 according to the November plan; the City will not see
3 the revenue till Fiscal 2018 and Fiscal 2019. Why
4 does the City wanna make this change; does the City
5 anticipate medallion prices will be lower than
6 historical trends or is the City planning on selling
7 fewer medallions this year than expected?

8 JOHN GRATHWOL: The City is planning on
9 selling 200 medallions this year, which is less than
10 we had in our plan previously. Previously we had
11 sales of 550 medallions in 15, 500 in 16 and 550 in
12 17, so we had planned in three years over 1,500
13 medallions and looking at the schedule developed by
14 the prior Administration, looking at the state of the
15 market; the strong response we received last year on
16 medallion sales, certain uncertainties in the market
17 due to competition from for-hire vehicles, Uber and
18 Lyft, we decided that it would be more prudent to
19 have a more modest number of medallions being sold in
20 each year. So currently in the plan is 200
21 medallions in 15 and averaging 350 over the next
22 remaining four years, 16, 17, 18 and 19, which will
23 appear in the plan in the Preliminary Budget coming
24 out in February.

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2 CHAIRPERSON FERRERAS: We're hearing that
3 medallions are taking longer than normal to reach
4 successful applicants; is that true or false; have
5 you heard anything?

6 JOHN GRATHWOL: I guess what I've heard
7 is that it has taken longer for medallions to close.

8 CHAIRPERSON FERRERAS: So is it an
9 applicant issue or is it a financing issue or where..
10 [interpose]

11 JOHN GRATHWOL: I think it's a financing
12 issue and.. or a bureaucratic issue, so it's just
13 taking longer. Like one of the questions is; if
14 you're having a medallion sale in Fiscal Year 15 of
15 200 medallions, how come it looks like you're moving
16 all of the money out of 15 into later years? Well
17 part of the reason is the length it's taking
18 medallions to close.

19 CHAIRPERSON FERRERAS: Okay. So in this
20 closing process, 'cause obviously we wanna be able to
21 sell as many medallions that we can effectively in
22 this next fiscal year.. [interpose]

23 JOHN GRATHWOL: Right.

24 CHAIRPERSON FERRERAS: so we can.. So what
25 can the Administration do or is it a City issue that

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2 we're adding too much bureaucratic processes or is it
3 just a financing issue, I guess is what my question
4 is?

5 JOHN GRATHWOL: I guess I would have to
6 get back to you on that; I can't give an exact answer
7 of what's the mix of it; is it bureaucratic versus
8 financing. It's just taking longer, you know and the
9 City is looking in a number of areas to do better in
10 terms of government efficiency, but I can't speak
11 directly to that.

12 CHAIRPERSON FERRERAS: Okay. Well we're
13 gonna be bringing this up during the Preliminary
14 Budget, I'm sure, especially with our chair and other
15 members of the Council that are very interested in
16 the livery conversation.

17 I'm going to ask two more questions and
18 then I wanna open it up to my colleagues and I'll
19 come back on a second round. But I wanted to begin...
20 to begin a citywide response to the President's
21 Executive Order, in the modification the
22 Administration allocated \$2.5 million for the
23 coordination of outreach and legal service, education
24 programs in fraud prevention and marketing. Can you
25 walk us through the funding added in the modification

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2 for immigrant services and given that President
3 Obama's Executive Action does not go into effect
4 until February 2015, can you provide a timeline of
5 how these components will be rolled out? And we've
6 been joined by Council Member Cornegy, Majority
7 Leader Van Bramer and Council Member Levine.

8 [pause]

9 [background comments]

10 KRISTINE RYAN: Hi, I'm Kristine Ryan,
11 from OMB. The \$2.5 million is broken out between a
12 small number of funding to bring some staff on board
13 to be able to coordinate the City's response to the
14 President's Executive Action and a large part of it's
15 actually for marketing to get the message out there.
16 So even though the tenets [sic] of the Executive
17 Action aren't yet in place, you wanna start getting
18 things in place so that we can do outreach and
19 communicate to people and then there's a small
20 portion of the funding which will ultimately be for
21 some legal services and we're hopeful that we may be
22 able to leverage some private funding as well. But
23 the \$2.5 is really... the bulk of it is for outreach
24 and to have just a few staff members to start getting
25 things up and running. I don't have an exact rollout

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2 or timeframe, but we feel it's important to begin to
3 get things in place to make sure that individuals who
4 will be benefiting from the Executive Action are
5 aware and know what will be available to them.

6 CHAIRPERSON FERRERAS: So the Mayor's
7 Office of Immigrant... are you planning to hire or
8 locate the staffing that you talk about hiring; will
9 that go into the Mayor's Office of Immigrant Affairs?

10 KRISTINE RYAN: The funding is placed in
11 DCAS' point in time; we're not quite sure exactly
12 where the bodies will be, but at this point it's
13 gonna be in DCAS, with assistance from the Mayor's
14 Office of Immigrant Affairs.

15 CHAIRPERSON FERRERAS: Okay. Is there
16 any plan to have these dollars identified in Fiscal
17 2016 to continue to advertise and continue to work on
18 this?

19 KRISTINE RYAN: It's part of what we'll
20 be looking to discuss as part of the Preliminary
21 Budget, so this is just to make sure we have
22 something to move forward, but certainly anticipate
23 that there will be discussion about additional
24 resources beyond 15.

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2 CHAIRPERSON FERRERAS: Great. And now
3 I'm gonna talk about Department of Homeless Services
4 before I pass it on to my colleagues. The Department
5 of Homeless Services budget, by partially reserving
6 \$60 million savings projected in 2014, the
7 modification adds \$23.6 million for family shelters
8 and \$11.9 million for adult shelters. Please explain
9 why the funding need has been revised so much since
10 last year and what is the current funding level for
11 adult and family shelters and are those amounts
12 sufficient?

13 PV ANANTHARAM: So I'm PV Anantharam; I
14 oversee Health and Social Ser... [crosstalk]

15 CHAIRPERSON FERRERAS: Can you just state
16 your name, I'm sorry, for the record?

17 PV ANANTHARAM: PV Anantharam and I
18 oversee Health and Social Services in the Office of
19 Management... [crosstalk]

20 CHAIRPERSON FERRERAS: I'm really... the
21 acoustics in this room are horrible; can you just
22 bring the mic... [crosstalk]

23 PV ANANTHARAM: I know, I agree.

24 CHAIRPERSON FERRERAS: a little closer to
25 you?

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2 PV ANANTHARAM: I oversee Health and
3 Social Services in the Office of Management and
4 Budget...

5 CHAIRPERSON FERRERAS: Yes.

6 PV ANANTHARAM: The November modification
7 included... would take the department's budget for
8 Fiscal Year 15 to a billion \$97 million and the
9 reason why we had such a large increase to the
10 Department of Homeless Services for the census re-
11 estimates is because the last time we did this was
12 over a year ago and since then we've seen about an
13 increase of 2,000 families in the homeless family
14 system and about 1,000 individuals in the adult
15 single system and the cost of accommodating those
16 increases are reflected in that number that you just
17 quoted.

