

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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June 5, 2013
Start: 10:27 a.m.
Recess: 8:28 p.m.

HELD AT: Council Chambers
City Hall

B E F O R E:
DOMENIC M. RECCHIA, JR.
Chairperson

COUNCIL MEMBERS:

Gale A. Brewer
Leroy G. Comrie, Jr.
Lewis A. Fidler
Helen D. Foster
Robert Jackson
G. Oliver Koppell
Darlene Mealy
Diana Reyna
Joel Rivera
Albert Vann
Fernando Cabrera
Julissa Ferreras
Karen Koslowitz

A P P E A R A N C E S

COUNCIL MEMBERS:

James G. Van Bramer
Vincent M. Ignizio
James S. Oddo

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

Mark Page
Director
New York City Office of Management and Budget

David M. Frankel
Commissioner
New York City Department of Finance

John C. Liu
Comptroller
City of New York

Ronnie Lowenstein
Director
New York City Independent Budget Office

George Sweeting
Deputy Director
New York City Independent Budget Office

Michael Mulgrew
President
United Federation of Teachers

Santos Crespo
President
Local 372

Eddie Boles
Treasurer
Uniformed Fire Officers Association

Henry Garrido
Associate Director
DC 37

Dr. Randi Herman
First Vice President
Council of School Supervisors and Administrators

Vito Pitta
Local 1181 ATU

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

Peter Relan
President
Local 50 and 59 DC 39

Fitz Reed
President
Local 768 DC 37

Gladys Dickson
Chairperson
HHC Community Advisory Board

Josefina Sanfeliu
Latinas Against FDNY Cuts

Mabel Everett
President
Local 205

Martha Rowan
Citizens Defending Libraries

Alma Roper
Executive Vice President
Local 1549, DC 37

John Armstrong
Chapter Chair
911 Dispatchers and Operators

Paul Lansburgess
Associate Professor
SUNY School of Public Health in Brooklyn

Janice Darden
Chapter Chairperson
Local 1549

Ralph Palladino
Second Vice President
Local 1549

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

Zev King
Concerned Citizen

Georgiana Glose
Executive Director
Fort Greene Strategic Neighborhood Action Partnership

Lynn Kelly
President and CEO
Snug Harbor Cultural Center in Staten Island

Eileen Mueller
President
Local 1482

Vicky Hill
Branch Manager
Brooklyn Public Library - Mill Basin

Valentine Colon
DC 37, the New York Public Library Guild 1930

Christian Zebreski
DC 37, Local 1321

Ali Sawa
Sexual Assault and Violence Intervention Program

Mina Mandion
New York City Alliance Against Sexual Assault

Anthony Feliciano
Director
Commission on the Public's Health System

Emily Caseras
Teen RAP Program

Danielle Reece
Teen RAP Program

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

Danisha Edy
Teen RAP Program

Tyeisha Branch
Program Director of Education and Youth Development
CAMBA

Stephanie Gandell
Associate Executive Director
Citizens Committee for Children

Lorraine Gonzalez-Camastra
Director of Health Policy
Children's Defense Fund New York

Dr. David Appel
Director
Montefiore School Health Program

Archana Prakash
supervising attorney
Neighborhood Defender Service of Harlem

Karen Yao
Executive Director
Coalition for Asian American Children and Families

Alice Owens
President
Colony South Brooklyn Houses

Danny Ulhar
Black Male Initiative

Botalo Arsayed
Black Male Initiative

Dickson Xavias
Black Male Initiative

Roman Chanulushy
Black Male Initiative

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

Kaled Morad
Black Male Initiative

Joseph Mimpa
Community Voices Heard

Ann Valdez
Community Voices Heard

John Medina
Community Voices Heard

Randy Levine
Attorney and Project Director
Advocates for Children of New York

Vagnes de la Rosa
Sports and Arts in Schools Foundation

Philip Chen
General Manager
Armitage Gone Dance

Susan Lacerte
Queens Botanical Garden

Rafael Schweizer
Chairman
Bronx Park East Community Association

Sean Basinski
Street Vendor Project

Robert Lederer
Director of Research, Policy and Advocacy
Bronx Health Link

Francoise Florentine
East New York Diagnostic and Treatment Center

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

Mr. X
Concerned Citizen

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2 CHAIRPERSON RECCHIA: Good morning
3 and welcome to the last day of the City Council's
4 hearings on the mayor's executive budget for FY
5 2014. This is Mr. Page's last time to be
6 testifying before this Committee.

7 [applause]

8 CHAIRPERSON RECCHIA: So we have to
9 make sure to send you off with a nice bang. My
10 name is Domenic M. Recchia, Jr. and I am the
11 chair of the Finance Committee. Before I move
12 forward I would like to introduce all my
13 colleagues that have joined us this morning. We
14 have Council Member Julissa Ferreras, Council
15 Member Robert Jackson, Council Member Margaret
16 Chin, Council Member James Van Bramer, Council
17 Member James Oddo, Council Member Mark Weprin--
18 whose his 52nd birthday, Mr. Page; 52 years old--
19 and Vincent Ignizio. I want to thank my entire
20 Finance staff on the leadership of Preston Niblack
21 and Jeff Rodus. They did a great job, and I want
22 to thank them all. Today marks the end of the
23 executive budgeting hearings for FY 2014 executive
24 budget. This is an important budget for a number
25 of different reasons. The city is recovering from

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2 a struggling economy, and we are continuing to
3 rebuild from super storm Sandy and of course, many
4 of us including myself, this will be the last
5 budget we will work on together in our current
6 capacity. For these reasons it is important now
7 more than ever to adopt a budget that we can all
8 be proud of. Before we get started, I want to
9 remind everyone that the public session will begin
10 at approximately 4 p.m. All members of the public
11 who want to testify must fill out a witness slip.
12 Please include the full name and your affiliated
13 organization and the subject area in which you
14 wish to testify. For people who are in
15 attendance--

16 [background noise]

17 CHAIRPERSON RECCHIA: For people in
18 attendance that cannot stay for the public
19 session, you may submit your testimony to the
20 sergeant at arms, who will make your testimony
21 part of the official record or after the hearing
22 you may fax your testimony to my counsel, Tanisha
23 Edwards, sitting to my right at 212-788-7061. You
24 have three days from this hearing to submit your
25 testimony in order for it to be included as part

1 of the official record. Now let's get down to
2 business. FY 2014 executive budget totals 69.8
3 billion dollars, a decrease of two billion dollars
4 from the current year's modified budget, primarily
5 due to spending related to super storm Sandy.
6 Since the release of the preliminary budget, a
7 budget gap opened in FY '14 totaling about 1.1
8 billion dollars. The gap is a result of a few
9 factors--the further delay in the sale of the taxi
10 medallions, which in the executive budget reduces
11 the anticipated revenue from New York tax
12 medallion sales in FY 2014 from 600 million
13 dollars to 300 million dollars, increased pension
14 contributions, new needs spread across a number of
15 agencies and the timing of federal reimbursements
16 related to Hurricane Sandy. In addition, the
17 executive budget anticipated reductions in federal
18 aid due to the sequestration totaling 172 million
19 dollars, 132 million dollars of which would occur
20 in FY 2014. The gap was addressed in the
21 executive budget by an increase in anticipated tax
22 collections for this year, which were up 1.2
23 billion compared to the February plan. Much of
24 this money was from personal income tax revenues
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2 due to large capital gains from the sale of
3 financial assets, commercial property, luxury
4 housing in the end of 2012. In the out years even
5 though revenues outpace expense, budget gaps are
6 2.2 billion dollars in FY 2015, 1.9 billion
7 dollars in FY 2016 and 1.4 billion in FY 2017 due
8 to increased spending on pension contributions, a
9 15 percent increase in debt service, the depletion
10 of the retired health benefits trust fund and new
11 agencies' needs. While these gaps are much less
12 significant than those of the last few years, they
13 are important risk on the expense side, especially
14 the labor settlements that could reopen these
15 gaps. I look forward to hearing from OMB on their
16 opinion on the city's economy and the risk to
17 OMB's forecast. For the past four weeks we have
18 heard from over 40 agencies about how this
19 executive budget affects their agency and their
20 ability to perform their core services. In
21 addition to the cuts agencies have to absorb due
22 to sequestration, the executive budget does not
23 include about 400 million in City Council
24 restoration initiatives funded in FY 2013. These
25 include 106 million dollars of the city's library

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2 system in 2014, 51 million dollars to the city's
3 largest after school program out of school time
4 coupled with a new reduction of 10 million dollars
5 proposed in FY 2014, which will reduce the number
6 of slots in the program from 56,000 to 21,500 next
7 year, the elimination of 20 fire companies which
8 has been proposed and rejected for the last three
9 years and was restored last year with 44 million
10 dollars. We urge the administration to pay close
11 attention to the agencies' concerns and the
12 Council's priorities so that at the end of this
13 process, we will have a budget that we can all be
14 proud of. Today, we will hear first from the
15 Mayor's Office of Management and Budget, then the
16 Finance Committee will hear from the Department of
17 Finance, then we will hear from New York City
18 Comptroller, John Liu, then from the Independent
19 Budget Office and then from the people of the city
20 of New York, the public. Before we hear from the
21 budget director, Mark Page, I want to remind all
22 members of the public who wish to testify to be
23 sure to fill out the slips. Please include name
24 and your affiliated organization. I want to thank
25 the entire staff and my finance division for their

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2 excellent work in preparing for today and over the
3 last 40 hearings. Everyone played an important
4 role, so I want to thank everyone by name starting
5 with Preston Niblack, Jeff Rodus, Tanisha Edwards,
6 Deputy Director Ray Majewski, Deputy Director
7 Latonia McKinney, Deputy Director Scott Crowley,
8 Deputy Director Nathan Toth, Deputy Director
9 Regina Poreda-Ryan, unit head Paul Sturm, unit
10 head Eisha Wright, unit head Chima Obichere, and
11 then there is Emre, Jonathan, Alex, Jonathan,
12 Christina, Ralph, Amy, Jessica, Jimmy Reyes, Kate,
13 John, Lionel, Norah, Quinlan [phonetic] and
14 Doheeny [phonetic] and our wonderful hardworking
15 support staff Nicole and Maria. I also want to
16 thank my staff - - Kenny, Ashley, and Thomas.
17 They have all done a great job. Before we hear
18 from Mark Page I want to recognize those members
19 that have joined us Robert Jackson and Oliver
20 Koppell. I think we have everybody. Mr. Page,
21 before you start can you raise your right hand?
22 We'd like to swear you in? Only joking.

23 [laughter]

24 CHAIRPERSON RECCHIA: Go ahead.

25 DIRECTOR PAGE: Thank you for

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2 having me here to testify this morning. I think
3 that you have heard pretty much what I have to say
4 on the importance of this process and determining
5 the best spending for the city of New York that we
6 can accommodate in a budget and financial plan,
7 which has us spending no more than we have the
8 ability to pay for, which is sort of the constant
9 challenge of the budget development and the
10 administration business that we are in together,
11 and with that, I look forward to doing my best to
12 responding to your questions.

13 CHAIRPERSON RECCHIA: Okay. We
14 have my colleagues who have questions. First I am
15 going to just start with one or two questions,
16 then I will turn it over to my colleagues 'cause a
17 lot of them have places to go and other things to
18 attend to. The IBO wrote that considerably higher
19 than likely projections of debt service enable the
20 mayor to place money in out of site and mind and
21 other election officials who might want to use
22 these funds for existing programs. Can you
23 explain about the debt service problems and where
24 they are?

25 DIRECTOR PAGE: I guess that the

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2 budgets are obviously based on a forecast of what
3 you expect is going to happen. Debt service is
4 something that by law is basically not subject to
5 the spending limitations that the budget process
6 normally installs. I mean the fact of the matter
7 is that we appropriate money for particular
8 purposes and then are required to hold spending
9 inside that authorized level. Debt service isn't
10 like that. We are obliged to spend it whether we
11 have appropriated the money or not, and it is
12 something that is also very important to us to
13 fund adequately. It is not just a legal
14 obligation. It is a practical obligation. We are
15 borrowing money continuously, and the people who
16 lend it to us need to have confidence that they
17 are going to get paid. What it boils down to is
18 that we are careful to appropriate enough money in
19 each budget and by putting in the appropriation
20 that means you basically allocate the resource to
21 pay that amount. We put in enough to cover
22 whatever we think is realistically possible may be
23 demanded of us. When you get into patterns, which
24 fortunately we have been in for a period of time
25 where interest rates have been extraordinarily low

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2 you actually find that you don't actually need to
3 spend all of the money that you have forecast for
4 this purpose, and it gives you the opportunity
5 periodically as you go along to reprogram that
6 money. A part of the money that we have used in
7 the course of this year, the January plan to some
8 extent the exec to maintain a balanced outlook
9 between forecast spending and expenses has been
10 the benefit of lower interest rates, which we have
11 used.

12 CHAIRPERSON RECCHIA: Okay. I just
13 want to turn this over to sequestration. How is
14 it going to effect the budget and which city
15 agencies you see taking the biggest hit? 'Cause I
16 know like in education there is 132 million
17 dollars.

18 DIRECTOR PAGE: I think that when
19 the best settled in terms of the state aid picture
20 and the state budget adoption for our school year
21 starting next September we ended up gaining in
22 state aid 400 something million dollars, which was
23 actually substantially more than we had expected
24 on the basis of the executive budget. It also
25 looks as though we have managed to get through the

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2 evaluation hurdle so that I think that we can
3 expect to realize that increment in education aid,
4 in the allocation of resources for the Department
5 of Ed, in the executive budget. I think we
6 pretty much covered the impact of sequestration as
7 we understand it on the Department of Education in
8 terms of how incremental resources between--other
9 resources between 13 and 14 were used.

10 CHAIRPERSON RECCHIA: Do you have a
11 total number for the entire budget how much
12 sequestration is affecting us?

13 DIRECTOR PAGE: I guess I can get
14 you that, but it becomes much vaguer quite
15 honestly in the social services. I think that our
16 forecast of ultimate impact of sequestration and
17 social services is it's about 30 million dollars
18 spread over a number of agencies. How that is
19 actually going to affect the agencies when it
20 comes down to it in terms of money to spend on
21 actual services is in a lot of them not all that
22 clear. Much of it flows through the state. There
23 are timing issues. When are you actually going to
24 feel the impact of genuinely not having the money
25 to spend on the service you provide is a very

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2 variable question, something that obviously we are
3 going to have to be watching carefully as we go
4 through '14, but at this moment, it is not
5 perfectly clear. I think that another dimension
6 of this is that I am not sure you want to go out
7 here having solved whatever problem may exist.
8 One, it's not very clear exactly the scope of the
9 problem and genuine impact on service. Two, I
10 think that to have New York City automatically
11 pick up whatever risk there may be here so that
12 there is in fact no consequence that you can talk
13 about in terms of federal sequestration is also a
14 mistake in terms of just strategically the place
15 to put us in the ongoing debate of you know, how
16 is this really going to work out over time in
17 terms of federal responsibility for local
18 services.

19 CHAIRPERSON RECCHIA: With the
20 police department do you know how sequestration is
21 going to affect them?

22 DIRECTOR PAGE: A specific number
23 on the police department? Yeah, I don't have a
24 concrete consequence. I think that in terms of
25 the regular straight ahead police budget, I don't

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2 think there is much affected at all. There is a
3 certain ambiguity in terms of things like homeland
4 security money that we apply for and get for
5 various programs in the police department. Much
6 of that is negotiable in terms of how much New
7 York City gets versus other places. I guess that
8 there is a smaller pool of chances of us getting a
9 given amount of money are less good than they
10 would be, but I think that process is still
11 rolling along as a practical matter.

12 CHAIRPERSON RECCHIA: You talked
13 about risk. How much risk is there in this
14 budget?

15 DIRECTOR PAGE: You know, I guess
16 that there is always--I mean this business is
17 balancing doubts, and there is always a certain
18 amount of risk in terms of resources, risks as to
19 whether things are going to end up for reasons
20 beyond our control costing more than you thought
21 they were going to. One question is we have 300
22 million dollars of taxi medallion proceeds in this
23 budget, what--it would certainly be helpful to
24 have the court of appeals rule in our favor on
25 that proposed plan to provide medallion service

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2 more broadly. So I mean that is one question.
3 There is also the ongoing churning between us and
4 the federal government on FEMA funding for the
5 repair and reconstruction and investment in
6 resiliency for New York City that is needed in the
7 light of Hurricane Sandy and what happened in the
8 aftermath of it remains an ongoing bureaucratic
9 political process between us and FEMA and then on
10 FEMA reimbursement and then us and HUD on the
11 community development money. We are counting on
12 about four and a half billion dollars of resource
13 for city repairs and reconstruction of public
14 facilities. We are obviously looking for
15 additional money for improvement of housing and
16 storm protection and resiliency. All of that is
17 an ongoing long term negotiation and quite
18 honestly it is not going to resolve itself for
19 years probably. If you look at 9/11 quite
20 honestly, it probably took us eight or nine years
21 to sort out the mess afterwards in terms of the
22 funding ins and outs of reimbursement.

23 [pause]

24 CHAIRPERSON RECCHIA: - - FEMA is
25 going to take years like 9/11 did. The Hewlett

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2 Packard issue and the reimbursement from that
3 case, where are we with that?

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DIRECTOR PAGE: I am sorry. I am
5 drawing a blank. Tell me more. I'll get there.

6

CHAIRPERSON RECCHIA: It's dealing
7 with the ECT contract with the overbilling with
8 Hewlett Packard. We are supposed to get...

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DIRECTOR PAGE: This isn't the
10 Verizon settlement? This is something else,
11 right, you are talking about? I am sorry... I know
12 that there are discussions with Hewlett Packard on
13 ECTP, which is basically the moving forward with
14 the redundancy in the 911 system and as far as I
15 know it is an ongoing discussion at this point. I
16 don't know more than that in terms of likely
17 outcome.

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CHAIRPERSON RECCHIA: There is an
19 issue that we researched and found that the city
20 is trying to recoup 163 million dollars from
21 Hewlett Packard for overbilling on the ECTP
22 contract and so we just want to know what the
23 status was of that. Do you think we are going to
24 get the money in this year's budget?

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DIRECTOR PAGE: My understanding is

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2 that it is uncertain enough so that it is not
3 there at this moment, but I will follow up on that
4 issue.

5 CHAIRPERSON RECCHIA: Okay. Good
6 enough. We will follow up. I am going to let--I
7 have another question for you, but I will let my
8 colleagues start asking questions. We have been
9 joined by Ydanis Rodriguez and Liz Crowley. At
10 this time if anybody would like to ask a question
11 please give your name to Tanisha Edwards. It will
12 be Robert Jackson, James Oddo, Vincent Ignizio.
13 Robert Jackson?

14 COUNCIL MEMBER JACKSON: Thank you,
15 Mr. Chair. Mark Page and your staff, good morning
16 to all of you. I wish you a great day. I have a
17 couple of questions more specifically about
18 education. As you know, the total cuts for fiscal
19 2014 city budget as a result of the sequestration
20 is about 132 million dollars and of this amount,
21 63 million or nearly half of the cut is to the
22 Department of Education. My understanding is that
23 the cuts were mainly filled by state aid coming in
24 and which would otherwise would have been poured
25 into the schools directly. Considering that cuts

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2 to education were so large, did you as the
3 director of IBO consider spreading the education
4 cut across other agencies to mitigate the impact
5 on the Department of Education, more specifically
6 our 1700 schools?

7 DIRECTOR PAGE: The Department of
8 Education does have some increase in city support
9 between 13 and 14 of about 200 million. I think
10 that in fact they did reasonably well, at least
11 that is compared to recent years on the state
12 side, and I obviously--every agency could probably
13 tell you the many ways they could do a better job
14 with more money, but I think that the education
15 budget situation for '14 is certainly not rich,
16 but I think that it is okay, and we felt that in
17 the competing priorities that their proposed
18 funding level is--I don't know what okay means
19 exactly, but it didn't warrant trying to peg other
20 agencies more for instance in order to shift
21 resources toward education at this moment.

22 COUNCIL MEMBER JACKSON: So from a
23 fiscal point of view as the director of the Office
24 of Management and Budget do you see the federal
25 sequestration cuts as a one time or do you see

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2 this as possibility a deterioration of federal
3 cuts in the future?

4 DIRECTOR PAGE: The exact
5 formulation of where the cuts come under
6 sequestration as it exists at the moment I can't
7 imagine quite honestly just me personally is going
8 to continue indefinitely. Obviously a sort of
9 period of enhanced concern at the federal level
10 about the feds are going to run less of a deficit
11 themselves puts more pressure on how much money
12 the federal government provides for local services
13 and that is not good for local government
14 ourselves where ultimately the responsibility
15 stops in terms of how much you have in resources
16 to pay for things. I mean, we obviously tax
17 ourselves substantially to pay for this. The
18 state money is good because of the state's tax
19 structure although, I think almost half of the
20 state's money ultimately comes out of us in terms
21 of where they get their tax revenue. Better than
22 that is federal money because the federal tax
23 structure is obviously that the dollar you get
24 from the feds is not a dollar they are taking out
25 of our taxpayers; it is more broadly done and this

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2 question of how much of our operating budget is
3 ultimately supported by the feds is a huge issue
4 to us, and as they say I don't think the long term
5 prospect--I don't know what long term is, but the
6 prospect going forward given the dynamics of where
7 the feds are I don't think it looks good.

8 COUNCIL MEMBER JACKSON: As you
9 know, the recent I guess resolution of the PCBs in
10 the schools with the lawsuit was filed by the
11 plaintiffs of the New York Communities for Change
12 and represented by the New York Lawyers for Public
13 Interest. The time frame has been reduced from
14 ten years to five years, and obviously that is
15 half of the amount of time that the Department of
16 Education was considering as far as budgets and
17 what have you. Within your office can you tell me
18 how this revised PCB remediation plan is going to
19 impact both from a capital point of view and an
20 expense point of view knowing that their agreement
21 was reached on that and how that is going to
22 affect our schools' expense and capital?

23 DIRECTOR PAGE: I don't know what
24 it does on the expense side. I am not sure that
25 that is a really major issue. Obviously the

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2 Department of Education and the rest of us are
3 very concerned about the possibility of health
4 problems deriving from these light fixtures.

5 Speaking for the Department--at least listening to
6 the Department and what information we have we
7 thought that the time period that we had defined
8 actually made sense and--

9 COUNCIL MEMBER JACKSON: You mean
10 the ten years, you mean?

11 DIRECTOR PAGE: Yeah and not in
12 fact have a health risk in it where we have
13 arrived now with a much accelerated schedule means
14 that one will be spending money on this particular
15 remediation sooner, which means in the near term
16 we are going to have less money, all things being
17 equal to spend on other things. Two, the
18 acceleration costs more because jamming the work
19 into a very tight time schedule means at the end
20 of the day that you are stuck with a premium for
21 the work. I think that the department feels that
22 with their sort of ability to get capital work
23 done being drawn into this purpose immediately,
24 inevitably they are going to slow down on some
25 other stuff in the immediate term. I think that

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2 ultimately the resource question comes up starting
3 this fall with the next five year capital plan for
4 education, and this is in effect an increased need
5 for the light fixtures that something is going to
6 have to get balanced off against everything else
7 in terms of what makes sense for the next five
8 year plan.

9 CHAIRPERSON RECCHIA: Before
10 Council Member Jackson, you have one more
11 question--we have just been joined by the CPC
12 Chung Pak Daycare, the children from Chinatown.
13 They are here to join us today. They are wearing
14 their hats. See Mr. Page, just for you. You
15 bring the children out.

16 DIRECTOR PAGE: I'm honored.

17 CHAIRPERSON RECCHIA: And they hope
18 that you could fund their daycare, right? It says
19 have a heart. They are from Margaret Chin's
20 district. See. She has her tactics. Let's
21 welcome the children. Okay. Council Member
22 Jackson, one more question, then we will move on
23 to Council Member Jimmy Oddo.

24 COUNCIL MEMBER JACKSON: Thank you.
25 So Director Page--

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CHAIRPERSON RECCHIA: [interposing]

Hold on. We have been joined by Council Member Al Vann and Council Member Lewis Fidler.

COUNCIL MEMBER JACKSON: I was listening to your response and clearly I was surprised to hear you say that you and I assume you are talking for the administration that a ten year timeframe to remediate the PCBs was an appropriate timeframe knowing that the federal Environmental Protection Agency and everyone else clearly knew that ten years was way too long for children to be exposed to the toxins of those particular things, but I think that that is your opinion and obviously the courts and everybody else disagreed with this administration's opinion in that. I move forward to my next question. The Department of Education with Medicaid in fiscal '13, they said that they could possibly recoup about 162 million dollars and in reality their projections have been reduced from 162 down, down, down to no more than 37 million and now in fiscal '14 their projections are only 117 million. Now UFT when they testified at the last budget hearing, their projections are over half a billion

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2 dollars can be, and I am just curious where is the
3 check and balances from OMB on DOE with respects
4 to the possibility of how much can be collected
5 and holding their feet to the fire and going after
6 the money because in my opinion, Director Page,
7 the numbers that they are giving and their
8 projections are fluff meaning they are unreal and
9 clearly fiscal '13 has proven that, and so that is
10 why I don't believe them, and I want to know
11 whether or not--what is your projection as to how
12 much could they possibly go after and
13 realistically go after and finally before you
14 respond, they pointed the finger at UFT as partly
15 being responsible for not recouping the money, and
16 my response to them yesterday if you didn't hear
17 me was that under the federal guidelines, state
18 and city guidelines there is nothing in the
19 guidelines that says the union must be involved in
20 documenting the reimbursement of that particular
21 money. So I want to know from your office, what
22 are you doing to hold their feet to the fire--

23 CHAIRPERSON RECCHIA: [interposing]

24 - -

25 COUNCIL MEMBER JACKSON: No, I am

1
2 sorry. Let me conclude. Realistically, because
3 if not it is nothing but fluff and unbelievable.

4 DIRECTOR PAGE: Well, I guess
5 anything you and I might actually agree would be a
6 good thing to achieve that we have not achieved
7 yet could be written off as fluff, but I guess I
8 would see this one as a task that unfortunately
9 remains largely in front of us. The federal
10 regulations require I believe an inordinate amount
11 of record keeping and documentation in order to
12 achieve the reimbursement. That does take work
13 and people doing the work, and some of those
14 people are in fact in the way the Department of Ed
15 is organized members of the UFT for whatever that
16 is worth and the ongoing arguments about all kinds
17 of issues. I have spent a lot of time and
18 argument and discussion with the Department on
19 this subject and I am sure I will continue to do
20 that. Their current idea of 37 million dollars in
21 '13 is better than '12, which as I recall was
22 about 12 or something like that. I agree that
23 this number is drastically lower than it ought to
24 be--a target of the 130 something we are carrying
25 in '14. Ultimately, do I think the number should

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2 be higher than that? Yes. But it's a substantial
3 target as I think appropriately it should be, and
4 how do we get people to take seriously that we
5 really need to get there is an ongoing effort. I
6 am sure that in your view that would be a goal to
7 attain, perhaps more. It is certainly in my view
8 and you just have to keep pushing.

9 COUNCIL MEMBER JACKSON: Thank you,
10 Director. Let me just say that in your response
11 as the representative of the Office of Management
12 and Budget you are a diplomat even though in my
13 opinion you criticized the Department of Education
14 for not doing what they are supposed to be. Thank
15 you.

16 CHAIRPERSON RECCHIA: Okay.
17 Council Member James Oddo followed by Vincent
18 Ignizio followed by Oliver Koppell. We have also
19 been joined by Council Member Helen Diane Foster.

20 COUNCIL MEMBER ODDO: Mr. Page,
21 good morning.

22 CHAIRPERSON RECCHIA: --and Melissa
23 Mark Viverito.

24 COUNCIL MEMBER ODDO: In March of
25 2011 during the preliminary budget hearing when it

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2 got to me to ask you a question I started off by
3 joking that there was a young filmmaker somewhere
4 in New York City who was going to write a
5 documentary and make a documentary about our
6 discussions over the last decade and change called
7 the Uncontrollables, and actually I didn't wait
8 for that to happen. I got the DVDs myself and I
9 spliced it together, and if it weren't such a
10 serious issue, there actually is a good deal of
11 humor in watching you and me go through this the
12 last eight or nine years. I think it starts in
13 2004. So I want to go back to some familiar
14 territory and talk about non-discretionary
15 funding. My first question to you is is it
16 accurate to say that the city of New York has a
17 structural deficit? And I define that as our
18 recurring expenses outnumber our recurring
19 revenue, and if it is accurate, how large of a
20 structural deficit do we have?

21 DIRECTOR PAGE: I guess I have been
22 haunted by this structural deficit term for a long
23 time. I don't really believe it. The fact of the
24 matter is that as I have said people will always
25 want to spend more and pay less, and that is the

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2 structure we are in. We are a very human process
3 in terms of how we derive resources and how we
4 choose to spend them and how you quantify the two
5 sides of that. It's a process that is made more
6 difficult when you have amounts that you have to
7 spend that are not controllable in the current
8 period that you are managing because you built a
9 school and you sold the bonds or you are nailed
10 with a pension obligation and by law you can't
11 walk away from the consequences of what you did in
12 the past in terms of how you allocate money now.
13 That puts more stress on it because it means you
14 have a piece of the spending size that you can't
15 change even when the resource side goes up and
16 down with the economy of politics of Washington or
17 you name it.

18 COUNCIL MEMBER ODDO: Okay. So you
19 are saying that you don't believe in the concept
20 of a structural deficit? You are not saying that
21 we don't have one--if you forgive all of my
22 negatives there.

23 DIRECTOR PAGE: What I don't buy
24 into on the structural deficit is it sounds as
25 though it is something that you can't deal with,

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2 you can't manage, I mean it is a train wreck that
3 is going to happen. I don't believe that is true.
4 I actually believe that yes, we have a very high
5 tension, difficult ongoing negotiation between how
6 you derive the resources and all the things you
7 want to spend them on, but I don't believe that
8 that is a structural deficit. I think that that
9 is the structure that we live in and it is
10 possible to live in it.

11 COUNCIL MEMBER ODDO: The problem I
12 have with that answer, and the problem I have had
13 during the last decade or so in having these
14 conversations with you is that the administration
15 comes in here and acts as if it is not complicit
16 in any way, shape or form with the growth in any
17 of these four "uncontrolled." I have always take
18 umbrage with the fact that we refer to it in those
19 terms as if we have no control, and I am going to
20 send you a DVD. There is a famous scene, which is
21 quote humorous where I ask you when you worked for
22 Rudy Giuliani, did you ever hear Mayor Giuliani
23 refer to anything in the budget as uncontrollable
24 and non-discretionary? Let's take one of these
25 specific four--the one that happens to be growing

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2 at the biggest rate, and that is fringe benefits
3 or healthcare costs. You say it is an
4 uncontrollable. I think there are a lot of folks
5 out there who say actually how many municipal
6 contracts did this administration negotiation and
7 weren't those opportunities to in fact control
8 those expenditures? That is one question, and the
9 second thing just on that point, in our budget
10 briefing a couple of weeks ago on the exec budget
11 you raised a very frightening concept, and that is
12 under Obama care that our healthcare protections
13 would actually potentially could fall within the
14 definition of a Cadillac plan, and that the city
15 could actually pay--and my understanding of a
16 Cadillac plan as if it is in excess of 10,200
17 dollars and the employer would have to pay a 40
18 percent excise tax, so it is growing as it, it is
19 growing up to ten million in fiscal year '17. Are
20 you concerned in addition to that growth on top of
21 that we are looking at potentially a Cadillac tax?

22 DIRECTOR PAGE: Yes. You know, the
23 administration has been trying to get traction on
24 basically competing the contract for health
25 benefit for city employees. We have had GHI and

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2 HIP as the really kind of driving bulk of that
3 service for a long time. They are now under
4 entity emblem which means that whatever
5 competition you might have realistically had
6 between them I think is compromised if not more
7 than that. I agree that you in the immediate
8 period there are a bunch of expenses that you are
9 stuck with that you can't adjust in the immediate
10 period. I agree with you that you need to have a
11 longer view and at the end of the day as contracts
12 with the workforce are negotiated and no doubt,
13 there are times when that happens more often than
14 other times. It hasn't happened a lot recently,
15 but no doubt it will going forward. I would
16 imagine that the amount of resources that go into
17 non-salary health benefits, requirement benefits,
18 which now is I think 75 percent city-wide of what
19 we actually pay in salary. I would say it is not
20 just that it is hard to control once you sign the
21 contract, that it is too big because I think you
22 probably want to pay more in salary and less in
23 benefits to get the best workforce that you can,
24 so yes, in the long run you need to change it. Is
25 it uncontrollable? Well, maybe it is

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2 uncontrollable now, but if you look forward and
3 you take a long view, maybe it is controllable.
4 You can lower the capital program. You can have
5 less debt. You can recalibrate how you do health
6 benefits. You have less ongoing premium to pay.
7 Pensions, how much of a pension is appropriate?
8 How much does it cost?

9 COUNCIL MEMBER ODDO: That
10 dovetails nicely into my last question, Mr.
11 Chairman. So you just laid out some of the things
12 you can do to control the "uncontrollables," so
13 let me ask you this, and I don't ask this out of
14 disrespect or anger. I ask it more out of
15 frustration and disappointment. How do you
16 respond to the critics who say then that the last
17 12 years were an opportunity missed or an
18 opportunity lost in that we have heard in three
19 elections rhetoric about this administration being
20 uniquely positions because of the lack of a need
21 to rely on traditional special interest and the
22 ability to go in and make decisions? So you just
23 laid out a few options on how you control
24 uncontrollable. How do you respond to those
25 critics who say, well, you know what? That could

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2 have, that should have happened in these last 12
3 years, and if you listen the comments of the
4 mayoral candidates and you read various editorial
5 pages, they will attest to that. That opportunity
6 is not going to see the light of day in the next
7 four years, so how do you respond to those
8 critics? I will - - .

9 DIRECTOR PAGE: I think that on the
10 pension side, we actually have made considerable
11 progress. Tier 6 is drastically less expensive
12 than tier 4, and the tier 3 that varies to
13 uniformed forces are in now is drastically less
14 expensive than the previous pension situation for
15 those people. The problem with it is that because
16 of how the state constitution works, you don't
17 realize those savings for a long period of time
18 because you basically have to turn over the
19 workforce and not only does it only affect the new
20 hire as a practical matter you only get the
21 savings when the new hire retires because you
22 can't change benefits for existing workforce. It
23 is a big lead time on that. The health benefit
24 side, you know, we have in the last few months
25 again been trying to get at that. There is a lot

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to be done.

CHAIRPERSON RECCHIA: Thank you,
Council Member. Council Member Vincent Ignizio.

COUNCIL MEMBER IGNIZIO: Yes, thank
you, Mr. Chairman. Good to have you here, Mark,
for your last visit as director. I just think in
looking beyond your term and some of my colleagues
are term limit out, but those of us that are
seeking reelection are very concerned about--there
seems to be a big ticking time bomb in this
budget, and that is the labor contracts. I for
one am very concerned about all the labor
contracts are up, and I want to put my questioning
towards that. How many labor contracts are
currently without a contract?

DIRECTOR PAGE: I don't have a
number in my head, but it is most of them.

COUNCIL MEMBER IGNIZIO: Most of
them. Does the budget reflect any increase at all
for future contract settlements?

DIRECTOR PAGE: Yeah, what it does
is to--it has got three--from the end of the last
contract period it has got three years of zeros
and then it goes to one and a quarter annually.

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2 That is the pattern. Generally, those employees
3 who did not get the four and four have zeros in
4 those years as well.

5 COUNCIL MEMBER IGNIZIO: So
6 potentially the next year budget is looking at a
7 multibillion dollar gap if they have to settle
8 these contracts with some form of raises, and the
9 most--I guess what I am asking is did you guys
10 model, did OMB model percentage of increases and
11 what that would cost overall the budget and ergo
12 the taxpayers?

13 DIRECTOR PAGE: Yeah. I mean the
14 fact of the matter is that if you go back and you
15 settle that part of the workforce which because of
16 the decline in the economy, which happened before
17 they had settled if you went back and you settled
18 those people for the four and four and you settled
19 in 14 I think the cost in 14 of that is 3.7
20 billion dollars, and the annual cost going forward
21 of just maintaining that level is another 900
22 million dollars a year going forward. If you went
23 back and you decided you were going to do that and
24 you were going to provide just a CPI increase for
25 all open contracts from the date when they opened,

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2 I think you get to a number in 14 of seven billion
3 dollars of something of that kind. 7.8--that is
4 including the retroactive piece. I would say that
5 those numbers, which you can get out of a model
6 you can't do. I mean if you compare that to the
7 controllable budget or various taxes, I mean it is
8 an astounding amount of money. I don't think you
9 can afford it. Through this period we did manage
10 to--there was some marginal reduction in the city
11 workforce, but really not very much, so that we
12 maintained jobs. We have maintained benefits.
13 Those uncontrollable costs we were talking about
14 earlier are actually increasing amounts that the
15 taxpayers are paying for the payment package that
16 city employees have the benefit of. When it gets
17 more expensive to fund a given pension benefit,
18 you are actually paying more for that person who
19 gets the benefit. It is not that obvious to the
20 person, which is a problem in the dynamics of this
21 thing. I would myself imagine that by and large
22 the workforce at least stayed employed through
23 this last economic drop. The city economy is
24 clearly coming back. Job numbers are good.
25 Mixture of jobs--whatever. I would imagine that

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2 clearly we need collective bargaining contracts,
3 but I think that I mean we are under no legal
4 obligation to pay retroactive raises. I mean it
5 is not reflected as a liability. It is not
6 something we have funded in the budget. It is not
7 something we are required to fund in the budget.
8 I think the question becomes what can you afford
9 to pay going forward, and you know, that is in the
10 light of all of your circumstances what people
11 have been paid up to know, what they are paid in
12 the future, what the economy looks like, what the
13 other demands for money are, how much the feds cut
14 you so that you are worried about maintaining
15 services. it is a new mix going forward, but I
16 personally think it has to be going forward.

17 COUNCIL MEMBER IGNIZIO: And look,
18 I acknowledge that. I am not playing got you with
19 you. I am not fencing with you. I am actually
20 trying to--it's the less sexy part of the budget
21 that we are going to discuss probably today let
22 alone throughout, and I see it as the biggest
23 ticking time bomb in the budget because a five
24 million dollar allocation for--I am just throwing
25 a number out there--to save the pools will be the

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2 first story and the second story in today's news,
3 but the fact that the potential 3.7 billion dollar
4 hole because of municipal workforce contracts that
5 are not negotiated and not up is one that kind of
6 falls down on the list, and I just recall in the
7 2001 race where mayoral candidates and mayoral
8 elects said that the previous administration was
9 irresponsible and not settling their contracts and
10 kicking it to the next administration, and it
11 seems to me that this administration has done that
12 and then some. I am just trying to say is there
13 something that we can do in the budget perhaps
14 enhance the labor reserve and perhaps do something
15 to try to lower in impact that these contracts
16 will have because they will be settled. There
17 will be some raises in them. If not retro, there
18 will be ones going forward to try to cushion the
19 blow on the overall budget and the overall
20 taxpayer dollar.

21 DIRECTOR PAGE: I think that as a
22 practical matter you are going to have to figure
23 out are one, I don't believe that it is a ticking
24 time bomb because I don't think it--you only owe
25 the three billion dollars whatever number you

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2 choose if you agree to sign a contract that says
3 you owe it and that strikes me as as a step not to
4 take.

5 COUNCIL MEMBER IGNIZIO: There is
6 some cost to an increase of a contract.

7 DIRECTOR PAGE: Definitely, the
8 increase is going to be whatever somebody agrees
9 to, and it is going to have to be in the light of
10 what it costs, what your ability to pay is and
11 what you are trading against it, and you are
12 obviously dependent on the workforce. That is the
13 whole thing that carries what we do, and
14 therefore, ultimately you need to deal with them.

15 COUNCIL MEMBER IGNIZIO: Right.
16 Much like your desire to have pegs earlier on in
17 the year and reason being is you do them - - they
18 don't have to be as draconian, so you would have
19 something in reserve and not have to take the
20 bigger hit. Is there something proposed in this
21 budget by the administration or that could be
22 worked on with this council that we can cushion
23 the potential blow of future increases to the
24 major amounts of municipal works that are off
25 contract?

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2 DIRECTOR PAGE: Well, you could
3 decide to spend less money and keep some of it
4 back, but when you spend less money, you are
5 buying less in terms of the services and benefits
6 that people want.

7 COUNCIL MEMBER IGNIZIO: Is there
8 anything in the executive budget that reflects
9 that?

10 DIRECTOR PAGE: That reflecting
11 reserving for future collective bargaining--that's
12 the one and a quarter beyond the three years of
13 zeros. That is it.

14 COUNCIL MEMBER IGNIZIO: So no.
15 The answer is no.

16 DIRECTOR PAGE: Correct. Well, the
17 one and a quarter is something.

18 COUNCIL MEMBER IGNIZIO: It doesn't
19 reflect reality, but it is something. I hear you.
20 Thank you.

21 CHAIRPERSON RECCHIA: Alright.
22 Council Member Oliver Koppell, but before that we
23 have been joined by Council Member Karen Koslowitz
24 and Council Member Sara Gonzalez. Oliver Koppell?

25 COUNCIL MEMBER KOPPELL: Thank you,

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2 Mr. Chairman. I'd like to focus more on the
3 forthcoming budget and the revenues because I know
4 that the Council as a whole under the speaker is
5 going to negotiate the final budget for 2014 next
6 week, so between the initial proposed budget of
7 the mayor and the executive budget there were
8 additional expenses, but also additional revenues
9 of a little over a billion dollars, a billion and
10 76 I believe. Most of those were used to cover
11 projected additional expenses. That number, let's
12 focus on that number rather than the 72 billion
13 total budget. Let's just focus on the increase
14 between the initial budget and then the executive
15 budget, so that number was 1 billion 76 million.
16 Do you know what date that revenue--I don't think
17 was an estimate--that revenue determination was
18 made? As of what date the checks that you
19 received as of what date were included?

20 DIRECTOR PAGE: In the executive
21 budget?

22 COUNCIL MEMBER KOPPELL: Yeah.

23 DIRECTOR PAGE: We had collections
24 information I don't know the 26th of April.

25 COUNCIL MEMBER KOPPELL: 26 of

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April.

DIRECTOR PAGE: Yeah.

COUNCIL MEMBER KOPPELL: And when is the next date that you can look at revenue collections or can you look at that on a daily basis?

DIRECTOR PAGE: We look at it continuously. It is of varying accuracy. Our big taxes particularly--property tax is something we are responsible for and is reasonably stable and predictable generally, but the income taxes and by and large collected on our behalf by the state, the PIT, the sales tax. The information flow through from the state to us is not the world's greatest at all times. There are sort of ebbs and flows and corrections that happen, but it is something we watch carefully, and as we go along.

COUNCIL MEMBER KOPPELL: Alright, so as of the submission of the executive budget, the number off the--I am using it as sort of a base line--off February plan was 1 billion 76 in excess of what was projected in the February plan. If we looked at that number today or whatever the last date that you look at revenue collections,

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what is that number?

DIRECTOR PAGE: I don't know. I think that the chances are that on the basis of collections we have seen up to now, we are probably marginally better than we thought we were going to be on April 26th when we did the exec, just in terms of current collections in '13. A big chunk of what caused us to come up between the preliminary budget and exec was the basically capital gains and related taxes that resulted from the amount of churning that people did at the end of '12 when they were worried about major federal increases in capital gains tax that were going to take effect in '13 and some of it actually did take effect in '13. That if you have something that you bought for 100,000 dollars, and it is worth 200,000 and you think the tax rate on that increment is going to go up, a lot of people are well enough--they are focused on their own business, and they sell it before the rate goes up. That happened a lot at the end of '12. That becomes a revenue to us in fiscal year '13. That happened once before--at least once before--in the '80s when we had a major prospect of an increase

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2 in the next year, and our tax collections swung,
3 and I don't have the percentages in my head, but
4 they swung up drastically, so 60-90 percent in one
5 year and proceeded to tank in the next year
6 because everybody had done what they were going to
7 do in terms of sales ahead of time, and then they
8 stopped doing them because they had done them all,
9 so then you had to catch up with yourself so you
10 go up, down and then you even out again, and one
11 of the big questions behind our revenue
12 forecasting at the moment, and obviously we are
13 concerned not just about '13 but the '13-'14
14 period and how it boils out is we have clearly
15 gotten a major run up. what does the drop look
16 like when transactions slow down because you got a
17 lot done faster?

18 COUNCIL MEMBER KOPPELL: Well, I
19 understand and I guess one has to to some extent
20 take that into account, but there are other
21 factors that suggest that maybe the revenue
22 estimates could be enhanced because the general
23 state or the national economy is continuing to
24 improve. We don't know whether that is going to
25 continue clearly, so I think we ought to look at

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2 it in terms of what we--I will look at it in terms
3 of my argumentation here. I am only one of 51
4 people, but I will look at it in terms of the
5 projections that are there and what money we have
6 in '13 that we have taken in, and if we have more
7 that we have taken in, I think we should not feel
8 too uncomfortable about spending it. I know you
9 said you thought they were marginally better, but
10 marginal in a 70 billion dollar revenue stream can
11 be a lot. The Council in its negotiations with
12 the administration probably affects about half a
13 billion dollars in expense spending, so marginally
14 on a 70 billion dollars could be another 3, 4, 500
15 million dollars, so what I am asking that you do
16 and you don't need to communicate to me, you
17 communicate it to our Finance Committee, is take
18 the latest date you can possibly take in the next
19 few days because we are into negotiations and give
20 us a number. The number was 1 billion 76 million
21 when you did the executive budget that was April
22 26th. I'd like to know what the number is on June
23 5th or maybe even June 10th because then that will
24 give me the leeway maybe to argue with the
25 chairman and the speaker that we ought to spend

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2 more money because most of us always want to spend
3 more money to meet the needs that we see out
4 there. So what I would urge, Mr. Chairman is that
5 we get the most recent number from them, and I
6 know that our finance staff will also be looking
7 at a number.

8 CHAIRPERSON RECCHIA: I am glad you
9 used the word most, and not all.

10 COUNCIL MEMBER KOPPELL: The only
11 other thing I would say is this. I notice that
12 300 million is projected as revenue from the taxi
13 medallion sale. If the court decision is adverse,
14 I hope you know that a bill has been introduced in
15 Albany to allow for this--to bare bones the sale
16 of the 2,000 medallions. It is now connected with
17 a five borough taxi plan, which by the way I
18 support, but if it goes down, I would suggest very
19 strongly that you look at requesting this council
20 to approve just the 2,000 taxi medallion sale,
21 which are disabled accessible taxis as you know,
22 and as I say there is a bill that has been
23 introduced by Assemblyman Kellner, which would
24 provide only for that, and I will certainly argue
25 very strongly that that bare bones bill be

1 supported by a home rule message. I can't--
2 obviously, I am not going to make the decision,
3 but I hope you keep that in mind if you lose the
4 court case.
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6 DIRECTOR PAGE: I certainly hear
7 you. We obviously hope we don't lose the court
8 case and that we actually get a ruling soon, which
9 would be helpful. on the other hand, if we lose
10 it, I certainly will be doing my best with
11 everybody else to figure out how to go forward
12 with what I think is actually and this
13 administration thinks is a good plan
14 notwithstanding losing this particular legal
15 challenge, and yes, other legislation is certainly
16 going to be an issue at that point.

17 COUNCIL MEMBER KOPPELL: Well, I
18 just want to make it clear that I think I believe
19 that we would not have a problem with a home rule
20 message on the 2,000 disabled accessible cabs if
21 it was separated from the five borough plan, which
22 has its problems even though I support it. So I
23 would like you to keep that in mind because 300
24 million is nothing. Thank you.

25 CHAIRPERSON RECCHIA: We have been

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2 joined by Council Member Diana Reyna and just so I
3 can set the record straight that this City Council
4 is going to pass a budget that is fiscally
5 responsible. We are not going to go on a spending
6 spree. We have to protect the core services. We
7 have to protect the budget. We have to make sure
8 that this city is sound, and we have to look at
9 the finances and the debt and the budget as a
10 whole, and that is what this City Council will do
11 under the leadership of Speaker Christine Quinn.
12 Council Member Jimmy Van Bramer? Oh, he stepped
13 out. Council Member Ydanis Rodriguez?

14 COUNCIL MEMBER RODRIGUEZ: Thank
15 you, Chairman. Mark, a few questions. One is
16 about CUNY. As you know no doubt that we have
17 been making important progress in the DOE and also
18 CUNY; however, there is still a few challenges.
19 One is that 87 percent of students getting into
20 community college need remedial courses. The city
21 has found that there is programs such as ASAP that
22 make a difference of improving graduation rates by
23 providing support. ASAP program has been base
24 lined we state funding for I think 1.7 million
25 dollars. Has the city been looking at also

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2 increasing their contribution to - - ASAP program
3 so that every single student - - invest in many of
4 them more than 150,000 from K to 12 and they were
5 not college ready can benefit from ASAP program.

6 DIRECTOR PAGE: You know, I guess
7 it is the basic subject in front of us. If we put
8 more money into that program, which seems to have
9 a very positive effect, where do we get it from?
10 I think that that is sort of the constant question
11 in the budget and is certainly going to be a
12 fairly intense discussion between us and this body
13 over the next couple of weeks.

14 COUNCIL MEMBER RODRIGUEZ: My
15 concern with that is that the Chairman of the Fire
16 and Criminal Justice Committee and I and other
17 members of that committee we - - Rikers Island.
18 There is 13,000 people there and unfortunately as
19 I know, if we keep retention as we have at
20 community college only with 27 percent after six
21 years no doubt that we are creating a condition
22 where not everyone will drop out will end up in
23 Rikers Island, but there is a percentage that will
24 be there, so if we want to save in the long term I
25 think that in this program that already has been

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2 found as making a difference I just hope and
3 especially in the last inauguration, the mayor
4 asked to be also measured by one of the areas was
5 community college, so I just hope that we can have
6 some conversation and look at the ASAP as one of
7 the areas where we can make some investment. My
8 second question is I used to be a high school
9 teacher. June we would have many schools in my
10 district and in other parts of the city holding
11 graduation in auditoriums without air
12 conditioning. Many schools in my district in the
13 city, they will be holding summer classes without
14 air conditioning. We want to put capital money
15 for air conditioning, and I know that one of the
16 requirements is that capital has to have - - year
17 or longevity and I believe that if in that process
18 we can work to be sure that the air conditioning
19 that you install in those schools, many of them in
20 my district and in any part of the city where we
21 have buildings built like 75 years ago, we want to
22 put the money on capital to bring the air
23 conditioning, but as you know, OMB does not allow
24 to do it. Can you look at it and see if there is
25 any possibility for us who are committed to put

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2 the money to be allowed also to include air
3 conditioning as one other area where we can
4 invest.

5 DIRECTOR PAGE: That question of
6 what qualifies to be bonded by the city is full of
7 very case by case factual details and findings and
8 whether the object that you purchase qualifies to
9 an accountant as a capital asset and there is all
10 kinds of standards that are applied, I appreciate
11 your point that air conditioning is an extremely
12 desirable thing to have in a school if you are
13 going to be open in the summer in New York City.
14 I can't answer your question as a blanket. It is
15 a case by case determination. I am not familiar
16 with the details. I would be happy to look at the
17 details, but I don't know what the outcome is.

18 COUNCIL MEMBER RODRIGUEZ: Okay. -
19 - so that we can look at it because there is a
20 real issue, like this is not a luxury. This is
21 about 90 degree, 95 degree - - students - - want
22 to go to school. If we need to be sure that the
23 air conditioners are the best ones and we have the
24 money from capital I hope that we can look as you
25 say even if it is case by care, but right now we

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2 don't have any - - on working. So I just hope we
3 can look at them. My last question is are there
4 any city contracts that you have been looking at
5 where the city can recover misspent funds such as
6 City Time?

7

DIRECTOR PAGE: I guess on the one
8 hand I kind of hope not that we haven't made a
9 similar size mistake, but of course if we have
10 made mistakes, I think any time we have knowledge
11 of things of that kind, we certainly follow them
12 up, and I mean there was talk about the
13 negotiation with Hewlett Packard earlier. I guess
14 that is one that we are following up. if I knew
15 of six more contracts where we were entitled to
16 several hundred million dollars back, I'd love to
17 know about that. When you know about it, you go
18 after it.

19

COUNCIL MEMBER RODRIGUEZ: Okay.
20 Thank you. I just would like to end saying that
21 thank you for your service. We can disagree, but
22 no doubt that you are one of the smarter persons,
23 who also understands - - person, who understand
24 the finance and the responsibility - - finance in
25 place, so even though we cannot agree to disagree,

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but thank you for your service to the city.

DIRECTOR PAGE: Thank you.

COUNCIL MEMBER KOSLOWITZ: Council Member Crowley?

COUNCIL MEMBER CROWLEY: Thank you to our new chair, Council Member Koslowitz. Temporary. Good morning, Mr. Page. I am too appreciative if your years of service to the city. I am not sure if it is your last year, but I know it is the last year of the Bloomberg Administration. I am grateful as well as the other colleagues that have expressed their gratefulness. I have a few questions. One is broad. How many municipal workers do we have today, and how does that compare to how many we had when the mayor became the mayor?

DIRECTOR PAGE: Counting employees is something that has always driven me nuts, but I am told that--because it is hard to have an accurate number. I am told we have about 295,000 fulltime employees and full time equivalent positions, and that is about 15,000 less than when we started. There has been changes along the way. I think we were probably lower for a while, and we

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have come back a bit, but...

COUNCIL MEMBER CROWLEY: It's hard for you to say which agencies were 15,000 or fewer and in some agencies you may have grown. I guess my question--

DIRECTOR PAGE: [interposing] The information exists in terms of numbers of employees by agency over time. That number that I just gave you is all funds. It is not just city funds. You can slice it and dice it in different ways, and you also get into trouble because over time it gets complicated how to count.

COUNCIL MEMBER CROWLEY: It is complicated. I am going to get more specific because I chair our Fire and Criminal Justice, and Council Member that has been focused on public safety, and over the years be it whether it's the police department losing approximately 6500 police officers or the fire department, Department of Correction various city agencies have been spending an exorbitant amount of money on overtime and earlier you mentioned that--and in previous hearings you have mentioned that it saves money rather than hiring new, which I have yet to see

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2 the facts clearly laid out on that. You said
3 earlier today 75 percent of a city worker's salary
4 is additionally added on in costs of maintaining
5 them as a worker. That I find hard to believe. I
6 find that 75 percent difficult to believe, and I
7 really want to know how that breaks down in
8 benefits. How that 75 percent in compared to the
9 100 percent of the salary...

10 DIRECTOR PAGE: I can break it down
11 for you. Not at this moment, but I would be happy
12 to give you those numbers. Interestingly enough
13 in your territory of the uniformed forces is
14 probably nearer 100. In the fire department it is
15 probably over 100 in terms of the cost of benefits
16 as compared to the salaries.

17 COUNCIL MEMBER CROWLEY: Are you
18 calculating those that are receiving benefits who
19 are receiving pensions in that cost? When we put
20 money in the city budget a few years ago to hire
21 200 new police officers - - 200 million dollars of
22 the city budget; it wasn't 200 police officers--
23 more than that. But that is what it amounted to.
24 Numbers from your office came back to us saying
25 that it was roughly 42,000 a year for starting

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2 salary and that the fringe benefits added up to
3 about 20,000 more. I don't see how those fringe
4 benefits increased so much so as year one goes to
5 year five or to year 15. I want to get at the
6 heart of this in understanding is it that you are
7 calculating your figures those who are currently
8 receiving pensions in the cost of new hires?

9 DIRECTOR PAGE: I'm sorry. Those
10 that are currently receiving pensions--

11 COUNCIL MEMBER CROWLEY:
12 [interposing] Those retired officers, retired
13 uniforms, the cost of paying for their pensions
14 when you are figuring out the 75 percent.

15 DIRECTOR PAGE: We are figuring
16 out--we are counting the total amount that we are
17 contributing to the pension system, the police
18 pension system, on an annual current basis from
19 New York City's operating budget, so that includes
20 the contribution we are making on behalf of
21 currently active policemen. It also includes
22 money that we are obliged to pay in for pensions
23 paid to retired policemen, but the theory is that
24 you contribute during the working lifetime of the
25 employee enough money so that when he or she

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2 retires there is actually enough cash sitting in
3 the fund invested so that that covers his cost of
4 retirement. That is not perfect. There is a
5 certain amount of ongoing contribution driven by -
6 -

7 COUNCIL MEMBER CROWLEY:

8 [interposing] When you figure out that 75 percent,
9 you are figuring those that are collecting their
10 pensions right now, so it is not entirely accurate
11 when we hire new employees that it will actually
12 cost us 75 percent more for those employees in
13 that particular year or in five years.

14 DIRECTOR PAGE: The pensions are
15 actually paid out of the pension system. The
16 direct pension payment is not our cost, but the
17 amount that actuarially we are obliged to put into
18 the pension system is our cost.

19 COUNCIL MEMBER CROWLEY: Are you
20 figuring the cost of pensions--well, first of all,
21 I don't think that that answer is clear. I don't
22 think you have answered it yes or no. I have yet
23 to see the numbers, and I have asked OMB, I have
24 asked the specific uniformed agencies. They have
25 yet to lay it out, and year after year I have

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2 asked this, and I have never gotten an explanation
3 detailed as to exactly how much money it is
4 costing us for new hires or police officers five
5 years in, ten years in and how you are getting at
6 that 75 figure.

7 DIRECTOR PAGE: A newly hired
8 police officer in terms of how much that person
9 costs, and how much his or her presence drives in
10 terms of the city's contributions of the pension
11 system is lower than somebody who comes in later
12 because there is a good chance when he comes--
13 first of all he is just starting out. It is not
14 clear that he is actually going to retire with a
15 pension at that point. He might leave after four
16 years or two years or whatever in which case his
17 cost to the pension system is lower than somebody
18 else who is at year 19. He is going to be there
19 for 20 or 22 years or whatever the required--

20 COUNCIL MEMBER CROWLEY:

21 [interposing] I understand that. I am just not
22 sold on your 75 percent figures.

23 DIRECTOR PAGE: You need to believe
24 me because the money goes out the door and has to
25 be paid. We are obliged to make a payment to the

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2 pension system every year in a certain number,
3 which is determined for us by Bob North, the
4 city's actuary. It is money. It has to be paid.
5 If you allocate it across the police department,
6 in the police department's case, I think it is 100
7 something, not just pension, but that plus the
8 health benefit.

9 COUNCIL MEMBER CROWLEY: When you
10 figure your pension costs are you also taking in
11 account how those investments are doing and the
12 revenue they are generating?

13 DIRECTOR PAGE: Yes.

14 COUNCIL MEMBER CROWLEY: And so we
15 have some financial plan table in front of us that
16 we were given what was submitted in February where
17 you were looking at your fiscal year 2013 planned
18 expenses, and then you see that fiscal year 2014
19 it goes down almost 20 percent, so expecting
20 savings in pension costs?

21 DIRECTOR PAGE: That doesn't sound
22 right. There is something confused in it. The
23 number actually--there was a changed number; it
24 reflected in the exec where as I recall pension
25 costs in '13 and '14 each went up by about 200

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2 million dollars give or take. That was a
3 refinement by north as to what is ultimate total
4 bill was to the city for each of those years, but
5 the base number is eight billion dollars give or
6 take.

7 COUNCIL MEMBER CROWLEY: Are we
8 expecting more New Yorkers to be working next year
9 than are currently working right now?

10 DIRECTOR PAGE: Do I expect there
11 to be more jobs in New York City next year? Yes.

12 COUNCIL MEMBER CROWLEY: Are you
13 expecting our income tax base to increase?

14 DIRECTOR PAGE: I am expecting our
15 income tax collection--I guess the number of
16 people paying should go up some. Our actual total
17 collection I think we are still forecasting goes
18 down a little between '13 and '14, and that is
19 because of what I was talking about earlier.
20 There is a big chunk of the income tax, which is
21 capital gains tax, and if everybody walks out at
22 one moment and they all sell their appreciated
23 property, you get a bump up in the collections.
24 We have had that in '13. We expect not to have so
25 much of it in 14, but if you are just looking at

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collected salary that we tax, I would think that goes up from '13 to '14.

COUNCIL MEMBER CROWLEY: Okay. I think it is somewhat conservation, and I think that your budgets have been that way year after year, which is frustrating for council members when we go into our negotiations and budgets - -

[crosstalk]

DIRECTOR PAGE: [interposing] when you were obliged to balance the next period.

COUNCIL MEMBER CROWLEY: I am going to finish with my questions because we have other council members, but I just want to say in companies you don't have wasteful spending either, and last year, fiscal year 2013, we are about to finish I bet when we see the final figures we will be over a billion dollars spent on overtime for our uniformed agencies, and I believe that if we hired a few thousands more, New Yorkers would be safer. If we hired a few thousand more uniforms, New Yorkers would be safer and New Yorkers would be the recipients of those good jobs, and that we would be more fiscally responsible as a city by doing that. Thank you.

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2 COUNCIL MEMBER KOSLOWITZ: Thank
3 you. We have been joined by Council Members Mealy
4 and Greenfield and is Margaret Chin here? No, we
5 will move on to the next one for questions.
6 Council Member Fidler?

7 COUNCIL MEMBER FIDLER: Thank you.
8 Since we have heard from a council member in favor
9 of the five borough taxi plan is just as someone
10 who is not in favor of the five borough taxi plan
11 want to offer you the opportunity, Director Page,
12 that - - the court of appeals affirms lower court
13 decision as I believe they will to help you
14 negotiate a sensible resolutions so we don't lose
15 the revenue.

16 DIRECTOR PAGE: Thank you.

17 COUNCIL MEMBER FIDLER: You're
18 welcome. I would like to say this is our 12th
19 dance, and I figured it is only fitting and proper
20 to say that while I have disagreed with things you
21 said, I have no doubt in my mind that you are a
22 very dedicated public service and I appreciate
23 your service to the city, even when we disagree,
24 and I am very much appreciative of the fact that
25 some of the dance tunes aren't being played this

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2 year. We are not talking about DAs anymore. We
3 are not talking about the need for capital
4 spending when the economy needs to be stimulated
5 it appears that we have come closer at least to an
6 acceptable point of view on both of those issues,
7 and I am grateful for that. I do actually want to
8 go back however to the two issues I discussed with
9 you during the preliminary budget, which I think
10 ought not be part of the dance anymore, and
11 unfortunately continue to be. When you were here
12 last I asked you whether or not the mayor had
13 spoken to you about the issue of base lining
14 shelter beds for the 3800 some odd children who
15 sleep on our city streets every night. The mayor
16 had made a rather public promise to do that at a
17 bill signing ceremony. I still have the YouTube.
18 I would like to know whether or not there has been
19 any discussion on that issue since our last
20 conversation?

21 DIRECTOR PAGE: I think I said at
22 the time that I couldn't recall his having brought
23 it up with me. He may have, and I may have just
24 missed it. Certainly if he has expressed a
25 commitment to supporting that service, I would

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2 expect that that is something that hopefully we
3 can come out of the new few weeks of negotiation
4 having taken care of.

5 COUNCIL MEMBER FIDLER: Well, to be
6 clear he expressed the commitment to discuss it
7 with you. I certainly interpreted that in a
8 hopeful way since as far as I can tell he is the
9 boss over there, and I think we have acknowledged
10 and we have also had a colloquy on the issue that
11 one of your commissioners testified to in that
12 very seat that it is not a sensible way to
13 prepare, to run shelter programs if we fund them
14 on a year to year basis, yet they have to commit
15 to lease space on multiple years. I wish your
16 answer today would have reflected that you had had
17 that conversation, and we could take that off the
18 table and I will once again urge you if the mayor
19 hasn't sought you out on this to ask him if he
20 meant to and let's make some lasting progress.
21 The number of beds is inadequate even if we funded
22 it the full level, but cutting it by not base
23 lining it year after year and cutting it 65
24 percent is cruel, and not good business. The
25 other topic, and this is an issue that we have

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2 discussed as well is the out of school time cuts,
3 and I know that there has to be an anticipation on
4 the part of the administration that the council
5 will ride over the hill as the cavalry and restore
6 the two-thirds cut to our after school programs.
7 I am just wondering whether or not you have had
8 this conversation on your level. I have consulted
9 with all of my precinct commanders. I have also
10 spoken to the chancellor about the additional
11 budget costs to not restoring this. From the
12 police perspective what it is going to cost them
13 to deal with another 65,000 children unsupervised
14 after three o'clock and Chancellor Walcott's
15 position that not having after school programs and
16 the OST program restored will affect negatively
17 the educational outcomes of our children. So I'd
18 like to know if you want to comment on that and
19 what you would say to that? Have you spoken to
20 those parties?

21 DIRECTOR PAGE: I guess I am
22 somewhat familiar with the issues, and I am not
23 sure I have had a conversation with those
24 particular people on the subject at this moment,
25 but I am sure that there will be considerable

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discussion on this topic over the next few weeks.

COUNCIL MEMBER FIDLER: There will be if I am concerned, but the fact of the matter is that we talk here, and I talk to my finance Chairman, my Speaker, my finance staff about some of these issues so that when we have to come to the table we are aware of the fact that there are consequences to not doing things, and I am just concerned that from your side of the table that you haven't spoken to people that could tell you what the budgetary costs of not doing this is because I think quite frankly it is probably a wash. We don't do it you are probably going to have to spend the money in other less pleasant ways anyway. Okay. I saw the nod. Anyway, again I look forward to working with you on those issues in particular and trying to help you save taxi medallion money and again, thank you for your service and your testimony.

DIRECTOR PAGE: Thank you.

COUNCIL MEMBER KOSLOWITZ: Thank you.

COUNCIL MEMBER FIDLER: Oh, and I want to say I miss Stu Klein [phonetic].

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DIRECTOR PAGE: So do I.

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COUNCIL MEMBER KOSLOWITZ: I would

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like to ask a few questions first of all about the

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Hunt's Point market, and the administration put in

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77 million in EDCs May 2013 capital commitment

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plan for the Hunt's Point market for fiscal 2014.

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The city and the Hunt's Point produce market are

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in continued discussions about extending the

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produce market lease and the plan to build a

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larger and modernized market. What is the current

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status of the negotiation between the city and the

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Hunt's Point market?

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DIRECTOR PAGE: I am not up to date

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on the current state of those negotiations. It's

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done by EDC, and I am not directly a party to it.

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That original commitment as I understand it was

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part of a package and a negotiation to keep that

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market in the Bronx as opposed to having it move

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somewhere else. You are probably familiar with

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that also. I don't know where that stands at this

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moment.

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COUNCIL MEMBER KOSLOWITZ: It is

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hard because we never get an answer. It was

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important a few months ago and we don't hear

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anything on it now.

DIRECTOR PAGE: Let me see what I can do to find out.

COUNCIL MEMBER KOSLOWITZ: Also Willets Point. The administration put in 171 million dollars and to go through the capital commitment plan for fiscal 2013 and 2017 for Willets Point. Of this amount 154 million is allocated for fiscal 2013 for infrastructure improvements, acquisition and relocation and remediation, and technical services. Certainly currently the acquisitions are ongoing with 42.2 million committed this year. Please update the Council and the public about the current status of the Willets Point redevelopment.

DIRECTOR PAGE: I think that the negotiation with the last few property owners in the area is ongoing. There have been questions of whether we were going to have to go to condemnation, whether we could actually make deals with people. I think that that continues, and that the project moves forward. Again, I can try to get more detail on it than I have. I am not an immediate party to those negotiations, but I can

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see what I can find out.

COUNCIL MEMBER KOSLOWITZ: Okay, surprising that they don't watch the money and how it is put into the budget and they just--how much money of that is left, how much is going to be used, and what happens when we have a new mayor, what promises do we have that this job will be completed all the way through 2025, which is supposed to be the affordable housing part of it.

DIRECTOR PAGE: Yeah. I see the concern. I will see what I can do to get you the current status of the negotiations.

COUNCIL MEMBER KOSLOWITZ: Okay because the clock is ticking and we are coming to the end of this administration and while we are very happy finally that they are doing something about Willets Point after so many years that we want to know it's going to continue and not look like it looks today anymore. So that is important, and also the Hunt's Point market we are very concerned about because that is 10,000 jobs that would move to New Jersey, and we don't want to see that happen.

DIRECTOR PAGE: Yes, I think we

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agree on both counts.

COUNCIL MEMBER KOSLOWITZ: Thank you. I will send you a follow up e-mail.

DIRECTOR PAGE: Okay. Thank you.

COUNCIL MEMBER KOSLOWITZ: Thank you. Council Member Greenfield?

COUNCIL MEMBER GREENFIELD: Thank you, Madam Chair. I too echo the statements of my colleagues, including Council Member Lew Fidler. I want to thank all of you, not just you, sir, but your team for the work that you have done. It kind of feels like graduation day. It's a little melancholy after all of these years. I have only been here for three years. I am still going to be in school hopefully for many more years, but I know many of you are graduating, and we wish you success and luck.

DIRECTOR PAGE: Thank you.

COUNCIL MEMBER GREENFIELD: So a couple of questions that have come up over the course of the hearings, some of which I just want some clarity on, the first is a relatively small issue, probably only impacts a few hundred families, but for them, it is very significant.

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2 This is the issue of transitional childcare for
3 families who were on welfare, but then went off of
4 welfare. I had an extensive conversation with the
5 commissioner of ACS on this particular issue. The
6 concern over here that is by taking the childcare
7 away from these families affectively we are
8 forcing them back on welfare because in many
9 cases, my constituents have told me they are
10 getting jobs at minimum wage, they are finally
11 able to make ends meet, and now we are sort of
12 pulling the rug out beneath them. The
13 commissioner's response to me was something to the
14 effect of well, we are going to put them on other
15 childcare programs, and then it wasn't clear what
16 childcare programs, but in the end of the day, the
17 cost savings on this particular program at 5.3
18 million dollars just seemed dubious to me,
19 especially if we are going to be putting them on
20 other childcare programs and if the families are
21 going to end up back on welfare, which is pretty
22 likely considering they are not going to have the
23 ability to work how are we actually saving this
24 money?

25 DIRECTOR PAGE: I think that when

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2 you go off of welfare I believe you have a right
3 to childcare for one year after going off welfare
4 and the subject we are talking about is what
5 happens after that, and I think that the programs
6 I have had described to me is that we would be
7 trying to accommodate those children in daycare
8 centers on contract with New York City as opposed
9 to just automatically giving the family a voucher.
10 I mean we have an ongoing issue, and I am not sure
11 the extent exactly of contracting for space and
12 not using it fully, and I think that the program
13 here was trying to better utilize the resource we
14 are already paying for in terms of childcare as
15 opposed to actually depriving people of childcare.

16 COUNCIL MEMBER GREENFIELD:

17 interesting. Okay. first time I am hearing this,
18 so I appreciate that. I guess my question is
19 doesn't it make sense that--they are nodding so
20 you are on the right track.

21 DIRECTOR PAGE: Thank you.

22 COUNCIL MEMBER GREENFIELD: Doesn't
23 it make sense that some of these families who
24 relied on the childcare to get these jobs to get
25 off of welfare if they lose the childcare, they

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2 are probably going to have to go back on welfare,
3 which I imagine is considerably more expensive not
4 to mention that welfare guarantees them childcare.
5 Right? So now you have got to pay them the
6 welfare payments plus you have got to give them
7 childcare again, so the logic is a tad circular.
8 I am with you. If you would say listen, you reach
9 out to these folks and say you know what, listen,
10 we have an alternative, and we have some slots
11 available, and we want to work with you to fill
12 these slots, I am sure they would work with you to
13 fill these slots, but some are just simply
14 throwing them off of childcare, I have had
15 constituents tell me that they are going to go
16 back on welfare.

17 DIRECTOR PAGE: Well, as I tried to
18 explain, they program has been described to me as
19 not trying to throw them out of childcare; it is
20 actually to use the resources we have got better.

21 COUNCIL MEMBER GREENFIELD: I would
22 ask--I respect that, Mr. Page, I would ask that
23 perhaps you go back to ACS because I think that is
24 not what is actually happening. The way they are
25 interpreting this and actually executing it is

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2 that they are informing these families that they
3 no longer have childcare and they may or may not
4 be able to help them get it through a contracted
5 slot, and so what is happening as a result is that
6 many of these families are in fact leaving their
7 jobs for seven and a half or eight dollars an hour
8 because obviously without childcare they can't
9 work and quite frankly, it is a better deal to be
10 on welfare and get childcare, which they are
11 legally entitled to than it is to make eight
12 dollars an hour and try to pay for your three
13 kids' childcare, which is impossible, so I am just
14 simply saying that I think this is one of these
15 anomalies, and I know you have got a big 70
16 billion dollar budget, but this is impacting
17 hundreds of families, and I just think that when
18 agencies are under pressure, which is
19 understandable to make cuts, sometimes they come
20 up with cuts that are just not really realistic.
21 I think this is one of those cuts that just
22 realistically will not end up saving you money,
23 but it is going to end up costing you money, so
24 just respectfully request if possible that you
25 study that issue and look into it if possible. My

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2 next question has to do with the 911 system. it
3 was pretty well publicized that after several
4 months of testing last week, the new CAD system,
5 quite a name to call it cad, computer assisted
6 dispatch system crashed for 12 minutes. I am just
7 curious what is the total cost of development from
8 start to finish of this new 911 system?

9 DIRECTOR PAGE: That is a number I
10 am going to have to get you. I don't have it.

11 COUNCIL MEMBER GREENFIELD: I am
12 sorry?

13 DIRECTOR PAGE: It's a number I am
14 going to have to get for you. I don't have it in
15 my head.

16 COUNCIL MEMBER GREENFIELD: Okay.
17 So you don't have any information on the operating
18 or the ability or how it's working out? I think
19 we spent quite a bit of money...

20 DIRECTOR PAGE: We have been trying
21 to get this to improve the 911 system for a long
22 time, and I am sure we have put a lot of money
23 into it. It is obviously important to us. It
24 needs to have redundancy. There is a whole
25 dimension of this is how you coordinate the police

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2 service and the fire service and the EMS
3 rationally in terms of responding efficiently to
4 911 calls, and I don't have the numbers off the
5 top of my head.

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COUNCIL MEMBER GREENFIELD: Are you
7 satisfied with the results? I mean from your
8 perspective, your office that oversees these
9 contracts are you looking at it and saying, hey,
10 we did a good job over here, a not so good job,
11 needs improvement. What is your take in terms of-
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DIRECTOR PAGE: I don't think that
14 this project is over.

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COUNCIL MEMBER GREENFIELD: I'm
16 sorry?

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DIRECTOR PAGE: I don't think that
18 this project is complete at this point.

19

COUNCIL MEMBER GREENFIELD: Okay.
20 Are you satisfied with the current status or where
21 we have come up to in the process of the many
22 years that we have been working on this particular
23 project? No, I am serious. I am trying to get
24 your assessment. It is a big project. It seems
25 like all - - media reports have it at about two

1 billion dollars all in, so it is pretty
2 significant. I am just sort of trying to
3 understand if it has been successful. If not,
4 what are you folks doing about it? I agree with
5 you...

7 DIRECTOR PAGE: It has been
8 extraordinarily difficult to get the various
9 parties to coordinate effectively in the 911
10 response, and I think we have made a lot of
11 progress over the last--and it is something that
12 we have been working on probably since the
13 beginning of this administration I don't know if
14 before that. I think progress has been made, and
15 it is difficult. The police department in New
16 York City believes that they are totally
17 responsible and do a fine job of their entire
18 territory. The same thing is true of the fire
19 department and EMS is sort of a part of the fire
20 department and not so well coordinated, and each
21 one thinks that they do a really great job and
22 they are responsible and they do it. To get them
23 to actually coordinate with each other so that to
24 some degree they actually have to compromise their
25 own exclusive territory has been a long term lot

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of work project.

COUNCIL MEMBER GREENFIELD: I understand that, and I respect turf battles, but ultimately we have a city with one mayor who runs the city and hopefully these agencies would be responsive to that mayor that instructs them.

DIRECTOR PAGE: I think we have made a lot of progress.

COUNCIL MEMBER GREENFIELD: What's that?

DIRECTOR PAGE: I think we have made a lot of progress.

COUNCIL MEMBER GREENFIELD: So you are satisfied is what you are saying with the results--

DIRECTOR PAGE: [interposing] To describe me as satisfied is kind of not exactly where I come from in general. If I were satisfied I probably would have left a very long time ago.

[laughter]

COUNCIL MEMBER GREENFIELD: So then you are not satisfied with the progress?

DIRECTOR PAGE: In most situations I think we could always do somewhat better.

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COUNCIL MEMBER GREENFIELD: And in this particular situation?

DIRECTOR PAGE: I think that there is more to be done, but we have made a lot of progress.