18 CHAIRPERSON FERRERAS: So will we see
19 that reflected in Fiscal Year 16 do you think with an
20 increase?

21 PV ANANTHARAM: There a number of efforts
22 on the way to try and figure out how to plan for the
23 census in 16; the ideal situation would be that we
24 find alternatives so that clients don't have to
25 remain in the shelter system. So both HRA and the

1
2 Department of Homeless Services are working really
3 actively to try and figure out how to move clients
4 out of the system as fast as possible and do
5 interventions in the community so that families and
6 singles don't have to feel a need to come into a
7 shelter system which displaces and disrupts their
8 entire lifestyle and the hope is that that will
9 reflect in the census in the future and as we look at
10 the census trends, I suspect we will be addressing
11 those issues in the Executive Budget.

12 CHAIRPERSON FERRERAS: Okay. Thank you.

13 PV ANANTHARAM: Uhm-hm.

14 CHAIRPERSON FERRERAS: \$3.5 million for
15 diversion funding at shelter intake centers to assist
16 families applying for DHS shelter to maintain their
17 independent living; how many families will this
18 support and what is the total number of families who
19 might need such support?

20 PV ANANTHARAM: I don't have the exact
21 number, but it is built up of a number of components
22 at the front end of the family system, which is the
23 PATH offices and the idea is that we would provide
24 them with all the assistance that they can get in
25 terms of going back to the situation that they were

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2 in before, which is if they were housed with, doubled
3 up with their family with their parents, then we
4 would try and provide assistance in terms of rental
5 subsidies to the primary tenant holder and to the
6 extent that these families can find other rental
7 assistance or... [interpose]

8 CHAIRPERSON FERRERAS: Do you have an
9 estimate on the numbers or...

10 PV ANANTHARAM: It was an amount of
11 money... I don't have the numbers... [crosstalk]

12 CHAIRPERSON FERRERAS: Okay.

13 PV ANANTHARAM: I don't have a number of
14 how many families that we would serve, but...
15 [interpose]

16 CHAIRPERSON FERRERAS: So you don't know
17 the number or you don't have it... [crosstalk]

18 PV ANANTHARAM: I don't have it with me
19 now.

20 CHAIRPERSON FERRERAS: with you. Okay...
21 [crosstalk]

22 PV ANANTHARAM: Yes.

23 CHAIRPERSON FERRERAS: Okay. So you can
24 provide it for the Committee?

25 PV ANANTHARAM: Yes. Yes.

CHAIRPERSON FERRERAS: Okay. Thank you...

[crosstalk]

PV ANANTHARAM: Definitely, no question.

CHAIRPERSON FERRERAS: Alright. I'm going to open up, we have a couple.. a few members in the queue and then I will come back for a second round of questions. We've been joined by Council Member Johnson. We will have.. well she's not here.. Council Member Rosenthal, who stepped out, so we'll have Council Member Richards ask his questions. You may begin.

COUNCIL MEMBER RICHARDS: Good afternoon.

First I wanna thank, obviously, the Administration for moving on the One City Built to Last. And I just wanted to get a breakdown of how much staffing is this gonna bring onboard and how many of them are dedicated to enforcement? And then the.. I guess the second question is; what would the additional \$1.6 million that's going into green infrastructure.. I guess you're not DEP, so you can't technically answer these.. or I won't say that you can't answer these questions, but what is this extra \$1.6 million gonna do on top of what was allocated already this past fiscal year?

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2 KRISTINE RYAN: Just give me one second,
3 I have a lot of agencies.

4 COUNCIL MEMBER RICHARDS: No problem.

5 KRISTINE RYAN: So for the One City Built
6 to Last, there's actually a couple of components,
7 there's a piece that went for funding for DCAS as
8 well as DEP, there's a small amount for the
9 Department of Finance and for the development
10 agencies in the City -- HPD, EDC, Small Business
11 Services and DOB. In DCAS there are actually about
12 20 positions, 20 head count that was provided for
13 this, but the bulk of the funding actually is for the
14 actual contracts to do the work, but the individuals,
15 the staff, are programs managers, project managers,
16 engineers; analysts. So in that universe that head
17 count's not really for enforcement, that piece of it.
18 In DEP there's contracts and personnel through the
19 Office of Long-Term Planning and Sustainability, also
20 for people to do pilots and to make sure that the
21 programs are implemented and to work on sort of
22 expanding the benchmarking and making sure the
23 private entities are meeting the goals of the
24 benchmarking laws and to make sure publicly we're
25 doing the same thing... [interpose]

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COUNCIL MEMBER RICHARDS: Uhm-hm.

KRISTINE RYAN: So there aren't specific,
to my recollection [sic]... specific enforcement...
[crosstalk]

COUNCIL MEMBER RICHARDS: Uhm-hm. So you
don't have specific numbers on how many. Can we get
those numbers back [sic]?

KRISTINE RYAN: I'm not sure; I don't
know... [interpose]

COUNCIL MEMBER RICHARDS: Uhm-hm.

KRISTINE RYAN: I'm not... I'm not sure... I
don't know...

COUNCIL MEMBER RICHARDS: Uhm-hm.

[background comment]

KRISTINE RYAN: Yeah, we have... I have the
specific numbers on people; I don't know how much was
specifically for enforcement staff, so... [interpose]

COUNCIL MEMBER RICHARDS: Or bench... I
mean you can call it benchmarking staff... [crosstalk]

KRISTINE RYAN: Yeah, benchmarking.
Yeah, certainly, I can get you a breakout of...
[crosstalk]

COUNCIL MEMBER RICHARDS: Okay.

KRISTINE RYAN: what the head count for...

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2 COUNCIL MEMBER RICHARDS: Alrighty.
3 Thank you.

4 CHAIRPERSON FERRERAS: Thank you, Council
5 Member Richards; we will have Council Member
6 Rosenthal, followed by Council Member Reynoso. I'm
7 sorry; we've been joined by Council Member Williams.

8 COUNCIL MEMBER ROSENTHAL: Thank you very
9 much, Chair and I just wanna echo your gratitude to
10 the staff. You know, we have a bunch of piles of
11 paper in front of us because the staff has worked so
12 hard to brief us on this, so I really wanna thank
13 everyone for that.

14 I have a lot of specific questions, but
15 overall the two things that I see when I see this
16 November modification that really disturbed me; one
17 is the lack of transparency and you'll see as we go
18 through specific questions in the budget mod, you
19 know explanations like PS change that's \$130 million;
20 that's disconcerting and it would be great in this
21 era of transparency that -- you know I know you guys
22 and I know you know what's in there, so it would
23 really be great if in the reconciliation document
24 November 14 that there be real descriptions, and I
25 know that there aren't pegs in here, we're not

1 cutting, but we're spending and this gets to my
2 second point, which is I'm concerned that the \$235
3 million of new needs -- you know, while there are
4 things that I'm very proud are in there, Avonte's Law
5 and peer counselors, something that Council Member
6 Reynoso worked so hard on, and I understand there are
7 mandates and I understand there's collective
8 bargaining, which is separate, but even as hard as we
9 worked, we were able to explain, either through
10 Council priorities, mandates or programs you had
11 already started, about \$160 million of the \$235, so
12 fundamentally at the end of the day, while I do think
13 we should pass this modification with all the
14 technical things and all the things that we've
15 already signed off on, I would like to see something,
16 maybe \$50 million or \$60 million held in abeyance so
17 we could really get a further look into it. And as I
18 say, I'll go into the details now with my questions;
19 you'll see that I have some things that I think are
20 just questionable and deserve more digging into the
21 weeds about.

22
23 So first off let's just do simply
24 collective bargaining; what I see; tell me if I'm
25 wrong, is that you're moving out of the labor reserve

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2 draw to cover collective bargaining, something around
3 \$220 million this year and \$297 million next year,
4 but the collective bargaining adjustment is higher
5 than that, it's \$231 million, so \$10 million more
6 this year and then \$308 million, so \$10 million more
7 next year. So I'm just wondering why you're taking
8 less out of the reserve or did the costs come in
9 higher by \$10 million and do you still have money
10 left in the reserve for the contracts you're
11 negotiating now?

12 JOHN GRATHWOL: Well I can't give you a
13 specific number by number reconciliation with what I
14 have in front of me right now, but what we've taken
15 out of the labor reserve and moved into the agencies
16 are for the contracts that have been through the
17 November plan period ratified and we are leaving in
18 the labor reserve the money that we put there earlier
19 this year to cover the entire city workforce,
20 following the pattern that was established by the
21 seven-year portion of the UFT agreement.

22 COUNCIL MEMBER ROSENTHAL: So my concern
23 -- absolutely, of course -- my concern is that you
24 are basically taking from revenues, not the labor
25 reserve, \$10 million this year and next year -- I

1
2 don't wanna keep going, but I question your doing
3 that, because I thought the labor reserve was paying
4 for collective bargaining, but I'm happy to continue
5 that discussion offline if you don't have the numbers
6 added up in front of you that our staff was able to
7 do.

8 Let me go on to the next point. If we go
9 into the Department of Education budget, and I'm
10 looking at -- there are no page numbers -- report
11 page two under Financial Plan Reconciliation -- I see
12 I'm coming up at the end of my time, so... [background
13 comment] Okay. So there are three things in the
14 Department of Education, there's something called E-
15 Rate that costs \$1.7 million every year; what is
16 that? PV, do you do ed... no, sorry. Sorry.

17 LARIAN ANGELO: Larian Angelo, OMB..

18 [background comment]

19 COUNCIL MEMBER ROSENTHAL: There's E-Rate
20 for \$1.7 and then there's [bell] DIIT Identity
21 Management Capital Support for another million, so
22 here we have \$2.7 million. Again, to the point of
23 transparency, where I don't know what that is; I
24 don't know how the public could know what that is,
25 but I'm wondering if you know what that is.

1
2 LARIAN ANGELO: Larian Angelo, OMB. The
3 E-Rate number is to cover a portion of a federal
4 program that now is part of the City's
5 responsibility.

6 COUNCIL MEMBER ROSENTHAL: So it's part
7 of an unfunded mandate. Where is the... there's a
8 piece... and this will be my last and then I'll wait
9 till the second round... there's something that our
10 staff was able to call out and this is what I'm
11 concerned about; I don't know what the other million
12 is that's right below E-Rate, but there's lunch fee
13 pay cards for installing electric pay card readers in
14 the public school cafeterias at a cost of \$2.5
15 million in 15 and \$1.4 million in 16 I would like to
16 discuss; that I put in the category I would like to
17 have a longer discussion about that one, given that
18 the Council in this last term, you know we now have a
19 free lunch program for middle school; I'd wanna know
20 how many... have you taken out the middle school; have
21 you taken into account, you know the thought that the
22 Council might be moving toward or the City might be
23 moving toward free lunch at every grade level? Why
24 are we installing electronic pay system...? [crosstalk]

1
2 LARIAN ANGELO: We're speeding up the
3 installation of these card readers; it reduces stigma
4 for the students who are getting free or reduced
5 price lunch; there's no longer a distinction between
6 those students and the students paying full price.

7 COUNCIL MEMBER ROSENTHAL: Right, there
8 aren't anymore... that doesn't exist anymore for middle
9 school, just to be clear. Thank you, I'll wait for
10 the second round.

11 CHAIRPERSON FERRERAS: Thank you, Council
12 Member Rosenthal; we will have Council Member
13 Reynoso, followed by Council Member Miller.

14 COUNCIL MEMBER REYNOSO: Good afternoon,
15 folks; welcome. I'm happy to be here, I'm not a
16 Finance Committee member, but I'm happy to be here
17 today and I have a couple of questions. The first
18 question is regarding the medallions and the taxi cab
19 medallions; is there a concern that it is much more
20 difficult to obtain the handicap medallions and
21 because of it there is a law that states that you
22 need to sell a certain amount of handicap medallions
23 before you can move in to continue to sell the non-
24 handicap medallions; I'm talking about handicap-
25 accessible vehicles, and that because you guys

1
2 haven't been able to sell enough medallions for the
3 handicap-accessible vehicles, you can't move forward
4 with selling any medallions at all until you don't
5 sell those. Is that a reason why we can see like a
6 holdup regarding the medallion sales?

7 JOHN GRATHWOL: I wouldn't say that is a
8 reason. You know the accessibility plan [background
9 comment] requires the fleet to be by 2020...
10 [interpose][background comment] Okay. Thank you.

11 Hi, John Grathwol, OMB. [background
12 comments] Well to answer the question directly, I
13 don't think that they are related at all... [crosstalk]

14 COUNCIL MEMBER REYNOSO: Okay.

15 JOHN GRATHWOL: and we have a plan to
16 sell accessible medallions through -- in our current
17 plan published, it's through 18, but in the new plan
18 coming out in February we'll be extending that sale
19 through 19 and you'll see those numbers then. But I
20 wouldn't say that they're related at all.

21 COUNCIL MEMBER REYNOSO: Okay. So the
22 next part is; in DCAS, you have asset management
23 upgrades, they'll provide \$3.8 million and one of the
24 things they would provide it for is three positions
25 for lease planning and administration; what I have

1
2 is; in Williamsburg specifically we're dealing with
3 displacement due to gentrification and I don't
4 necessarily mean displacement by residents, but
5 displacement by the City of New York and city
6 services. The City has many leases that are expiring
7 and owners are evicting long-term city services for
8 residential development. In here it says lease
9 planning; we've lost three buildings due to leases
10 expiring through ACS and because it's Williamsburg
11 there are no properties available that the City owns
12 or that are free from development, so it pretty much
13 means that the City's being displaced, or the
14 services are being displaced with no ability to find
15 homes for them; there's no space in Williamsburg. So
16 is there anything that these lease planning folks are
17 gonna be doing to prevent any more buildings from
18 losing their leases and being converted into condos
19 and not re... how do I say it, establishing some type
20 of system that will allow for the services to stay in
21 the neighborhood? Right now we're losing 200 day
22 care seats, child care seats because there are no
23 buildings in Williamsburg and the prior
24 Administration must have not done a good job in
25 negotiating leases 'cause now they're just running

1 out. In Williamsburg you will always lose... after a
2 lease has expired you're always gonna lose the
3 building because they wanna build condos, so what are
4 these lease planning folks gonna do?
5

6 KRISTINE RYAN: So I think in terms of
7 the long-term plan and goal for leases and property
8 management in the city, that's really a question for
9 the DCAS commissioner; based on the information we
10 got from the department and decision to fund these
11 three positions, it was really in part to make sure
12 that we have people sort of looking overall at the
13 city's lease portfolio and keeping on top of it,
14 making sure we're renewing leases where appropriate,
15 but there wasn't a specific, you know, this head is
16 gonna address those issues, so I think the department
17 itself could get into more detail on the specifics
18 and perhaps you know address your concerns.