COUNCIL MEMBER GREENFIELD: I understand. Final curiosity question for you, which is I have noticed at least from what our staff tells us that the city maintains a very significant cash balance during the course of the year. At some point it is something like five billion dollars. Why is that--is that a good thing? It seems like a lot of walking around money for you guys. Got a smile. That is progress.

DIRECTOR PAGE: That is an interesting topic because what our walking around money--the fact of the matter is we have this extremely careful and elaborate process of authorizing spending, tracking spending against authorization, tracking resources against it as to whether you really have the money to cover, we have this elaborate audit. We look at our results. It has be balanced in each period. This

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2 cash issue is actually something of a mystery to
3 me because for a long time--

4 COUNCIL MEMBER GREENFIELD:

5 [interposing] Did you say a mystery, sir? I am
6 sorry.

7 DIRECTOR PAGE: Yes, I did because
8 you know, a long time ago, well, it goes up and
9 down. It is definitely I think a good thing for
10 the city in fact to have cash. I mean you can
11 plan a budget and you can do accruals for the year
12 of what you think you are going to spend, but you
13 actually need the cash. In past years, we have
14 actually had to borrow cash in the course of a
15 year. We used to sell - - every year. We haven't
16 done that for several years, and it is because the
17 cash balance is doing better. I think that is a
18 good thing. It makes us more secure. It got us
19 through the Lehman crash and the problems in
20 credit markets that came after that. It is
21 basically a good thing. I do not think it is
22 actually walking around money. I think it is
23 liquidity that enables us to carry out our sort of
24 planned spending and collection of resources
25 effectively as a practical matter.

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2 COUNCIL MEMBER GREENFIELD: Fair
3 enough. I am just curious. You say, Director
4 Page, that it is something of a mystery to you.
5 What exactly is the mystery? The daily balance or
6 why is it you have a certain amount of money? I
7 am just curious to the details and the pros and
8 cons of that.

9 DIRECTOR PAGE: The other thing is
10 that it is something that goes up and down. We
11 actually watch it. We do forecasts on a monthly
12 basis. The comptroller's office actually I think
13 does a daily balance forecast, and it is something
14 we look at very carefully. If you look at it year
15 after year there are sort of patterns of times
16 when it tends to go comparatively low and other
17 times when it is higher. I mean traditionally. I
18 shouldn't say historically it tends to be low. In
19 early December you get the January property tax
20 installment. It comes back, you do okay. It is
21 something that we watch and in the last few years
22 has been pretty good, which I think altogether is
23 a good thing for us.

24 COUNCIL MEMBER GREENFIELD: Is
25 there an effort to manage it--do you look at it

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2 and say, well, you know, we have too much cash on
3 hand, and we should be doing something with that
4 cash or is it simply we have cash there and it is
5 what it is?

6 DIRECTOR PAGE: It is invested by
7 the comptroller on a continuous basis. Given our
8 budget constraints you can't cover spending for a
9 particular purchase with cash. Obviously you pay
10 for it with cash when you do it, but you have to
11 cover it as a budget matter with the revenue, and
12 ultimately we control on the expenditure and
13 revenue, and then obviously you have to be awake
14 to the liquidity need to actually have the cash in
15 your wallet to make the expenditure even if the
16 revenue--you know, the revenue could come in in
17 March and the expense could be in September, and
18 that is inside the same year that can balance each
19 other, but do you have the cash to carry yourself
20 through, and the answer is yes. In the last few
21 years, we have been doing very well on that.

22 COUNCIL MEMBER GREENFIELD:

23 Alright. Thank you, Mr. Page. Thank you, staff.
24 Thank you all for your service, and I wish you the
25 best of luck. There is a commencement ceremony -

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- please invite us, we would be happy to stop by.

DIRECTOR PAGE: Thank you.

CHAIRPERSON RECCHIA: Thank you,
Council Member Greenfield. Council Member
Margaret Chin?

COUNCIL MEMBER CHIN: Thank you,
Chair. Good afternoon, Mr. Page. I am glad to
see you smiling because I remember the first
budget hearings that I was at, we couldn't crack a
smile from you. I am going to ask you a question
about EDC. EDC's year-end financial report. For
fiscal 2012, they had an unrestricted net assets
of 235.8 million and it was upon the mayor's
request that under both the master and maritime
contract EDC is obligated to turn over any
resource above seven million each, so that is like
14 million; however, EDC refused to turn over the
funds stating that they will use the unrestricted
net assets as a cushion to the expected net
operating loss of 120 million in the next three
years. So what is OMB--do you have a formal
agreement with EDC regarding the disposition of
their revenue? We are talking about--that is a
lot of money that they didn't want to turn over.

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2 DIRECTOR PAGE: I don't think it is
3 an issue of the mayor having requested the money
4 and EDC having refused his request. I don't think
5 he has made the request, and I think that he
6 listens to EDC's judgment in terms of the agency
7 running itself and what its requirements are and
8 what its prospects are, and I think that that is
9 what the status quo is. The relationship between
10 EDC and the city is elaborately defined in a very
11 long annual contract, which is entered into
12 between the city and the agency. I agree with you
13 in terms of they have a fairly large operating
14 balance, and yes, under the contract, the mayor
15 can ask for the money. He basically hasn't asked
16 for it.

17 COUNCIL MEMBER CHIN: Oh, so OMB
18 hasn't asked for it either? Have you asked for
19 the money?

20 DIRECTOR PAGE: Wait, wait, wait.
21 I am appointed by the mayor. I work for him.

22 COUNCIL MEMBER CHIN: So you can't
23 ask for it unless Mayor Bloomberg asks for it.

24 DIRECTOR PAGE: That is correct.

25 COUNCIL MEMBER CHIN: And he hasn't

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2 asked for it. I mean looking at this they said
3 that they have 120 million operating loss. They
4 shouldn't be operating a loss. They are supposed
5 to be generating money for the city, right? So
6 even 120 million that they want to set aside for
7 the next three years, that is still over 100
8 million left, so I think the mayor should ask for
9 that money. All the little kids that were sitting
10 there, their daycare center doesn't have funding
11 if we don't put the money back this year. They
12 were saved by the Council discretionary funding
13 last year, so we should ask the mayor to request
14 this money. Do you agree with that?

15 DIRECTOR PAGE: You have made your
16 point.

17 COUNCIL MEMBER CHIN: Okay so we
18 will tell Mayor Bloomberg that he should ask for
19 that money. The other question I have is with the
20 Battery Park City Authority every year they are
21 supposed to submit their surplus to the city to
22 build affordable housing, so have you been
23 tracking in terms of how much they have
24 contributed from the surplus that they have
25 collected, and are those funding going towards

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2 supporting the city's affordable housing programs
3 or is it deposited into the general funds and we
4 don't know what they go to?

5 DIRECTOR PAGE: You know, to the
6 extent they have surplus on their revenues, it
7 does pour to New York City. They don't pay taxes
8 basically, and much of that is kind of a
9 replacement for taxes. You could look at it in
10 that way. I don't remember at this point, I
11 haven't thought about it for a while. I know that
12 there was a low cost housing component. It was
13 financed through a corporate relative of HDC I
14 think that went on for a period of time and did a
15 fair amount of affordable housing financing, and I
16 need to go back and look at where that commitment
17 stands now and whether there is still an open
18 commitment for Battery Park City to further
19 finance affordable housing or whether that has
20 been met, and I just don't remember at this
21 moment.

22 COUNCIL MEMBER CHIN: So can you
23 get that information to us? My last question is
24 that the city we give away a lot of tax abatement.
25 Are you tracking to make sure we get the return

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2 that we invested in? Like Madison Square Garden,
3 should we still be giving them tax abatement or
4 are some of these large non-profits they don't
5 have to pay property tax, they own a lot of
6 property. So are you looking at reviewing some of
7 this, how we could save some taxpayers dollars so
8 that we could use those monies to fund our core
9 program?

10 DIRECTOR PAGE: A lot of the tax
11 benefits that property owners have in New York
12 City are defined by law. If you qualify for an
13 existing statutorily defined program, you get it,
14 and we do track the cost of tax benefits to the
15 city. I think that it is sort of a tax payment
16 compliance issue like many others that I guess the
17 Department of Finance is responsible for to a
18 considerable degree as the kind of tax enforcement
19 agency of New York City. It is something that we
20 are concerned about because it obviously has to do
21 with our revenues. Besides that, there are sort
22 of specific deals that the city enters into often
23 through EDC in one way or another to--things like
24 the Hunt's Point market or specific cases where we
25 get squeezed by a potential employer or a

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2 potential investor in a new building or what have
3 you who says, well, you give me this or I'll go to
4 New Jersey or you give me this and I will maintain
5 3,000 jobs. I think that there actually has been
6 some initiative by EDC in the last few years to
7 look back at corporate beneficiaries of those
8 deals and see if they actually did maintain the
9 jobs and when they didn't to go after them, so I
10 think there has actually been some effort on
11 enforcement of the terms of those deals.

12 COUNCIL MEMBER CHIN: And that is
13 good. Maybe that is what EDC is generating - -
14 and we have got to make sure that whatever they
15 generate back gets back to the city. So we have
16 to make sure that this mayor will request this
17 year, and whoever the next mayor is will continue
18 to request. Thank you, Chair. Thank you, Mr.
19 Page. Best of luck.

20 CHAIRPERSON RECCHIA: Thank you,
21 Council Member. We will follow up also with a
22 letter to the budget director. We have been
23 joined by council Member Steve Levin. We
24 recognize the Council Member Melissa Mark-
25 Viverito.

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COUNCIL MEMBER MARK-VIVERITO:

Thank you, Mr. Chair, and good morning, Mr. Page.

DIRECTOR PAGE: Good morning.

COUNCIL MEMBER MARK-VIVERITO:

Quick question. I just found out recently, and it was brought up at the Department of Health hearing that we had, the oversight hearing, the budget hearing. In my district in particular the Department of Health has made a decision which is included in this fiscal year to basically walk away from the District Public Health office, which is located on 115th Street and Lexington Avenue. It is a big city owned building. Obviously, many districts throughout the city have these district public health offices of which services are provided. They are taking all of the services out, relocating them elsewhere, and they are handing the building over to DCAS. I guess it raises just a general question of do you keep track of in terms of this portfolio of whatever city owned buildings and maybe decisions that the city is making to either sell them off or kind of use would be determined. I know that there is a financial aspect to keeping all of these city

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2 owned buildings in operation, but at what point is
3 it decided when a public asset is going to be sold
4 or when is it going to be handed off elsewhere?

5 In conversations with those agencies do you keep
6 track of that?

7 DIRECTOR PAGE: I guess it is sort
8 of a little bit of a case by case issue. I am not
9 familiar with the circumstances of this particular
10 facility that you are talking about, but you get
11 into the situation of--it often comes up when a
12 city owned facility is physically deteriorating
13 and how much money is it going to cost to fix it,
14 how much does it cost to move the agency somewhere
15 else. Is there a way of covering the service with
16 some other facility more efficiently? I don't
17 know. And then ultimately the sale of city
18 property is something that DCAS does periodically
19 but it tends to be checked pretty thoroughly in
20 terms of whether there are other space needs that
21 could efficiently be covered by that facility
22 whether HPD has housing ideas for the site, it is
23 a pretty elaborate editing process before DCAS
24 actually gets to a sale on a given lot.

25 COUNCIL MEMBER MARK-VIVERITO: I

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2 guess a question for you then is within your
3 projections, do you have any sort of line item
4 within the budget?

5 DIRECTOR PAGE: Sale of proceeds
6 for properties?

7 COUNCIL MEMBER MARK-VIVERITO:

8 Correct.

9 DIRECTOR PAGE: It is pretty ad
10 hoc. I mean if we are aware--

11 COUNCIL MEMBER MARK-VIVERITO:

12 [interposing] So this year for instance, what
13 would that amount be if you have it?

14 DIRECTOR PAGE: I don't know. I'll
15 find it for you. I don't think it is a lot of
16 money as a routine matter. DCAS I think still--I
17 mean they run auctions every now and then for
18 properties taken in - - residential properties,
19 things like that. Do you have a number? 14
20 million I am told this year in just the routine
21 sale of properties.

22 COUNCIL MEMBER MARK-VIVERITO:

23 Right. So that is something that DCAS makes the
24 ultimate decision?

25 [crosstalk]

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2 DIRECTOR PAGE: Yes, they have to
3 actually go out there and sell the property, but
4 by and large they are the city entity that does
5 the sale, but before they get cleared to actually
6 do that--

7 [crosstalk]

8 DIRECTOR PAGE: --there is a lot of
9 chewing that goes on.

10 COUNCIL MEMBER MARK-VIVERITO: I
11 will follow up, and I have written a letter to
12 DCAS because I am kind of obviously want to keep
13 an eye on what the plan would be for that
14 facility. Just another quick couple of questions.
15 Obviously have raised this in other budget
16 hearings, the concern that I have overall and
17 others as well with the poverty rates in the city
18 of New York, the number of people in the shelter
19 system, the number of children in shelters, the
20 erosion of the social safety net in many different
21 areas, daycare being a prime example, and I think
22 Council member Greenfield was taking about that--
23 that if there isn't support for certain families
24 in certain areas you are going to see some serious
25 consequences whether they go into the shelter

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2 system, whether they--all the expenses that
3 happens, and that brings up the concern about what
4 have been doing as a city to actively try to grow
5 the middle income jobs in the city when we have
6 seen a great erosion, and I think that based on
7 our own analysis - - seeing a lot of the real
8 growth is in the retail, low wage jobs that don't
9 have benefits, and really are making it harder for
10 people to continue to be able to live in New York
11 City, and when Council Member Crowley raised up
12 the issue of the income tax collections, I think
13 that that obviously would impact it if we are
14 seeing an erosion of middle class jobs, a growth
15 in retail jobs you are going to see less income
16 collection at least in terms of amounts, and that
17 impacts obviously the overall health of our
18 economy. So are those any concerns that have been
19 raised? You have to sign off on a lot of
20 different decisions or give the green light for a
21 lot of decisions. I know there have been some
22 things stalled in my district because OMB raises
23 red flags, but at what point does OMB raise flags
24 about some of these deals that maybe in the end
25 are really not producing as much for the city as

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2 we would like to see. I am trying to see what
3 kind of--if this plays at all in your thinking, in
4 your conversations, in your projections those
5 kinds of decisions.

6 DIRECTOR PAGE: I think that you
7 know most of us looking at the city and hoping it
8 works well share your concern about jobs and what
9 kinds of jobs we have. Clearly, you'd like jobs
10 that pay well. Among other things you can tax
11 that income successfully, and then one of the I
12 think big--one driver behind the mayor's
13 enthusiasm for tourism in this town is that that
14 drives a lot of jobs, many of which don't pay a
15 tremendous amount, but provide employment for
16 people who don't necessarily have language or
17 educational background or whatever that is going
18 to get them a better job. How you maintain the
19 place with the proper mix and with hopefully a
20 solid middle class and so forth, it draws on
21 almost everything you think about. The whole
22 question of affordable housing, what is the
23 property tax structure, how does it hit which
24 sectors of property when you are collecting money?
25 Are the schools good? I mean childcare is

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2 obviously an issue also. I mean how you run your
3 shelter system, how you keep people out of
4 shelter, housing policy, public safety. The whole
5 gamut of how we spend money and how collect money
6 ultimately I would think that one of the big
7 drivers is how successfully are you taking care of
8 people? That is a question of how successfully
9 are you attracting and holding people who are
10 going to be productive and make the place a good
11 place to live for them and everybody else? And it
12 becomes--it is all, it is kind of endlessly
13 interesting because I don't think there are very
14 many clean answers in it because so many of these
15 factors interrelate and I don't think people--I
16 don't there are often clear good answers that work
17 comprehensively. Different people have a better
18 clearer view of different pieces of it and how do
19 you put it together.

20 COUNCIL MEMBER MARK-VIVERITO: I
21 understand. That is what I am saying. I am
22 raising it and obviously it is not an answer we
23 are going to solve now. What I believe that when
24 we skew our public policies in one direction at
25 the expense of other sectors that is when we have

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2 the problems and I believe that we have skewed too
3 much in one direction, and now in trying to
4 reverse cores obviously people are going to grow
5 and certain sectors are going to grow and be
6 uncomfortable, but we have to take some serious
7 measures. I just don't think that the way things
8 are going are sustainable. We have seen over the
9 past couple of years a growth in poverty rates,
10 people in homeless shelters, families that just
11 don't have childcare, and that just can't
12 continue, so we have to figure out. It is a tough
13 question I do see that as something that I am very
14 concerned about and others in figuring out
15 solutions. I thank you for being here always, and
16 I know it is our last budget hearing for many of
17 us here with you. I will be here for another term
18 hopefully, and I look forward to that, so thank
19 you very much for everything, Mr. Page.

20 DIRECTOR PAGE: Thank you.

21 CHAIRPERSON RECCHIA: Are you
22 finished? Okay. Before we - - Council Member
23 Jackson, we are going to recognize Council Member
24 Steve Levin. Is Council Member Mealy here? Okay.
25 Council Member Levin.

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2 COUNCIL MEMBER LEVIN: Thank you,
3 Mr. Chairman. Thank you, Director Page. I just
4 have one quick line of question. So yesterday we
5 had our education expense budget hearing. The
6 preliminary--

7 CHAIRPERSON RECCHIA: [interposing]
8 Hold on. We have also been joined by Council
9 Member Gale Brewer. Okay.

10 COUNCIL MEMBER LEVIN: Thank you,
11 Mr. Chairman. So when we had our preliminary
12 hearing on March 21st and the expense budget for
13 the Department of Education the preliminary budget
14 had 70 million dollars in charter schools,
15 increase, 70 million dollar increase from FY '13
16 to '14. 700 and some million dollars. I asked
17 because in previous years there is always a jump
18 from prelim to exec. Last year it was like 42
19 million dollars was the jump from prelim to exec
20 in terms of the increase from the previous year,
21 right. So I asked at the preliminary budget
22 hearing, is that going to happen again this year
23 and around where is that going to land, so the
24 proposed 70 I wanted to know where it was going to
25 be in exec, and they said, it is hard to tell, and

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2 I said, well, give me a ballpark, and they said
3 around 100, so it was going to land around 100
4 million dollar increase from the previous year,
5 and then I come to the executive budget hearing
6 yesterday and that number is actually 210 million
7 dollar increase from FY '13. It was a 25 percent
8 increase from FY '13. In terms of the overall
9 size of the charter budget, 25 percent increase,
10 so over a billion dollars now, it jumped by 210
11 million dollars from the previous year when just
12 two months ago they told me it was going to jump
13 by 100 million dollars so they were 110 million
14 dollars off, short in just two months apart. It
15 is unconceivable that they wouldn't know that, and
16 I know that they don't site the new--they don't
17 put in the newly sited schools until the executive
18 budgets, so you have to account for that. What I
19 want to ask you is do you think that it is prudent
20 to have a 25 percent increase every year in the
21 charter budget, so you are talking about this year
22 it is 210 million dollars because the way that the
23 charter sightings go and it is one grade at a
24 time. Presumably next year there is going to be a
25 greater increase from this year, so it went up 210

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2 million dollars this year. It is going to go up
3 300 million dollars next year, and even more the
4 next year after that. Do you think that is a
5 prudent course of action because it is taking up
6 now well over a percent of the city's budget and
7 it's a billion dollars out of 20 billion dollars
8 of the Department of Education expense budget. Is
9 it prudent that it grows so quickly? It is
10 growing 25 percent in a single year.

11 CHAIRPERSON RECCHIA: Okay. Before
12 you answer that, we have been joined by Council
13 Member Leroy Comrie. Mr. Page, would you like to
14 answer that, why the charter school budget was
15 increase?

16 COUNCIL MEMBER LEVIN: Is that
17 sustainable?

18 DIRECTOR PAGE: You know, I don't
19 think prudent really has to do with it so much.
20 it is obviously the Department of Ed and this
21 administration have believed very strong that
22 charter schools were a way of bringing up the
23 overall quality of education in New York City, and
24 when you open a new charter school or as each year
25 passes, and you extend upward as the kids get

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2 older, you add grades. Under state law there is
3 an amount per pupil that each of those schools is
4 entitled to, and that is what gets funded. I
5 think you are asking a question believe which is
6 it a good idea to be allocating this amount of
7 your education resource to charter schools, and I
8 don't think that--to me that question isn't a
9 matter of prudence; it is a matter of how
10 different people judge the merits of that form of
11 education, but if you have the schools, by law you
12 have to fund them at this level.

13 COUNCIL MEMBER LEVIN: Any budget
14 line increasing by 25 percent a year, and you are
15 talking about big numbers, it is over a billion
16 dollars this year, is it just in terms of a
17 trajectory is--it just seems like it is not a wide
18 trajectory. You might want growth. Reasonable
19 people can disagree about how much the growth is,
20 but 25 percent seems like an awful lot. - -
21 judgment about charter schools, more from a
22 budgetary perspective.

23 DIRECTOR PAGE: You know, it is
24 driven by the number of kids in charter schools.
25 That is what drives the number, and if the number

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2 is going to go up--if the number of kids is going
3 to go up the support number is going to go up.

4 COUNCIL MEMBER LEVIN: Okay. It is
5 a lot of money. It is over a billion dollars, but
6 what bothered me more actually is that they were
7 so far off just two months ago. That is a real
8 problem because basically there was 300 million
9 dollars came down from the state after the prelim
10 and 140 of that is going in the--of the new money
11 coming down from the state and the state budget,
12 140 out of 303 million dollars is going to
13 charters, and it is almost half of the money
14 coming down from the state after the prelim is
15 going to charter schools. To me that is bad
16 policy and from a budgetary prospective it is bad
17 policy. So thank you, Mr. Chairman. Thank you,
18 Mr. Page.

19 CHAIRPERSON RECCHIA: Thank you.
20 Just to clarify, Mr. Page, what I think my
21 colleague was trying to get at is that at what
22 point do you have to start closing public schools
23 to sustain the spending on charter schools, and
24 that is the issue here that is not clear to this
25 City Council. Am I correct, Mr. Levin?

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COUNCIL MEMBER LEVIN: Yes, Mr.

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Chair.

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CHAIRPERSON RECCHIA: Okay. We

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will save that for next OMB director for next

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year. I won't be here. Steve, next year that

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question. We have Council Member Gale Brewer and

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then Council Member Jackson--

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COUNCIL MEMBER LEVIN: As long as I

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am here next year, Mr. Chairman.

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CHAIRPERSON RECCHIA: Council

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Member Gale Brewer?

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COUNCIL MEMBER BREWER: Thank you

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very much. For a long time I have asked about the

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emergency ECTP system, emergency communications

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system and PSAC [phonetic] one and two, and I know

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that recently I don't know if it was related in

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the sense that the cost is so dramatic. I know

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that recently 911 went down. There has been a lot

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of discussion about it in the press. So I wanted

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to know at this point, what is the total cost of

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development to the new 911 system, and this is

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hard to get because if you ask DoITT, they said it

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is the mayor's office. If you ask NYPD, they say

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it's under the mayor's office. So we can't get

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2 any answers from the agencies even though they
3 obviously benefit or not from the service, and
4 then I want to know what the original estimate was
5 and then what the cost is thus far I guess not
6 only for Metrotech, but whatever is also
7 applicable to PSAC too.

8 CHAIRPERSON RECCHIA: That is a
9 loaded question.

10 DIRECTOR PAGE: And actually it has
11 even been asked by one of your colleagues earlier
12 today, and I said that I would do my best to
13 respond, but it is not something that I have in my
14 head to respond to at this moment. There is
15 nothing to apologize for. I think it is an
16 interesting question.

17 COUNCIL MEMBER BREWER: I do ask it
18 every year, just FYI. The other question that I
19 have then is regarding the tobacco revenue
20 conduit, I think you use a third of the city's 200
21 million dollar tobacco settlement to service the
22 debt, and so I want to know what risks there are
23 to the budget and just to give us a little more
24 information about this particular revenue stream.

25 DIRECTOR PAGE: It derives from a

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2 legal agreement reached between the states and the
3 major cigarette manufacturing companies a bunch of
4 years ago now, and the city actually sold bonds
5 secured by a piece of that ongoing revenue that we
6 used as a way of financing a piece of our normal
7 capital program. Interestingly the revenue
8 deriving from cigarette sales, which is ultimately
9 what drives the number here has not dropped that
10 much in the last few years. It actually goes up
11 and down a little; however, the amount of money
12 passing through to New York City for its share,
13 some of which goes for debt service, some of which
14 comes in as operating revenue for the city has
15 been reduced in the last few years under a penalty
16 clause in that original agreement with the tobacco
17 companies having to do with the state's obligation
18 to enforce I think particularly tax--and maybe
19 some other technical restrictions; I can't
20 remember--applicable to the sale of cigarettes
21 manufactured by companies that are not a party to
22 the original settlement, and there are disputes
23 involving the state of New York having to do among
24 other things with sales of cigarettes on Indian
25 reservations and that has interrupted a chunk of

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the amount that would flow to us. It is something that is being I guess negotiated by the state AG's office.

COUNCIL MEMBER BREWER: A lot of press on that topic.

DIRECTOR PAGE: Yeah, and...

COUNCIL MEMBER BREWER: So if that is negotiated then does the scenario that you just described change at all?

DIRECTOR PAGE: No. it means just that we will be getting our share again as opposed to having some of it going to an escrow account pending resolution of this dispute about whether the state's appropriately regulating the sale of-- --regulating, taxing, whatever--the sale of cigarettes by non-participating tobacco manufacturers.

COUNCIL MEMBER BREWER: And that won't change I assume because they weren't part of the settlement?

DIRECTOR PAGE: Well, those companies were not part of the original settlement. I don't think that is going to change. This term settlement, there is the

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2 settlement that has the big companies paying money
3 through. Recently this issue of state regulation
4 of cigarette sales has been settled by a number of
5 states. They have lost some of the money they
6 thought they were owed in order to get the rest of
7 it freed up. New York State hasn't chosen to do
8 that at this point. It doesn't think it is a good
9 idea. It is kind of in the AG's ballpark. It is
10 not ours.

11 COUNCIL MEMBER BREWER: Okay. I
12 have one final question. The issue--this is
13 something that I don't know if it is possible, but
14 transitional housing that Department of Homeless
15 Services pays for, it is my understanding that
16 about 71 percent of whatever contract, a 40
17 million dollar contract, a 30 million dollar
18 contract to a non-profit or to a for profit to
19 house homeless individuals, the 71 percent of that
20 is city money and the balance is state and
21 federal. I believe--'cause I go back to the
22 1980s--that it used to be a much bigger federal
23 portion than it is now. So 71 percent, that is
24 what I have been told, is city money, why can't we
25 use some of that money forgo the federal and state

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2 match and just use that for permanent housing?
3 Because if in fact we are not going to get more of
4 the match and if in fact we have a homeless
5 housing crisis and we are never going to get
6 advantage back whatever advantage is, why can't we
7 use some of that to provide permanent housing in a
8 similar way that advantage used to? I asked
9 Commission Diamond and he said the answer just so
10 you know was then we wouldn't have enough money
11 for transitional. But my answer is, you don't
12 need transitional if you have permanent. So we
13 went back and forth and I got nowhere. I don't
14 understand why we can't use some of that whatever
15 the number is, 71 percent of millions and billions
16 of dollars, for permanent housing. What is your
17 answer?

18 DIRECTOR PAGE: I'm afraid it is
19 kind of the same as his. I mean the problem here
20 I think is that the demand for low cost housing in
21 this town is tremendous, and if it were really a
22 finite pool and you could move the money across
23 and soak up the client population that is using
24 the homeless system and transitioning out of it,
25 you ought to be able to do the math and figure out

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2 where the breakpoint was and what you should do.
3 I think the trouble with it is that there is
4 almost a--as you come up with each program, it
5 doesn't seem to reduce the demand for the next
6 program. I mean you can produce more permanent
7 housing. I am sure you would find people to live
8 in it, but would that actually reduce the number
9 of people going through your homeless structure.
10 I don't think that is--

11 COUNCIL MEMBER BREWER:

12 [interposing] I still think it needs something
13 creative to think about. Example, and then I will
14 let it go. People who become homeless become
15 homeless because of rent in some cases. I am not
16 talking about the drug abuse. I am talking about
17 the person who just doesn't have the rent. You
18 have an HRA, a wonderful one shot program, but if
19 you don't have a third party to help you--I have
20 got someone now who pays 406 dollars a month rent,
21 but because his income which is public assistance
22 doesn't match it, he will lose his apartment
23 unless I figure something out 'cause HRA says one
24 shot. We cannot afford to pay your rent in the
25 future. You don't have a third party. Public

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2 assistance doesn't cut it and so you are out of
3 here. All I am saying is take some portion of
4 that 71 percent and keep people in their
5 apartments. It has to be looked at unless in the
6 next year the federal government or the state
7 government says we are going to provide affordable
8 housing. Somebody has to be more creative. I
9 thought that was at least some pot of money to
10 look at to divide it up differently.

11 DIRECTOR PAGE: I hear your point
12 on the investment. I just think that the
13 likelihood of the need for the money in that pot
14 for the purpose it is going for now actually going
15 down because of this is not so high.

16 COUNCIL MEMBER BREWER: There is
17 nothing legally why we couldn't use some--

18 DIRECTOR PAGE: [interposing] I
19 don't know. Money is money, and the thing is
20 there is more participation by other levels of
21 government in direct shelter cost than there is in
22 affordable housing generally.

23 COUNCIL MEMBER BREWER: Okay. I
24 don't want to belabor the point. I am just saying
25 nobody is thinking about this creatively. Thank

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you, Mr. Chair.

CHAIRPERSON RECCHIA: Thank you, Council Member Gale Brewer. Council Member Jackson followed by Council Member Fidler, and then we will wrap it up with Mr. Page.

COUNCIL MEMBER JACKSON: Thank you, Mr. Chair. Director Page, I said good morning to you this morning, and I'll say good afternoon to you and your staff this afternoon.

DIRECTOR PAGE: Good afternoon.

COUNCIL MEMBER JACKSON: I hope I won't have to say good evening to you this evening.

[laughter]

COUNCIL MEMBER JACKSON: But I wanted to follow up on one question I did not ask you about, and that is the billion dollars that we are spending every year in funding special education pre-K, and it is clear to me based on everything that I have read and what I have been told is that the city of New York has allocated two million dollars for a special audit unit in the Department of Education, which is a good thing because clearly from what the reports have

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2 indicated there are some abuses of the system by
3 contractors and others that definitely says loud
4 and clear audit me, audit me, audit me,
5 continuously, continuously, continuously in order
6 for us to recoup monies that we may be billed for
7 stuff that we shouldn't have to pay for, and so I
8 guess my question is this two million dollars, is
9 this a one shot in your opinion or is this going
10 to be a continuous audit division with the
11 Department of Education to look after all of the
12 contractors that are providing services to ensure
13 that we are not being ripped off?

14 DIRECTOR PAGE: I am sorry. I
15 don't know the answer to your question. It is at
16 a level of operation at the Department of Ed that
17 I am basically not a party to, but I would share
18 your point that this sounds like a good idea, and
19 I would imagine particularly if they turn out to
20 be successful in finding the kinds of issues that
21 you obviously believe are there and you probably
22 have a good basis for that. I mean it would seem
23 to make sense that you keep on doing it. If it
24 works, why would you stop? That was just me
25 personally. I am not into the details of it.

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2 COUNCIL MEMBER JACKSON: I am just
3 curious, Director Page, with respects to since the
4 city now is going to basically spend two million
5 dollars in orders for this audit division in order
6 to really look after all of these pre-K, special
7 education schools or contracts, and because it is
8 my understanding is that the state basically
9 negotiates a price with these private special pre-
10 K and we have to pay for it, and you know one
11 thing? That doesn't sound right to me because if
12 they set up an agreement where we are paying so
13 much money and we have no input into setting the
14 fee, I mean I don't think that we have a water
15 fountain of money that we can just pour on and is
16 constantly coming out, and I know you agree with
17 that, but it appears to me that either the state
18 or DOE, they must do a better job at ensuring that
19 what we pay for, our tax dollars are much better
20 spent, and I will tell you quite frankly, I am
21 very, very concerned that the Department of
22 Education is not up to the task, and I expressed
23 that concern based on other things such as the
24 Medicaid reimbursement, and I think that you said
25 earlier, and I totally agree with you that there

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2 is a lot of work that needs to be done in order to
3 seek the reimbursement. I clearly know that, and
4 I don't doubt it at all, but if other cities and
5 municipalities can do it, then we should be able
6 to do it, and there is no excuses, and in fact if
7 this was private industry heads would roll, and
8 you know it. I am just concerned that one, that
9 the amount of monies being allocated for this unit
10 continues or it be self-funding based on the money
11 that recoups and that the money goes back into the
12 education budget and go back to our schools. A
13 billion dollars on pre-K special ed is a lot of
14 money, and in fact we spend a little bit more than
15 a billion in transporting all of our students. I
16 don't know what the population is for pre-K
17 special ed, but clearly pre-K through college is
18 the type of education that we want to give all of
19 our children no matter what their needs are. If
20 people are renting in an apartment or buying or
21 using Mercedes Benz and billing the city of New
22 York, I don't know one New Yorker that would agree
23 with that, but we depend on the Department of
24 Education, the Office of Management and Budget to
25 have oversight on that to make sure that our money

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2 is being well spent, so even though you have no
3 idea about all of the particular details, I would
4 think though that, and your shop [phonetic] put
5 some more pressure on DOE to make sure that we
6 recoup that money. Thank you.

7 DIRECTOR PAGE: Thank you.

8 CHAIRPERSON RECCHIA: That is it?
9 Okay. Council Member Fidler?

10 COUNCIL MEMBER FIDLER: Actually,
11 it was the questioning of Council Member Brewer
12 that reminded me of one other topic I wanted to
13 briefly explore with you, and I apologize for
14 coming back to it. One of the other topics in
15 prior dances that we no longer do is the hotel
16 tax, and the original position of the
17 administration was we raise the tax, we will get
18 less revenue, and we all found out that wasn't the
19 case. That is not true of every tax, and there is
20 one in particular that we all thought it would be
21 true of and that is the cigarette tax. We raised
22 the cigarette tax dramatically both to discourage
23 people from smoking and to generate revenue to
24 help pay for the healthcare costs associated with
25 smoking. We generate I believe about 67 million

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2 dollars a year on the city portion of the
3 cigarette tax. I was recently shown a study from
4 Columbia University that said that two-thirds of
5 the cigarettes smoked in the city of New York are
6 not taxed. We all know that a great deal of that
7 revenue that we are losing is also going to fund
8 terrorism and organized crime. I am wondering
9 whether or not you would agree that if we spent a
10 couple of dollars on interdicting the large
11 traffickers of bootleg cigarettes, not every
12 bodega two cartons at a time, but the truckloads
13 if we interdicted those trucks and tried to
14 seriously cut off the supply of the bootleg
15 cigarettes coming into New York whether or not we
16 might either drive people away from smoking or
17 drive them back into the legal cigarette market
18 and increase the revenue by a factor greater than
19 the amount of money that we might spend.

20 [pause]

21 DIRECTOR PAGE: You know, on the
22 face of it, it makes sense. I think that the
23 Department of Finance actually has an enforcement
24 unit focused on cigarette tax. I don't know how
25 successful they have been able to be, and you

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2 know, it certainly seems--I don't know maybe a
3 sort of major deliberate focus and initiative on
4 this front beyond what we are already doing. I am
5 not familiar with what we are doing, so it sounds
6 like an interesting issue to certainly for me to
7 know more about and maybe we can get somewhere.

8 COUNCIL MEMBER FIDLER: I can tell
9 you the Department of Finance apparently has in
10 their budget in the increase in the enforcement
11 unit. I believe the sheriff's unit is what does
12 it, but I honestly don't believe the finance
13 department is the best suited. This is clearly
14 sophisticated criminal enterprise, and I am
15 thinking in terms of either a joint taskforce or a
16 special prosecutor's office similar to a narcotics
17 prosecutor, and having true law enforcement
18 professionals working on this, and if I am
19 understanding you and reading my Mark Page
20 correctly, I am suggesting that you might be well
21 on board with the idea that if we spent a dollar
22 this year, we might collect two next year or even
23 this year and doing a better job or interdicting
24 those large quantities. I have had the finance
25 staff on my behalf I have spoken to Mr. Feinblatt

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2 about this, and I would again urge your office to
3 have some conversation with your own people
4 because I think the time is now. We are doing a
5 budget to come to the conclusion that we can raise
6 more revenue by spending a little bit more on this
7 particular area I think is intuitive and at the
8 same time could have the desired effect of
9 discouraging people from smoking. I know I
10 bristle every time I see someone buy a bootleg
11 item whether it's a DVD at my local diner or a
12 carton of cigarettes. They are all coming here
13 from someplace. When they come on a truck, I
14 would tend to think good law enforcement could
15 track that truck from its point of origin to the
16 borders of the city of New York, and I would urge
17 you to speak to your folks about that. Thank you.

18 CHAIRPERSON RECCHIA: You finished,
19 Mr. Fidler? Our next hearing is with Department
20 of Finance. You can ask those questions to them.
21 I am sure they would like to address those issues.
22 Does any other council member have any questions?
23 Okay without seeing yes, Mr. Page, before you go
24 we have a little going away gift for you. We have
25 to do something. - - . We drafted a little

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2 proclamation for you so you can have from the City
3 Council. So Tanisha Edwards, can you please read
4 it?

5 COUNSEL: Council Member Domenic M.
6 Recchia, Jr. is proud to honor Mark Page;
7 whereas, the fact of the matter is Mark Page has
8 faithfully served the City of New York at the
9 Office of Management and Budget for over 35 years,
10 including spending 12 years as the director and
11 many more years as the general council; and
12 whereas, during his tenure, he has consistently
13 demonstrated an unwavering dedication to the sound
14 finances of the city of New York; and whereas, as
15 a practical matter, Mark has ensured with great
16 joy countless budget hearings at the hands of two
17 Finance Committee chairman and members of the
18 committee and three council finance directors; and
19 whereas, he has also gleefully participated in
20 endless board and public authority hearings; and
21 whereas, Mark rivals former federal reserve
22 chairman Alan Greenspan in the clarity and
23 conciseness of his answers to answer questions
24 about the budget; and whereas, today we honor and
25 celebrate the many accomplishments of Mark Page

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2 and express our appreciation for his hard work,
3 patience and perseverance on behalf of the people
4 of the city of New York; therefore, be it known at
5 Domenic M. Recchia, Jr., Council Member for the
6 47th District and Chairman of the City Council's
7 Finance Committee does most gratefully honor Mark
8 Page for his contributions and commitment to the
9 city of New York.