19 COUNCIL MEMBER REYNOSO: So I guess we'll
20 do that when that time comes in the Preliminary
21 Budget. But what I do wanna say is; is OMB more
22 flexible or in understanding that some neighborhoods,
23 because of gentrification and the rise of real
24 estate, sacrifices are gonna have to be made in
25 investments that might not make sense you know at

1
2 face value, but because of the climate in New York
3 City and all the development that's happening, that
4 sacrifices are gonna have to be made and we might
5 have to pay a lot more to maintain services in
6 communities?

7 KRISTINE RYAN: You know I think it's
8 something that we're interested in having dialogue
9 with you, with DCAS, with EDC, with... you know it's
10 obviously a large issue that we think we should all
11 be talking about again.

12 COUNCIL MEMBER REYNOSO: Thank you very
13 much. Thank you, Chair; appreciate the time.

14 CHAIRPERSON FERRERAS: Thank you, Council
15 Member Reynoso. And again, just a reminder, we are
16 gonna have... [background comment] right, we're gonna
17 have our preliminary hearings starting very soon
18 where we renegotiate a lot of our priorities and
19 state your priorities and they get to be in that seat
20 again very shortly.

21 We have Council Member Miller, followed
22 by Council Member Cumbo.

23 COUNCIL MEMBER MILLER: Thank you, Madame
24 Chair and thank you to the Council staff for
25

1
2 assembling all this vital information, tons of it and
3 all the many emails.

4 So I wanna digress a moment and talk
5 about the increases in DCAS again and first of all,
6 I'm thankful for the investment in a vital agency
7 that has been so undervalued and underfunded for so
8 long and my question is to talk about the monies that
9 actually have been allocated toward the human capital
10 portion of DCAS; could you speak to that
11 specifically?

12 KRISTINE RYAN: So are you referring to
13 the civil service compliance and the... [background
14 comment] Yeah. So resources are provided to make
15 sure that DCAS can continue to move forward, to make
16 sure that we're in compliance with civil service
17 requirements, particularly with regard to making sure
18 there are a sufficient number of exams provided so
19 that people are only serving provisional titles for
20 the period for which they're supposed to serve
21 provisional titles and people have the opportunity to
22 take civil service exams to obtain employment in the
23 City, so that's primarily what the focus of that
24 additional funding is for.

1
2 COUNCIL MEMBER MILLER: So would that be...
3 [cough] excuse me... would that be limited to just
4 making sure that the City is in compliance with the
5 provisional mandate?

6 KRISTINE RYAN: That's a part of it;
7 there's also funding for testing centers to make sure
8 that, you know there are some areas where we're
9 already in compliance; we're often in touch, you just
10 wanna make sure they're more available to people,
11 that we can make sure everyone who wants to take the
12 test has the ability to take the test, so that's part
13 of it as well.

14 COUNCIL MEMBER MILLER: Thank you.
15 [cough] Excuse me. So on the pension piece I noticed
16 that the market has been doing pretty well and that
17 there were less contributions made by the City over
18 the past year; do you anticipate that trend to
19 continue and what I don't see, on the other side, is
20 from the employee contribution; if you could speak to
21 the additional revenues, if any, that have been
22 collected by those new employees from the Tier 6 who
23 have an additional contribution rate.

24 JOHN GRATHWOL: I can speak exactly to
25 the last part of your question, which was the

1
2 contributions by new Tier 6 members; I can provide
3 that information for you. However, you notice in
4 this plan that we have a large reduction in pension
5 expense starting next year and that's due to the 17.4
6 percent asset appreciation that was earned by our
7 pension systems in the fiscal year that ended June
8 30, 2014, so that's a fiscal year calculation of
9 asset returns. Through December 31st this fiscal
10 year the returns so far year to date is estimated to
11 be 1.4 percent, so the savings we recognized in this
12 plan was the target of the pension systems of 7
13 percent a year asset appreciation; we got 17.4
14 percent last year; that extra 10 percent reduced is
15 phased in over a number of years and it reduced our
16 expense going forward, but so far this year we have
17 earned only 1.4 percent through December 31st, which
18 is obviously less than 7 percent and you know, we'll
19 have to look at it June 30th at the end of this year
20 and see what it is; hopefully it will go up from
21 here.

22 COUNCIL MEMBER MILLER: Okay. Yeah, that
23 is certainly something we have to take a look at,
24 'cause that's not really consistent with what the
25 market's doing now.

1
2 So... [cough] excuse me... the additional
3 increases to individual agencies based upon the new
4 collective bargaining agreements, what you have
5 indicated here represents less than one-quarter of
6 all of the collective bargaining agreements and
7 probably one-third of those which have been settled
8 up to now, so what does that number really reflect;
9 is that those which were settled and anticipation of
10 those agreements that are yet to be settled; is that
11 the monies that are set aside? Because clearly, I
12 think there's about 32; 33 that have been settled,
13 which is about half of the number... that are indicated
14 here, which is about half of the number which as
15 already been settled. [bell]

16 JOHN GRATHWOL: Well that number reflects
17 transfers for agreements made between the adopted
18 budget and the November budget and it doesn't reflect
19 anything that might have been anticipated, so it
20 doesn't include the agreements that were settled
21 before the adopted budget because those transfers
22 were made earlier. And so we're looking at this
23 window in time between the two plans and the
24 agreements that were made in that time period and the
25 Preliminary Budget will show additional agreements

1
2 and onward as we go forward with getting any of the
3 remain... [crosstalk]

4 COUNCIL MEMBER MILLER: That makes sense.
5 Thank you.

6 JOHN GRATHWOL: Okay.

7 COUNCIL MEMBER MILLER: Appreciate it.

8 CHAIRPERSON FERRERAS: Thank you, Council
9 Member Miller; we're gonna have Council Member
10 Cornegy, followed by Council Member Williams.

11 COUNCIL MEMBER CORNEGY: Good afternoon
12 and happy new year. Selfishly, I have a question
13 about Avonte's Law and then one about the allocation
14 to SBS.

15 As relates to Avonte's Law, my
16 understanding of the budget is that \$1.9 million or
17 so roughly will be allocated for door alarms in 15
18 and \$6 million in 16. There were three components to
19 the bill; am I to understand that this number is
20 expressly for door alarms; not for training and not
21 for cameras, as needed, as the law prescribes, or
22 [bell] is there another allocation for those other
23 components to the law?

24 [pause]

1
2 CHARLES BRISKY: I am Charles Brisky. In
3 DOE, the amount of money referenced is for door
4 alarms as well as the other aspects that Avonte's Law
5 required. I think in labeling the item, in the
6 budget it says just door alarms 'cause we're limited
7 to a certain number of fields that we can put into
8 the system, so we are planning on fully implementing
9 Avonte's Law.

10 COUNCIL MEMBER CORNEGY: So obviously you
11 would imagine that that's a little concerning,
12 knowing the components of the bill and seeing one
13 line item, so I hope going forward we can get a
14 little bit more clarity, because as it stands, the
15 law allows for the discretion of DOE in collaboration
16 with NYPD and the principals; it just makes it a
17 little bit more murky when we're not certain of the
18 allocations to those particular areas. All of them
19 are valid in terms of door alarms, cameras and/or
20 training, just seeing it was a little alarming in
21 that way... [crosstalk]

22 CHARLES BRISKY: Okay.

23 COUNCIL MEMBER CORNEGY: so I hope going
24 forward we could be a little bit more concrete with
25 the allocations. Thank you... [crosstalk]

1 CHARLES BRISKY: We can do that.

2 COUNCIL MEMBER CORNEGY: Thank you. And
3 just lastly, as the Chair of Small Business I would
4 be remiss if I didn't mention two items that jump out
5 at me in terms of the energy efficiency study, the
6 \$600,000 allocated to that; if you just give me a
7 brief overview of what that looks like.
8

9 [pause]

10 CHARLES BRISKY: I'm being told that it's
11 just one component of the many initiatives as part of
12 One City Built to Last.

13 COUNCIL MEMBER CORNEGY: Thank you. And
14 then lastly, Madame Chair, this doesn't count as my
15 time because they took some time getting stuff
16 together, so... alright. So the MWBE disparity study
17 at 1.5... if I could just... right, why isn't it in MOCS
18 and SBS?

19 [pause]

20 [background comments]

21 COUNCIL MEMBER CORNEGY: Please.

22 [background comment]

23 TARA BOIRARD: Sorry. Tara Boirard,
24 Office of Management and Budget. So the disparity
25 study is typically done with SBS and MOCS;

1
2 traditionally SBS has been given the lead in terms of
3 being the funding agency.

4 COUNCIL MEMBER CORNEGY: Is... You can come
5 back around to that. So thank you.

6 CHAIRPERSON FERRERAS: Thank you, Council
7 Member Cornegy; we'll have Council Member Williams;
8 before we go to Council Member Williams, you know I
9 don't think OMB has ever referenced your technology
10 and when we hear field or systems and how antiquated
11 they are, I really am eager and hoping and advising
12 that you revisit this and that for the next fiscal
13 year there is a new need to get our systems updated
14 because a response that... you know a field is a... we
15 don't have the capacity to do a new field or some of
16 the responses that we've had not just in this
17 administration but for years, it would be great and I
18 think we would support you if we see a new need that
19 says you're upgrading all of your systems so that we
20 can have a more efficient and transparent budget
21 process or a document at the end of the day. Council
22 Member Williams; we've been joined by Council Member
23 Rodriguez.

24 COUNCIL MEMBER WILLIAMS: Thank you,
25 Madame Chair for having this hearing; thank you for

1
2 being here. I have only one real question, but just
3 in general I've found, in the last administration and
4 this one, that the DOE budget is really kind of
5 unwieldy and it's just placed, that are finding [sic]
6 monies there; I don't know how it's being spent; my
7 hope is that this Administration will be a little bit
8 more transparent; I don't think that that's really
9 happened with DOE fundings when we passed the bill
10 that helped the bus drivers, like money came out of
11 thin air and there seemed to be a lot of money that's
12 still around; I'm still hoping to find out what that
13 additional money will be spend on. But my question
14 has to do about Carter cases being put in; I've been
15 asking for several years now to try to get
16 demographics on the Carter cases, so I was wondering
17 if you had information on who, where, what and why
18 people get the Carter cases demographically?

19 [pause]

20 LARIAN ANGELO: Councilman, I'm being
21 told that there is no additional money put in this
22 mod for Carter cases, but there is an attempt by the
23 Department of Education to do better outreach to
24 parents and get to them a bit quicker.

25

1
2 COUNCIL MEMBER WILLIAMS: I'm sorry; can
3 you repeat that, please? What do you say; the
4 modification will add \$450,000 in Fiscal 2015 to
5 support the Administration's new Carter case policy
6 and see that that policy is to begin paying out the
7 families instead of forcing an appeals process.

8 LARIAN ANGELO: Yeah, but the policy is
9 to reach out to parents faster.

10 COUNCIL MEMBER WILLIAMS: Alright, so
11 there's money being added to do that?

12 LARIAN ANGELO: Yes, I'm sorry; actually,
13 for give me, I think I misunderstood the question.

14 COUNCIL MEMBER WILLIAMS: Okay.

15 LARIAN ANGELO: I thought you were asking
16 if we were paying out more for Carter cases. My
17 apologies... [crosstalk]

18 COUNCIL MEMBER WILLIAMS: Do you have
19 demographics; that's what I'm tryin' to get at?

20 LARIAN ANGELO: No, we do not have
21 demographics at this time.

22 COUNCIL MEMBER WILLIAMS: 'Kay, this is
23 probably my double digits ask about this in the
24 previous administration for many years and definitely
25 for this administration; what is the holdup with

1
2 getting demographics on the Carter cases? It's my
3 belief, and I'm gonna be more vocal on this as we
4 move forward, that there are demographics in the City
5 of New York that do not know; are not able to avail
6 of themselves of the Carter cases and I'd like to get
7 a breakdown of where the money is being spent and I'm
8 flabbergasted at having repeatedly to ask this
9 question numerous times and I keep getting the same
10 answer, so what is the holdup? The last
11 administration said it was against some violation of
12 privacy to give aggregated data, which I found to be
13 foolish; thankfully you have not said that, but I
14 haven't gotten the information. So what is the
15 holdup; why is it so hard to get this information?

16 [pause]

17 LARIAN ANGELO: Councilman, we were told
18 by Department lawyers that this might violate the
19 Federal HIPAA law, but I certainly hear what you're
20 saying and I will take your concern back.

21 COUNCIL MEMBER WILLIAMS: Okay. Are the
22 attorneys here?

23 LARIAN ANGELO: Are the DOE attorneys
24 here with us? [crosstalk]

25 COUNCIL MEMBER WILLIAMS: Yes. Yes.

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LARIAN ANGELO: No, they are not.

COUNCIL MEMBER WILLIAMS: What does it violate to give me aggregated information? I'm not asking for specifics, I'm asking for aggregated information and I don't understand how that violates HIPAA law or any laws.

LARIAN ANGELO: I think I will... as I said, I will take your question back to the DOE attorneys and I will get back to you with an answer.

COUNCIL MEMBER WILLIAMS: Okay, do you know when you can get back to me with an answer?

LARIAN ANGELO: I will get back to you as soon as I can, which I'm hoping would be a couple weeks.

COUNCIL MEMBER WILLIAMS: Okay. Madame Chair, and the Education Chair's not here, but I really would like to push on this, 'cause for many years I've been asking for this information.

LARIAN ANGELO: I promise.

COUNCIL MEMBER WILLIAMS: Thank you.

LARIAN ANGELO: I hear your concern, Councilman and I will go to the Department lawyers and ask them for a more detailed explanation as to

1
2 why this might violate HIPAA and I will get that back
3 to you as soon as I can.

4 CHAIRPERSON FERRERAS: Council Member,
5 obviously we all stand with you on this issue; this
6 is an issue that has been a great obstacle to get. I
7 would urge the leg affairs contact person who's here,
8 I'd like to get a response from a DOE attorney before
9 this hearing is over and if not, we will recess and
10 we'll wait and I don't think that's ideally what we
11 want through this modification processes and I'm
12 really sorry that this has to.. I'm actually not sorry
13 that we have to go by this, but unfortunately this is
14 where we are and it's incredibly frustrating that a
15 member can't get an answer to this question after
16 several administrative attempts and requests, so we
17 will wait and you will get your answer today from
18 legal.