10 [applause]

11 [background conversation]

12 CHAIRPERSON RECCHIA: We will take
13 a two minute recess and then we will begin with
14 the Department of Finance.

15 [background conversation]

16 [long pause]

17 CHAIRPERSON RECCHIA: We will now
18 resume the City Council's hearing on the mayor's
19 executive budget for FY 2014. The Finance
20 Committee will now hear from the Department of
21 Finance Commissioner David Frankel. The
22 Department of Finance's FY 2014 expense budget of
23 234.4 million dollars, which reflects an increase
24 of approximately 6.1 million dollars when compared
25 to FY 2013 adopted budget. This is mainly due to

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2 a 2.5 million increase in funding to expand the
3 booting program, increase funding due to increased
4 collections and budget realignments. Now items in
5 the Department of Finance budget includes 2.4
6 million dollars for a new property tax system,
7 which would replace the property tax
8 administration performed by the old system, RPAD,
9 as well as the property tax billing, noticing and
10 collection functions performed by fair tax and
11 additional 560,000 dollars will be used to fund
12 two employees for the system upgrade. The DOF's
13 budget reallocates four million dollars to the
14 collection program along with an increase of
15 700,000 to fund the use of outside collection
16 firms for greater enforcement of outstanding city
17 debt. I look forward to hearing more from the
18 commissioner regarding new actions and this year's
19 budget as well as information related to the final
20 property tax roll and the performance of many of
21 the actions taken in previous years to increase
22 revenues including the hiring of additional
23 auditors and lien sale revenue. Commissioner?

24 COMMISSIONER FRANKEL: Good

25 afternoon, Chairman Recchia and members of the

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2 City Council Committee on Finance. I am David M.
3 Frankel, Commissioner of the Department of
4 Finance. Thank you for the opportunity to testify
5 today on our fiscal year 2014 executive budget.
6 Just as a refresher, the Department of Finance
7 collects revenue for the city, values property,
8 records property related documents, administers
9 exemption and abatement programs, adjudicates and
10 collects parking tickets, acts as the city chief
11 civil law enforcement officer and through the
12 Mayor's Office of Pensions and Investments,
13 advises the administration on pension issues. I
14 have appended my testimony from our preliminary
15 budget hearing in March during which I described
16 finance's most significant projects and
17 accomplishments from the past year. For brevity's
18 sake today, I will limit my testimony to key
19 issues concerning our completion of the assessment
20 roll for the 2014 tax year and the major program
21 changes affecting finance and the executive
22 budget. Since March finance's proposed budget for
23 the next fiscal year has increased from
24 approximately 225 to 234 million dollars. Our
25 forecasted headcount will be 1,798 staff members

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2 down from more than 1960 in fiscal year '10. In
3 addition to some technical adjustments the bulk of
4 this budget increase is the result of our making
5 significant progress on two issues of critical
6 importance to the city--modernizing our property
7 tax assessment and billing computer systems and
8 improving efficiency and customer service when
9 collecting outstanding parking judgment debt.
10 First the budget offers a temporary headcount
11 increase of 25 staff members to support finance's
12 transition to a modern property tax assessment and
13 billing system. during the transition, we need to
14 keep our - - and fair tax and the staff that
15 supports them in place, but our headcount will
16 decrease back toward its current levels once the
17 new systems are up and running. At our
18 preliminary budget hearing, I outlined the
19 importance of having property and business tax
20 systems that can be modified to adapt to changes
21 in law or policy and keep pace with the latest
22 investments in technology. The limitations of our
23 current 30 year old systems impose unnecessary
24 costs on the city. For example, it has taken over
25 a year of planning, programming and testing to

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2 implement the changed co-op condo abatement, which
3 will appear on the property tax bills going out
4 next week. A new property tax system will be more
5 flexible and simpler to change to incorporate new
6 legislative and policy priorities. Of course, it
7 is critically important that the new property tax
8 system is accurate. After all, property taxes are
9 the city's largest single source of revenue and
10 finance administers 27 exemption and abatement
11 programs that further complicate a system that is
12 not simple to begin with to say the least. For
13 each assessor determined value, we must convert it
14 into an assessment, apply exemptions and generate
15 a tax bill. All of these processes must be
16 calculated accurately in accordance with the law.
17 The temporary increase in staff to work on this
18 project supported by the 2.4 million dollars
19 provided in the budget will be assigned throughout
20 the agency from property exemptions and payment
21 operations to legal and of course to our
22 information technology division. We are
23 considering a possible business tax system and
24 will keep you informed of our progress on both of
25 these projects as they develop. Second, the

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2 budget provides for a two and a half million
3 dollar pass through expense in other than
4 personnel services for the scofflaw booting
5 program, which utilizes boots or self-release
6 wheel locks to recover outstanding parking
7 judgment debt. As you know, the booting fees are
8 like the marshal's tow fees. They are paid by
9 parking scofflaws and the cost of the boot is
10 returned to the city's coffers. While this
11 program costs the city nothing, the move from
12 towing to booting drastically reduces the amount
13 of time it takes a scofflaw motorist to pay their
14 debt and get their vehicle back on the road, and
15 we are excited to expand this customer service
16 initiative throughout every neighborhood in the
17 city. By the end of July, five teams of sheriff's
18 deputies as well as 13 marshal teams will boot
19 throughout the five boroughs, largely replacing
20 the marshal's current towing program. as we
21 discussed in law February every year finance
22 assesses all New York City real estate, more than
23 one million properties. Our schedule is set by
24 law. We are required to complete the tentative
25 assessment roll in January and the final

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2 assessment roll in May then send our first bill of
3 the fiscal year in June. This year, given the
4 extraordinary circumstances brought about by
5 Hurricane Sandy, our staff and the property
6 division in particular made a tremendous effort to
7 ensure that the final roll reflects the damage
8 caused by Hurricane Sandy both for individual
9 properties and for entire neighborhoods. When we
10 issued the tentative assessment roll this past
11 January, we assured property owners that our final
12 assessments would recognize Sandy's impact, and we
13 kept that promise. It certainly was not easy.
14 Unlike during a typical assessment cycle there was
15 limited data available to help us make the revised
16 determinations. Normally finance bases its
17 independent assessment on scores of data points,
18 sophisticated data analytics and appropriate
19 valuation models; however, given the magnitude of
20 the storm and its timing during the assessment
21 cycle for these properties we had to make do with
22 limited information at our disposal. We will be
23 carefully monitoring our regular economic
24 indicators to recognize the storm's long term
25 impact as these areas recover. In addition to

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2 their typical work during the months between the
3 tentative and final rolls this year assessors
4 reviewed Sandy's impact on property values in the
5 surge zones and personally inspected more than
6 6100 properties including all properties tagged
7 red by the Department of Buildings and the almost
8 5,400 unique properties whose owner submitted
9 Hurricane Sandy related property damage reporting
10 forms. Assessors reduced the market value for
11 5,643 properties based on the damage they observed
12 during their field visits and the information
13 reported on the forms. We also recognize that
14 there were some neighborhood wide market value
15 impacts above and beyond damaged individual
16 properties. For class one and two homeowners in
17 the areas with pervasive Sandy damage, we reduced
18 market values by 15 percent across the board
19 before we applied any physical reductions. Class
20 4 commercial properties as you know are valued
21 based on their incomes and expenses. When the
22 tentative roll was produced in January, the most
23 recent income and expense information available
24 for assessors was from calendar year 2011.
25 Needless to say, this data does not account for

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2 the impact of Sandy on the net income of
3 properties in the final quarter of calendar year
4 2012. Realizing that income streams from certain
5 commercial properties were significantly affected
6 by the storm, assessors accounted for major storm
7 related damage and also make an across the board
8 reduction of 10 percent to commercial properties
9 in the most severely impacted areas of the surge
10 zone. All told, on May 29th, finance sent notices
11 of revised property values to more than 88,000
12 properties indicating a cumulative market value
13 decrease of more than 12 billion dollars.

14 Property owners who received revised assessments
15 because of Hurricane Sandy have until June 20th to
16 contest their new values with the tax commission.

17 Turning to the lien sale, on May 17th finance
18 conducted a successful lien sale in conjunction
19 with the Departments of Environmental Protection
20 and Housing Preservation and Development. Every
21 year our goal with the sale is for all eligible
22 candidates to pay their outstanding debts, and as
23 a result to void this sale. This is our most
24 important tool for collecting taxes and charges
25 and for ensuring fairness and equity among all

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2 property tax payers. While the sale is an
3 effective collection tool, we have worked closely
4 with the Council to ensure that homeowners
5 eligible for certain exemptions receive their
6 benefits and avoid the sale. This year 592
7 homeowners eligible for the lien sale contacted
8 finance to inquire about exemptions and 111
9 submitted applications. Of those applications, 48
10 were approved and for 63 we are awaiting a
11 completed application in order to make a
12 determination. If the property owner is approved,
13 the property will be pulled from the sale. For
14 those lien sale candidates who are unable to
15 afford to pay all of their debts at once the law
16 provides for a no money down payment plan. This
17 year 1,318 property owners entered into the
18 payment plans with 81 percent putting no money
19 down. In the 90 days leading up to this year's
20 sale finance collected more than 144 million
21 dollars from eligible properties. While we are
22 still finalizing our numbers, we expect that liens
23 were sold on approximately 6200 properties, an
24 increase of 53 percent compared to last year's
25 sale. Part of this increase is likely the result

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2 of the fact that this was the first year that
3 property owners that had defaulted on past payment
4 agreements were ineligible to enter into a new
5 agreement. This accounted for 985 of the 6200
6 properties in the sale. I would like to thank the
7 Council including Finance Committee staff and
8 countless council members for your partnership
9 with this process. The success of the sale would
10 not be possible without the tremendous efforts of
11 our outreach unit and all of you who cohosted
12 events with us, called individual property owners
13 and answered countless questions regarding the
14 sale. Before I end this is likely the last time I
15 am going to testify before you, I want to express
16 my appreciation for the relationships I have had
17 with you and many other members of the committee
18 over the past four years. While we do not always
19 agree, you have always been courteous and
20 professional towards me and my staff. We have
21 partnered on many projects to help enhance the
22 lives of all New Yorkers. It has been a pleasure
23 to work with all council members, and I hope our
24 joint efforts will work to the city's benefit for
25 years to come. My feelings also extend to your

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2 staff. At the risk of leaving out many, let me
3 just mention a few: Preston Niblack's depth of
4 knowledge and willingness to engage in frank and
5 open discussion while always championing the
6 Council's positions have been invaluable to all of
7 us at finance. Tanisha Edwards and Emre Adev
8 [phonetic] are so versed in so many areas. Their
9 questions push us to be transparent and our
10 constant source of motivation. Finally, I cannot
11 finish today without spending a moment to
12 acknowledge all of my staff and in particular the
13 six deputy commissioners who have lead the
14 transformation of finance over the past four
15 years--Liz Botwin [phonetic], Edgar Domenech
16 [phonetic], Beth Goldman, Tom Hardy [phonetic],
17 Michael Hyman and Andrew Sulkin [phonetic] are the
18 most able and dedicated people with whom I have
19 ever been associated. Every Tuesday morning we
20 meet as a group and in that setting and in the
21 dozens over other conversations we have every day,
22 these remarkable individuals work relentlessly
23 and passionately, but always with humor and warmth
24 for one another and their staffs to achieve our
25 goals. Their smarts, dedication to achieving fair

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2 and equitable results and compassion for all New
3 Yorkers comes through every day. It has been one
4 of the great privileges of my career to partner
5 with them, and this is my very inadequate way of
6 thanking them publically for all they have done
7 and continue to do. With that, I am happy to take
8 your questions.

9 CHAIRPERSON RECCHIA: Thank you
10 very much, Commissioner, for those kind words, and
11 we also appreciate working with you and your
12 staff. You should be very proud of your staff.
13 You have done a lot of good things as a unit, and
14 made a lot of changes. People don't get their
15 cars towed anymore with the boots. The other day
16 I was going down a block, I saw like three or four
17 red boots, and I said boy, are those people going
18 to be happy when they come out, but on a serious
19 note, the feedback that we are getting, it is
20 working and people aren't as angry. They don't
21 have to work.

22 COMMISSIONER FRANKEL: - -
23 suggesting they are still a little bit angry, but
24 just not quite as angry.

25 CHAIRPERSON RECCHIA: You know

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2 what? It is really super angry when you come out
3 and you don't see your car there. I think you
4 don't know if they stole it. You don't know where
5 to go first.

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COMMISSIONER FRANKEL: Well, that
7 was the vision from the beginning and we think
8 that the programs really worked out.

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CHAIRPERSON RECCHIA: The next
10 commissioner has to work on getting the price down
11 a little bit.

12

COMMISSIONER FRANKEL: We have got
13 the price down some, but I have no disagreement
14 with that.

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CHAIRPERSON RECCHIA: The executive
16 budget serves a reallocation of approximately four
17 million dollars, an increase of about seven in the
18 collection programs. What is the collection rate?
19 Are you having outside companies do this
20 collection rate? Could you just talk about that?

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COMMISSIONER FRANKEL: Sure. When-

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CHAIRPERSON RECCHIA: [interposing]

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I know it's for the different fines, you have

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different--

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2 COMMISSIONER FRANKEL: I testified
3 in the past we have hundreds of thousands of
4 people who owe the city money, owing between one
5 and two billion dollars, and we do employ outside
6 collection agencies to help us collect that money.
7 The revenue that we generated from these have gone
8 [off mic]. So back in 2009 collection agencies
9 collected about ten million dollars for us
10 annually. Now they collect a bit over 40 million
11 dollars.

12 CHAIRPERSON RECCHIA: What we want
13 to know is how much are we paying those agencies
14 and how much is it costing us?

15 COMMISSIONER FRANKEL: I can get
16 you the exact number. Quite frankly, when it
17 comes to collection agencies, this is going to
18 sound a bit odd. I don't really care how much it
19 costs. I care how much they collect on a net
20 basis.

21 CHAIRPERSON RECCHIA: We agree with
22 you, but we just want to know how much are they
23 getting? What is - - percentage? Are they
24 getting so much on the dollar and how many
25 collection agencies do you have?

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COMMISSIONER FRANKEL: We have
three now. Three.

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CHAIRPERSON RECCHIA: Three. Okay,
we will follow up with a letter to get this
information. It has come up in budget
negotiations and so we would like to know that in
more detail. Council Member Robert Jackson has a
question. We have been joined by Council Member
Cabrera.

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COUNCIL MEMBER JACKSON: Sure.

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Thank you, Commissioner, to you and your staff and
obviously this is many of council members our last
term in office, and obviously depending on who the
new mayor is, you know the process, but let me
just say I thank all of your staff because
obviously what you said, you know more so than I
do, you are very, very proud of the work that they
have done and improving our financial situation in
the city of New York is extremely important, so on
behalf of all of the people of New York, we thank
you, and your staff.

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COMMISSIONER FRANKEL: Thank you
for that.

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COUNCIL MEMBER JACKSON: I just

1
2 want to ask a question in 2011, the City Council
3 passed legislation that restricted the lien sale
4 with respects to the new law and increased the
5 monetary threshold for certain properties included
6 in the lien sale for - - emergency repairs and
7 added HDFC rent tools to the type of properties
8 eligible for the lien sale, and what affect has
9 the new provisions had on local law 35 of 2011 had
10 on revenue since its passage, if any?

11 COMMISSIONER FRANKEL: I am not
12 able to determine the specific effect of the law.
13 We carry out the law according to its strict
14 provisions. I can't tell you what percent of our
15 revenue has been either up or down as a result of
16 the changes in the law. - - data for every year,
17 I'd be happy to do that.

18 COUNCIL MEMBER JACKSON: Well, the
19 direct revenue from the lien sale that is
20 structured under the pre-2011 legislation average
21 about 40 million dollars annually according to the
22 Office of Management and Budget. That is what OMB
23 said. We didn't say it so just trying to
24 determine with respects to the law that we passed
25 has the monies gone up, gone down, remained the

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2 same? I am sure that your finance department
3 would have an assessment of that.

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COMMISSIONER FRANKEL: I am not
5 sure where the 40 million dollar comes from,
6 Council Member. We can certainly give you all the
7 data on all the money we collect from the time
8 that the 90 day lien sale notice is sent to the
9 time we sell liens into the trust, and then how
10 much money the trust collects. I am happy to give
11 you all of that data.

12

COUNCIL MEMBER JACKSON: What about
13 do you have any figures here now as to how much
14 you have collected in the lien sales, so for
15 example, we are now in what? This is June of
16 2013. Do you do that by fiscal year or calendar
17 year, and can you give me some numbers going back
18 just like right now anyone can go on the City
19 Council's website and key in an organization and
20 go back from '13, '12, '11, '10, '09 and determine
21 how much money they have been allocated by the
22 City Council I would assume that you would have
23 those figures as to how much that the city has
24 taken in as a result of lien sales going back the
25 past couple of years.

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COMMISSIONER FRANKEL: First of all we have to define what we mean as a result of the lien sale.

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COUNCIL MEMBER JACKSON: The lien sales are the lien sales. You sell them. I don't. I am sorry, Commissioner. I don't mean to be contentious but liens and liens. They are sold by the city of New York, how much did you gather in by last year is it by calendar year? Is it by fiscal year? I am new at this, so I am just trying to get an assessment since we are talking about executive budget, I want to know what you pulled in and what you expect next year.

COMMISSIONER FRANKEL: So the most important piece of the collection effort actually happens between the time we send notices 90 days out from the lien sale and the time we actually sell liens because many people come forward and pay their debts at that point, so I can give you data from 2010 through 2013.

COUNCIL MEMBER JACKSON: Is it based on calendar or fiscal?

COMMISSIONER FRANKEL: It's based on each lien sale that comes up. it is not really

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2 a fiscal or a calendar year issue. The revenues
3 are taken in whatever particular calendar year
4 they come in.

5 COUNCIL MEMBER JACKSON: Sure, I
6 understand that. Do you have for example the
7 numbers you are giving me? Is it based on a
8 quarterly basis, semiannual basis, a calendar year
9 or coming in at any particular time and then you
10 are putting a month and a year next to it? Let me
11 just explain why. I am trying to get an
12 assessment based on the numbers you are giving me.
13 Is that based on a quarter, a year?

14 COMMISSIONER FRANKEL: These are
15 annual numbers that I am going...

16 COUNCIL MEMBER JACKSON: So for
17 example, the numbers for 2012...?

18 COMMISSIONER FRANKEL: Between the
19 time we noticed the properties and the 90 day
20 notice and the time of the lien sale we actually
21 sold liens to the trust. We took in the following
22 amounts in the past four years: 2010 was 98
23 million dollars--

24 COUNCIL MEMBER JACKSON: 98
25 million.

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2 COMMISSIONER FRANKEL: --2011 was
3 187 million dollars, 2012 was 97 million dollars
4 and 2013 was 144 million dollars. Now in addition
5 to that we sell the liens into the trust, and it
6 is a complicated process. We get back a certain
7 amount of money from the trust. When we sell the
8 liens we get some more over time, and I can go and
9 give you that data if you are interested in it as
10 well.

11 COUNCIL MEMBER JACKSON: Is that
12 based on--

13 COMMISSIONER FRANKEL:
14 [interposing] That could happen though for years.

15 COUNCIL MEMBER JACKSON: Is that
16 based on the formula, a certain percentage or
17 what?

18 COMMISSIONER FRANKEL: Yes,
19 generally depending on--the bonds were always
20 rated triple A, and we get back a certain
21 percentage of the money initially and then as more
22 money is collected we can get back more money in
23 the out years.

24 COUNCIL MEMBER JACKSON: Depending
25 on what they get.

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COMMISSIONER FRANKEL: What the loan servicers collect.

COUNCIL MEMBER JACKSON: Now you gave me the numbers I think for '10, '11, '12 and '13, and '13 is not over as of yet, so the '12 number you said since it was calendar year, I think we are still in calendar year '13.

COMMISSIONER FRANKEL: Let me try to explain myself--I am clearly not doing a good job of explaining myself. We notice this lien sale once a year. There is one 90 day period.

COUNCIL MEMBER JACKSON: Commissioner, you know this like the back of your hand. I don't. When do you notice the 90 day notice?

COMMISSIONER FRANKEL: This year we sent the 90 day notice in February.

COUNCIL MEMBER JACKSON: February. Okay. Go ahead.

COMMISSIONER FRANKEL: And so there is 90 days between the February date and the May date in which people can come in and pay off their liens and get out of the sale. The numbers I gave you were the collections that we have in that 90

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2 day period. There is generally only one lien sale
3 a year, and so that will be all the money we
4 collect in that 90 day period for the entire year
5 whether it is fiscal or calendar.

6 COUNCIL MEMBER JACKSON: So the
7 numbers that you gave me before was based on the
8 monies that were collected for that period of
9 time?

10 COMMISSIONER FRANKEL: Yeah, for
11 each 90 day period that particular year, yes.

12 COUNCIL MEMBER JACKSON: And those
13 that you didn't, you went to the trust and the
14 trust whatever, and you get a certain percentage.
15 Is that correct?

16 COMMISSIONER FRANKEL: Yes, then we
17 get a certain percentage of what we sell, and then
18 for many years after that, there may be collection
19 efforts that take place, and we can generate some
20 additional revenue in those years as well, but it
21 is not going to be in these kind of numbers.

22 COUNCIL MEMBER JACKSON: Those type
23 of numbers. What type of numbers are we talking
24 about?

25 COMMISSIONER FRANKEL: It is much

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smaller, but I will get you all of that. I am happy to get you all of that data.

COUNCIL MEMBER JACKSON: Okay, so now explain to me then '13. '13 is because we are dealing with that 90 day window that is why you gave me the '13 numbers. Is that correct?

COMMISSIONER FRANKEL: The '13 number, which was 144 million dollars, which was from February, which was from the time we send out this 90 day notice to the time we sell the liens to the trust.

COUNCIL MEMBER JACKSON: Okay, and that is how you gave me the '13 numbers.

COMMISSIONER FRANKEL: Yes.

COUNCIL MEMBER JACKSON: Okay. Good. Thank you.

CHAIRPERSON RECCHIA: Thank you, Council Member. Council Member Cabrera and then Council Member Brewer.

COUNCIL MEMBER CABRERA: Thank you to the Chair. Commissioner, I want to thank you for your service, and really for your demeanor. There is this calm peaceful demeanor that you always bring here, especially when there is heat

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coming upon you and so it does not go unnoticed.
Thank you so much.

COMMISSIONER FRANKEL: It is all a
result of my staff saying you can't behave like
you do here in front of the - - .

COUNCIL MEMBER CABRERA: - - I
don't know what it is like behind the scenes, but
in the front stage, it looks very good, so thank
you again for your service. I have a question
regarding SCRIE during the fiscal 2014 preliminary
budget hearing you have stated that the SCRIE
guide will be available in languages other than
English shortly, and that is the operative word,
but it seems as though the Department of Finance
has not yet created other guides. I have just
three simple questions. One, first, what is the
status of those other guides?

COMMISSIONER FRANKEL: We have our
guides in three different languages. I think it
is in Spanish, in Chinese and Russian already
online.

COUNCIL MEMBER CABRERA: So that
was actually question number three. Are there any
hard copies?

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COMMISSIONER FRANKEL: They are not in hard copy yet.

COUNCIL MEMBER CABRERA: When will they be in hard copy?

COMMISSIONER FRANKEL: I am not sure. I don't think we have plans to actually print them in hard copy, but you can print them off the website.

COUNCIL MEMBER CABRERA: What about the people who don't have--I hate to use the word access, but accessibility to and availability to online service? I know that people could go to the library and so forth but sometimes people work during the day.

COMMISSIONER FRANKEL: If anybody calls 311 or they go to our business office, we will print one out and send it to them.

COUNCIL MEMBER CABRERA: Okay, so it is available in three languages--

COMMISSIONER FRANKEL:
[interposing] Four languages including English.

COUNCIL MEMBER CABRERA:
[interposing] Four languages, I'm sorry. And hard copy all they have to do is call 311?

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COMMISSIONER FRANKEL: Yes.

COUNCIL MEMBER CABRERA: How would they know that they can get it by calling 311? I am just curious.

COMMISSIONER FRANKEL: Honestly the 311 system works that way. Any time I have a city question, well, I generally will call somebody directly in fairness, but when I am not in this job anymore, I will call 311 and ask the question.

COUNCIL MEMBER CABRERA: Has there been requests for a hard copy.

COMMISSIONER FRANKEL: I don't know the answer to that.

COUNCIL MEMBER CABRERA: Nobody in your staff knows that.

COMMISSIONER FRANKEL: I don't know.

COUNCIL MEMBER CABRERA: Okay. That was pretty much my question. Again, thank you so much for your service and for your staff. Thank you so much.

COMMISSIONER FRANKEL: Thank you.

CHAIRPERSON RECCHIA: I am just going to ask--are you ready, Ms. Brewer? Council

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Member Brewer?

COUNCIL MEMBER BREWER: Thank you very much. I tell people don't go to 311, go to the green book, go right around 311 just so you know. The issue of SCRIE, I have a couple of other questions. First of all, I want to thank Robin Bermudez [phonetic] and Eric Munsen [phonetic] because we had excellent SCRIE senior forums, and many, many people came and it was very helpful, and I know people have been going to your SCRIE window and it is all working. So I appreciate that, and I also appreciate that we had the opportunity to call people who didn't have their SCRIE and we had--I think we called 170 people, and it is very interesting what happens. I want to know what we are going to do in the future. When seniors are in insolation, they have always had SCRIE, they always did what they were supposed to do, but they have a little dementia and they have stopped opening their mail. That is one section of individuals who were then re-upped on SCRIE, but it took tons of follow up, so my question is in the future when Gale Brewer and Domenic Recchia and Robert Jackson aren't here,

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2 who is going to make that as part of the baseline
3 as to how we deal with SCRIEs that are not
4 responded to? It's not your job to do that, so is
5 it another agency? How is that going to work?

6 COMMISSIONER FRANKEL: Well, it is
7 partially my job to do that, and first of all, it
8 is hard to imagine anyone replacing the three
9 names that you just mentioned and certainly the
10 effective way that it has been handled so far--

11 COUNCIL MEMBER BREWER:
12 [interposing] Cabrera can do it.

13 COMMISSIONER FRANKEL: Apparently
14 now. He has just bolted for the exits. You know,
15 within our agency we have designated a senior
16 coordinator, and we are doing all kinds of
17 outreach events. We are trying to do more this
18 summer. The Department for the Aging is also
19 working with us on this, and I think we have
20 pretty much base lined this to begin with. Could
21 we always do more? Absolutely.

22 COUNCIL MEMBER BREWER: Okay. One
23 lady it was 32 phone calls just to get the mail
24 opened effectively. So it is that kind of
25 working, and I am just throwing that out that you

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2 are going to need a lot of social work to
3 accompany SCRIE. It is very, very labor
4 intensive. We got through to all 170 people, but
5 we have been working on it since the day that you
6 and/or the Council gave us the list. So maybe
7 this will just give an example of what has to get
8 done. Number two, my understanding is that
9 seniors have the option of naming a senior center
10 as their tenant representative on their form, and
11 I know that at one stop, which is a wonderful
12 senior organization in our neighborhood was a
13 designee by several seniors, and it is not
14 actually clear as to how this process works, so I
15 am just wondering if you have others who are using
16 for the non-responsive seniors using this senior
17 center as an option and how it is working? I am
18 into the minutiae of SCRIE. I can tell you we
19 don't want anybody to lose their apartment.

20 COMMISSIONER FRANKEL: Nor do we
21 quite frankly. Assistant Commissioner Meyers
22 [phonetic] is telling me that a third of the SCRIE
23 applicants designate another tenant
24 representative. In most cases though, that is a
25 family member, but they do at times designate

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others, and we follow up with those people.

COUNCIL MEMBER BREWER: I can just tell you that where it is an organization it needs a little bit more streamlining because the organization doesn't quite know what they are supposed to do, and they are worried about the monitoring kind of how did it get to the point that the organization has to be the essentially oversight or designee. I am just saying that this is another issue that needs to be looked at because some seniors don't have family members, so they are going to go to an organization. The other issue is with the MBR and MCI issues, they are told by owners, seniors are that it is their responsibility to submit the updated either MBR or MCI form I guess to DFTA, but probably it should be to finance. That is always a challenge from the owners, but somehow it is a burden. Believe me I have been in the office when seniors come in. They have no idea that they are supposed to do this. So how can we either make it clearer to the owners, clearer to the seniors or do you think this is a problem or not?

COMMISSIONER FRANKEL: Let me look

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2 into it, and we will get back to you offline on
3 this if you don't mind.

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COUNCIL MEMBER BREWER: Okay. I
5 would like to say that the SCRIE is much improved,
6 but I think we learned a lot when we made 170
7 phone calls to find out why people were not re-
8 upping their SCRIE, and I hope that you would do
9 some kind of a debriefing from others who made
10 this kind of effort to find out what the issues
11 are so that they don't crop up again.

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COMMISSIONER FRANKEL: Let me say
13 that I am glad we had this discussion today
14 because it brings full circle. This was probably
15 the first issue that we dealt with when I got
16 here, and you have been enormously helpful to us
17 in both thanking us for improvements and frankly
18 pointing out the shortcomings that we have had. I
19 think as you said if I can pick out one place
20 where we have dramatically changed how we have
21 handled this issue, SCRIE under Assistant
22 Commissioner Meyers and all the other exemptions
23 that we are responsible for - - improved and
24 changed dramatically.

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COUNCIL MEMBER BREWER: I

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2 appreciate all the staff work. Unfortunately they
3 are on speed dial, emergency dial, whatever the
4 word is from our office. I know we both you a
5 lot, but we have thousands of SCRIE--people who
6 get SCRIE. My other question quickly is we also I
7 thought were privileged to call every single
8 person who had a lien sale possibility on the west
9 side, and I know our numbers weren't thank
10 goodness as large as other neighborhoods, but we
11 had two interns who spent full time on this issue.
12 They traced people down to Hong Kong. They went
13 to visit the nephew. Whatever it took to find the
14 person who was in that condo. I have to be honest
15 with you, it was a lot of condos. My question is
16 how generally did the lien sale calls go if you
17 have any sense of it, and I am also wondering one
18 of the issues that we came up with was people
19 called, and I didn't know if it was dealt with.
20 There was a--I think it is a good idea obviously
21 to have the primary resident continue to get the
22 abatement, but not somebody who is not the
23 primary, but there was gray areas as to what a
24 primary resident is and I am just wondering if you
25 could talk about that for a minute. It had to do

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2 with beneficial trust I believe. We got quite a
3 few calls. Your staff answered them, and I am
4 just wondering if that got straightened out and if
5 there is anything to be done in the future to make
6 that clearer to people that are residents,
7 particularly in my experience at least with the
8 condo. The co-ops, it's a whole different world
9 because there is a lot more oversight before you
10 actually move in.

11 COMMISSIONER FRANKEL: Well, first
12 on the SCRIE question, my staff under Resa Semper
13 [phonetic] conducted almost 30 outreach events
14 with respect to the lien sale. We were constantly
15 taking to people, constantly fielding phone calls.

16 COUNCIL MEMBER BREWER: We sent a
17 lot to you too.

18 COMMISSIONER FRANKEL: I am sure,
19 and we were happy to get them. Our desire just
20 like yours was to have nobody in the lien sale--
21 obviously it doesn't work like that, and quite
22 frankly as you can see from the numbers I have
23 before, the lien sale is absolutely critical in
24 producing the equity we need that people, have
25 your property tax, you have to pay your property

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2 tax. We will help you to the extent that we
3 possibly can, but at some point you have an
4 obligation to pay your taxes, and you have to pay
5 your taxes.

6 COUNCIL MEMBER BREWER: I agree.

7 COMMISSIONER FRANKEL: With respect
8 to the condo, co-op issue we again did all kinds
9 of outreach, sent all kinds of letters to co-op
10 associations and to co-op owners, to individual
11 condo owners about the - - we had hoped that this
12 law would get passed last May or June. It didn't
13 actually get passed until the end of this past
14 January, and as you saw in my testimony it has
15 taken us over a year to actually program because
16 of our system the condo, co-op abatement. I think
17 most people--we are getting not very many calls on
18 this anymore. It is pretty clear what is
19 happening. There was one issue whether apartments
20 owned by trusts qualified for this. There is a
21 bill up in Albany that has now passed both houses,
22 and it is on the governor's desk waiting for his
23 signature that qualifies units owned by trusts to
24 continue to get the abatement, and that is sort of
25 where we are right now.

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COUNCIL MEMBER BREWER: Okay.

Thank you very much.

COMMISSIONER FRANKEL: I am sorry. I apologize. I am told it is not on his desk right now. It is awaiting delivery to the governor. That is apparently a very important distinction.

COUNCIL MEMBER BREWER: I did not know about that legislation, so I appreciate knowing it because we did get quite a few calls along those lines. Thank you.

COMMISSIONER FRANKEL: Thank you.

CHAIRPERSON RECCHIA: Commissioner, my next question deals with information that we have been trying to get dealing with class 2 properties. The City Council did an investigation and looked at the Class 2 properties, and feel that your office has not correctly classified class 2 properties. As you know, subdivision two of Section 1805 of the real property tax law caps the amount of an assessment that it can be increased on class 2 properties that have fewer than 11 residential units despite the total number of commercial units in the property. Based on our

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2 investigation and on the tax rolls, it appears
3 that Department of Finance has been using the
4 total number of units regardless of whether they
5 are residential or commercial, and it appears
6 according to our investigation that over 800 class
7 2 properties could be misclassified. We wrote
8 letters to your office on April 2nd to explain
9 this. On April 23rd, and your response was that
10 you are very confident that DOF was interpreting
11 the law correctly. We understand that you feel
12 that you have been doing it correctly, but we
13 asked for an explanation. We have not received
14 this explanation, so now I am asking you to
15 explain why this is correct.

16 COMMISSIONER FRANKEL: Well, first
17 let me say that this is not a recent
18 interpretation. This is an interpretation that
19 has been going on since the 1980s of the tax law,
20 so it is 30 or 40 years of classifying properties
21 in this way, and every time we have done this
22 every year, any properties--

23 CHAIRPERSON RECCHIA: [interposing]
24 So are you counting the commercial units as a
25 unit? According to us, you are when the law says

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it is only residential units.

COMMISSIONER FRANKEL: In the real property tax law residential to us means primarily residential, and we have always read this statute to say that the building has to have fewer than 11 units, which means--and that has to be primarily residential once it has fewer than 11 units, and it would get the benefit of the count, and that is the way we interpret the law.

CHAIRPERSON RECCHIA: You are not answering the question. Do you count the commercial unit as a residential unit?

COMMISSIONER FRANKEL: I am not sure I understand the question, Mr. Chairman. I am not trying to avoid the answer. I am just not sure I understand the question.

CHAIRPERSON RECCHIA: I will give you an example. If a building has eight residential units, okay, and three commercial units, okay, would you classify that as a class 2?

COMMISSIONER FRANKEL: It's definitely a class 2. Yes.

CHAIRPERSON RECCHIA: I take that back. 2c. Okay. To fit under this section...

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COMMISSIONER FRANKEL: No, that would be a class 2 unit. That would be not a class 2c; that would be a class 2 unit for us, and that is where we disagree.

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CHAIRPERSON RECCHIA: Go ahead. What were you saying?

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COMMISSIONER FRANKEL: I said we would classify that as a class 2 building. It has 11 or more units.

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CHAIRPERSON RECCHIA: 11 or more units, so but we have about 800 units where you are counting to get over the 11 or to 11 and above you are counting the commercial units as residential, and they are not getting the lower tax rate.

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COMMISSIONER FRANKEL: Let's be clear. It is not a lower tax rate. Everybody has the same tax rate. It is a question of caps that we are talking about. I don't mean to be - - . I am just trying to understand. Our 30 to 40 year interpretation of this statute has said that you have to have fewer than 11 units in order to be in one of the capped classes.

25

CHAIRPERSON RECCHIA: But the law

1
2 says fewer than 11 residential units, not units.
3 See your office keeps on saying units; the law
4 says residential units, and that is why we have
5 about 800 properties that have been misclassified,
6 and we have been asking your office for an
7 explanation. They haven't given us an explanation
8 in writing because we are ready to move forward on
9 this.

10 COMMISSIONER FRANKEL: As I said,
11 our definition under--our interpretation of the
12 real property law is that residential means
13 primarily residential, and we have been
14 interpreting this law for 40 years to say that you
15 have to have fewer than 11 units in order to
16 qualify in that category. I appreciate we have a
17 differing of opinions as to--

18 CHAIRPERSON RECCHIA: [interposing]
19 No, no. I am just trying to read the law, and I
20 don't see where it says that the primary resident
21 is residential units. It doesn't say that.

22 COMMISSIONER FRANKEL: I don't know
23 the exact citation it. The property tax law is a
24 complicated statute that has definitions in many
25 different places, but again, we are happy to meet

1
2 with your staff again and go over this issue
3 again.

4 CHAIRPERSON RECCHIA: Commissioner,
5 we have tried. We have tried to call your office.
6 We have e-mails, and the response is we are very
7 confident in our position. That is unacceptable.
8 That is the only reason I am bringing it up today.
9 We are not going to sit back and have that for an
10 explanation. That is why we are asking you. You
11 keep on saying that the law says one thing, when I
12 can't see where it says primary residential. It
13 says fewer than 11 residential units. That is
14 what it says, and we have 800 properties or more,
15 people have been coming forward to us, we looked
16 into it, and this seems to be a problem, and we
17 are trying to work with your office. We called
18 up. We sent letters. We documented it, and your
19 response is DOF is very confident interpreting the
20 law.

21 [crosstalk]

22 CHAIRPERSON RECCHIA: --had this
23 problem once before and we had to correct it later
24 on, so before we move forward on this issue, okay,
25 because people in the city have been coming to our

1

2 office about this issue, we need explanations on
3 this.

4

COMMISSIONER FRANKEL: Well, if you
5 don't think you have gotten enough information
6 from my staff I am happy to commit that I will
7 arrange another meeting with your staff to go over
8 this.

9

CHAIRPERSON RECCHIA: We need to
10 have a meeting because this needs to be corrected.

11

COMMISSIONER FRANKEL: You say it's
12 corrected. As I said, we think we are doing it in
13 the right way, so we think we are doing it
14 correctly right now.

15

CHAIRPERSON RECCHIA: We will have
16 a meeting, but we just need a full explanation.
17 Of course, what you said today we don't agree
18 with. We have a different--the law is clear, and
19 we just don't think that what you are doing is
20 correct. Okay. Let's move on to Sandy. How did
21 you choose across the board the reduction of 15
22 and 10 percent? Why did you choose 15 percent for
23 class 1 and 2 and 10 percent for class fours?

24

COMMISSIONER FRANKEL: Well, let's
25 talk about entirely what we did. We have worked

1
2 for--those are general neighborhood reductions
3 that you are talking about. In general
4 neighborhood reductions we looked at those
5 neighborhoods that we felt had been damaged the
6 most by the impact of Sandy, and as I said earlier
7 we had limited information as to the impact of
8 Sandy. We are assessing properties based on their
9 condition. About two months after Sandy generally
10 we base our evaluations on significant data in
11 case of class 1 homes, and I forgot--I think there
12 were 35 or 55,000 class 01 homes of the 85 or
13 something like that? It was like 55 of the 88,000
14 properties. We usually have extensive sales data.
15 We obviously had very limited sales data from the
16 time of Sandy at the end of October, but it was
17 clear to us that the storm had some kind of
18 chilling effect on prices, and we read studies on
19 what had happened in other areas. We talked to
20 residential brokers in various areas of the city,
21 and we came up with our best determination of
22 where we think we are now. Can I assure you that
23 we are 100 percent correct? No. What we look
24 certainly this year and the upcoming assessment
25 roll in January to see what the actual effect of

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2 values are as we get a lot more data points. Yes,
3 we thought this was an absolutely reasonable
4 assessment of what had happened between Sandy and
5 the assessment date. In addition to the across
6 the board assessments, we then looked at
7 individual properties and once we--

8 CHAIRPERSON RECCHIA: [interposing]

9 So some individual properties got more than 10 or
10 15 percent based on the damage, the extent?

11 COMMISSIONER FRANKEL: Sure, if you
12 were in an area where we were giving an across the
13 board, 15 percent, for instance every property in
14 that area got a 15 percent reduction. If in
15 addition to that your property was physically
16 damaged and either you were designated red by the
17 Department of Buildings or had submitted to us a
18 property damage form, you were getting an
19 additional decrease off of that. Let me give you
20 an example, let's say your home was evaluated
21 100,000 dollars, and 60 percent of that was
22 attributable to the improvement on the property
23 and 40 percent was the land--there is a little bit
24 of math in here. First we gave you 15 percent
25 reduction, so now it's 85,000 dollars. If your

1
2 home was completely destroyed we then took off 95
3 percent of the improvement value on the land, so
4 it would be 60 percent of 85 times 95 percent
5 would give you your final value, and so in many
6 cases we reduced these property values by 70 or 80
7 percent in total.

8 CHAIRPERSON RECCHIA: Several
9 reports that we have listed the reductions as
10 being properties in Zone A. Would that be
11 correct? The majority of them were in Zone A?

12 COMMISSIONER FRANKEL: I am sorry.
13 Repeat the question again for me.

14 CHAIRPERSON RECCHIA: Many of the
15 properties in the reductions were they in Zone A?

16 COMMISSIONER FRANKEL: The surge
17 zones, yes. I mean the vast majority of
18 properties were in the surge zones, but you could
19 get a reduction outside the surge zone if your
20 property was damaged.

21 CHAIRPERSON RECCHIA: That is what
22 I was getting to because there are neighborhoods
23 like in Brooklyn, like Gerritsen Beach that were
24 not Zone A, were Zone B, but they got wiped out.

25 COMMISSIONER FRANKEL: If you

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2 submitted a property damage report to us, you
3 could get a reduction in any part of the city.
4 Eric is telling me that I should be very clear on
5 the fact that we are looking at properties where
6 the storm surged to, not necessarily what FEMA may
7 have designated as Zone A or anything else like
8 that. Everybody is giving me - -

9

CHAIRPERSON RECCHIA: This is a
10 group effort.

11

COMMISSIONER FRANKEL: It is always
12 a group effort in our shop.

13

CHAIRPERSON RECCHIA: You could
14 huddle up. Could we have a follow up meeting
15 after the budget? What we would like to do just
16 to see--do you have like a map or--to see the
17 lines?

18

COMMISSIONER FRANKEL: We can show
19 you everything we have done.

20

CHAIRPERSON RECCHIA: We would like
21 to sit down with you and just because we are
22 getting asked questions about this, and we would
23 like to sit down with you to see exactly how you
24 did this and determined that.

25

COMMISSIONER FRANKEL: Let me say

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2 again though, I am unbelievably proud of what the
3 staff did here. It was an unbelievable--

4 CHAIRPERSON RECCHIA: [interposing]
5 Commissioner, when it came to Sandy I have to
6 admit, your office is doing a very, very good job,
7 and I really mean that.

8 COMMISSIONER FRANKEL: Well, that
9 is quite an admission and I really appreciate it.

10 CHAIRPERSON RECCHIA: It is tough,
11 listen. I get asked all the time about these
12 property questions everywhere I go, and my
13 district got devastated and is just recovering.
14 People ask questions, and they still have lots of
15 questions to ask. I received a letter in the mail
16 about the reduction, and it's funny because I
17 showed everybody. No, but the next question is
18 people say well, how much am I saving on my taxes
19 because it says that you might not save anything,
20 and so I have to explain to them about the
21 assessed value, the market value.

22 COMMISSIONER FRANKEL: The mayor
23 did quite a good job about that by the way at the
24 press conference that we held announcing these
25 reductions last week. He is very knowledgeable

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when it comes to this, as are you. Maybe you and he should have this discussion.

CHAIRPERSON RECCHIA: We had a wonderful commissioner to explain it to him.

COMMISSIONER FRANKEL: By the way, we are happy if you want us to meet--if you want to have an outreach event, we are happy to come to that. We are happy to do whatever you'd like.

CHAIRPERSON RECCHIA: We just want to see right now some questions that are coming in from different council members. I am sure once they get their tax bill in a few weeks they will really--we will hear from everybody. Your office received over 5,400 Sandy damaging report forms. How many of those actually saw reductions?

COMMISSIONER FRANKEL: I believe almost all of them. Reductions in their market values, not necessarily reductions in their assessed values, but almost all of them saw reductions in their market values.

CHAIRPERSON RECCHIA: But how many saw reductions in the value due to damage?

COMMISSIONER FRANKEL: All of them. Almost all of them. 5,643 is the exact number.

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2 CHAIRPERSON RECCHIA: And that was
3 the reduction in the market value, not the
4 assessed value?

5 COMMISSIONER FRANKEL: Right. The
6 assessed value reductions are simply a formula
7 from state law. We determine market values, and I
8 said there were two market value reductions
9 potentially for a property. One was a
10 neighborhood reduction and one was a specific
11 damage reduction. You could get one, both or none
12 of those.

13 CHAIRPERSON RECCHIA: Okay.
14 Alright. Does any other council member have any
15 more questions?

16 COMMISSIONER FRANKEL: This is
17 really an interesting topic.

18 CHAIRPERSON RECCHIA: Alright,
19 Commissioner. I want to thank you for your
20 dedication to the city, thank you for a good job.
21 I want to thank you for in the budget there is 200
22 million dollars - - your perseverance and your
23 staff. Thank you very much. We will take a short
24 break. Next up is the comptroller and then the
25 IBO. Alright. Thank you very much.

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[background conversation]

[long pause]

CHAIRPERSON RECCHIA: We will now resume the City Council's hearing on the mayor's executive budget for FY 2014. The Finance Committee will now hear from the Comptroller of New York City, John Liu. Welcome back to the chamber, Mr. Comptroller. It is a pleasure to see you and have you here.

COMPTROLLER LIU: always good to be here, Mr. Chairman. Thank you, Chairman Recchia. Thank you, Council Member Jackson and other members of the City Council Finance Committee for giving me this opportunity to comment on the mayor's executive budget for fiscal year 2014. I am joined here by many members of our budget staff including executive director for budget Jonathan Rosenberg [phonetic]. I can and I will talk with you today about the executive budget as it is, but I would also like to paint a picture for you of the kind of budget we could have if we focused on our priorities to better reflect what I have called the New York City dream. What do I mean by that? Over the past few months, my office has

1
2 embarked on an effort to articulate what this New
3 York City dream means to average New Yorkers, and
4 we have called it the people's budget. I will go
5 into detail about the people's budget in a few
6 minutes, but first, let's talk about the executive
7 budget in front of us. The mayor's fiscal year
8 2014 executive budget totals 69.78 billion
9 dollars, 275 million less than the fiscal year 214
10 preliminary budget that Mayor Bloomberg presented
11 to the Council in January. The fiscal year 2014
12 executive budget is 2.07 billion dollars less than
13 the modified fiscal 2013 budget of 71.85 billion,
14 but that savings is somewhat illusory. The city
15 will not actually be spending any less money in
16 fiscal '14 than in fiscal '13. It just looks that
17 way because of pre-payments and other one shots.
18 In addition, the fiscal '13 budget is inflated by
19 1.5 billion dollars of Sandy related spending.
20 After netting out these effects, we expect that
21 the city will actually spend 481 million dollars
22 or .7 percent more in fiscal year '14 than in the
23 current fiscal year, and that is not the only
24 sleight of hand in the mayor's executive budget.
25 As required by law, he must balance the budget and

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2 technically speaking, he has, yet as my office has
3 stressed time and again, the administration's
4 budgeting hides risks, which could result in large
5 gaps--two and a half billion in the current fiscal
6 year and 577 million in fiscal year 2014. The
7 Daily News may only have discovered it last month,
8 but as we have said in testimony here year after
9 year after year, city workers are working under
10 expired contracts. The mayor has not budgeted
11 sufficiently for even the small wage increases he
12 envisions and has put aside butkus, which is what
13 my grandmother in Taiwan used to say, for any
14 retroactive wage increases. As The Daily News
15 delicately put it there could be hell to pay. The
16 largest risk as we have pointed out before is the
17 absence of wage increases for teachers and
18 principals for the 2008 to 2010 round of
19 collective bargaining. If the teachers and
20 principals gain an identical contract to the ones
21 that other municipal unions got in that round, the
22 city would need to pay up 2.595 billion in fiscal
23 year '13 including retroactive wages and 900
24 million more in each year thereafter, but this
25 mammoth risk is not the only possible hole on the

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2 expense side. The mayor's budget also
3 underestimates overtime expenses, which could cost
4 161 million dollars in fiscal '14 and 100 million
5 annually in the out years. It also assumes 80
6 million dollars in Medicaid reimbursements for the
7 Department of Education that we think we should
8 try to get, but based on the past experience of
9 the DOE, we don't think that it will happen. on
10 the revenue side, the largest risk we continue to
11 see is the assumption of 1.46 billion dollars of
12 revenues over four years from the sale of taxi
13 medallions beginning in fiscal '14. The taxi
14 medallion sale is in court, and it is unclear how
15 the judge will rule. We are also concerned that
16 even if the sale eventually does go forward, the
17 market for the medallions may not be as robust as
18 the city has assumed. True we do see some good
19 news on the revenue side that offset some of these
20 risks. My office projects that the city will reap
21 771 million more in taxes than the mayor's fiscal
22 '14 financial plan estimates largely on the
23 strength of personnel income tax revenues, but my
24 office does not expect that personal income tax
25 revenues will drop as much as the city forecasts,

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2 mostly because of the large gains in the stock
3 market during the first five months of 2013. My
4 office also projects that the city economy will
5 grow more in fiscal 2014 and '15 than the mayor's
6 folks believe it will. Job growth has
7 strengthened considerably although minority
8 unemployment remains disproportionately and
9 unacceptably high at 11.2 percent as compared to
10 5.9 percent for white New Yorkers. All told we
11 think that the city will collect anywhere from 230
12 million to 976 million dollars more in taxes,
13 mostly because of commercial property
14 appreciation. We also see some potential on the
15 savings side. Last June the administration
16 forecast a budget gap of two and a half billion
17 dollars for fiscal '14 and it closed that gap
18 through a peg and by rolling over an additional
19 2.04 billion surplus for fiscal year 2013. We
20 have identified even more resources that could
21 offset cuts to vital services, such as fire
22 companies and childcare. First, significant
23 savings may still be possible in fiscal '13 thanks
24 to favorable interest rates including about 165
25 million dollars of debt service savings that are

1 not yet reflected in the mayor's executive budget.
2
3 Second, in fiscal 2014, debt service savings could
4 add another 125 million dollars if the budget's
5 variable interest rate assumptions are brought in
6 line with the already conservation assumptions of
7 a fiscal 2013 budget. Finally, the administration
8 has funneled another 150 million dollars into the
9 general reserve for fiscal '14 bringing the total
10 for the year to 450 million dollars. The general
11 reserve is a fund to cover any unforeseen expenses
12 or shortfalls in revenues during the fiscal year,
13 and it is usually funded at 300 million dollars a
14 year. It hasn't actually been used for current
15 year expenses in recent memory, but since the
16 administration has passed it out, maybe the
17 Council could use some of that money to fund what
18 the average New Yorker dreams about when he or she
19 thinks about this city as its best. Most of us
20 have now been through many budgets and have
21 observed and participated in what many people now
22 call the budget dance. That is the annual ritual
23 where we fight with the mayor over 200 million
24 dollars, a mere one half of one percent of the
25 total budget to restore the fire companies, after

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2 school programs and all of the other - - things
3 that he cuts every year, but that we know our
4 constituents need. I know some of you agree with
5 me when I say that I have always found the budget
6 dance to be a distraction that kept us from
7 focusing on the larger picture of what New Yorkers
8 really wanted from city government. Earlier this
9 year, I asked my staff to comb through the entire
10 budget. I challenged them to identify new
11 resources that could be used to make new
12 investments in New York City. In April, we
13 released what we called the people's budget, a
14 comprehensive plan including 68 proposals that
15 could make the city the New York City dream a
16 reality by translating our values and priorities
17 into dollars and cents. These proposals include
18 making city schools great again, building
19 affordable housing, enhancing public safety,
20 housing the homeless and providing social services
21 to our growing senior population. We also found
22 15 billion dollars in revenue to pay for those
23 proposals, including enough to cut the personal
24 income tax for 99 percent of earners. Then early
25 in May we put the people's budget online, invited

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2 all New Yorkers to discuss our proposals, vote
3 them up or down and add their own ideas. In a
4 matter of speaking, we crowd sourced the city
5 budget. The results of this discussion which
6 ended on June 3rd have been illuminating. In the
7 month of its operation the online tool we created
8 peoplesbudgetnyc.com registered 1250 users and
9 10,618 votes on 132 ideas. 64 of those ideas,
10 about half, came from the public. New Yorkers of
11 all walks of life used thepeoplesbudgetnyc.com as
12 a way to understand and learn about city spending.
13 On May 28th, I visited a GED class at a youth
14 center in the south Bronx that was using the
15 website to teach civics and government. I
16 promised New Yorkers that I would bring the top
17 three proposals which received the most votes on
18 the site to your attention today. I am delighted
19 to report that the number one proposal is to
20 support more adult literacy programs, and that
21 came directly from the people. The second and
22 third - - proposals are included in the people's
23 budget--longer library hours and recouping 163
24 million dollars from Hewlett Packard for its
25 overbilling on the 911 call system. The strength

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2 of these three proposals show the fervent desire
3 of ordinary New Yorkers to better themselves
4 through education, to share in the riches of our
5 city's cultural resources and to hold corporations
6 accountable. They show a need for our budget to
7 focus on basic fairness. The people's budget NYC
8 was not the first time any American city tried to
9 crowd source budget ideas. Indeed, Chicago also
10 did it last year. Even so, I don't think it is
11 boasting to say that the people's budget NYC
12 stands out as a signal experiment in participatory
13 democracy and in tax payer engagement. I
14 appreciate your time and attention today. Thank
15 you for allowing me to bring some new ideas to the
16 table, and I am happy to answer any questions that
17 you may have. Thank you.

18 CHAIRPERSON RECCHIA: Thank you,
19 Mr. Comptroller. Thank you for coming here today
20 and giving us your testimony. Why do you feel
21 that the mayor's budget underestimates overtime
22 expenses? Why do you think it could cost 161
23 million dollars? What are you basing that on?

24 COMPTROLLER LIU: It happens every
25 year. Every year we look at the actual overtime

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2 expenditures as compared to what was budgeted and-
3 -

4 CHAIRPERSON RECCHIA: [interposing]
5 But according to your testimony, it is going to be
6 61 million dollars more. What are you basing that
7 on?

8 COMPTROLLER LIU: Based on actual
9 overtime expenditures as compared to budgeted
10 overtime expenditures. This administration
11 consistently comes in higher, over 100 million
12 dollars a year higher than what was budgeted for.

13 CHAIRPERSON RECCHIA: But what
14 agencies do you think are going to be--you are
15 going to see that in?

16 COMPTROLLER LIU: Police is one of
17 the agencies where you have significant overtime.

18 CHAIRPERSON RECCHIA: No, no. We
19 understand that, but I want to know, how did you
20 get to the 161? Where are those dramatic
21 increases?

22 COMPTROLLER LIU: The agency
23 breakdown?

24 CHAIRPERSON RECCHIA: How did you
25 get to that number? That is what we are trying to

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get to.

COMPTROLLER LIU: So you don't want agency by agency breakdown?

CHAIRPERSON RECCHIA: If you give me agency--but I just wondered how you got to that number.

COMPTROLLER LIU: Sure. How we get to the number is we take a look at what has happened in recent years in terms of actual overtime expenditures versus what the city budgeted for, and the actual overtime expenditures consistently and significantly exceed what was budgeted for those overtime expenditures. The agency breakdowns would be for fiscal year '14, 105 million dollars that we expect based on past history, we expect the administration to go over the overtime payments for police. That is 105 million for police, and 56 million for corrections, which totals 161 million for fiscal year '14.

CHAIRPERSON RECCHIA: So we will see large overtime in police and corrections?

COMPTROLLER LIU: Yes. That is correct again based on recent years' experience.

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2 CHAIRPERSON RECCHIA: Later on in
3 your testimony, you said, we also found 15 billion
4 in revenue to pay for different proposals,
5 including enough to cut the city personal income e
6 tax for 99 percent of the earners. How are you
7 going to do that?

8 COMPROLLER LIU: Sure, so this was
9 actually a part of the broader people's budget
10 that I have been talking about for several months
11 now, but it is also piggybacking on an income tax
12 reform that I proposed last year where instead of
13 having this flat tax that we basically have today,
14 no matter how much you make New Yorkers pay a
15 within a very small range the income tax rates, so
16 whether you make 50,000 dollars a year or 50
17 million dollars a year, you pay almost the same
18 rate of tax. Instead of this flat income tax last
19 year I proposed that we graduate the system so
20 that we start the tax rates much lower for those
21 who make below a certain threshold and ask people
22 who make over the threshold of 500,000 dollars a
23 year to pay a little bit more, so the increase in
24 the taxes on those who make above 500,000 will
25 bring in a certain amount of revenue. The tax

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2 reductions for those making below that threshold
3 will cost a certain amount, but all in all, it
4 will net additional revenues for the city of New
5 York, and that is factored into the 15 billion
6 dollars over the next four years of revenues that
7 we have found.

8 CHAIRPERSON RECCHIA: And according
9 to your process you think you could--so basically
10 what you are saying is people that make under
11 500,000 dollars going with your people's budget,
12 they would pay less income tax.

13 COMPTROLLER LIU: Yes, and yet
14 those who make 500,000 dollars a year or more, the
15 income tax filers in the city who make over that
16 threshold--

17 CHAIRPERSON RECCHIA: [interposing]
18 How much more would that go up?

19 COMPTROLLER LIU: So the rates
20 would be about one percent to one and a quarter
21 percent higher in the income tax rate for New York
22 City for those people, but for example, instead of
23 starting the income tax rates at close to three
24 percent no matter how much you will make we will
25 start the income tax rates at a much lower amount,

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2 at much lower rates, something around one percent,
3 so again, the less you make the less you pay, but
4 then the more you make, the more you pay.

5

COUNCIL MEMBER JACKSON: Domenic,
6 let me follow up on that. So it is my
7 understanding, Comptroller Liu that any type of
8 increase in personal income tax would have to be a
9 proposal that is agreed upon by the state
10 legislature and the governor. Is that correct?

11

COMPTROLLER LIU: That's correct.

12

COUNCIL MEMBER JACKSON: Okay, but
13 you put forward a plan that if in fact that was
14 adopted, we would increase the city's budget by 15
15 billion dollars over the next four years. Is that
16 correct?

17

COMPTROLLER LIU: This is a plan
18 that is not going to be a reality overnight, but
19 what we have done is instead of this annual budget
20 ritual that we have gone through where we look--
21 and this is what we do every year, right. I have
22 been in the same rooms and discussions that you
23 guys have been, although you have done it for four
24 years more than I did.

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COUNCIL MEMBER JACKSON: It is the

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same dance.

COMPTROLLER LIU: Yes. We look at-
-we basically look at incremental changes from one
year to the next without stepping back a little
bit and looking at the needs that New Yorkers need
to be funded in the budget and the additional
resources that we can have if we looked for them.
And so, that is why I asked my folks to look at
the budget, top to bottom and don't focus on
changes from year to year, but really figure out
what we need to for example provide not only
universal pre-kindergarten to four year olds, but
universal pre-school to three year olds because we
all know that there are lots of three year olds
that go to school, but it is only families that
can afford to send those three year olds to school
that actually have their three year olds go to
school. So funding priorities such as those, and
then finding the revenues to offset those needs,
and that is what the people's budget is a working
document that covers. It covers a four year
range, and it does require some state legislative
action, so it can't be done overnight, but the
sooner we get it done, I think the better our

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2 city's budget starts to reflect the real
3 priorities on New Yorkers.

4 COUNCIL MEMBER JACKSON: Did you--I
5 read in the papers just the other day that the
6 number of millionaires around the world has
7 increased and that I believe it said that New York
8 city had the highest increase of millionaires. In
9 analyzing the people's budget that your office put
10 forward, how many people would fall into the
11 category numbers wise if you did that of 500,000
12 and above?

13 COMPTROLLER LIU: I don't know the
14 exact number, but it is basically the top one
15 percent, the top one percent of income tax filers--
16 -maybe top 1.2 percent of tax filers in the city.
17 It's about 40,000.

18 COUNCIL MEMBER JACKSON: And so
19 with that formula you are saying that over the
20 next several years, it would bring in about 15
21 billion dollars in order for us to look at what
22 the needs are of New Yorkers?

23 COMPTROLLER LIU: No, just on that.
24 Raising the income tax on those making more than
25 half a million dollars a year will bring in a

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2 certain amount, offset by the lost revenues we
3 would have by lowering the income tax for those
4 who make less. The net effect would be anywhere
5 from 250 million to a billion dollars a year.

6 COUNCIL MEMBER JACKSON: 250
7 million to a billion dollars a year.

8 COMPTROLLER LIU: That is correct.
9 You can't get a precise estimate on that, but that
10 is a very good range that we are confident in, but
11 in addition, there are other sources of revenues
12 for example. There are big tax breaks given to
13 certain special companies in the city of New York.
14 I can name half a billion dollars off the bat--
15 insurance companies and private equity funds.
16 They are exempt from certain kinds of business
17 taxes in New York City that nobody else is exempt
18 from, so I would ask that those loopholes be
19 closed, and that would yet bring in another 500
20 plus million dollars of revenues for the city each
21 year.

22 COUNCIL MEMBER JACKSON: In order
23 to close those loopholes, would that have to be
24 done by the mayor or could it be done by the City
25 Council?

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2 COMPTROLLER LIU: As you know,
3 everything other than property tax generally
4 requires a state legislative approval, but we have
5 also seen based on our time in the City Council
6 that if the mayor and the City Council can agree
7 on taxes that only affect New York City residents
8 then the state legislature generally gives it to
9 us. It is only when council members propose
10 certain things and the mayor makes it clear that
11 oh, he is not in favor of any of those kinds of
12 proposals that it doesn't get anywhere in Albany,
13 but the mayor and the Council agree on these kinds
14 of proposals then we generally are able to get the
15 legislature to give us the ability to raise our
16 own revenues.

17 COUNCIL MEMBER JACKSON: Back at
18 you, Mr. Chair.

19 CHAIRPERSON RECCHIA: Okay. Thank
20 you, Council Member Jackson. Mr. Comptroller, do
21 you believe the city should follow the historical
22 practice and give its workers retroactive
23 increases? As you know there are many union
24 contracts--

25 COMPTROLLER LIU: [interposing]

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Yes, yes.

CHAIRPERSON RECCHIA: And a large part is retroactive...

COMPTROLLER LIU: I think as a matter of fairness we can't simply say to the workers you get nothing. The fact of the matter is this for the last three, four and some cases five years municipal worker contracts have been left unresolved, and they should have been resolved a long time ago. I don't want to get too negative here, but the rationale for a third term for Mayor Bloomberg was that he was this management financial guru that we needed to keep the city working properly, and yet for four years now, he has failed to negotiate and settle these contracts. I could understand if an outgoing administration has unresolved contracts for months, maybe up to a year, but four years. that is completely unacceptable, and the only reason why he says absolutely no retroactive pay increases is to give the illusion that the city budget is going to be left in the black come December 31st, 2013. Those are real personnel costs that based on the previous years of this

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same administration.

CHAIRPERSON RECCHIA: So how would you propose to pay for it?

COMPTROLLER LIU: Let me finish. In the previous years of this administration retroactive pay increases have generally been the norm. The message to the city workers has been we know your contract is up, but keep working in good faith, and we will figure out how to make you whole. That promise or that understanding has been thrown out the window unfairly, so to answer your first question, do I think that they do need to get some retroactive increases, yes, I believe that it is a matter of fairness because costs have continued to skyrocket, housing costs, food costs and other people have--

CHAIRPERSON RECCHIA: [interposing] We understand that, but you are not answering my question. How would you pay for it?

COMPTROLLER LIU: I have ideas about what to do come January 14th. This is a budget--

CHAIRPERSON RECCHIA: How would you propose to pay for these retroactive increases?

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COMPTROLLER LIU: There is money as I have identified already that can be used to pay the one time, these will be one time revenues--

CHAIRPERSON RECCHIA: [interposing] They say that they are supposed to--it comes out close to seven billion dollars for all the retroactive, so where are you going to get this money from? How are you going to get the approximately seven billion dollars?

COMPTROLLER LIU: Well, the 7.8 billion dollars that has - - about quite a bit assumed the entire four percent a year. Now I have said very publically I don't know if we are going to have enough money. I don't think we are going to have enough money to cover that entire range, but I also don't think that it is going to be a simple zero as Mayor Bloomberg demands, and it is going to be a negotiation--

CHAIRPERSON RECCHIA: [interposing] The mayor just said he is taking--what the governor has negotiated, okay, and he is following that three zeros in the last year one and a quarter. That is the issue, but before us--

COMPTROLLER LIU: The governor to

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his credit resolved his contracts.

CHAIRPERSON RECCHIA: Right, but--
[crosstalk]

CHAIRPERSON RECCHIA: What we need to know is that you are saying okay, you are going to pay for this, but we are not hearing how you propose to pay for it, so can you tell us how you would pay for it?

COMPTROLLER LIU: I just started telling you that there are revenues here, money that is available for a number of different purposes, and while it is not going to be the entire amount of what people might think the retroactive increases are totaling 7.8 billion dollars I believe that the answer is certainly not going to be zero because that would be unfair. It will have to be somewhere in between negotiated with the union leadership and paid for by some of these revenues that I continue to identify that the city can recoup and capture.

CHAIRPERSON RECCHIA: Okay. In your testimony you testify that you brought the top three proposals--this is the top number because you said there were 10,618 votes.

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COMPTROLLER LIU: Yes.

CHAIRPERSON RECCHIA: And that the adult literacy got the most votes. Is that where you get that from?

COMPTROLLER LIU: Yes.

CHAIRPERSON RECCHIA: Okay, and the second votes were for the libraries.

COMPTROLLER LIU: Library hours.

CHAIRPERSON RECCHIA: Okay, and about how many people was for the adult literacy? And for the library, what do you mean by library hours, extended library hours, keep the library hours?

COMPTROLLER LIU: Yeah, seven day hours. That was part of our people's budget proposal.

CHAIRPERSON RECCHIA: Seven day service.

COMPTROLLER LIU: Yes.

CHAIRPERSON RECCHIA: And how many hours?

COMPTROLLER LIU: Oh, seven day service. I don't know how many hours. Seven reasonable days, not two hour days and not 12 hour

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days.

CHAIRPERSON RECCHIA: 'Cause there is longer library hours. I didn't know what that meant--how long it was for that.

COMPTROLLER LIU: We have the specifics. So library hours extended from 10am to 8pm Monday through Fridays and 10am to 6pm on weekends.

CHAIRPERSON RECCHIA: Okay.

COMPTROLLER LIU: And the total cost of that would be 140 million spread over four years.

CHAIRPERSON RECCHIA: Okay.

Council Member Jackson, do you have any more questions?

COUNCIL MEMBER JACKSON: Thank you. So Comptroller Liu I was looking at listening to you and reviewing and underlining or circling some things that you mentioned in your presentation, and I wanted to talk about you indicated that there are risks that are hidden in the budget would could result in large gaps, and you said 2.52 billion in fiscal '13 and 577 million in fiscal '14. Can you just describe some

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of the risks that are hidden in the budgetary process so we can be aware of that? Not only we, but the public also if you don't mind.

COMPTROLLER LIU: Sure. I mean some of the risks are, number one, there is no budgeting for the resolution of the teachers and principals' contract that was overdue outstanding, not even the current overdue one, the previous overdue one.

COUNCIL MEMBER JACKSON: The teachers and the principals, and I think that that was discussed in OMB I believe, and the value of that was about--what is the value of that?

COMPTROLLER LIU: It is about two and a half billion dollars.

COUNCIL MEMBER JACKSON: Two and a half billion?

COMPTROLLER LIU: Yes, because it has accumulated over several years at this point.

COUNCIL MEMBER JACKSON: and not even including the current round, you are saying what was owed from them from before.

COMPTROLLER LIU: That is correct.

COUNCIL MEMBER JACKSON: Assuming

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2 that they are the same percentages of what they
3 would receive is what everyone else got before.
4 Is that correct?

5 COMPROLLER LIU: In the previous
6 round, yes. And then there is also the risk of
7 the taxi medallion sale once again being put off
8 or perhaps never even happening.

9 COUNCIL MEMBER JACKSON: Okay.

10 COMPROLLER LIU: There is also
11 other smaller risks, such as judgments and claims.
12 We have got an offset. We think that that is
13 going to be the 60 million less than what the
14 administration is budgeting. We have also got 11
15 million dollars this year, 32 million dollars next
16 year where our real estate related taxes are going
17 to be higher than what the administration expects,
18 and as I stated in my testimony 683 million
19 dollars of personal income tax that is going to be
20 higher than what the city estimates, so all told,
21 2,524,000,000 dollars of risks to the current
22 year's budget and 577 million dollars in fiscal
23 '14.

24 COUNCIL MEMBER JACKSON: I was
25 having a discussion with someone earlier--I don't

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2 know who it was. I forgot. It may have been a
3 staff member of the City Council. We were talking
4 about whoever the new mayor is negotiating with
5 the various labor unions for retroactive monies
6 and that you indicated clearly the employees
7 deserve a raise. That is without a doubt, but--

8 COMPROLLER LIU: [interposing] I
9 think it is unfair to say that they are going to
10 get zeros.

11 COUNCIL MEMBER JACKSON: I would
12 totally agree with you.

13 COMPROLLER LIU: Especially since
14 the expectation and the deal that was always
15 present under this administration had always been
16 that keep working even though you have got expired
17 contracts. We will figure out how to make you
18 whole.

19 COUNCIL MEMBER JACKSON: What was
20 said was that whatever agreements that are reached
21 with the labor unions under the new administration
22 because clearly the indication was from labor to
23 Mayor Bloomberg forget about it. I mean those are
24 my words, not his words, but I am just quoting
25 what normally Marty Markowitz of Brooklyn says,

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2 forget about it. But what was said was that more
3 than likely employees that have been working and
4 are no longer employed by the city of New York if
5 they retired or if they quit or if they were let
6 go, the four or five years that they may have been
7 working, they won't get paid for. Is that
8 correct? Normally because the normal agreements
9 is for that employees that are still on the
10 payroll and not someone that has left a year ago
11 even though they had worked four years under no
12 agreement.

13 COMPTROLLER LIU: I think that is a
14 possibility. Sure. That depends on what the
15 ultimate language of the contract would be.

16 COUNCIL MEMBER JACKSON: I just
17 wanted to--if you don't mind, I had asked these
18 questions from the Department of Education
19 yesterday and also asked for comments through the
20 Office of Management and Budget regarding the
21 Department of Education Medicaid reimbursement.
22 As you know I believe that their position was last
23 year when they came in front of us that they would
24 recoup about 162 million dollars for Medicaid
25 reimbursement, and then that figure over the

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2 course of the year came down to about 37 million,
3 and I doubt if they will recoup that, and their
4 projections as far as recouping Medicaid
5 reimbursement for fiscal 2014 is about 117
6 million, and when UFT testified last year and even
7 this preliminary budget they said it is over 500
8 million that they could claim for, and Dennis
9 Walcott pointed his finger at UFT blaming them
10 partly for not recouping money, and I had
11 indicated to him that nothing that I am aware of
12 in the federal regulations or any regulations says
13 that UFT is a party to recouping and documenting
14 all of the information in order to recoup the
15 money. Why isn't there more auditing overall with
16 the Department of Education with Medicaid
17 reimbursement and the billion dollars that we are
18 spending for pre-K special education in which
19 there was some reports and newspaper reports that
20 the amount of money we are being ripped off. Is
21 your office overseeing that as the comptroller?
22 Is that the OMB? Because I got the impression OMB
23 said--these are my words, not theirs, let me
24 summarize what I heard them saying. I hear you.
25 We agree with you, but these are my words, forget

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about it.

CHAIRPERSON RECCHIA: Alright,
Councilman, are you almost done?

COUNCIL MEMBER JACKSON: I want him
to respond to that because this is important. You
are talking about two billion dollars that is up
in the air, and that money can go to our
classrooms, and it is not being recouped.

COMPTROLLER LIU: Council member
Jackson, you are absolutely right. That is money
that the Department of Education should be
recouping in the form of Medicare reimbursements,
and as a matter of fact, I think that it is great
that they have a pretty high number, over a
hundred million dollars of Medicaid reimbursements
that they think they deserve. The reason why we
have to risk it, we have to put it among our risks
is that the past history of the Department of
Education has shown that they are incapable of
getting the full reimbursement that even they
themselves think that they deserve. So we hope
that they can get the full amount of the Medicaid
reimbursements, but their past history does not
indicate so, so I think the city of New York

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should be getting all of those reimbursements, but the DOE hasn't been doing it. It is not really a matter of audit because we know what the answer is. The answer is that they think they--like in the previous year, what did they budget for?

COUNCIL MEMBER JACKSON: 162

million.

COMPTROLLER LIU: 162 million, and how much did they actually get?

COUNCIL MEMBER JACKSON: - -

COMPTROLLER LIU: 162 budgeted in terms of in the budget they expected to get 162 million dollars of Medicaid reimbursements from the federal government, and they wound up actually getting 37 some odd million, a shortfall of 130 million dollars. That is 130 million dollars--

COUNCIL MEMBER JACKSON: Probably less than that because that is what they project. They probably won't even get that.

COMPTROLLER LIU: I am saying the previous year. The previous year they got 130 million less than what they expected to get in the budget, so that is 130 million dollars that if they had done the work properly, they should have

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2 gotten the full reimbursement from the federal
3 government. Now in this year's budget, they are
4 budgeting about--

5 COUNCIL MEMBER JACKSON: They are
6 budgeting in 2014 about 117 million.

7 COMPTROLLER LIU: Right, 117
8 million they are budgeting now, and we are saying
9 that based on their past history of getting 30
10 million some odd, we are saying that 80 million
11 dollars is risky. We hope that they can get the
12 entire 80 million dollars, but it is risky based
13 on the past precedent. So that is what we mean by
14 these kinds of budgetary risks. That doesn't mean
15 that we support them in not getting that money.
16 It doesn't mean in any way that we hope they don't
17 get the money. It is just money that we hope they
18 get, but based on their past experience, it is
19 risky.

20 COUNCIL MEMBER JACKSON: Thank you.

21 CHAIRPERSON RECCHIA: Okay. Thank
22 you, Mr. Comptroller. I have no further
23 questions. Thank you very much for coming today.

24 COMPTROLLER LIU: Thank you, Mr.
25 Chairman. Thank you, Council Member Jackson.

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2 CHAIRPERSON RECCHIA: We will take
3 a two minute recess. We have the IBO next.

4 [long pause]

5 CHAIRPERSON RECCHIA: We are
6 running a little bit behind schedule, not much.
7 We are going to hear from the IBO, Independent
8 Budget Office, and then after we hear from the IBO
9 then we start to take testimony from the public,
10 and for those of you who are here wishing to
11 testify you have to fill out the white forms with
12 the sergeant at arms. Sergeant at arms, raise
13 your hand. Where is the other sergeant at arms?
14 Okay. Raise your hand. You will be taking the
15 forms. This is going to be a long day. We will
16 be here until we hear everybody to testify. If
17 anyone has any questions just ask the sergeant at
18 arms, and that is it. Okay.

19 [long pause]

20 CHAIRPERSON RECCHIA: We will now
21 resume the City Council hearings on the mayor's
22 executive budget FY 2014. The Finance Committee
23 will now hear from the executive director of the
24 Independent Budget Office, Ronnie Lowenstein.
25 Ronnie, welcome back. It is good to see you here

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in the Council Chamber.

DIRECTOR LOWENSTEIN: Thank you very much for inviting us. I am here with George Sweeting [phonetic], IBO's deputy director. You have a written copy of our testimony in front of you, and given the lateness of the hour and all the good people who are going to be waiting a long time to testify, I will spare you my rendition of it, and just make one major point that I know this committee has touched on repeatedly over the course of the day. Based on our latest economic forecasts and our estimates of spending and revenues under the mayor's executive budget proposal, New York City's fiscal outlook looks extraordinarily strong. We are looking at a relatively modest surplus of about 475 million dollars for next year under the mayor's proposal and a shortfall of just 930 million, which is 1.7 percent of city generated revenues for the year after.

CHAIRPERSON RECCHIA: What is that number again you are getting a shortfall of?