19 We're going to go to Council Member Cumbo
20 and then we will begin our second round of questions.

21 COUNCIL MEMBER CUMBO: Thank you, Madame
22 Chair. I just have some really basic questions to
23 get some clarity on things so that I am better
24 equipped to understand my role of being on the
25 Finance Committee. How many modifications do you

1
2 generally do per budget year, per fiscal year; how
3 many modifications generally happen? On average.

4 CHARLES BRISKY: It can vary between two
5 to eight has been the range; usually after every
6 financial plan, ideally you'd wanna do a budget
7 modification that matches the financial plan so the
8 financial plan and the budget mod are in sync
9 together. But we would do one after the February
10 plan, for example, going forward now..

11 COUNCIL MEMBER CUMBO: Uhm-hm.

12 CHARLES BRISKY: one after the Exec
13 Budget and then at adopted we would do one.

14 COUNCIL MEMBER CUMBO: So it could be
15 anywhere from two to eight?

16 CHARLES BRISKY: Yes.

17 COUNCIL MEMBER CUMBO: And what is the
18 average amount in terms of on the expense side, let's
19 just say on the expense side; what is the average
20 modification that happens in terms of the amount of
21 money that's often discussed?

22 CHARLES BRISKY: You know it's really
23 hard to answer that question 'cause it varies; for
24 example, when economic times are not that good, the
25

1
2 budget modification can represent reductions rather
3 than adds... [interpose]

4 COUNCIL MEMBER CUMBO: Okay.

5 CHARLES BRISKY: and when times are
6 better you're able to add money. So I can't give you
7 a specific answer 'cause it's gonna vary depending on
8 economic situations.

9 COUNCIL MEMBER CUMBO: and MN I
10 understand is a modification, but what does it
11 technically stand for?

12 CHARLES BRISKY: Modification New.

13 COUNCIL MEMBER CUMBO: Modification New.
14 Alright. Okay, we're going somewhere. Now my next
15 question; I wanna get to the 101s, I wanna understand
16 the basics here. My next question is; you state on
17 Page 4 here, it says, the revenue modification new
18 recognizes \$766 million in additional tax revenue,
19 including an additional \$189 million in real estate
20 tax revenue and \$215 million from personal income
21 taxes. So can you expand a bit more in terms of how
22 those numbers are actually derived at, because large
23 amounts of funding, it's difficult to understand that
24 it wasn't anticipated at those levels.

1
2 LARIAN ANGELO: Well it seems to be a
3 large amount of money; in fact, you're looking at
4 taxes...

5 COUNCIL MEMBER CUMBO: Uhm-hm.

6 LARIAN ANGELO: whose bases are very
7 large, so a small change generates a lot of money..
8 [crosstalk]

9 COUNCIL MEMBER CUMBO: Okay.

10 LARIAN ANGELO: and so we're very happy
11 on the upside when a small change generates a lot of
12 money and we're not so happy of course on the
13 downside. So while this is additional money, the
14 personal income tax is about \$9.5 billion or so right
15 now, so again, a small change will generate a
16 substantial amount of money. The property taxes,
17 \$19.9 billion, again, small change. That being said..
18 [interpose]

19 COUNCIL MEMBER CUMBO: Uhm-hm.

20 LARIAN ANGELO: you know the Office of
21 Management and Budget does a very careful, very
22 cautious revenue forecast because... [interpose]

23 COUNCIL MEMBER CUMBO: And I wasn't
24 implying you weren't.

25 LARIAN ANGELO: I'm sorry?

1
2 COUNCIL MEMBER CUMBO: I wasn't implying
3 you weren't. [laughter]

4 LARIAN ANGELO: No, no, no; what I'm
5 saying is that we tend to do very cautious revenue
6 forecasts because the problem of coming in short is
7 very, very dangerous for the City, while the problem
8 of coming in a bit over tends to be, you know, not
9 such a problem.

10 COUNCIL MEMBER CUMBO: Okay. Now my
11 other question with this is looking at the expense
12 side of this, and it's just a general question; I'm
13 looking at all of the things that we're looking to
14 do, from media marketing to green buildings, to new
15 staff will be hired, all of these different sorts of
16 things; who makes these decisions about where all of
17 this funding will go, from the staffing issues to..
18 I'm very excited about many of the things, but I know
19 that I didn't have any input into that, so I'm
20 curious as to who did have the input to make these
21 decisions on the expense side. So for example, I'm
22 very excited about Vision Zero and the signage that's
23 going to be happening; it was something that we were
24 asking for as soon as Vision Zero was launched, but
25 who makes the decision to say, let's say in a such

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2 circumstance like that that you're going to pay
3 \$144,000 in Fiscal 2015 for six positions and that
4 you're going to do all these different sorts of
5 things in regards to Vision Zero, six new positions
6 and all of that; how do those things get decided
7 upon? [bell]

8 LARIAN ANGELO: What you're considering
9 here today is a proposal; the decision will be made
10 by the City Council. Part of what happens concretely
11 is, you know, there may be some underestimate of
12 costs and money has to be put in to cover it;
13 commissioners may have issues. There have been many,
14 very emergency-funded programs in this mod -- Ebola
15 issues, training for the PD.. [interpose]

16 COUNCIL MEMBER CUMBO: Right.

17 LARIAN ANGELO: and again, this is a
18 proposal and the decision will be made by the City
19 Council tomorrow, when it.. [crosstalk]

20 COUNCIL MEMBER CUMBO: So these are the
21 recommendations that the agency has made and they're
22 asking us to review all of this in its totality and
23 say yet?

24 LARIAN ANGELO: Yes and in addition there
25 were some proposals made by the Council and you know,

1
2 some movements of monies to do what we would call
3 housekeeping on the budget.

4 COUNCIL MEMBER CUMBO: Thank you.

5 CHAIRPERSON FERRERAS: Thank you, Council
6 Member Cumbo. We're gonna start the second round of
7 questions. I'm gonna specifically talk about the
8 Police Department and Department of Corrections. The
9 mod adds \$28.7 million in City funds to support the
10 NYPD's enhanced in-service training efforts; what
11 details can you share about the training schedule,
12 how many officers will participate in the enhanced
13 in-service training efforts and what is your estimate
14 of what these improved training efforts will look
15 like and cost in the out years?

16 KRISTINE RYAN: So at this point the
17 funding is only for the current year; I think the
18 current idea is to train and retrain existing members
19 of service; it's 20,000 uniformed members of service
20 who would be trained, 16,000 of those are police
21 officers, 2,500 sergeants; 900 lieutenants; the
22 sergeants and lieutenants, some additional sergeants
23 will be trained as trainers to continue training.
24 The idea is really... the reason that it's in for one
25 time at this point is to retrain existing members of

1
2 service and then the hope is that as new members go
3 through the academy a lot of what's being applied
4 here will be applied there, but there obviously will
5 be ongoing discussion on whether or not there's
6 additional training needed and it's essentially three
7 days of training for lieutenants and sergeants and
8 two days of training for police officers.

9 CHAIRPERSON FERRERAS: Has this training
10 already begun?

11 KRISTINE RYAN: I'm not exactly sure if
12 it started yet; if it hasn't, it's scheduled to start
13 soon.

14 CHAIRPERSON FERRERAS: Can you just get
15 the... [crosstalk]

16 KRISTINE RYAN: Yes, we'll get you that
17 information.

18 CHAIRPERSON FERRERAS: that back to the
19 Committee?

20 KRISTINE RYAN: Yep.

21 CHAIRPERSON FERRERAS: And if we were to
22 train all officers, do you have an idea what that
23 cost would be?

24 KRISTINE RYAN: This training is
25 specifically for the individuals who are actually out

1
2 on the street, respond to 911 calls, so that is the
3 focus; I can calculate it, but I don't know what the
4 cost would be for the entire department.