DIRECTOR LOWENSTEIN: 980, which is 1.7 percent of city generated revenues for 2015,

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2 and then if you look further out, we have got the
3 budget in balance for the following year and
4 another modest surplus the year after, but these
5 expenditure estimates underlying these gaps and
6 surpluses are based on the administration's
7 assumption that there will be no retroactive wage
8 increases for city employees. Given that all of
9 the city's unions are currently working without
10 contracts some of these contracts have expired
11 more than three years ago, this strikes us as a
12 particularly risky assumption. IBO has modeled
13 the cost of retroactive raises, and put out our
14 estimate. We estimate the two years of four
15 percent raises for the city's teachers and
16 principals, who did not settle in that next to
17 last round of bargaining, plus two percent raises
18 for every one thereafter, and if you assume that
19 all of the city's non-union employees would have
20 the same increases extended to them, which has
21 always been the city's pattern in the past, under
22 this scenario, which I would argue not
23 implausible, the cost of retroactive raises would
24 cost the city a total of 4.5 billion through the
25 end of this fiscal year as in the end of June and

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2 would increase the city's labor costs by 1.8
3 billion dollars a year thereafter. That is the
4 big point to come out of our testimony, and I
5 think also out of the report that we issued a week
6 and a half ago. Again, thank you for the
7 opportunity to testify. George and I will be glad
8 to answer any of your questions now or any
9 questions you have later on. Thanks.

10 CHAIRPERSON RECCHIA: Okay. That
11 was quick. Can we just talk about the debt
12 service? You didn't talk about that. - - higher
13 than likely projections of debt service - - the
14 mayor parks the money where we can't find it. Do
15 you know what I mean? Could you go into that?

16 DIRECTOR LOWENSTEIN: We believe
17 that given the--

18 CHAIRPERSON RECCHIA: [interposing]
19 Do you believe the debt is higher or lower than
20 what the mayor is projecting?

21 DIRECTOR LOWENSTEIN: Because the
22 city is assuming that interest rates are higher
23 than they are currently, there still remains
24 opportunities for the city to realize savings
25 particularly on their variable rate debt that

1 would have an immediate impact on the city budget.
2 I can double check our numbers. I don't have them
3 right in front of me, but the numbers that were
4 cited by the comptroller earlier, savings 165
5 million this year and 125 million dollars next
6 year appeared to our analysts as not unreasonable,
7 but again, they were stressing that - - the
8 savings were coming out of savings variable rate
9 debt. There are likely going to be opportunities
10 to do additional refinancing given how low and how
11 long these interest rates have remained low, but
12 we don't have an estimate on that.

14 CHAIRPERSON RECCHIA: In your
15 forecast compared to OMB's forecasts you project
16 or expect 464 million extra in personal income
17 tax? Projecting 464 million dollars for '14.

18 DIRECTOR LOWENSTEIN: Yes.

19 CHAIRPERSON RECCHIA: Could you
20 explain that? How do you arrive at that number?

21 GEORGE SWEETING: It is a
22 combination of looking at different factors that
23 affect income tax collections, how much personal
24 income is expected to grow in the city, what are
25 the expectations for capital gains realizations,

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2 what are the expectations for bonuses on Wall
3 Street. It is a mix of those factors. If you
4 want more particular items--some of those I
5 believe we are higher than the mayor on, and
6 others we are lower than mayor, but the net change
7 is a positive difference of 464 million.

8 CHAIRPERSON RECCHIA: But with all
9 of that do you see that the personal income tax is
10 stronger or you just contribute that to bonuses
11 and other one shot deals, or do you see strong
12 personal income tax collections because people are
13 being paid more in New York City?

14 DIRECTOR LOWENSTEIN: I think we
15 can trace a lot of this ultimately back to IBO's
16 more optimistic economic assumptions than OMB's.
17 Even though we are anticipating that local
18 employment growth declines this calendar year from
19 last calendar year. The last two years have been
20 really strong in terms of employment growth for
21 the city. Last year was 80,000 jobs added, the
22 year before was 87. We are anticipating that is
23 going to come down some, and then go back up
24 again, but despite that assumption that employment
25 growth is going to decelerate, it is still well

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2 above what OMB is forecasting, particularly as you
3 go out into the financial plan, and I think that
4 that is one of the really big differences between
5 the outcome you are citing.

6 CHAIRPERSON RECCHIA: The OMB
7 forecast on this increase also in revenue is
8 because of the change in the law with capital
9 gains and the assets people sold real estate - -
10 less capital gain and stuff. Do you agree with
11 that, disagree with that or do you think the
12 projections from OMB are higher than what you
13 think or lower than what you think? Or do you
14 think it is going to be higher?

15 DIRECTOR LOWENSTEIN: Let me start
16 off. I am not sure if I can speak to OMB, and if
17 George can that is great, but yeah, a combination
18 of things combined to swell income tax receipts
19 for the current fiscal year as compared to next
20 fiscal year. We are anticipating that receipts
21 are going up seven and a half percent this year
22 and 1.5 percent next year, and that is largely the
23 result of people shifting not just capital gains,
24 but also bonus payments, so firms and individuals
25 shifting capital gains and bonus payments into

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2 last calendar year. If you knew you were going to
3 get it or buy it or sell it, better to do it last
4 December when you knew that the tax laws were
5 changing and what that does is bolster receipts
6 during the current fiscal year at the expense of
7 next fiscal year, and so we are all looking at the
8 same receipts coming in like the dailies on the
9 personal income tax and they are very high, and
10 the question is, how much of this strength is just
11 being robbed out of next year, and our forecasts
12 would say a lot of it.

13 CHAIRPERSON RECCHIA: Since the
14 recovery and we are moving forward. This is like
15 one of the first times where the finance sector
16 has not led us out of a recovery. Do you agree
17 with that?

18 DIRECTOR LOWENSTEIN: Absolutely.

19 CHAIRPERSON RECCHIA: Okay. Where
20 do you see the job growth in the city?

21 DIRECTOR LOWENSTEIN: We see the
22 four biggest job adders are professional and
23 business services, health and education, leisure
24 and hospitality and trade. Having said that
25 though, those were the sectors that added the most

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2 jobs in the last cycle as well. The big
3 difference this time is that the securities
4 industry isn't responding the way it did last
5 time, so as I look over the course of the--first
6 of all, the securities industry is still shrinking
7 in our forecast by a bit, and as I look out over
8 the course of the financial plan, we are
9 anticipating the average annual growth in the
10 securities industry is something--I have forgotten
11 whether it was 1200 or 1400 jobs a year, but I
12 think it is 1200. Compare that to last upturn, so
13 look between 2004 and 2008, when the securities
14 industry was adding on average 4800 jobs a year,
15 and keep in mind of course that these are the
16 highest paying jobs in the city.

17 CHAIRPERSON RECCHIA: Where do you
18 see government employment?

19 DIRECTOR LOWENSTEIN: We have it in
20 our forecast trending down for another year or so,
21 and then very slowly starting to come back up.
22 Another big difference from last cycle. We have
23 annual average losses in manufacturing about 500 a
24 year. Compare that to the 6,000 a year we were
25 losing on average last time. It is a huge

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difference.

CHAIRPERSON RECCHIA: So manufacturing is starting to come back a little bit?

DIRECTOR LOWENSTEIN: Well, it is not losing as much as it used to.

CHAIRPERSON RECCHIA: That is a conversation for another day--that whole industry, what is being produced not only here in New York City, but throughout the United States, - - manufacturing being shipped overseas, and that is another big problem. Where do you see interest rates? I know they are starting to go up - - mortgages.

GEORGE SWEETING: We don't see a really sharp move in interest rates for probably at least another 12 months. The federal reserve has said that they would basically maintain their current monetary policy as long as unemployment remained above six and a half percent and inflation had not emerged as a new problem. Under our forecast you don't get to those conditions until perhaps late in calendar 2014 or else early 2015, and so for at least the next 12 to 18

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2 months, we don't see those conditions changing in
3 a way that would lead the fed to change their
4 policy, and assuming that that holds, we don't see
5 a big change in interest rates certainly the
6 federal funds rate until calendar year 2015. The
7 ten year treasury rate we do begin to see some
8 creeping up in that. It doesn't become a
9 significant move until 2014.

10 CHAIRPERSON RECCHIA: Okay.

11 Council Member Jackson, do you have a question for
12 IBO?

13 COUNCIL MEMBER JACKSON: Sure.

14 Thank you. Well, good afternoon.

15 DIRECTOR LOWENSTEIN: Good

16 afternoon.

17 COUNCIL MEMBER JACKSON: It is good
18 to see you as always. I was interested to hear
19 your assessment with respects to what it would
20 cost to give raises based on your evaluation as
21 you describe, and you estimate it is about 4.5
22 billion. Can you I guess in analyzing some other
23 suggestions as to how much I have heard over seven
24 billion, why is there a huge difference in your
25 independent perspective versus somebody else who

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2 they said that it is going to cost like 7.5
3 billion?

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DIRECTOR LOWENSTEIN: I can't get
5 behind the OMB numbers for you, but we have taken
6 a close look comparing IBO's numbers to those that
7 were recently issued by the citizens' budget
8 commission.

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COUNCIL MEMBER JACKSON: 7.5
10 billion was that citizens' budget commission?

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DIRECTOR LOWENSTEIN: There were
12 7.2 I think. A little over 7, and there were two
13 big reasons for the difference. The first and
14 largest was that the CBC number included--they
15 assumed that raises would also go to everybody
16 from the Health and Hospitals Corporation and from
17 NYCHA, New York City Public Housing. That would
18 swell the number of the people getting the
19 increases a lot, and that is the biggest chunk of
20 the difference, and the other part of the
21 difference is our estimate is through the end of
22 this calendar year, and their estimate is through
23 the end of next calendar year.

24

COUNCIL MEMBER JACKSON: Okay,
25 'cause I heard you said that 4.5 billion ending

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2 this fiscal year, which ends June 30th, and they
3 said--

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CHAIRPERSON RECCHIA: [interposing]

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Hold on for a minute, Council Member. I don't

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mean to interrupt you, but there is more seating

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upstairs. You cannot stand up in the back.

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COUNCIL MEMBER JACKSON: There is a

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couple of seats up here in the front too.

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[crosstalk]

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CHAIRPERSON RECCHIA: You cannot

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stand around. Everybody must be seated.

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COUNCIL MEMBER JACKSON: Come up

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here. There is about 8, 10 seats.

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CHAIRPERSON RECCHIA: Sergeant at

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arms, make sure everyone is seated. Go ahead.

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COUNCIL MEMBER JACKSON: I think

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after you said 4.5 billion ending this fiscal year

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you indicated thereafter about 1.8 or 1.9...

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DIRECTOR LOWENSTEIN: Yeah, the

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continuing costs of building these increases into

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salaries we are paying next year and the year

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after are 1.8 billion a year.

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COUNCIL MEMBER JACKSON: 1.8.

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Okay. And so okay, then I guess you have

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2 explained why for example the citizens' budget
3 committee indicates 7.2 because of the non-profit
4 Health and Hospitals Corp and NYCHA--

5 DIRECTOR LOWENSTEIN: [interposing]
6 and other similar organizations.

7 COUNCIL MEMBER JACKSON: And other
8 similarly situated employees, and I guess that
9 that would be sort of like the daycare workers
10 also? I am asking because basically the daycare
11 workers that are represented by Local 1707, they
12 haven't had a contract and the Bloomberg
13 Administration is saying well, we are not their
14 employer, and you know, the non-profits are, and
15 what have you, but all of the money comes from the
16 city. I would assume that they fall in the same
17 category--and let me ask you if you know. The
18 Health and Hospitals Corp and NYCHA, have they
19 received the same type of raises as city employees
20 overall from a historical perspective?

21 DIRECTOR LOWENSTEIN: It is our
22 understanding that they have not always received
23 the same increase as the direct city employees.

24 COUNCIL MEMBER JACKSON: But the
25 citizens' budget commission has included basically

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2 those type of employees, and that is why that 7.2
3 billion figure comes up?

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DIRECTOR LOWENSTEIN: Yep.

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COUNCIL MEMBER JACKSON: Okay.

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GEORGE SWEETING: Council Member,
if I could just..

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COUNCIL MEMBER JACKSON: Go ahead
please. Can you just identify yourself again?

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GEORGE SWEETING: George Sweeting,
deputy director. There are also distinctions I
think worth keeping track of between say the
daycare workers where as you said virtually of the
money that is paying their salaries is coming out
of the city budget. It is coming through a
contract; whereas, some of the other--NYCHA and
HHC there is more blending, so it is not just
either you are on the city budget or you are off
the city budget, but getting some city dollars. I
think it is also worth paying attention to exactly
how much the city budget is directly counting for
those salaries.

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COUNCIL MEMBER JACKSON: You were
here when the city comptroller, John Liu, was
testifying and what he said as far as that he

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2 feels that clearly the employees should get
3 definitely more than zero, and even I read in some
4 papers, people were saying definitely more than
5 zero, but not necessarily like four percent and
6 somewhere in between, and obviously you and I know
7 that is all through negotiations. But the
8 comptroller indicated that if the city of New York
9 did certain things to bring the money in that we
10 would have the money to deal with negotiations and
11 to fund employees' salaries and back salaries.
12 Independent Budget Office, in order for our city
13 in order to fund contracts retroactively with a
14 certain percentage, you indicated a two percent,
15 give me some suggestions if I was the mayor what
16 type of revenues I would have to bring in and
17 sources to go get it so I can reach a consensus,
18 an agreement with all of the unions and municipal
19 employees and NYCHA and HHC in order to move the
20 city forward to help employees that are struggling
21 to make ends meet survive in our great city. We
22 call it the greatest city in the world, but some
23 people said that there is a tale of two cities.

24 DIRECTOR LOWENSTEIN: Based upon
25 the way you framed the question, it sounds like

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2 you are seeking additional sources of revenues as
3 opposed to cuts of various sorts to fund the
4 additional settlements, and I am sure you
5 understand, we don't make suggestions. Your
6 question is ultimately one of choices, and in
7 order to help frame those choices each year we put
8 out a budget options volume, which this year has
9 upwards of 80 some odd different proposals to
10 either cut spending or raise tax revenues. It is
11 pretty much equally split, and we can get you a
12 copy, and you can go through and we go through
13 pretty much every major tax source and talk about
14 the pros and cons of raising revenues from each.

15 COUNCIL MEMBER JACKSON: And that
16 is on your website. Is that correct?

17 DIRECTOR LOWENSTEIN: Yep.

18 COUNCIL MEMBER JACKSON: Okay. So
19 in essence you are basically saying you have laid
20 out in black and white some proposals to raise
21 revenue and propose cuts also. Well, let me ask
22 you about one. I believe you put out a report, I
23 believe, I haven't seen it. They tell me it is a
24 one pager about parent coordinators, if I am not
25 mistaken indicating that one proposal would be to

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eliminate parent coordinators in schools.

DIRECTOR LOWENSTEIN: That is one of the spending options. Yes.

COUNCIL MEMBER JACKSON: Spending options, and I know that that has raised concerns with the union that represents the parent coordinators and all of the parent coordinators that are employed, and I think the cost was about 95 million dollars, so I guess I am trying to understand how did you come to the conclusion from an independent point of view, not a subjective point of view or from an objective point of view, not a subjective point of view of one of the options would be to eliminate parent coordinators in the school?

DIRECTOR LOWENSTEIN: Most of the options in the volume come out of recommendations, things that we read in the papers, things that people send in, every once in a while elected officials come up well, what about the blank? Other organizations of various sorts have put out lists, and we try to cull through the lists, and the - - of the volume is first of all it is breadth. There is something there for everyone to

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2 hate, and there are many of them that I personally
3 love, and each one has a very straight pros and
4 cons here is why you don't want to do this or here
5 is why you might want to do this, and we encourage
6 people who really don't like various options to
7 call us and say okay-- we don't have to encourage
8 them. They call us anyway and say, well, are the
9 pros and cons fair? And you know, we have
10 responded to that. You don't understand that if
11 you cut this, something else will happen or really
12 you are overestimating the amount of savings or if
13 you cut this tax, it is a chain reaction.
14 Whatever it is. Each year we hear from people.
15 Generally the unhappy people, and if we haven't
16 made the strongest possible case I would like to
17 know that.

18 COUNCIL MEMBER JACKSON: So
19 basically, this is a menu of possible options. Is
20 that correct?

21 DIRECTOR LOWENSTEIN: Yes.

22 COUNCIL MEMBER JACKSON: The
23 Department of Education was in front of us
24 yesterday and it was a pretty contentious hearing,
25 and we raised the issue of quite a number of

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2 things from what I believe is false information
3 given at the hearing concerning what the court of
4 appeals said concerning that Dennis Walcott
5 indicated at least his testimony that I quoted
6 from in the hearing in February that he said that
7 the EPP was illegal to include in the bid as per
8 the court, and basically, as a result of that as
9 you know, a couple of bus companies went into
10 court and said if it is illegal then take it out
11 of our contract, and Corp Counsel's office for the
12 City of New York went into court in response to
13 their lawsuit, meaning the lawsuit of the bus
14 company saying that nowhere did the court say that
15 EPPs were illegal. If that is the case, Director
16 Lowenstein, where I come from when you don't tell
17 the truth basically it is a lie, and so basically
18 my question is I think my question to you overall
19 with respect to the Department of Education Dennis
20 Walcott said that they project to save over 100
21 million dollars, and I basically said to him, you
22 know, you have said that you were going to save
23 money years ago when you had Marcel and whatever
24 look at cutting bus routes and it was a disaster,
25 and there was no guarantee that that money is

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2 going to be saved. Based on them putting forward
3 that they can save over 100 million dollars, do
4 you have an opinion on whether or not the
5 projections are real or is it fluff?

6 DIRECTOR LOWENSTEIN: We don't have
7 an estimate on that, but we will happily take a
8 look at it and get back to you.

9 COUNCIL MEMBER JACKSON: Okay
10 because that is a huge issue overall, just like I
11 am going to ask you because I asked them. I asked
12 the Office of Management and Budget. I asked
13 Comptroller John Liu, and now I will ask you as
14 the independent budget - - , what about the
15 Medicaid reimbursement? Last year they said they
16 were going to recoup 162 million dollars in
17 Medicaid reimbursement from the Department of
18 Education, and then they then their projections
19 went down to where they said they were only going
20 to recoup 37 million, and there is no guarantee
21 that they are going to recoup that, and they put
22 forward their projection for 2014 only a 117
23 million and UFT I think in the preliminary budget
24 and last year basically said the amount of money
25 that can possibly be recouped is over a half a

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2 billion, and I am trying to find out where is the
3 truth in that and why isn't the Department of
4 Education recouping more money that they are
5 entitled to, and they pointed the finger at--part
6 of the blame on UFT, and I said to them that
7 nowhere in the federal regulations that I know of
8 it mandates that the UFT must be involved in this
9 and I basically said to them that they are not
10 doing their homework to do the documentation and
11 submission to the federal government. I need your
12 advice, your independent judgment on this
13 particular matter on why can't we recoup more
14 money than we are getting?

15 DIRECTOR LOWENSTEIN: This is
16 definitely not the first time we have been asked
17 this question, particularly from the Council. All
18 I have got is a hypothesis that I can put out
19 there, and I have no additional information
20 whatsoever, but--

21 COUNCIL MEMBER JACKSON:
22 [interposing] So you are taking the fifth?

23 DIRECTOR LOWENSTEIN: No, no. I am
24 just going to - - . Fair enough. As you may or
25 may not know last week IBO put out its second

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2 annual education indicators volume, which is a
3 compendium of huge amounts of information much of
4 it derived from individual records on students and
5 faculty and principals. Particularly over the
6 last year or two some of the department's data
7 handling capacity has been diminished. Those
8 problems in handling data, those technology
9 problems at the department slowed down the release
10 of our indicators volume by a lot. You know, if
11 the sorts of problems we have been seeing in terms
12 of handling data on student records and principals
13 records and everything else are as bad as we think
14 they are, then it is possible that the department
15 has been having similar difficulties in terms of
16 its budget data. Just a thought. It may be
17 possible that the department doesn't have a better
18 answer at this point.

19 COUNCIL MEMBER JACKSON: Well, I
20 appreciate your response. I concluded with
21 Director Mark Page that he was being a diplomat,
22 but he basically agreed with us that it was a
23 mess, and those are my words, not his words.

24 DIRECTOR LOWENSTEIN: That would be
25 another way to put it. Yes.

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COUNCIL MEMBER JACKSON: Okay.

Thank you very much. Thank you, Mr. Chair.

CHAIRPERSON RECCHIA: Thank you very much, Council Member Jackson, and I have no further questions for the IBO. I want to thank you for always being here. This is our last hearing together. Thank you for the past four years since I have been the Finance chairman. It has been wonderful working with you. Thank you very much for coming today and testifying.

DIRECTOR LOWENSTEIN: Thank you.

CHAIRPERSON RECCHIA: Alright, we are going to go right into our public session. We will not be taking a recess because we have a lot of people. We will now begin the public session of the Council's FY 2014 executive budget hearing. As a reminder all members of the public who wish to testify please be sure to fill out a witness slip with the sergeant at arms. Please include the full name of your affiliated organization and the subject area which you wish to testify. For people who are in attendance, but cannot stay for the public session you may want to submit your testimony. You can give it to the sergeant at

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2 arms. At the end of the night, we will make it
3 part of the official record. Or after the hearing
4 you may fax your testimony to my counsel, Tanisha
5 Edwards, sitting to my left at 212-788-7061. You
6 have three days from today to submit your
7 testimony in order for it to be included in the
8 official record. We will now begin the public
9 session. Please call the first panel.

10 FEMALE VOICE: Lieutenant Eddie
11 Boles, Henry Garrido [phonetic], Michael Mulgrew
12 [phonetic] and Santos Crespo [phonetic].

13 [pause]

14 [background conversation]

15 CHAIRPERSON RECCHIA: Put the
16 microphone on.

17 MICHAEL MULGREW: We good? Good
18 afternoon, Councilman Recchia, Councilman Jackson,
19 and thank you for having this hearing here today,
20 the last city budget testimony under the Bloomberg
21 Administration. This really is about the whole
22 time I have testified and I have submitted my
23 written testimony, but I am not going to read it.
24 Budgets are always about choices, constantly about
25 choices, so what do we know about the city right

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2 now at this point? The city's budget picture is
3 improving. Revenues are up. Jobs are up. Yet
4 for my agency, education spending is flat and that
5 is trying to put it nicely. If the budget is a
6 political document, what does this budget really
7 say? The mayor claims that there is no more money
8 for the schools, nothing for the city workers'
9 raises, daycare slots are being cut, but for some
10 reason he has been able to increase tax cuts for
11 businesses and corporations and real estate
12 development by 200 percent since his
13 administration took over, and he continues to do
14 this. Just think about since 2006, the city has
15 given 375 million dollars of our tax money to
16 cover shortfalls in interest payments for the
17 Hudson Yards, so we are literally paying for
18 people who are making money in Hudson Yards. We
19 are giving them even more of a profit at the same
20 time, yet we are cutting daycare slots and we are
21 cutting education spending. The city has given
22 Madison Square Garden and other real estate
23 interests the industrial and commercial abatement
24 program - - and he continues to increase the
25 amount of money that we are losing in revenue to

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2 the - - program. Recipients of mortgage recording
3 tax breaks given out by the city's industrial
4 development corporation have also increased, but
5 only on high end real estate, and hedge funders
6 who work inside of the city continued to get
7 millions of dollars in tax breaks on the so called
8 carried interest, 200 million dollars this year
9 alone I believe. These are the choices that this
10 administration has made. They have continued
11 their reckless path of defunding the social
12 services of the city and they have done it while
13 at the same time increasing breaks and sweetheart
14 deals for the people who are doing very, very well
15 while the rest of the city is falling behind. So
16 what do we do? Income disparity now is at a
17 record high, 400,000 working poor in the city,
18 child poverty is at 30 percent, over 50,000
19 children who go to the public schools do not have
20 permanent housing. This year the governor and the
21 legislature while we were up in Albany lobbying
22 they actually increased the initial projection for
23 education spending by 639 million dollars, so that
24 would have thought--we all thought that would mean
25 there would be an increase in education because we

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2 had way over the projected dollar amount coming
3 out of Albany. So what did the mayor and the city
4 decide to do at that point? They took 639 million
5 dollars out of the education budget, so they
6 basically supplanted our budget. I am very happy
7 that the governor and the legislature knew that
8 education was important, but clearly this mayor
9 does not. We heard a lot yesterday, and I just
10 heard when I came into this meeting about the
11 Medicaid reimbursement, and I was told yesterday
12 that the city said it had something to do with us.
13 Last year during their testimony, the city said
14 they had a new computer system called CSIS
15 [phonetic] that was going to fix all of the
16 Medicaid paperwork. I didn't think they needed a
17 new computer system. I pointed out at that point
18 Buffalo and Yonkers just fills out the paperwork
19 and gets their reimbursement. Why can New York
20 City not? Yesterday the chancellor made some sort
21 of an allegation that it had something to do with
22 us. It does not. It does not. In fact, this
23 year - - their computer system which they told you
24 last year was going to fix everything has been
25 such an abysmal failure that the teachers in New

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2 York City had to go to go to arbitration, an
3 unprecedented arbitration, a city union had to
4 file an arbitration to get a computer system to
5 start working because the Department of Ed would
6 not fix it. These are the choices and the
7 mischaracterizations that we have dealt with for
8 the past 11 years under this administration, but
9 there have been good things that we have gotten by
10 working together with you, the City Council. We
11 do think it is important that we reinstate the
12 daycare slots. As more and more families face
13 hardship because of the decisions made by this
14 administration, the very least we owe them is
15 good, affordable child care so that they can go to
16 work, and if we don't do that, then shame on us.
17 The fact that last year we were able to start
18 something historic in the city, and I want to
19 thank you, Chairman Jackson and Speaker Quinn for
20 investing 150,000 dollars in our community
21 learning school project, which we have really
22 worked very hard this year, and it has been
23 extremely successful, so successful that the
24 governor has now included that in the state
25 budget, and that RFP will be coming out shortly.

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2 We would hope that you would do the same as you
3 did last year because the UFT and its members'
4 dues have committed to increasing the number of
5 schools and we are going from six to 16 next year,
6 and that also is a better use of our taxpayer
7 money because we are actually getting the services
8 we are already paying for and getting them to the
9 families and the children inside of the schools.
10 Teacher's Choice, thank you for what you did last
11 year, but the teachers as always have spent an
12 inordinate amount of money out of their own
13 pockets. The city continues, the Department of Ed
14 continues to make choices to put spending not
15 inside of those schools, and into projects such as
16 their CSIS system, which I spoke to you before,
17 and it is really kind of simple. Education is
18 supposed to be about the classroom, and we at
19 least need the basic supplies to teach our
20 children, which we are not getting and you, the
21 City Council, have been the only entity that have
22 worked with us on that, and I want to thank you
23 for that. Last, but not least, the BRAVE
24 [phonetic] hotline. I know it is a small amount
25 of money, but I am telling you it is supplying a

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2 valuable service to this city. When you gave us
3 100,000 dollars so that we could hire professional
4 counselors and psychologists so the children and
5 their families could reach out in a confidential
6 format so that they could get help, it has done an
7 invaluable service for so many families that we
8 cannot speak about, but we still have more to do
9 as we have seen such tragic events over the last
10 two weeks with children suffering from depression
11 and mental illness and we need to do more of that.
12 So I thank you for that very much. That and my
13 written testimony will conclude my testimony.
14 Thank you very much.

15 CHAIRPERSON RECCHIA: Thank you,
16 Mr. Mulgrew. We will hear from everyone, and then
17 Council Member Jackson and I will ask you
18 questions. - -

19 SANTOS CRESPO: Good afternoon,
20 Chairman Recchia, and thank you for affording us
21 this opportunity, you and your Finance Committee.
22 You do have my written testimony, so I just
23 basically want to highlight some of the areas in
24 that testimony that I think are very important to
25 discuss. As you know, our members are that glue

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2 that helps the system operate. They are the
3 support services, and one of the interesting
4 things that I did, I looked up support in the
5 dictionary, and to find that there are several
6 definitions, but the one that basically describes
7 what my members do is to keep from weakening or
8 failing and strengthening, and that has been their
9 motto since they have been in existence in the
10 school system, and they are very proud of the work
11 that they do, but unfortunately, this mayor and
12 the Department of Education sees them nothing more
13 than just another budget line in their books to
14 eliminate because their priorities are not where
15 it should be. You know, Vice President Biden once
16 said, show me your budget and I will know what
17 your priorities are. I can tell you that since
18 this administration has been in existence, the
19 priorities have not been for the education and the
20 wellbeing of the children of New York and I won't
21 go into mentioning the senior citizens and the
22 homeless and everybody else that has suffered as a
23 result of that, but time and time again you know,
24 they keep getting knocked off. They are the
25 lowest paid members in the Department of

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2 Education, and for some reason their numbers keep
3 going down and the consultant rate keeps going up,
4 and then he has the nerve to say that the city
5 does not have any money, but nine plus billion
6 dollars left the city of New York and went
7 elsewhere, went into other states, went into other
8 cities. In fact we found out that they even went
9 to other countries. Tax payer money and he says,
10 well, we don't have any money, and just so that I
11 can also touch on what the Comptroller Liu had
12 talked about I believe our Chairman Recchia had
13 asked a question regarding a retroactive. What is
14 important to us is that a mayor can sit down and
15 negotiate. People forget that we also reside and
16 live in the city of New York, and so we also know
17 that we need to be reasonable about what it is
18 that we are going to be asking for in terms of the
19 retroactivity. We don't want to bankrupt the
20 city. In fact any time the city has come close to
21 being bankrupt, we have been the ones that step up
22 to the plate and we have given up money from our
23 pensions, have given up money in term of our
24 raises to save the city of New York. We are not
25 going to do any less. I just wanted to kind of

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2 lay it out because I definitely had a reaction to
3 that question with all due respect. What has
4 happened to my folks in terms of again under this
5 administration? Over 2,000 plus have gone out the
6 window. More than 1600 school aides and health
7 aides were lost through layoffs, and though we
8 have been able to get some of them back, we have
9 not been able to get back to the 2009 levels of
10 that 1600. We have lost loaders and handlers
11 through again filtering out through the private
12 sector outsourcing. Our parent coordinators, here
13 is the other interesting thing, our parent
14 coordinators according to the Independent Budget
15 Office has them in there for cut, elimination.
16 The city is going to save 95 million dollars if
17 they do this, but it was initially the idea that
18 the parent coordinators were going to be the
19 bridge between the schools and the parents. That
20 is one of the conditions under mayoral control.
21 Now they have become an option. If a principal
22 wants them they can keep them on, and if they
23 don't they now no longer have to. What happened
24 to the initial concept, and once again another
25 group of public workers, the principals, wind up

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2 getting thrown under the bus because if their
3 budget doesn't reflect the need there goes parent
4 coordinators again, and we have lost them again,
5 and when they initially said we are only going to
6 give that option to the high schools, well, now
7 they are giving it to everybody, and I said back
8 then when Chancellor Walcott made that initial
9 proposal. I said watch out, watch out that he
10 then does not extend that to everybody else. So
11 here we are. Again we do this mambo on the budget
12 and we take a look at the priorities and the city
13 can say we love our children, but they are not
14 worth the money on the budget because we don't
15 have enough, and I will conclude with that.

16 CHAIRPERSON RECCHIA: Okay.

17 EDDIE BOLES: My name is Eddie
18 Boles, Lieutenant Eddie Boles. I am the treasurer
19 of the UFOA, Uniformed Fire Officers Association
20 testifying on behalf of our president, Al Hagan
21 [phonetic] and the 2500 members that we represent,
22 and the 8.2 million people that we serve in the
23 city. I wish to thank both Council Member Recchia
24 and Council Member Jackson for being here to
25 listen to our testimony. It is kind of absurd--we

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2 have talked about mambo, tango, I don't know what
3 kind of spring dance you want to call it, but it
4 has certainly become a spring dance over the last
5 11 years. Over the last four years this
6 administration has tried to close 20 fire
7 companies in New York City and thanks to the
8 Speaker and thanks to this City Council, they have
9 avoided the - - that would be created if they
10 close even one fire company, never mind 20. But
11 having said that it still seems that the mayor and
12 the administration is not getting the message. I
13 don't know how loud we can talk. I don't know how
14 loud we can shout, but I think it is pretty clear
15 that the Speaker and the Council said we do not
16 want to close fire companies, yet he is going
17 after your money again. He is going after where
18 there is money being spent on other areas which I
19 would not look at as a priority. I look at
20 education as a priority. I look at fire services
21 as a priority. I look at public safety as a
22 priority, yet those priorities are being ignored.
23 Now the mayor will say you know what, we wish we
24 could have a firehouse on every corner, but we
25 can't afford it, and we say, well, we don't want a

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2 fire company on every corner. We just want to
3 keep the fire companies we already have in our
4 neighborhoods. Believe it or not, New York City
5 ranks among the lowest in the top 40 cities in
6 this country among the lowest when it comes to
7 firehouses per capita. That is a fact. So we are
8 not asking for more. We are just asking to hold
9 on to what we have. At one time, this agency was
10 a world class agency, and we still try to do it.
11 In 2001, the percentage of the fire budget
12 compared to the rest of the city budget was three
13 percent, now it's down to about two and a half
14 percent, yet he wants to cut more. How much blood
15 can you squeeze out of a pebble that once was a
16 rock? No one knows why Mayor Bloomberg wants to
17 shrink the fire department. In 2002, only a year
18 after 343 brave firefighters gave their lives at
19 the World Trade Center he announced that he was
20 closing eight engine companies. After a fierce
21 fight, he succeeded in closing six of them. That
22 reduced our quota by about 150 members, and then
23 he gleefully eliminated the fifth - - - and 60
24 engine companies in February 2011, reducing the
25 FDNY quota further by 300 members and

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2 automatically escalating the time it takes to get
3 water on the fire, which is essential for saving
4 lives and essential for saving properties. Most
5 of these companies were located in the city's
6 poorest neighborhoods. As a result of these
7 staffing cuts, the FDNY's net roster today stands
8 at 10,200 members exactly, 1,137 fewer uniformed
9 members than we had on the morning of the attack
10 on the World Trade Center. Again, how much blood
11 can you take out of a pebble when it used to be a
12 rock? As the City Council knows only too well,
13 the mayor spent all of his third term hounding
14 the Council to close 20 more companies, yet his
15 administration has wastefully spent billions on
16 failed technology projects like the universal call
17 taking system and City Time, but there is a dirty
18 little secret attached to this annual struggle.
19 Each year the mayor forces City Council to spend
20 its discretionary money to save the fire company
21 whose price tag has risen to 60 million dollars
22 for this year. Who are the innocent victims of
23 this yearly outrage? Parks, libraries, education,
24 daycare and senior citizen centers and all of the
25 treasured things that help to make New York City a

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2 great place to live and work. The UFOA is close
3 to completing a major research project on civilian
4 injuries and firefighter injuries. Despite the
5 claim that both serious fires and civilian fire
6 fatalities are at an all-time low, civilian fire
7 injuries have doubled between 2008 and 2011 with
8 approximately 900 New Yorkers injured by fire
9 annually. We intend to supply our research to
10 every member of the City Council, but when
11 considering the current budget decisions, please
12 be advised that in 23 of the 51 City Council
13 districts civilian injury rates are above average.
14 Council districts 3, 13, 15, 30, 34, 41, 43 and 50
15 have some of the highest injury rates yet these
16 eight districts are all scheduled to lose a fire
17 company if the mayor has his way. The citizens of
18 New York City that need fire protection the most
19 will suffer more severely if fire companies are
20 closed--the young, the elderly and the residents
21 of the poorest neighbors that rely on the
22 exemplary service of our fire units to keep them
23 safe and come to their rescue when they need our
24 assistance. For example, our unit shave revived
25 over 5000 civilians in cardiac arrest in the last

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2 five years with the last year being a record year
3 of 417 pre-hospital saves, and what pre-hospital
4 saves means is that when a civilian is in cardiac
5 arrest we go, we revive them and they survive.

6 417 people last year are alive today because of
7 the medical response and medical action taken by
8 our fire units. That will be impacted severely if
9 even one fire house is closed. The members we

10 represent continue to answer the call with
11 Herculean efforts to assist and rescue all those
12 in danger during some of the most catastrophic
13 events encountered by New York City over the last
14 several years. Think about it-- WCC, the
15 blizzard, Irene, Sandy, the number is countless.

16 When there is a tragedy, when there is a major
17 emergency, when it hits the fan, you know we are
18 going to be there, and you know we are going to do
19 the right thing and do whatever we have to do to
20 save those who need our help, yet the mayor thanks
21 us by closing your neighborhood fire companies.

22 This is morally repugnant, and we will stand with
23 Speaker Quinn and the City Council to make sure
24 that this administration does not further endanger
25 this city's citizens with these preposterous

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budget cuts to this great department. I will be here for any questions.

CHAIRPERSON RECCHIA: Thank you very much. Mr. Garrido?

HENRY GARRIDO: Good afternoon. I have submitted written testimony like other members of the panel. I won't go through it, but I am here. Henry Garrido. I am associate director DC 37. I am here on behalf of Lillian Roberts, our executive director, the 121,000 DC 37 members and 50,000 retirees that we represent. I want to take a moment to thank you, Chairman Recchia for the work that we have done over the years. We believe that part of the reason why the budget is in as good of shape as it is is for the work that we did in revenue over the past years, and we want to thank you for that, and also thank you for the opportunity recently to save a lot of those layoffs in the Department of Health. I am happy to say that some of those numbers have reduced significantly, but we still have some layoffs pending there, and a lot of work to do.

CHAIRPERSON RECCHIA: That was an accomplishment after that hearing the other day.

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HENRY GARRIDO: That is right.

CHAIRPERSON RECCHIA: You know, sometimes they don't realize by laying off the impact it is going to have on the people of the city of New York, and I am glad at that hearing we were able to bring that across.