5 [background comments]

6 CHAIRPERSON FERRERAS: Oh. If you can
7 calculate that and get it back to our committee, I'd
8 appreciate it. And now I'm gonna go into the
9 Department of Corrections; the budget modification
10 increases the Department of Corrections' budget by
11 \$22.6 million, with \$9 million added to support
12 specialized services for adolescent inmates, \$8.2
13 million will support 99 additional staff, 80 uniform
14 and 19 civilians, to allow DOC to reduce officer to
15 inmate ratios from 1:33 to 1:15 in adolescent units
16 and increase programming staff. Why has the
17 Administration chosen to take a piecemeal approach to
18 right-sizing uniform headcount rather than
19 implementing a complete overhaul and what impact will
20 the addition of officers in the adolescent unit have
21 on overtime spending?

22 KRISTINE RYAN: So with regard to being a
23 piecemeal approach, I mean I think it's a thoughtful
24 approach, I think we have a commissioner and an
25 administration that's looking closely at the

1
2 department and all elements; this was a very
3 important piece and we also added a lot of funding at
4 adoption as well for the Department of Corrections to
5 address mental health issues. So I think we're
6 continuing to evaluate the department and that'll be
7 part of our ongoing discussions with you, but this
8 piece specifically is to focus on the adolescents and
9 to improve the ratio, and the hope actually here is
10 that this funding itself for the improved ratio is
11 not gonna have a direct impact on overtime in the
12 long-term; it's essentially just making sure that we
13 have the right staffing ratio, so it's adding
14 individuals and adding posts for those individuals,
15 so.

16 CHAIRPERSON FERRERAS: So obviously
17 there's been an issue that the Council is very
18 focused on and one of our priorities, bringing down
19 overtime costs and the ratio issues that we're having
20 over at Rikers, so I'm hoping that some of this is
21 addressed because if not, it is going to be brought
22 up during the Preliminary Budget hearings.

23 KRISTINE RYAN: It is something that we
24 are evaluating right now.

25

1
2 CHAIRPERSON FERRERAS: Okay. Very good.
3 Wanna talk about Yankee Stadium and the rental
4 income. So the expected rental income for Yankee
5 Stadium received by the Department of Parks and
6 Recreation is being reduced by half a million
7 dollars; why do we have that reduction?

8 JOHN GRATHWOL: The reduction stems from
9 an actual revenue that came in at \$100,000, less than
10 the planned revenue of \$600,000, resulting in the
11 \$500 million takedown.

12 CHAIRPERSON FERRERAS: Why do we have
13 less coming in; why is that?

14 [background comment]

15 JOHN GRATHWOL: I think it's... [crosstalk]

16 CHAIRPERSON FERRERAS: 'Cause the last
17 time I checked, the Yankees are doing pretty well or
18 maybe not, [laugh] maybe not baseball-wise, but...

19 JOHN GRATHWOL: Well...

20 CHAIRPERSON FERRERAS: money-wise.

21 JOHN GRATHWOL: Well I think it is
22 exactly as you're hinting, that it's based on the
23 demand for the suite and... [crosstalk]

24 CHAIRPERSON FERRERAS: The suites?

25

1
2 JOHN GRATHWOL: and the revenue... the
3 revenue that comes from that.

4 CHAIRPERSON FERRERAS: So it has nothing
5 to do with parking revenue or is parking revenue also
6 part of this discussion?

7 JOHN GRATHWOL: No, this is all the
8 suites.

9 CHAIRPERSON FERRERAS: So this is the
10 suite sales and their drop in suite sales; what...
11 [crosstalk]

12 JOHN GRATHWOL: On an annual basis it's
13 very hard to predict because it's based on, you know,
14 how marketable they are, depending upon how well
15 they're doing, is there a post season, that type of
16 thing. So this happens regularly, maybe not this
17 much, 'cause you know, frequently they do quite well
18 in the post season and better during the year, but
19 it's just one of these annual reconciliations of an
20 actual with a plan and of course the plan, you know
21 they tend not to predict that they're going to do
22 bad, the Department of Parks, in putting of their
23 revenue plan for the sale of these suites.

24 CHAIRPERSON FERRERAS: Okay. I'm gonna
25 go into the second round; I'm gonna ask Council

1 Member Rodriguez, who hasn't asked questions yet.

2 Council Member Rodriguez, followed by Council Member
3 Rosenthal. Thank you.

4 COUNCIL MEMBER RODRIGUEZ: Thank you. My
5 question is on transportation; not only
6 transportation, but on Vision Zero. I don't see that
7 there's any request on the budget modification to put
8 any dollar on the educational part of Vision Zero.

9 KRISTINE RYAN: With regard to outreach
10 and media and educating the consumers on driver
11 safety, that was actually funded.. [crosstalk]

12 COUNCIL MEMBER RODRIGUEZ: Not... not just
13 the driver, but the New Yorkers, it's like looking at
14 the anti-smoking campaign, I believe that you know it
15 was under the campaign that all of us, we have to
16 take credit on how we reduce smoking in our city and
17 therefore the secondary effect, so when we look at
18 Vision Zero, definitely you know this is one of the
19 initiatives that we are together, we support it a 100
20 percent. There's some money there for DOT, I know
21 there's some money from DOT, but there's no money
22 for... and even though I believe that the City
23 controls, like 10 percent I believe, of the space
24 that Samosa [sic] is able to advertise, but I don't
25

1
2 see anything on this budget modification on any
3 dollar... [crosstalk]

4 KRISTINE RYAN: Right, it was...

5 COUNCIL MEMBER RODRIGUEZ: increase for
6 the educational part of Vision Zero.

7 KRISTINE RYAN: Right. So there was
8 actually media funding put in the budget at Exec I
9 believe; I don't have the exact number in front of
10 me; it was put in DOT's budget, it was several
11 million dollars; I can get you the exact number, and
12 you may have actually seen; there are actually some
13 advertisements that are displayed out there to
14 educate people on driver safety, so it's just not in
15 this modification because it was funded previously.

16 COUNCIL MEMBER RODRIGUEZ: What I just
17 hope is that if we have the opportunity and the space
18 throughout this process, and even though we only have
19 a few hours, not much time to do it, if there's any
20 window to increase any dollars for the education of
21 part of Vision Zero, I hope that you can look at it,
22 and if by any chance that opportunity's not there, I
23 hope that when you work on the Preliminary Budget
24 that we definitely pay attention to increase the
25 dollars for the educational campaign of Vision Zero.

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KRISTINE RYAN: I understand.

COUNCIL MEMBER RODRIGUEZ: Thanks.

CHAIRPERSON FERRERAS: ...Rodriguez;
Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Thank you.
Thank you, Chair. I just wanna try to unearth a few
other things in the details of the Financial Plan
Reconciliation November 2014 document. First off, I
can't see where the Carter case additional funds, the
\$400,000; do you know where that is, what line that
is?

[pause]

LARIAN ANGELO: Councilwoman, it's called
15-Day Notice.