HENRY GARRIDO: I think you see a very diversified panel here, but I think you see a pattern here. We have an administration that consistently mismanaged and then blames the works for it. I think--I want to take an opportunity this last budget to talk a little bit about some examples we see. I will try to be brief; there seems to be a perception this budget does not have any layoffs. I want to remind people this budget proposes a cut of about 1900 DC 37 members either through attrition or layoffs. Just today we were notified by the cultural institutions of pending layoffs in various museums. We still haven't gone through all of the list of the layoffs because we were just notified on the way here, but let us be clear. This budget does have layoffs, and it does have a tremendous impact on services, so I think we need to talk about that because you know, what

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2 we talk about saving budget through layoffs for
3 every 35,000 dollar employee that you layoff for
4 the first three years, you spend about 80,000
5 dollars in food stamps and unemployment and all
6 the other social services that have an effect on
7 that family, not to mention the mental anguish
8 that it causes to somebody losing their job, and I
9 think that something needs to be mentioned. I
10 think there was a lot of discussion here about
11 city workers not having a raise, and we have heard
12 this administration say time and time again we
13 don't have enough money to pay the city workers,
14 and we don't have enough money to do retroactive
15 and I found it very ironic that just yesterday my
16 office received about 200 contracts, copies of
17 this administrations putting together this year
18 moving forward to 2016 and almost every single one
19 of them had an - - between and three and five
20 percent, and the justification for the cost of
21 living increase for the contract employees was the
22 cost of living keeps going up. Well, wouldn't it
23 be fair to have the same justification for the
24 city workers that work for this city that are
25 providing vital service day in and day out and the

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2 - - prices our city workforce every time, but it
3 seems that when he comes to raises particularly
4 the issue of retroactivity there seems to be a
5 dual standard here because some of those contracts
6 not only have raises, but they have raises moving
7 forward for the next five years, so the city was
8 able to fund the money to pay for those projected
9 budget increases. Let me take a moment to talk a
10 little bit about some of the major concerns we
11 have in this budget. You hear later on about the
12 issue of 911 and what our members are going
13 through. You have probably read in the papers of
14 the various glitches the system continues to have.
15 Let me put it very simple. Our members are
16 suffering, and 911 operators are suffering. Just
17 last night after pulling a 13 hour shift a lot of
18 our members had to be kept behind in order to keep
19 up the work because just again mismanagement and
20 the workers had to remain behind. We need more
21 911 operators, plan and simple. We found the
22 ability to pay two billion dollars to revamp our
23 911 system and yet we can't find enough money to
24 staff it properly. I think that is a disgrace,
25 and I think that this Council should take a strong

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2 position against that because we are not just
3 talking about workers suffering. We are talking
4 about lives. We are talking about people who are
5 calling 911 with the expectation that somebody is
6 going to be behind that call to answer an
7 emergency service, and if we found 700 million
8 dollars to pay for a system that was supposed to
9 monitor the attendance and the human resources of
10 workers, why can't we find enough money to pay for
11 the workers that are contributing to saving the
12 lives of the citizens? I am not just talking
13 about 911 operators, but I want to put an emphasis
14 on that. Just two more things. I would be remiss
15 if I didn't talk about the staggering cuts in
16 library funding that is being proposed by this
17 administration. 169 million dollars of the last
18 year's budget that is a disgrace. We will be
19 looking for your support in restoring the funding
20 for the libraries because we believe it is a vital
21 service. 37 million dollars for cultural
22 institutions as I said, that is not just a number.
23 It is translated into proposed layoffs. We are
24 going to be looking for your help on that, and
25 again, just like the firehouses that you

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2 mentioned, the city again is trying to close the
3 city pools for a staggering 1.5 million dollars.
4 It's amazing that every year we have to do this
5 dance. It is as dizzying as it is, but it is the
6 same list of cuts that you see every year, and you
7 know what, there is an expectation we are going to
8 come to you as our partners to try to restore
9 these cuts. We want to thank you for the courage
10 of doing that, but this madness has to stop. This
11 has to stop. We are asking you and your
12 colleagues to do the right thing and to help us
13 restore the vital services. Thank you.

14 CHAIRPERSON RECCHIA: Thank you
15 very much. We have been joined by Council Member
16 Gale Brewer. First I want to start off by
17 thanking all of you for coming to testify here
18 today. I have a number of questions. I am sure
19 my colleagues do also. First, Mr. Garrido, with
20 those 1900 layoffs proposed in the budget, could
21 you send my office a list of where those layoffs
22 you think are going to come from?

23 HENRY GARRIDO: Yes.

24 CHAIRPERSON RECCHIA: With each
25 agency. And then once I have that, I will contact

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2 you and we will see what we can do. It has always
3 been a number one priority of this City Council to
4 avoid layoffs to protect the city workers, and we
5 will do everything we can in our power to make
6 sure that all of those workers are protected. We
7 have worked with you in the past and we avoided
8 layoffs last year with the school aides--there was
9 only 50. We will work harder and we will address
10 that.

11 HENRY GARRIDO: Thank you. We will
12 be glad to send it.

13 CHAIRPERSON RECCHIA: Getting to
14 the teachers, I have a number of questions, Mr.
15 Mulgrew. Do you have the number to reinstate the
16 daycare slots? Do you have a number? I just
17 want to make sure...

18 MICHAEL MULGREW: I'll get it to
19 you in a minute. Next one.

20 CHAIRPERSON RECCHIA: You are going
21 from six to 16 for the learning school project.
22 So are you asking us for another 150,000 or do you
23 have a number?

24 MICHAEL MULGREW: We would
25 appreciate if you could increase, but we

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understand because there is other priorities if you could not, but we are going forward one way or another, and we are already committed to 16 for next year.

CHAIRPERSON RECCHIA: That is 150,000 per school or is it...?

MICHAEL MULGREW: No, last year you did 150,000 total.

CHAIRPERSON RECCHIA: Okay. That was for the six, right?

MICHAEL MULGREW: Correct.

CHAIRPERSON RECCHIA: Okay, and teacher's choice. Could you--this is one that is very dear to me.

MICHAEL MULGREW: I understand.

CHAIRPERSON RECCHIA: For those who don't know my wife is a schoolteacher, and the first year when I came home and it was zeroed out, I will never forget that, and last year I thought we increased it by a certain number. I found out it was lower. If you could just--how much was teacher's choice before two years ago? What was...?

MICHAEL MULGREW: Oh, it has gone up and down. It has been as high as 40. It has

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2 been at 20. Two years ago it was zero. Last year
3 it was 10. We would like 10 this year. Last year
4 it was 2.75, which is why your wife was mad at
5 you. When you divide that by 82,000 teachers and
6 guidance counselors and secretaries... yes.

7 CHAIRPERSON RECCHIA: I think I
8 went home and I told her, oh yeah, every teacher
9 is going to get a hundred dollars, and she is
10 like, what a hundred dollars? I'll never forget
11 that. Okay. And the BRAVE hotline is 100,000
12 dollars?

13 MICHAEL MULGREW: I cannot
14 emphasize the service that 100,000 dollars is
15 giving the city.

16 CHAIRPERSON RECCHIA: Listen, we
17 only hear good things about the BRAVE hotline. I
18 have personally - - .

19 MICHAEL MULGREW: It's 11 million
20 on the childcare.

21 CHAIRPERSON RECCHIA: Okay.

22 MICHAEL MULGREW: For family
23 childcare.

24 CHAIRPERSON RECCHIA: In the
25 present budget for the DOE, do you see an increase

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2 in class sizes?

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4 MICHAEL MULGREW: There will be an
5 increase in class sizes. It was in their present
6 budget. Yes. The spending--whoever the next
7 mayor is I am just going to recommend they hire a
8 forensic accountant and put them right in the
9 Department of Education really fast because as you
10 have shared this frustration with us. The mayor
11 talks about his increase in funding, but all we
12 know is that the schools it is cut, cut, cut, cut,
13 cut. I know that Mr. Garrido has a whole list of
14 all of these outside contracts that have nothing
15 to do with education that have gone up, up, up,
16 up, up all with automatic increases because as you
17 know--

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CHAIRPERSON RECCHIA: [interposing]

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Cost of living increases.

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20 MICHAEL MULGREW: Cost of living
21 because if you are working for a private company
22 you have a cost of living increase, but if you
23 work for the city good luck, suck it up. So the
24 class sizes will go up again this year, and this
25 was one of the most frustrating aspects. The
state understood this year why education was more

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2 important and really went out of their way. They
3 came in close to a billion dollars over their
4 projection when they finished this year's state
5 budget. New York City received 639 million
6 dollars more than they had projected coming from
7 the state, and when I was in Albany lobbying the
8 city never lobbied for education funding. This is
9 part of the frustration of all of this. The
10 number one legislative priority for the city of
11 New York this year in the state budget was
12 speeding cameras. Speeding cameras. Not to deal
13 with the 50,000 children in homeless shelters, not
14 to get daycare back to the thousands of families
15 who lost it, it was speeding cameras. The city
16 has never lobbied with us on the contract for
17 excellence money in Albany, which will
18 automatically allow the city to reduce class size,
19 so once again this year going into next school
20 year we will have an increase in class sizes in
21 New York City.

22 CHAIRPERSON RECCHIA: The other
23 issue I want to bring up is that the city
24 testified that they are going to use the state
25 money to fill in the gap of sequestration for

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MICHAEL MULGREW: One more time I am going to say this--they need whoever the next administration is needs to hire a very, very, very good forensic accountant. I do not believe anything the city testifies about. Every year I come here as president. I listen to them testify. Their testimony is full of lies. I am saying that on public record. They act like what they just said at the end of the school year was never said. Last year they said they were going to fix the Medicaid reimbursement problem. They had a new computer system that would collect the documentation. This year they came in and said the reason we didn't collect our Medicaid was because of the UFT. What does that have to do with their computer system that we had to go to arbitration to try and get them to fix?

CHAIRPERSON RECCHIA: Okay. my colleagues have questions. I will come back. Gale Brewer, do you have a question?

COUNCIL MEMBER BREWER: For Henry in DC 37, I know you mentioned and I have been talking about it for many years, you talked about

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2 the 911 system and all the challenges, so I am
3 just wondering because you know better than anyone
4 else through your members how does that breakdown
5 relate cost wise to what I think is an over the
6 top budget for ECTP, which is emergency
7 communications system and of course for the
8 capital money that might be going in, but you
9 might be focusing on the expense. I am just
10 wondering if you could talk a little bit about it
11 because we ask OMB, they don't know. We ask NYPD,
12 they refer us to the mayor's office. We ask
13 DoITT, and they refer us to the mayor's office.
14 We don't have oversight in that direction, so we
15 are stuck.

16 HENRY GARRIDO: Yes, Council
17 Member. I think by the time that this is done the
18 ETCP project is going to make City Time look like
19 child's play.

20 COUNCIL MEMBER BREWER: That is
21 what I have been talking about for about five
22 years.

23 HENRY GARRIDO: I think if you
24 recall the work we did before, people forget that
25 we brought one contractor named Hewlett Packard to

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2 do one system integration for two PSACs
3 [phonetic]. Well we were notable to complete one,
4 and by the time that contractor was kicked out, it
5 was already 200 million dollars over budget. If
6 you look at the audit that the comptroller has
7 released, it shows that we should be recouping 168
8 million dollars, and I believe the comptroller
9 talked about this earlier, but the truth of the
10 matter is there are so many different contractors
11 on this project and they keep bringing a
12 contractor to fix the problems that the previous
13 contractor--the failures of the previous
14 contractor, and I have said from the beginning the
15 city has standard language for liquidated damaged
16 when a contractor doesn't deliver. Why hasn't the
17 city done what they did with City Time and say
18 hey, you contractor, you didn't deliver on what
19 you promised to do. You got a ton of money. Why
20 can't the city go back to HP and Verizon and IXP
21 and say you know what? We want our money back.
22 You didn't deliver a system that works. We got a
23 lemon. We want our money back. Even if you don't
24 get it all, what is the harm of - - ? What do you
25 lose by doing that when you have a system that is

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2 already out the two billion dollars? That has
3 never happened. The problem we have also is that
4 from year to year, the city systematically shifts
5 funding from capital to operating budget, so you
6 never get a true picture of what the actual cost
7 is. When former deputy mayor - - was here we say
8 a spreadsheet that had projections of 1.6 billion
9 dollars on this project thus far. The truth of
10 the matter is because you have pieces of this 911
11 operating system between the police department,
12 between fire, the Office of Management of Budget,
13 you have budget lines in the Office of Emergency,
14 you never know truly what the cost is going to be,
15 and I think by the time this is done you will see
16 that we have already spent two billion dollars on
17 a system that still doesn't work.

18 COUNCIL MEMBER BREWER: Thank you
19 because we have been unable to get even that kind
20 of information. Thank you very much.

21 HENRY GARRIDO: We have some
22 information we can share with you of our numbers
23 of what we have seen has been the total cost.

24 COUNCIL MEMBER BREWER: Thank you.\

25 CHAIRPERSON RECCHIA: Council

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Member Jackson?

COUNCIL MEMBER JACKSON: First, let me thank all of you representing the hundreds of thousands of city employees that you represent. Clearly today is your day for the public and unions and advocates to testify and we clearly want to hear from you. I want to talk about my hearing that I had I think it was yesterday from the Department of Education, and let me say loud and clear that I support the workers of new York City, and Dennis Walcott clearly was saying that-- trying to insinuate that we support the workers over our children. Let me say loud and clear. We support the workers of New York City and we love our children of New York City and we fight for both of them, not just one over another. Mike Mulgrew, you are the president of the United Federation of Teachers, and clearly he said that I was sticking up for the unions. I want to ask you about the Medicaid reimbursement because I remember when you testified you said there is about half a billion dollars or more that the city is not trying to go after, and they said last year that their goal was to recoup 162 million dollars

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2 and it seems as though throughout the course of
3 the year that went down to only 37 million, and
4 now we are not even sure if they can recoup 37
5 million, and their statement sort of pointed the
6 finger that part of the blame was UFT. Now you
7 indicated that there was an arbitration. Did the
8 city take you to arbitration or did the union take
9 the city to arbitration in order to deal with this
10 CSIS system.

11 MICHAEL MULGREW: We took them.

12 COUNCIL MEMBER JACKSON: Wait a
13 minute. The union took the city to task to
14 arbitration?

15 MICHAEL MULGREW: Yes because the
16 system didn't work.

17 COUNCIL MEMBER JACKSON: Okay, what
18 did the arbitrator rule or what did the arbitrator
19 say in order to try to move it?

20 MICHAEL MULGREW: Well, it was two
21 things. One, the system was constantly crashing.
22 I believe that people who were here before us, the
23 IBO when they talked about - - and Department of
24 Ed having paperwork difficulties and data
25 difficulties, they should have just said their

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2 CSIS program doesn't work. They decided to put
3 that all children with special needs into one
4 database that all the services and all the contact
5 time with them would all be put into database,
6 which is a good idea. They didn't talk to anyone
7 when they were designing it, and actually, I
8 believe they are on the second or third contractor
9 trying to fix it. What else is new? When we made
10 the Medicaid reimbursement an issue CSIS was
11 already in design. As a political reaction to us
12 bringing this out to the public, they then
13 switched gears and said, oh, the CSIS system will
14 fix it. It was never designed to collect that
15 paperwork originally. They brought in another
16 contractor to try to politically cover themselves
17 and say, now the CSIS will do it. We brought them
18 to arbitration because the problems were so
19 immense our members were on the system 24 hours a
20 day. We had to get logs from the city in the
21 arbitration that any given more at four or five
22 o'clock in the morning you would have hundreds of
23 UFT members trying to get the data into the system
24 because it just never worked. It would crash
25 constantly.

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COUNCIL MEMBER JACKSON: Four or five o'clock in the morning people are sleeping.

MICHAEL MULGREW: Not the UFT members who have to deal with CSIS. On weekends every weekend there was a minimum of 1500 people being logged on on any weekend day.

COUNCIL MEMBER JACKSON: Trying to do what? Input the data?

MICHAEL MULGREW: Trying to get information into the system, so there was two things our arbitration was about. One, the system needs to work, it does not, and two, since you wouldn't fix it who is going to--they refused to pay people for doing all of this extra work.

COUNCIL MEMBER JACKSON: They wanted to do it for free?

MICHAEL MULGREW: That is what their position was. Yes. Their position was that no one was doing it outside of their work day and the arbitrator compelled them and made them produce the logs from the system, which showed that there were thousands and thousands of log ins every day outside of the work day.

COUNCIL MEMBER JACKSON: Now from

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2 my discussions and from what I heard, they
3 basically pointed the finger as far as Medicaid
4 reimbursement because you have not agreed, when I
5 say you your union has not agreed with the city of
6 New York Department of Education for certain
7 licensed professions that we represent to do
8 something--

9 MICHAEL MULGREW: Speech

10 therapists.

11 COUNCIL MEMBER JACKSON: And as a
12 result of that maybe 40 or 50 million dollars is
13 being lost. Whose fault is that if any?

14 MICHAEL MULGREW: It's their fault.

15 Look, this administration anything that goes wrong
16 is someone else's fault. We all get this. Test
17 scores go down, teacher's fault. Test goes up,
18 it's the mayor. Everything is someone else's
19 fault. So the CSIS reimbursement what they were
20 talking about is a small piece of it. Overall we
21 look at the projections. It is close to a half a
22 billion dollars a year of the New York City
23 taxpayer money that we should be recouping from
24 the federal government. You have to file the
25 paperwork. The city has never figured this out

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2 from six years ago to file the paperwork. We have
3 made it an issue, you have pushed them. They
4 still have not figured out how to file the
5 paperwork, 37 million dollars out of a possible
6 500 million dollars is very sad, and just think of
7 it this way--the simplest one of all, the
8 transportation paperwork. The federal government
9 will reimburse the city of New York ten dollars
10 for every child with special needs who gets on a
11 bus every time, so if in the morning and at night
12 that is 20 per child the federal government will
13 give this city that money, 20 dollars per child.
14 That is 300 million dollars.

15 COUNCIL MEMBER JACKSON: 300
16 million.

17 MICHAEL MULGREW: They have not
18 filed the paperwork.

19 COUNCIL MEMBER JACKSON: What do
20 they have to do? Put the child's name down who
21 gets on the bus?

22 MICHAEL MULGREW: They have to file
23 the federal form that Buffalo does, that Yonkers
24 does, that Rochester does, that all of those other
25 school districts who really are in cities who are

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2 financially challenged, they have figured it out.
3 It is not that hard. The mayor and the chancellor
4 have said it is extremely difficult. Well, if
5 it's so difficult then maybe the mayor of Buffalo
6 should be the mayor of New York City because he
7 figured it out.

8 COUNCIL MEMBER JACKSON: I needed
9 some clarity because you know, I received a lack
10 of clarity from the Department of Education, and I
11 even asked the Office of Management and Budget,
12 and my conclusion from the director of Office of
13 Management and Budget is like, we are frustrated.

14 MICHAEL MULGREW: Yes, everybody is
15 frustrated because its city taxpayer's money. On
16 the therapists, they have an additional
17 certificate some of them that is not required for
18 the work that they do. When this happened, we
19 have this at different times, different people
20 hold professional certificates. We sit down, we
21 negotiate with the city so that they can use that
22 additional certificate that was not required.
23 When we started these discussions it was about
24 the--that was a very small piece of it because the
25 bigger problem to us was you are talking about

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2 filing for Medicaid reimbursement for a small
3 little piece over here. We said your whole system
4 doesn't work. Nobody is filing anything until
5 your system works. I said so you should shut down
6 your system and figure out a way just to get the
7 paperwork, and maybe you could use the money that
8 you recoup to sign another contract with another
9 company so they could try to fix your system.
10 they are talking about a very, very small thing,
11 and they did not pursue it with us, but I think
12 you should always tell them the same thing. Well,
13 take that aside, did you file for the
14 transportation reimbursement? Ask them that very
15 simply. What is the rate? It's ten dollars per
16 child, ten dollars in the morning, ten dollars in
17 the afternoon. Did you file for the
18 transportation reimbursement?

19 COUNCIL MEMBER JACKSON: And their
20 answer would have to be no?

21 MICHAEL MULGREW: Their answer
22 would have to be no.

23 COUNCIL MEMBER JACKSON: Okay.
24 Thank you. I appreciate it. So we ask them
25 Domenic Recchia and myself asked the Department of

1
2 Education about school aides, and clearly the
3 indicator was that there is no projected
4 reductions, and correct me if I am wrong, a layoff
5 of school aides for example, we didn't want to see
6 a situation where we have done - - the city's
7 budget and we think there is no layoffs, and then
8 there is layoffs and we have to deal with it. In
9 listening to your opinion as the union of Local
10 372 of DC 37 representing the school aides has
11 there been any indication from the Department of
12 Education or anyone in the city of New York there
13 are going to be layoffs of school aides or
14 reduction in school aide hours?

15 SANTOS CRESPO: Well, as you recall
16 they always wait until the budget is passed, and
17 then they come up with that dance, and last year
18 thanks to the Chair Recchia and yourself and the
19 Speaker we were able to divert that and we
20 negotiated and came up with a deal to avert that.
21 Now what they are now doing this year is that they
22 are giving the principal the choice. So again,
23 someone gets thrown under the bus. Why? Because
24 the choice is if you have X amount--it's like if I
25 said, Councilman Jackson, here is 50 cents and go

1
2 buy yourself an Armani suit. What are you--a
3 shoelace maybe, and it's the same thing they are
4 giving the principals. Here is your budget, and
5 you have got choices, but the choices are
6 predicated on what your actual budget is. They
7 have a school operator, they have to make sure
8 that gets educated and on and on and on. So
9 priorities then come into the picture and if a
10 principal says you know what, I need the school
11 aide, they all say I need the school aide, but I
12 don't have it in my budget. Is that their fault?
13 No. Why not then finance it with the aides
14 already intact? Why does that keep getting
15 played?

16 COUNCIL MEMBER JACKSON: Principals
17 got their budget they said earlier this year.

18 CHAIRPERSON RECCHIA: May 24th.

19 COUNCIL MEMBER JACKSON: And when
20 are the budgets due? Is it June 28th?

21 CHAIRPERSON RECCHIA: No, no. They
22 received their budgets. If they weren't happy
23 with their budgets then the principal could file
24 an appeal and right now I believe the deadline is
25 next week for the appeals, and then they will

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2 review of those appeals and those principals that
3 make a good argument will see an increase in their
4 budget, and they couldn't tell us at the hearing
5 yesterday if there were going to be any layoffs of
6 school aides or other employees until they hear
7 back from the principals.

8 COUNCIL MEMBER JACKSON: Okay. I
9 just think that this dance we go through every
10 year and it is important that the activities of
11 the various labor unions, advocates, the actual
12 employees, you keep the pressure on the
13 administration and the City Council in order to
14 make sure that the money is there in order to keep
15 employees employed so that our children will get
16 the best education that we possibly can and
17 concerning the fire companies like you said, every
18 year we are here for this thing, and I hope that
19 the expectation is that the money will be restored
20 because that commitment has been steadfast by the
21 Speaker and the City Council every single year,
22 but the price tag is going up and up and up, so
23 please communicate loud and clear with the
24 employees because the commitment is there. They
25 still have to be active. Sometimes things happen

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2 at the last minute and you say, well, wait a
3 minute, you promised. So promises are to be kept
4 hopefully, but the pressure must be constant in
5 order to make sure that it happens. So I thank
6 all four of you leaders for coming in and giving
7 testimony regarding your respective membership.

8 CHAIRPERSON RECCHIA: Okay. I have
9 a quick question, and then I will turn it over to
10 Council Member Margaret Chin. Mr. Mulgrew, I just
11 want to--with that arbitration that you won, did
12 that also include physical therapists?

13 MICHAEL MULGREW: Yes.

14 CHAIRPERSON RECCHIA: And
15 occupational therapists?

16 MICHAEL MULGREW: Yes.

17 CHAIRPERSON RECCHIA: Okay because
18 we received a number of e-mails from different
19 therapists from around the city saying exactly
20 what you were saying that they weren't given
21 enough time to input the data for the kids, and
22 they were supposed to see so many kids every day.

23 MICHAEL MULGREW: Correct.

24 CHAIRPERSON RECCHIA: And this is a
25 problem, but in addition to that what we are

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hearing, and I need to see if you can get us information on this is that a lot of these therapists say that there is not enough computers for them to work on that for like three therapists they expect them to use one computer. Are you hearing...?

MICHAEL MULGREW: Yes, and it is worse than that when you consider that when you are trying to input the information the system works so slow. Any private company would be suing the contractors for how CSIS works. It's an abysmal failure. It crashes while you are inputting an individual--just think of it this way. You have to input pages and pages of different fields, if you make a mistake and try to change it, you have to start the entire thing from the beginning. If you hit the wrong key, you have to start from the beginning. It is absurd what has gone on in this computer system, but the Department of Education probably can't sue anyone because they had complete control over these contracts and these people probably documented very well what the Department of Ed instructed them to do not taking any of these things into

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2 consideration. So this cannot really--arbitration
3 which we won also said that they have to negotiate
4 with us on how to fix it. The negotiations
5 basically are this. They sit there and go we
6 don't know how to fix it. So we are like well,
7 then turn the system down. We have another system
8 that is still running place. It is called CAP
9 [phonetic]. Part of the problem with when they
10 first designed this CSIS system they had what was
11 going to happen is all the information in CAP
12 which can turn to all of the students with special
13 needs information was in CAP was going to migrate
14 over into CSIS. When they hit the button to make
15 that happen, guess what happened? It crashed.
16 Now we have been told a year later that no matter
17 what they do, the information from CAP will never
18 get into CSIS, so we said, well, the whole system
19 was designed and predicated on that. They said,
20 well, we are just going to have to try to see what
21 we can do. That means we know we are leaving, we
22 are walking out the door and we are done with it.
23 That is what they basically said to us.

24 CHAIRPERSON RECCHIA: Sure.

25 SANTOS CRESPO: Our family workers

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2 in special ed are also engaged in this process,
3 and as brother Mulgrew indicated we were never
4 part of that discussion at all. All of a sudden,
5 there it is.

6

CHAIRPERSON RECCHIA: So your
7 family workers, they have to input information
8 into CSIS?

9

SANTOS CRESPO: They were excluded
10 from that process because they were counting on
11 this connection with CAP and CSIS that they were
12 not going to be utilizing the family workers
13 assigned, so when the whole thing went amuck our
14 folks are waiting--these kids need these services.
15 what do we do next? Everything came to a complete
16 stop. To this day, we still don't have a clearly
17 defined role regarding family workers for special
18 ed CSIS at all.

19

CHAIRPERSON RECCHIA: Alright.

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HENRY GARRIDO: Can I add something
21 to that? We represent the school nurses as well,
22 and I have to say that we had a lot of problem
23 with our local just like the UFT because we had
24 our ideas of our own, our own workers had
25 recommendations for inputting the data in terms of

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2 the nurses, and we were never consulted in this as
3 well. Now remember this Medicaid reimbursement
4 was supposed to be a partnership between HRA and
5 DOE and HRA it is those eligibility specialists -
6 - do that work, never consulted us. Instead if
7 you remember when we put out that revenue white
8 paper we suggested some ideas how to recoup more
9 Medicaid money. Those ideas were ignored, but to
10 add insult to injury the same contractor that
11 developed CSIS, Maximus [phonetic] is now being
12 hired to do all the Medicaid reimbursement here in
13 the state of New York. Why? Because among what
14 Michael talked about there was never any negative
15 evaluation by DOE about delivering a bad system in
16 DOE, so now there is a new federal healthcare law
17 that includes hundreds of new Medicare recipients
18 and the state hires the same contractor with a no
19 bid contract, and they said, well, there is no
20 negative evaluation of the contract, so I mean you
21 are rewarding bad actors here is what we are
22 saying.

23 CHAIRPERSON RECCHIA: Okay. I have
24 one question before I turn it over to Margaret
25 Chin. She is dying to ask a question. Mr.

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2 Mulgrew, do you see any teacher layoffs and is it
3 true that principals cannot hire new teachers that
4 they have to go to the ATR pool? Where are we
5 with that?

6 MICHAEL MULGREW: The ATR pool,
7 well, this year they were placed. This year they
8 were placed in the vacancies and long term
9 absences and were those who were still there were
10 then used to cover day to day - - .

11 CHAIRPERSON RECCHIA: But the
12 number is going down.

13 MICHAEL MULGREW: The numbers went
14 down. At this moment the Department--until the
15 budgets are done nothing is going to move. Until
16 the school's budgets are done, nothing is going to
17 move so all you are hearing out there are
18 different things.

19 CHAIRPERSON RECCHIA: You have to
20 let us know if it changes.

21 MICHAEL MULGREW: I will be happy
22 to.

23 CHAIRPERSON RECCHIA: And of course
24 the fire companies, we support that. We are going
25 to fight hard. That means a lot to us, Mr. Boles.

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Council Member Margaret Chin.

COUNCIL MEMBER CHIN: Thank you, Chair. I mean the more I listen the more everybody listens it is just so frustrating in terms of the way DOE works, and I think I agree with you Mr. Mulgrew that the next mayor needs to hire this forensic accountant to really help us get some transparency and look through all of these contracts that are not working and costing us so much money, and we have money to fund every single program that we need if we can really fix these consultant stuff.

MICHAEL MULGREW: Correct.

COUNCIL MEMBER CHIN: Same thing with the testing agency, this guy, Pearson, they are making a lot of money and they are making a lot of mistakes and we are paying them. This morning when we were in at the budget hearing with Mr. Mark Page, I raised a question about EDC that they have these unrestricted assets that they are supposed to return back to the city. They have a contract with the city, a master contract and maritime contract that mandated only supposed to keep seven million dollars each, now they got over

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2 235, and when I did my math after you take off 14,
3 you still have got 221 million dollars back in
4 fiscal year '12 and they refused to give it back
5 to the city. And lo and behold it is because our
6 mayor did not request it. When I asked Mr. Page,
7 I said does OMB ask them for the money? I work
8 for the mayor, the mayor has not requested it, and
9 they said that they have--they are holding money
10 because they are expecting an operating loss of
11 120 million in the next three years, so if I minus
12 120 from 221.8 I still have got 101 million. So
13 we are saying that we have got to ask Mayor
14 Bloomberg to request and to ask for that money.
15 100 million is 100 million, and that could save a
16 lot of the workers in our schools and firehouses
17 and the cultural and who knows how much more money
18 they have in this year or last year because this
19 is 2012. So I think it is like somehow we just
20 have got to dig through everything this
21 administration is doing, and EDC we don't have any
22 direct control over, but if they have a contract
23 with the city saying that they can't keep over a
24 certain amount of money, we have to get them to
25 give it back, and we have to make sure that the

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2 mayor demands it back. I think I hope you could
3 also work with us and make sure that Mayor
4 Bloomberg asks for that money. Thank you.

5 CHAIRPERSON RECCHIA: I want to
6 thank all four of you for testifying. We hear you
7 loud and clear. We will be in touch with you.
8 Thank you very much. Okay. Call the next panel
9 please?

10 FEMALE VOICE: We have Dr. Randi
11 Herman, first vice president of the Council of
12 School Supervisors and Administrators, Vito Pitta
13 [phonetic], Local 1181 ATU, Peter Relan,
14 president, Local 50 and 59 DC 39 and Fitz Reed
15 [phonetic], president, Local 768 DC 37.

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17 CHAIRPERSON RECCHIA: Okay. Again,
18 if you wish to testify you have to fill out a form
19 with the sergeant at arms. Okay. Mr. Herman?

20 DR. HERMAN: Good afternoon,
21 Councilman Recchia and members of the Committee.
22 Thank you for the opportunity to come and visit
23 with you today. Just to pick up where my
24 colleague, Mr. Mulgrew left off on the budget, I
25 happen to have--

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COUNCIL MEMBER JACKSON:

[interposing] Can you bring the mic closer to your mouth please?

DR. HERMAN: I just happen to have with me today's principals weekly resources for budget allocation and planning following the chancellor's webcast all schools deadlines June 15 and 28. The initial allocation for fiscal year '14 appeared in galaxy two weeks ago and principals are instructed to schedule an appointment with your network budget liaison to develop and finalize the budget for the new school year in galaxy. In addition you should give excess letters to any staff members that you plan to excess by June 15th or as close to that date as possible. You must distribute all excess letters before the last day of school. In essence that tells me as a principal you are expecting me to excess people. That means you didn't give me enough money for the people I have.

CHAIRPERSON RECCHIA: Just so I am clear, so I was right. June 15th is the last day for them to finalize excessing, but - - have to file the appeal by?

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DR. HERMAN: It doesn't say here. It just says that the budget has to be approved by the network by June 28.

CHAIRPERSON RECCHIA: Okay.

DR. HERMAN: Okay, and you are absolutely correct. The principal who advocates loudest and most persistently with the backup of the data will get the appeal, but what is important to note here is how much time and the resources that it takes to put that appeal together. You are looking at hours and hours of collecting data that the network already has. You have filed all your data with the network, so the appeals process is really being levied on the principal as an addition burden in hopes that the principal walks away from it. It is too burdensome, and they will take the hit, and of course that results in cutting programs that are the very ones that make kids want to come to school. Those are the arts, the music, dance, it's your after school program, all of the good things that you remember about school are gone. I have very little to target today, just a couple of points. I am going to start with my favorite

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2 topic, which is early childhood. I will mention
3 the words early learn. I will mention the word
4 underfunded. I know that you know. I know that
5 the Council has stood behind out members and the
6 early care and education initiative. We all
7 believe in it, but what hasn't been done is
8 baseline funding for it, and that is what I am
9 here to talk about this afternoon--baseline
10 funding for early childhood education. If it is
11 education and you know we are going to come back
12 every year and need the funding for it, it would
13 make everybody's lives a lot easier--parents,
14 daycare centers, early childhood providers all
15 across the city if they knew the money was there
16 consistently instead of everybody at this time of
17 year sitting and waiting for June 30th to come to
18 know whether or not they file for unemployment.
19 And I don't mean just the daycare staff, I mean
20 the parents who may not have to give up their jobs
21 because there isn't any reliable affordable
22 childcare so it affects everybody and we are not
23 saving as much money as we think we are because as
24 you heard earlier the cost of food stamps in the
25 first three months plus unemployment more than

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2 surpasses the initial investment here. In
3 addition that investment you know comes back the
4 return is seven dollars for every dollar that you
5 spend on early childhood. And I will let it rest
6 with that because I know we are going to continue
7 the conversation. Let's talk just for a minute
8 about food and nutrition. In the very same weekly
9 that I read from a minute ago, it says students
10 who start their day with a healthy breakfast pay
11 more attention in class, have better attendance
12 rates and do better on exams. Beginning July 8th
13 the first day of summer school, breakfast will be
14 available to all students attending summer school,
15 so it is clear that the Department of Education
16 understands the value of good nutrition as it
17 relates to student achievement. So since this
18 Council passed a wonderful resolution earlier this
19 year about using community eligibility for school
20 lunch so that every child would be entitled to
21 lunch I have to ask what happened? Why aren't we
22 using community eligibility for school lunch? I
23 just read that the Department of Agriculture has
24 increased the cost of lunch by full price by five
25 dollars a week. If I have four children in school

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2 and I pay full price, that is a lot of money for
3 me. It could mean the difference between a metro
4 card and dinner and rent. I asked the Council to
5 have another look at your resolution to see where
6 it is.

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CHAIRPERSON RECCHIA: We will look
8 into that. We will get back to you.

9

DR. HERMAN: That would be a big
10 help. Now professional development, the Council
11 has always been there and always - - to - -
12 institute.

13

CHAIRPERSON RECCHIA: The
14 leadership institute we hear you loud and clear.

15

DR. HERMAN: As to CSIS I have one
16 thing to say that Michael didn't say. With all
17 that is wrong with it, one more thing is wrong
18 with the perception of its implementation. The
19 DOE is proceeding on the assumption that there is
20 unscheduled time during the day for people to do
21 this. There isn't.

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[crosstalk]

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DR. HERMAN: There is no
24 unscheduled time.

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CHAIRPERSON RECCHIA: Even in a

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perfect world, if they had all the bandwidth and
the - - .

DR. HERMAN: There is no time.

CHAIRPERSON RECCHIA: Right.

Capital budget, thank you, thank you for the PCB
expedited program.

CHAIRPERSON RECCHIA: That is
moving forward.

DR. HERMAN: And it's moving
forward and thank you.

CHAIRPERSON RECCHIA: You should
make sure all of your principals know that.

DR. HERMAN: Yes, they do, and they
are grateful, and all the schools that are not
going to be used for summer school this summer,
many of them are being worked on for PCBs, but I
urge you to consider in the next capital budget a
little piece that speaks to the technology
infrastructure that s required by the common core.
There is a lot of online testing and access that
is required by the common core that--

[crosstalk]

CHAIRPERSON RECCHIA: What do the
schools need?

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DR. HERMAN: They need more bandwidth and they are going to need enough computers so that students can access the common core.

CHAIRPERSON RECCHIA: Could you send a letter to that effect tomorrow morning to my office?

DR. HERMAN: I will be happy to do that. Thank you.

CHAIRPERSON RECCHIA: At 250 Broadway. Thank you. Next?

PETER RELAN: Hi. Good afternoon. Peter Relan. I am the local president for 1559 at the American Museum of Natural History.

CHAIRPERSON RECCHIA: You come every year.

PETER RELAN: Yes. Yes. And you are always here and I appreciate it.

CHAIRPERSON RECCHIA: Also Gale Brewer and Robert Jackson, my colleagues.

PETER RELAN: You beat me to it, so I appreciate it, but I want to thank you guys for doing something which I think is an honor as a New Yorker. When I was a kid if you played football

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2 with the rich kid and the rich kid had the
3 football, he didn't like the way was going, he
4 would take the ball and go home, and that is what
5 the mayor is trying to do. He is trying to take
6 the ball and go home and do exactly what he wants
7 to do, and you guys are stopping him, and I
8 really, really appreciate that. Okay. When money
9 is cut to a cultural institution that I work for
10 the people that are let go are my members, my
11 members are educators, my members are preparators
12 [phonetic], my members are maintainers, my members
13 are artists, my members all pretty much live in
14 New York City and when monies are cut they are
15 told their job no longer exists and here is the
16 door, not the people like the guy who is the head
17 of HR who lives in Princeton, New Jersey, not like
18 my boss who lives in Connecticut, who doesn't
19 really impact what goes on in New York City. I
20 know sometimes I feel like I come to you guys with
21 my hat in my hand and a whole bit, but every dime
22 that you give the American Museum of Natural
23 History comes back to you all probably about
24 sevenfold because people have to go to restaurants
25 when they come to my institution. They have to

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2 park their car unfortunately. Sometimes they get
3 a ticket for parking their car incorrectly and the
4 whole bit that goes into the coffers of the city.
5 There is a lot of money that comes there because
6 people decide to come to the institution I work
7 at. I work there successfully for 17 years. Cuts
8 that are coming don't ask me what is going to
9 happen if I am going to be there a year from now.

10 CHAIRPERSON RECCHIA: Can you just
11 get to those cuts? What is your institution
12 facing? How many cuts, how many people?

13 PETER RELAN: Sure. The numbers
14 always come up and the numbers are in my
15 testimony. The number that I have is 5.6 million
16 dollars. Okay. it sounds like a heck of a lot of
17 money, which it is, and if it impacts things like
18 professional development, which I am in. I am a
19 senior natural science instructor at the museum.
20 Tomorrow we have chancellor's day. Tomorrow I am
21 going to be responsible for about 30 teachers that
22 are coming to the museum for professional
23 development exposure. There is probably about 140
24 teachers that are coming to our institution, so
25 that is one of the ways things get impacted, okay?