COUNCIL MEMBER ROSENTHAL: That's what I
thought. So what is it exactly?

[pause]

[background comments]

COUNCIL MEMBER ROSENTHAL: Can I just
note that my time on the clock, if..

LARIAN ANGELO: It's called 15-Day Notice
because it's faster outreach to parents complying
with the State law.

1
2 COUNCIL MEMBER ROSENTHAL: Is it 15 days
3 faster? I'm sorry; I don't wanna be sarcastic. So
4 it's called 15-Days... [crosstalk]

5 LARIAN ANGELO: No, it's... I believe the
6 rule is referred to as the 15-Day Rule.

7 COUNCIL MEMBER ROSENTHAL: Could we get
8 more...

9 LARIAN ANGELO: Absolutely.

10 COUNCIL MEMBER ROSENTHAL: Thanks. And
11 then similarly, for the chrome notebooks for the
12 Medicaid, applying for more Medicaid reimbursement,
13 is that the DIIT Identity Management Capital Support
14 \$1 million? And again, it goes to transparency.
15 [background comments] And similarly, is that tied
16 into the Medicaid physician? I'm just trying to put
17 these [sic] apart... [crosstalk]

18 LARIAN ANGELO: Council Member, we would
19 be happy to answer all the questions; if you could
20 possibly just give us a list, because obviously we're
21 gonna need to go to DOE to get some additional backup
22 for you perhaps, so we're happy to do... [crosstalk]

23 COUNCIL MEMBER ROSENTHAL: I would
24 appreciate that and I will supply a list; I really
25 appreciate that, but I'm sort of also trying to make

1
2 a point about the lack of transparency in this
3 document, which I find extremely frustrating. I
4 wanna go on to the other funds category for the
5 Department of Education, there's a line in other
6 adjustments called technical adjustment, it's worth
7 \$31.8 million this year and \$131 million next year,
8 growing to \$143 million. This seems like a big
9 expense; I'm wondering what it is and I'm wondering
10 if it's the loss of Title 1 funds or what. I saw in
11 another... in the document that our staff put together
12 \$51 million attributed to the loss in State funding
13 and I assume we're gonna make up that State funding,
14 but again, any ideas about what \$130 million worth of
15 expenses that's called a technical adjustment that
16 you're asking me to vote on? On the next page
17 there's PS adjustments for \$9.745 million in 15,
18 growing to \$11.9 million, growing to \$17.6 million,
19 growing to \$19.5 million; it's called PS adjustments
20 in other funds; ideas, anyone? You also mentioned
21 that there are additional Ebola costs -- I'm asking
22 questions while you're getting the answers from the
23 analysts. You have... I'll wait.

24 LARIAN ANGELO: Councilwoman... [crosstalk]

25 COUNCIL MEMBER ROSENTHAL: Yeah.

1
2 LARIAN ANGELO: The technical adjustments
3 are actually net zero adjustments, realigning budget
4 with spending that has already occurred.

5 COUNCIL MEMBER ROSENTHAL: For what?

6 [background comments]

7 LARIAN ANGELO: Fringe benefits mostly.

8 COUNCIL MEMBER ROSENTHAL: For benefits?

9 LARIAN ANGELO: Fringe...

10 COUNCIL MEMBER ROSENTHAL: Fringe
11 benefits.

12 LARIAN ANGELO: Fringe benefits.

13 COUNCIL MEMBER ROSENTHAL: Then why isn't
14 it in the fringe benefit... why doesn't it have FB next
15 to PS adjustment?

16 LARIAN ANGELO: Because the Department of
17 Education, as you know, is the only agency in the
18 City that has the fringe benefits budget within its
19 own budget.

20 COUNCIL MEMBER ROSENTHAL: So you
21 wouldn't wanna tell the public that this is
22 accountable to fringe benefit and not some other PS
23 adjustment? I apologize. How 'bout the PS... Oh
24 sorry, [bell] that was other technical. How 'bout
25 the PS adjustment of \$9 million, growing to \$11

1 million, to \$16 million, to \$17 million? And why is
2 the fringe benefit adjustment going from 30 to 130?
3 Seriously. Can I have another just minute?
4

5 CHAIRPERSON FERRERAS: One minute.

6 COUNCIL MEMBER ROSENTHAL: Okay. Thank
7 you. I really am disturbed by this and I find that
8 very frustrating. Also you do note \$34 million in
9 expenses due to the Ebola; thank goodness we
10 responded beautifully; do you show anywhere, I
11 couldn't find it in the revenue page, the Federal
12 reimbursement for those costs or are there no Federal
13 reimbursements expected or will you show that in the
14 January Preliminary Plan? [bell] [pause] And if the
15 31 doesn't have to do with the Title 1 loss, where is
16 the Title 1 loss of \$51.2 million? And while your
17 education people are doing that, can I just... this is
18 the absolutely last question... the Small Business
19 Services, for the \$1.5 million MBWE disparity study,
20 the last time I was concerned about the response
21 saying that we routinely do it through SBS; this has
22 only been done one time before and I believe the
23 director of the Office of Contracts did the study
24 based on a State study, so there was no contractor,
25 there was no \$1.5 million, so I'm wondering a number

1
2 of things; why, since this is part of the law that
3 was passed a number of years ago, why wasn't the \$1.5
4 million already put in the budget for the preliminary
5 plan; why is it showing up in a November modification
6 and why is it reporting to SBS and not... is it a
7 contract; is SBS staff doing it and why wouldn't it
8 come out of [bell] contracts? So I just wanna
9 reiterate, I'm really disappointed about the lack of
10 transparency and I [background comments] have serious
11 grave concerns about at least \$70 million worth of
12 stuff in here that I think requires further review.
13 I hope you're gonna... Are you guys getting us res... Can
14 I leave it at you're... [crosstalk]

15 CHAIRPERSON FERRERAS: Well let's allow
16 them to respond...

17 COUNCIL MEMBER ROSENTHAL: Yeah.

18 CHAIRPERSON FERRERAS: to your questions...
19 [crosstalk]

20 COUNCIL MEMBER ROSENTHAL: Are you going
21 to?

22 CHAIRPERSON FERRERAS: and then we will...

23 LARIAN ANGELO: I hope we can get back to
24 you on all your questions later in the day,
25 Councilwoman and again, if you could somehow generate

1
2 a list, we wanna make sure we don't miss any.

3 [background comment] Thank you.

4 CHAIRPERSON FERRERAS: Okay. The
5 Committee will follow up with the questions and we
6 will have those responses. I just spoke to the
7 legislative contact at the Mayor's office, so we'll
8 be getting some answers on the Carter cases and I am
9 hoping that we will get those responses before we
10 vote tomorrow morning, so that'll give us some
11 additional time.

12 So before we adjourn I would like to
13 remind my colleagues that there is a Finance
14 Committee meeting tomorrow morning at 9:30 a.m. in
15 this room; we will be voting on a transparency
16 resolution and legislation relating to the Notice of
17 Violation heard by the Environmental Control Board,
18 there is also a Finance Committee meeting on Thursday
19 at 10 a.m. on the 14th Fl., in the Committee Room at
20 250 where we will consider legislation to reauthorize
21 a tax lien sale. Please make sure you attend both of
22 these hearings; this hearing is now adjourned. Thank
23 you.

24 [gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date January 9, 2015