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2 the other way is things like exhibits that are
3 coming up. In the past where money has been cut,
4 they have let go artists, they have let go exhibit
5 preparators, and that impacts the ability of the
6 institution to actually do caliber work that
7 people would want to come visit the museum and
8 experience the dollars and spend their money
9 coming to the west side of Manhattan. The other
10 issue, and this is something that is dear to my
11 heart. I initially worked at the inception of
12 urban advantage. Urban advantage is money that
13 you guys earmarked to help teachers especially 8th
14 grade science teachers for exit projects for
15 students. I got to throw my hat into the thing
16 with that. I know how gifted those individuals
17 are working at a part of my institution are and
18 how they have impacted especially science learning
19 and science teaching in the New York City school
20 system. I'm a product of New York City school
21 system. I'm a product of CUNY and I got my
22 master's degree at RPI, so I am really really
23 happy to be a New Yorker, and I am happy to be a
24 New Yorker, and I am glad that you guys are doing
25 the work that you are doing.

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CHAIRPERSON RECCHIA: I don't mean to be rude, but can you just get to the point? I need to hear what your cuts are, what you were facing, how many employees. I need to hear hardcore data because I have a lot of people that want to testify and--

PETER RELAN: Sure. Hard - - data.

CHAIRPERSON RECCHIA: Well, you said 5.6 million. How many layoffs are you facing? Do you remember?

PETER RELAN: I just had a heart attack when I heard Henry talk about there is possibilities in cultural institutions because it - - my institution because any time you talk about cuts--

CHAIRPERSON RECCHIA: [interposing] Listen. I understand that. I need numbers. Do you have numbers?

PETER RELAN: The last time that there was a major impact 13 members were done away with in my local.

CHAIRPERSON RECCHIA: Thank you.
Next.

VITO PITTA: Good afternoon,
Chairman Recchia, Council Members Chin and--

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CHAIRPERSON RECCHIA: [interposing]

Please state your name for the record.

VITO PITTA: My name is Vito Pitta.

I am testifying on behalf of Michael Cordiello [phonetic], president of the Amalgamated Transit Union, Local 1181. Michael regrets not being here himself. He is currently in contract negotiations. Michael's testimony written of which you have a copy, deals primarily with the school bus strike saga over the past couple of months, and I won't beat a dead horse. This Committee, Councilman Jackson's Education Committee, he has explored those issues in depth. I want to make some additional points. One the employee protection division is certainly not illegal. That has been clarified through your work and the committees it has even been admitted by the city itself. The projected savings that the city talks about we don't know what their methodology is and we would ask that you really scrutinize their projections of 100 million dollars. Back when they released the bid for the pre-K school bus services they also projected 95 million dollars in savings. Comptroller Liu when

1
2 testifying and submitting testimony before the
3 February 8th hearing of the Committee on Education
4 said that those numbers were not verifiable. They
5 tout projections that really bare no basis in
6 fact. The other issue that has not been focused
7 on is a potential cost of this bid that could
8 eclipse by far any of the projections that the
9 city has talked about. As you may know the
10 matrons that staff school buses for special needs
11 children are funded directly by the city through
12 a pass through to the school bus contractors.
13 Their full wages are paid through the contractors.
14 Those matrons are like the rest of the members of
15 Local 1181 are private sector employees and they
16 have privately funded pensions. During the
17 history of the EPP, there has always been a waiver
18 of pension withdrawal liability for the companies
19 that employ those matrons. Now that the EPP has
20 been eliminated so has the waiver of pension
21 withdrawal liability, and since the city actually
22 funds the wage of those matrons, it is very
23 possible the city could be on the hook for up to
24 500 million dollars in pension withdrawal
25 liability. The city has projected 100 million

1
2 dollars in savings over 5 years for this bid. 500
3 million dollars would easily eclipse that for any
4 future savings they project. So we ask you to
5 really consider that impact in this budget and do
6 anything you can to roll back the current big,
7 which has not been implemented. It will cause the
8 loss of 2,000 experienced drivers and matrons.
9 Many of those people have worked in this industry
10 for decades. They have cared for our city's
11 160,000 school children that ride the buses, and
12 the influx of 2,000 inexperienced drivers and
13 matrons at subsistence level wages will have an
14 impact far beyond the 100 million dollars in
15 expected savings. Thank you.

16 CHAIRPERSON RECCHIA: Thank you.

17 FITZ REED: Thank you, Chairman
18 Recchia. Thank you, Council Member Robert Jackson
19 and Margaret Chin. We come here for two reasons--
20 one, to tell you thanks because I know--

21 CHAIRPERSON RECCHIA: [interposing]
22 State your name for the record.

23 FITZ REED: Fitz Reed, Fitz Reed,
24 president Local 768. We come here for two
25 reasons--one, to tell you and the Committee many

1
2 thanks for what you have done, and that your
3 commitment to see the services to keep workers
4 employed. I have seen the pushback you have done
5 to the Department - - and the second thing is just
6 to point out that right now the Department of
7 Health intends to cut 423 staff. Currently during
8 this year they want to reduce 160 staff. How they
9 are doing it is by attriting 135 staff and to lay
10 off 25 others. The other point we want to make is
11 that in the STD clinics, the Department of Health
12 has reduced the staff and - - to change the work
13 schedule from Monday to Friday to Tuesday to
14 Saturday. We are suggesting to you that that is
15 going to affect the number of the public. It is
16 going to affect the staff. It is going to affect
17 over 200 workers' work schedules, and the cost for
18 this is about 600,000 dollars. We suggest that
19 this is minimal in comparison to the amount of
20 managers that we see in the Department of - -
21 during 2013 - - . We also ask you that you push
22 back on them. I know you have been doing this,
23 Chairman Recchia. I have heard you have done this
24 and we are asking you and we have come here to
25 give you the support to tell you that we stand by

1
2 you and we just want to finally tell you many
3 thanks for what you did over the past year to
4 maintain the pest control and to reduce and
5 pushback on the dental assistants [phonetic], so
6 we know you have a commitment for that, and we
7 trust that you work with us to maintain the STD
8 clinics and the five day Monday to Friday
9 workweek. Thank you kindly.

10 CHAIRPERSON RECCHIA: Okay. Thank
11 you. I will look into this. I told, Mr. Garrido,
12 to send me a letter tomorrow of exactly all the
13 layoffs by agency that DC 37 is facing. Once I
14 get that letter tomorrow I will speak to Speaker
15 Quinn and we will start working on that.

16 FITZ REED: And I know that you are
17 pushing back on the commissioner when he was here
18 testifying the other day. I was here. Thank you
19 kindly.

20 CHAIRPERSON RECCHIA: Okay. Does
21 any council member have any questions? I
22 recognize Council Member Jackson.

23 COUNCIL MEMBER JACKSON: Well,
24 first let me thank all of you for coming in and
25 giving testimony. You have heard what I said as

1
2 far as you know, clearly keep communicating with
3 members of the City Council and the mayor's office
4 to communicate loud and clear the needs of your
5 constituents, and just don't assume because the
6 mayor is basically projecting maybe some proposed
7 cuts, very small, the fire department 20 companies
8 are not small, but you know, they must hear from
9 everyone, not just communicating with the City
10 Council, but with the mayor's office also. So it
11 is a holistic collective approach. And I wanted
12 to say that loud and clear. With the Department
13 of Education, Randi you represent principals,
14 assistant principals and administrators and you
15 know, I have talked to a principal where their
16 budget is going to be cut a half a million
17 dollars, and they are going to have to lay off
18 staff and class sizes are going to go up and what
19 have you and so forth, and it is not good at all,
20 and I am trying to communicate effectively to try
21 to make sure that money is restored so at least
22 they have the same staffing level as last year, so
23 I am going to need your help in trying to
24 determine what is the best course of action to
25 take in dealing with the network leaders and what

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have you and so forth to appeal. You had said based on your reading the principal's weekly, the response to the May 24th submission of the budget you said the 15th of June, you mentioned the 28th also.

DR. HERMAN: The excessing letters had to go out by June 15th. Budget approval has to be complete by the network by the end of June.

COUNCIL MEMBER JACKSON: And appeals?

DR. HERMAN: Appeals--

COUNCIL MEMBER JACKSON: I got the impression the appeals were after--

DR. HERMAN: The appeals are imminent. Appeals are imminent. They are in process now. I believe they have got another week.

CHAIRPERSON RECCHIA: Yeah, I believe by June 15th they have to put the appeals in.

DR. HERMAN: Yeah, June 15th.

COUNCIL MEMBER JACKSON: Okay. Alright, and I need to know that because I got the impression that appeals were later. No?

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DR. HERMAN: No. Appeals are--it's a quick turnaround.

COUNCIL MEMBER JACKSON: Okay, and you said that is hours of work in order to try to support the appeal.

DR. HERMAN: Correct, and the network already has all of your data. If the data is incorrect, that is another story and with the systems that they have for collecting data that could be problematic.

COUNCIL MEMBER JACKSON: Vito, you indicated that these contracts based on what you were saying as far as the other part. That was never explained to anyone do - - more than 100 million dollars you are saying it could cost more than that?

VITO PITTA: It could cost greatly more than that. All of the members of local 1181 have privately funded pensions. Since the matrons wages and benefits are paid by the city because there is an administrative code requirement that matrons be escorts on buses for special needs children, and since the NLRB [phonetic] has found that the city is a primary employer of all of the

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2 school bus employees, there is a very strong
3 possibility, and it would be the union's argument
4 that the city is just as liable as any of the
5 contractors and direct employers of those workers
6 to maintain their pension funds, and if those
7 people are laid off, we would argue that the city
8 still has an obligation to fund their pensions,
9 and that could mean up to 500 million dollars, so
10 any phantom savings, even if we accept their
11 projections as true would be eclipsed by the
12 pension fund withdrawal liability.

13 DR. HERMAN: Yeah, I do remember
14 the NLRB decision where the city argued that it
15 was not--they are not a party to negotiations.
16 That is between the bus drivers and the union. We
17 constantly heard that, but NLRB said that the city
18 has been a party for decades, and they cannot say
19 they are not a party to negotiations.

20 VITO PITTA: Absolutely. There has
21 been a long history of the city being certainly
22 involved in the negotiations between the
23 contractors and the union. There is other
24 examples of the city getting involved between
25 union employer disputes to mediate, but in the

1
2 case of 1181 and the school bus contractors
3 according to the NLRB the city is a primary
4 employer.

5 COUNCIL MEMBER JACKSON: Well, you
6 know you heard the discussions yesterday loud and
7 clear. I ask you to please keep the pressure on
8 and clearly communicate to the City Council
9 Members all of the details that are happening
10 regarding that because those are--the drivers and
11 the matrons are the ones that take care of 160,000
12 students and you heard what I think that Mike
13 Mulgrew said, and that with the children with
14 special needs that are taking bus services all the
15 Department has to do is to document and submit the
16 documentation to the federal government and they
17 can recoup by about 300 million dollars, but they
18 are failing to do that.

19 VITO PITTA: Right. They are more
20 interested in laying off people or eliminating
21 positions to achieve their savings than actually
22 doing work to obtain funding that would do from
23 the federal government.

24 COUNCIL MEMBER JACKSON: Thank you.

25 CHAIRPERSON RECCHIA: I want to

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2 thank you all for testifying. We are going to
3 call the next panel.

4

FEMALE VOICE: Before I call the
5 next panel, I just want to remind everyone to
6 please give your testimony to the sergeant at arms
7 to your right. The next panel is going to be
8 Gladys Dickson [phonetic], HHC Community Board,
9 Josefina Sanfeliu [phonetic], Latinas Against FDNY
10 Cuts, Maribel Everett [phonetic] and Martha Rowan
11 from Citizens Refunding Libraries.

12

CHAIRPERSON RECCHIA: Okay. Which
13 one of you wonderful ladies would like to go
14 first? Okay. Let's go. We are running late. Go
15 ahead.

16

JOSEFINA SANFELIU: Good afternoon.
17 My name is Josefina Sanfeliu. I founded Latinas
18 Against FDNY Cuts, and we advocate for fire safety
19 and appropriate budgets to maintain that. Today
20 was FDNY medal day, and I include with my
21 testimony two of the booklets from that event, and
22 I want to announce that Red Hook Ladder 131 will
23 hold their centennial ceremony on June 19th and
24 the--

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CHAIRPERSON RECCHIA: [interposing]

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2 Okay. I don't mean to be rude, but this is a
3 budget hearing. Let's talk about the budget.
4 FDNY budget. It's a budget hearing. I have a lot
5 of people here. Let's talk about the budget.

6 JOSEFINA SANFELIU: From the other
7 material that I am submitting is from the Bureau
8 of Fire investigation, a publication by the Fire
9 Department itself, and I analyze it carefully
10 every year for pertinent information, which last
11 year, 2012, with rough calculations Brooklyn had
12 28 percent of fire fatalities - - . Brooklyn had
13 23 percent of fire injuries, 33 percent of
14 accidental fires, 35 percent of incendiary arson
15 fires and 34 percent of arson fires in occupied
16 buildings, and my material also highlights my
17 statistics and community boards with very
18 frightening percentages--the worst in each
19 borough. I want to comment on the 911 unified
20 call taking, and I am also donating pencils and
21 paper for communications technology at 911 system.
22 On May 29, 30 and 31 the two billion dollar system
23 crashed and life and death situations depended and
24 pencils and runners and this was to centralize
25 NYPD, FDNY and EMS and the previous system also

1
2 crashed in 2004. Response time which has been
3 discussed at the Council previously at other
4 sessions ignores the time that 911 operators
5 forwards calls to dispatchers, and for budgeting
6 information, a Columbia University study that
7 every FDNY company save about three billion
8 dollars per year or 15 million dollars per
9 company. I have repeatedly asked what is the cost
10 of closing companies in terms of injury and
11 homelessness due to increased fires in districts
12 and community boards where companies are closed.
13 You save money on this side by closing the
14 company, but there is a cost of homelessness and
15 emergency medical services. As far as my
16 understanding of contracts, it is not only a
17 financial aspect, but it is also a staffing aspect
18 and in 2011 the city and firefighters contract for
19 roster staffing ending and the city removed the
20 fifth firefighter from many, many engines. During
21 Hurricane Sandy as came out in a previous session
22 that fifth person was restored temporarily. If
23 the fifth person is not restored, it requires two
24 engines to respond to a fire.

25 CHAIRPERSON RECCHIA: Could you sum

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up please?

JOSEFINA SANFELIU: Companies near our closed companies should those closings happen should have the fifth firefighter restored to avoid having two engines--

CHAIRPERSON RECCHIA: [interposing] So you are advocating for the fifth firefighter for funding to submitted to the subject for the fifth firefighter and not to close those 20 fire companies?

JOSEFINA SANFELIU: It is seriously hazardous to do both. You are going to reduce companies at the same time that you less staffing on each company. You need two companies to respond to a fire. Thank you very much.

CHAIRPERSON RECCHIA: Thank you very much. Next?

MARTHA ROWAN: Hello, my name is Martha Rowan. I am here for Citizens Defending Libraries. On Monday in the first part of this City Council committee hearing on the New York City library budgets and funding, Anthony Marx and Linda Johnson, the respective heads of the New York Public Library and the Brooklyn Public

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2 Library testified that they had a problem asking
3 donors to give money to fund the libraries because
4 they cannot make a credible case that any money
5 given to the libraries will not be immediately
6 taken away by the mayor in budget cuts; indeed
7 supporting the observation that there are games
8 being played that are damaging the public.

9 Committee Chair James Van Bramer acknowledged that
10 the annual budget dance around libraries is a
11 game, and it is a very cynical game. In this
12 world of cynical games respecting the deliberate
13 underfunding of libraries at a time with
14 increasing use and city growth there is another
15 significant problem in approaching potential
16 donors to the NYPL and the BPL that Marx and
17 Johnson did not talk about, but which is just as
18 significant, probably more so. They cannot make a
19 credible case that gifts given to the libraries by
20 generous public spirited donors will not be
21 subtracted out in the form of real estate deals
22 that squander and plunder gifts given to the
23 libraries. John D. Rockefeller gave the land
24 across the street from the Museum of Modern Art
25 for the building of the Donnell [phonetic]

1
2 Library. Ezekiel Donnell paid for the building of
3 the five story library building there. Over the
4 years many others have donated to further improve
5 the library including the investment of taxpayer
6 dollars for state of the art facilities. Did
7 Rockefeller, Donnell or any of us suspect that the
8 assets bequeathed to the public would be virtually
9 take away from a mere 39 million dollars, less
10 than the two-thirds of what the penthouse in the
11 50 story building replacing Donnell is being
12 marketed for? The central library plan involves
13 a very expensive discarding of public space and
14 assets taking 300,000 square feet of the mid-
15 Manhattan and Cybil [phonetic] Libraries and
16 housing them in reduced quarters of only 80,000
17 square feet, a gross reduction of 380,000 square
18 feet of library space if you count the elimination
19 of the 42nd Street reference library's research
20 stacks. The BPL has similar plans of sell offs--
21 that is the Brooklyn Public Library has similar
22 plans of sell offs for real estate deals.

23 CHAIRPERSON RECCHIA: Okay. Could
24 you sum up please? I just want everyone to know.
25 I have a clock going here. It is two minutes.

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Our stop clock over there broke.

MARTHA ROWAN: I just have a couple of very short sentences. I am just going to say that we all know the charitable donors expect some kind of reassurance that their contributions are not be squandered or made meaningless, and the city and the City Council must investigate and request assurances that squandering of funds given--of public funds that have been given must not happen, especially since it is obvious that indeed they are being squandered.

CHAIRPERSON RECCHIA: Okay. Thank you very much. Next. Turn the mic on. State your name for the record.

GLADYS DICKSON: I am Gladys Dickson. I am the chairperson of the - - Community Advisory Board at Coler Hospital. I am here this evening, afternoon to ask that you continue your support in healthcare issues. The future of healthcare in general and for HHC in particular has many uncertainties. For example, the reduction of Medicaid function at the state and local levels threatens the viability of city public hospitals. I would also like to say in

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2 addition changes to how term care services are
3 delivered and paid for have significant impact on
4 current residents who use these facilities in our
5 city. Long term care. These changes will be
6 especially - - for our patients that are in these
7 hospitals and must have a - - taken care of and
8 quickly. At the same time to the Council, I would
9 ask that you would do whatever you can to address
10 our public hospital system's current budget gaps
11 because without the strong HHC many of the long
12 term care residents, patients, will have no place
13 to go. The mayor's budget in particular we must
14 look at due to the fact of so much that he has
15 continued to cut such as healthcare clinics for
16 the children, HIV testing and mental health
17 programs. These are much needed for our city.
18 We, the New York members and people that live
19 here, depend on the Council's leadership in
20 providing funds to support quality healthcare
21 services through our public healthcare facilities.
22 Your work to ensure that the services that HHC
23 provides or maintains is greatly appreciated. I
24 would also in my conclusion would like to say
25 thank you, the Council, for your support to HHC in

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2 the aftermath of the Hurricane Sandy. As we all
3 know too well Hurricane Sandy created devastation,
4 concerns and damages to our public hospitals. At
5 Coler, our residents and staff were without
6 electrical power for at least four days. Many of
7 our residents had to be gone to another facility
8 in order to keep the volatile medication and needs
9 that they needed.

10 CHAIRPERSON RECCHIA: Could you sum
11 up please?

12 GLADYS DICKSON: We here at Coler
13 have now returned the patients that had to leave
14 the facility back to where they should be at home.
15 Thank you again for listening to me.

16 CHAIRPERSON RECCHIA: Thank you
17 very much. Next?

18 MABEL EVERETT: Good evening. My
19 name is Mabel Everett. I am the president of the
20 Local 205 of 1707 of the daycare employees. I am
21 here this afternoon to thank the City Council for
22 restoring the 60 centers that the mayor did not
23 put in early learn, but - - 2014 executive budget,
24 he has eliminated all of the money that you all
25 have restored to us last year, the Council that

1
2 restored it to us last year. This money was used
3 to continue funding operation of the existing
4 programs. There were 60 daycare centers that were
5 saved by the money that you all put in. we are
6 asking you and in that even though you restored 60
7 centers, we lost 1,200 employees. We are asking
8 you that you restore the 60 centers that you did.
9 If not, we will lose a total of almost 1800
10 employees--teachers, custodians, cooks and
11 maintenance and bookkeepers, so we are asking - -
12 . The parents need us. We need you and we want
13 to thank you.

14 CHAIRPERSON RECCHIA: We appreciate
15 the work that all of your workers do in daycare
16 because without you, thousands of parents would
17 not be able to work, so I am telling you as the
18 Finance chairman, I will do everything in my power
19 and Speaker Christine Quinn will do everything in
20 their power to make sure that we make sure that
21 those 60 centers do not close. It was a tough
22 negotiation last year, and it is going to be tough
23 this year, but we understand. It is not about
24 you. It is not about me. It is about thousands
25 of parents not being able to go to work, not being

1
2 able to their children to a place, and we hear you
3 loud and clear. I want to thank you for coming
4 here tonight. It means a lot to me and to the
5 City Council.

6 MABEL EVERETT: Thank you.

7 CHAIRPERSON RECCHIA: Alright.

8 Call the next panel please.

9 FEMALE VOICE: Next panel is Janice
10 Darden [phonetic], Dr. Paul Lansburgess
11 [phonetic], John Armstrong, Ralph Palladino
12 [phonetic] and Alma Roper [phonetic].

13 CHAIRPERSON RECCHIA: We have to
14 move quick. I have hundreds of people who want to
15 testify tonight.

16 [pause]

17 CHAIRPERSON RECCHIA: Hold on. We
18 have to get a chair for Mr. Palladino. Okay.

19 ALMA ROPER: Alright. Good
20 evening, Chairman Recchia. How are you this
21 evening? My name is Alma Roper and I am the
22 executive vice president of Local 1549, District
23 Council 37 - - . Local 1549 represents
24 approximately 16,000 clerical administrative
25 employees in nearly all city agencies. The recent

1
2 local and national media coverage of the
3 malfunction of the newly installed ICAD [phonetic]
4 computer system at the New York Police Department
5 911 PSAC center bears testimony to what the union
6 already knows--911 provides a crucial lifesaving
7 service to New York City. My members, the 911
8 operators, dispatchers and the first line
9 supervisors perform a vital service to the police
10 department and the city of New York. They are the
11 first of the first responders. The first voice
12 that one hears when calling 911 in an emergency.
13 911 is the lifeline for the city of new York. The
14 police communication technicians better known as
15 the 911 operators and dispatchers numbered 1,168
16 in June of 2009. As of April 2013, there are less
17 than 1,030 operators and dispatchers. It is
18 unthinkable that the headcount has been allowed to
19 decline this greatly when clearly the number
20 should be increasing. Modern technology,
21 specifically the increased use of cellphones and
22 handheld devices have contributed to a huge spike
23 in call volume. In this era of terrorism, the
24 public is urged to say something if they see
25 something. In 2009, there were 10.8 million calls

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2 to 911. Presently the 911 operators handle as
3 many as 13 million calls per year. As a result of
4 the shortage of personnel the 911 operators and
5 dispatchers are being ordered to perform in
6 unreasonable and unbearable amount of overtime.
7 The 911 operators and dispatchers are performing
8 as many as 12, 16 and sometimes 32 hours of
9 overtime a week in addition to their regular 35
10 hour workweek, and expected to perform their
11 duties without errors. These operators are
12 physically, mentally and emotionally stressed and
13 exhausted. This situation endangers the 911
14 operators and the public while its putting the
15 police officers on patrol at great risk. Now is
16 the time to stop putting the health and livelihood
17 of the 911 personnel at risk while the communities
18 in which we live are in danger of not receiving
19 proper and timely assistance when the call is made
20 to 911 for help. On behalf of my members, the 911
21 operators, dispatchers and first line supervisors
22 and for the sake of enhanced public safety, we are
23 urging the mayor, police commissioner and the City
24 Council to immediately make funding available to
25 implement the hiring of more than 400 new 911

1
2 operators and dispatchers. The lives all of New
3 Yorkers may very well depend on this action. On a
4 personal note, every person that is in this room
5 today is one phone call away form an emergency.
6 At any time, any one of us can make a call to 911
7 for our loved ones. Just imagine if you are
8 calling about your loved one in an emergency and
9 that phone just rings, rings, rings, rings and no
10 one picked that phone up. What would you do and
11 how would you feel? I thank you for this
12 opportunity to appear before you and my colleagues
13 and I would be more than happy to answer any
14 questions that you may have.

15 CHAIRPERSON RECCHIA: Okay. Thank
16 you very much. I'm giving everybody two minutes,
17 if you could respect that time. I'll be here all
18 night. Go ahead.

19 JOHN ARMSTRONG: Good afternoon.
20 My name is John Armstrong. I am the chapter chair
21 for the PCT - - Chapters for 911 dispatchers and
22 operators, and I have been on the job for 26 years
23 myself. I just want to speak briefly about the
24 stress that we are enduring at 911, not to mention
25 that we are the biggest, the best and the busiest

1
2 911 system in the country. We are very stressed
3 at 911. Our callers are handling numerous calls a
4 day. As a matter of fact when I left today at
5 1500 hours, three o'clock, we had already handled
6 15,000 calls for the day. We are - - new system
7 that is slowing us down quite frequently, and we
8 cannot handle all of the calls that is coming in
9 from 911 and we are very stressed. Just this
10 morning alone, we had operators who were standing
11 in the middle of the floor stressed out after
12 doing 12 hours of tours because the command put on
13 them five minutes in advance that they have to
14 stay for additional--

15 CHAIRPERSON RECCHIA: [interposing]
16 So this is the 911 operators. So what you are
17 saying is that the city needs to hire 400 more 911
18 operators?

19 JOHN ARMSTRONG: At least. At
20 least that.

21 CHAIRPERSON RECCHIA: How did you
22 arrive at that number of 400?

23 ALMA ROPER: The numbers for 911
24 since 1989 when I first came in, I too was a
25 supervisor at 911, the numbers for the PCTs and

1
2 SPCTs in 1989 was 961 total, 1999 PCTs and SPCTs
3 was 1031, 2003 was 1215, 2009 was 1224 and now
4 2013 we are going down to 1161.

5 CHAIRPERSON RECCHIA: Hold on.

6 Okay. Sorry. I am just trying to get... This is an
7 issue that is growing and we really have to have a
8 discussion with the mayor about this. Everywhere
9 I go people are talking about this.

10 ALMA ROPER: The personnel at 911--

11 CHAIRPERSON RECCHIA: [interposing]

12 How overworked are your workers?

13 ALMA ROPER: I'm sorry. Say it

14 again?

15 CHAIRPERSON RECCHIA: Your workers

16 are overworked - - 12 hour shifts?

17 ALMA ROPER: The 911 operators have

18 been working for the last three months over 32

19 hours a week, and that is just in overtime.

20 [crosstalk]

21 ALMA ROPER: No, no, no. Let me

22 just clarify this for you. They have been working

23 32 hours a week overtime. That does not include

24 their 35 hours a week.

25 CHAIRPERSON RECCHIA: Right, so

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they are working 35 week plus 32.

ALMA ROPER: Exactly. Exactly, and that has been going on now for almost three months. For the past week and a half when the ICAD came into effect they put them on a 12 hour shift. Now as you know you have been reading in the newspaper and been on television and everywhere is going down--

CHAIRPERSON RECCHIA: [interposing] This is for the police. This is different than the fire?

ALMA ROPER: Yes. This is the police. Let me explain 911.

[crosstalk]

ALMA ROPER: Let me just explain it because--

[crosstalk]

CHAIRPERSON RECCHIA: This is the police. I got it.

ALMA ROPER: This is the police. Exactly. In the past week and a half, they have been working 12 hour shifts. Now the system has been crashing. Even on Saturday the system crashed again. Last week it crashed at least

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three or four days. The personnel at 911 has not risen since 2000... Do you understand?

CHAIRPERSON RECCHIA: I understand.
- - this gentlemen like to finish?

JOHN ARMSTRONG: Like I was saying, we are very stressed and we are the first responders as far as 911 is concerned. We are the first ones to - - fire, EMS and police calls, so anything that comes through 911, the 911 dispatchers--

CHAIRPERSON RECCHIA: [interposing]
- - . You are together?

JOHN ARMSTRONG: Yes, we are.

CHAIRPERSON RECCHIA: Alright. I have it.

JOHN ARMSTRONG: What I am trying to say is just this morning alone we had over 100 people in the middle of the floor because two minutes before and after doing 12 tours, some doing 16 tours that now we need you to stay until further notice. We have people who have kids at home, small kids at home. We have ACS cases because our 911 is holding them for ordered overtime, and we have people at home whose kids

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are out of control because they are not home to take care of their personal lives. We have people whose rents are going up because they are in a rent controlled apartment, and - - .

CHAIRPERSON RECCHIA: We have it.

JOHN ARMSTRONG: Again, just before I stop, I just want to thank you guys for being there for us and looking out for 911 and doing the things that you have done in the past.

CHAIRPERSON RECCHIA: Thank us after the budget if we are able to help you out. Okay. Next.

DR. LANSBURGESS: Thank you, Mr. Chairman. My name is Paul Lansburgess, and I am an associate professor at the SUNY School of Public Health in Brooklyn, and you have a copy of my testimony. My specialty is employee safety and health--the kinds of working conditions that the previous two speakers have been describing here, long work hours, shift work, working--

CHAIRPERSON RECCHIA: So you are here to testify for what funding? What source?

DR. LANSBURGESS: On the health effects of the work and excessive sick leave.

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2 Long work hours, shift work, understaffing, lack
3 of say on the job all contribute to the risk of a
4 variety of illnesses--heart disease, stroke, high
5 blood pressure, diabetes, depression, and so on.
6 According to a 1997 government student of 911
7 operators right here in New York City, 32 percent
8 reported symptoms of major depression and about
9 half reported musculoskeletal systems in the back,
10 shoulders and wrists. Their work absentee rate,
11 sick leave rate, was about double the national
12 average and those data were from a time period
13 before this recent large increase in call volume,
14 which has not been with a parallel increase in
15 staffing. So just to conclude, many research
16 studies from all over the world looking at call
17 center workers at this type of work show that this
18 is an occupational group that is at increased risk
19 of disease and injury, the most common being
20 musculoskeletal disorders, and the costs of these
21 health problems including turnover, absenteeism,
22 diminished productivity, which the city is paying
23 right now. To reduce these costs we need to
24 improve the organization of work to ensure
25 adequate staffing, avoid excessive overtime,

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adequate rest breaks, and give employees some more say on the job. Thank you.

CHAIRPERSON RECCHIA: Thank you very much.

JANICE DARDEN: Thank you very much for having me here today. My name is Janice Darden. I am the chapter chairperson of the police administrative aid clerical chapter, Local 1549.

CHAIRPERSON RECCHIA: You're here about the 911?

JANICE DARDEN: I am separate from 911. I am speaking for precinct and specialized units in the New York City Police Department.

CHAIRPERSON RECCHIA: Okay.

JANICE DARDEN: I am here about civilianization. Civilianization is the process of removing full duty, able bodied police officers from clerical positions and assigning civilian personnel to those positions. In 2004, arbitrator Maurice Bennowitz [phonetic] ruled that the police department was in violation of the clerical contract and ordered that the department cease and desist from assigning full duty uniformed

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2 personnel to clerical duties. It has been nine
3 years and we are still waiting. A few police
4 officers were removed, but it is barely enough to
5 be noticed. Now we are going backwards. More
6 younger officers are coming inside every day. The
7 department is being overrun by armed clericals who
8 type, work on computers, complete paperwork on
9 overtime and fill vending machines and this is in
10 precincts and details across the city. We have
11 been told that the problem is the budget, but how
12 can the department or city justify paying an able
13 bodied police officer 90,000 dollars per year to
14 do clerical work when a qualified civilian
15 employee can perform the exact duties for less
16 than half of that salary? This is not only a
17 waste of taxpayers' money, but it takes away
18 uniformed personnel from our communities, and it
19 diminishes patrol strength. Civilianization will
20 save the city millions of dollars, which is why
21 the union is asking that the mayor, police
22 commissioner and City Council act now to hire 500
23 new police administrative aides. The time has
24 come to stop sacrificing civilian hiring in favor
25 of more costly hiring of police. More police

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2 inside results in weaker patrol strength. If
3 police strength keeps doing down and down, who is
4 going to answer the call for help? We are asking
5 you to support civilianization and help enhance
6 public safety and reduce crime. We are asking you
7 to please take the cops out of the seat and put
8 them back on the street. Let the civilian
9 personnel do the administrative, clerical function
10 because we do do it best for less.

11 RALPH PALLADINO: Ralph Palladino,
12 Local 1549, second vice president. I want to
13 thank you for the opportunity for this panel.
14 This is about public safety in both issues--more
15 police on the street and more assistance for 911.

16 CHAIRPERSON RECCHIA: [interposing]

17 - - .

18 RALPH PALLADINO: --effectiveness
19 in terms of the fact that civilianization would
20 save 45 million dollars in the budget a year if
21 you did 500. That is according to the City
22 Council's numbers from last year and we want to
23 thank you and Speaker Quinn for putting that
24 forward last year as well, and also putting money
25 into the project in the past only to be stopped at

1 the budget bards, but we need to do it again.
2 That 45 million could be used to hire people in
3 911. The overtime costs going from 2 million a
4 year three years in 911 to 4.4 million this year
5 to be used--that savings could be used to hire 911
6 personnel, so it is cost effective to do this, and
7 we also have the issue about the 911 surcharge,
8 which we can go to the state for, but there should
9 be no price on public safety and jobs. This is
10 the richest city in the country and the world. 70
11 billionaires worth 316 billion dollars paying one
12 percent less taxes than they did 20 years ago. We
13 need to have a fair revenue system. Now the thing
14 is that we need to stop other cuts as well, like
15 in HHC, which you will hear later on, DOH and
16 childcare. It's people getting to work, and it is
17 public health on the block. We need fairness.
18 The contracts. We want to thank you for Local Law
19 63, and the comptroller for the scandals that
20 happened bringing that to light, but there is
21 other contracts like in clerical where people line
22 their pockets getting those contracts, pay
23 clerical employees, part time, low wage amount of
24 money at the same time, those workers are
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2 Medicaid, what taxpayers are paying for. So that
3 is not right. We have to look at the contract
4 system. we have to have fair taxation and look at
5 the practical way to save money, and we can make
6 public safety stronger in this city.

7 CHAIRPERSON RECCHIA: Okay. Thank
8 you all for coming. I hear you loud and clear.
9 Okay.

10 RALPH PALLADINO: And thank you
11 again.

12 FEMALE VOICE: Next panel: Zev King
13 [phonetic] and Georgiana Glose [phonetic] from
14 Fort Greene.

15 CHAIRPERSON RECCHIA: Okay. Kindly
16 find your seats. State your name for the record
17 and - - .

18 ZEV KING: My name is Zev King. I
19 am here to talk about the libraries. You have
20 already heard from the heads of the libraries on
21 Monday and you heard from Ms. Rowan today. I want
22 to add to this that the method of their asking for
23 money is something which reminds me of when the
24 executives from Ford flew in in private jets to
25 ask for stimulus money--that these people who are

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2 coming to you and talking to you about the
3 immigrant children on the steps of the library
4 with no place to go and be safe are the same ones
5 who are closing the library a quarter to six,
6 putting out a bar to fill the entire Aster Hall
7 [phonetic] and eating and drinking and partying
8 into the night, while a person who wanted to go
9 and use the library to use for a book is kicked
10 out at a quarter of six. What does this have to
11 do with the budget process and with what you heard
12 of their request that they are cutting 160 million
13 dollars from last year's budget? I am making this
14 as quick as I can 'cause I know you are bored from
15 hearing this from three days. What it has to do
16 is that the head of the teachers this year in
17 talking about a forensic accountant to see what is
18 going on, you have to see what is going on because
19 while on the one hand the library is putting out
20 leaflets saying write to the mayor to end the
21 budget cuts, they are also talking about--they are
22 thanking the mayor and the president of the City
23 Council for their generous donations. How does
24 this work in a city where the most famous of
25 mayors, Mayor LaGuardia--I know you want me to

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2 wrap it up as quickly as possible--deemed those
3 lions [phonetic] patience and fortitude and they
4 are not bringing to the situation patience and
5 fortitude. I am going to wrap it up with one last
6 example. I am sure you have been on the BQE. As
7 the BQE passes through Williamsburg you go by a
8 Carnegie library. It was built in 1903. When
9 Robert Moses was designing this he had the BQE
10 swing around that Carnegie library. In today's
11 day in 2013, they are talking about smashing the
12 libraries. This makes no sense. These are the
13 strength of the city, and they are the strength of
14 the people who are here to learn. I am hoping
15 that you will consider that in your discussion
16 with them, and I hope that you will ask them to be
17 serious about their endeavors to improve the
18 library.

19 CHAIRPERSON RECCHIA: Thank you
20 very much. Next. State your name for the record
21 please.

22 DR. GEORGIANA GLOSE: I am Dr.
23 Georgiana Glose. I am the executive director of
24 Fort Greene Strategic Neighborhood Action
25 Partnership. We are a small community based

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2 agency providing services in Fort Greene,
3 Brooklyn. I want to thank you for the opportunity
4 to talk with you tonight about the infant
5 mortality reduction initiative, as well as the
6 other public health programs that need to be
7 restored in the budget. Our very small programs
8 served over 45 women this year, helping them to
9 have healthy babies. Every one of those healthy
10 babies is a savings to the city because once a
11 baby is in the NIC ICU we are talking about
12 hundreds of thousands of dollars in cost. Each
13 year we have come to you with the request for
14 funds. This year we are asking for three million
15 dollars to be restored to the infant mortality
16 reduction initiative, and that will also be
17 enhanced by money from the city. These dollars go
18 to the most needy of women, to women who are
19 experiencing stressors that prevent them from
20 having healthy families. Thank you for listening.

21 CHAIRPERSON RECCHIA: Thank you
22 very much.

23 FEMALE VOICE: Lynn Kelly
24 [phonetic], Val Colon [phonetic], Christian
25 Zebreski [phonetic], Vicky Hill [phonetic] and

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Eileen Mueller [phonetic].

CHAIRPERSON RECCHIA: Alright.

Let's talk to another panel. Ms. Kelly?

LYNN KELLY: Good evening. Let me just hand in my copies. Thank you. Good evening, Council Member Recchia and members of the Finance Committee. My name is Lynn Kelly and I am the president and CEO of Snug Harbor Cultural Center in Staten Island, and I am here today on behalf of the cultural institutions group, and other organizations supporting culture in New York City. Thank you for this opportunity to testify, and thank you as always for your unwavering support of culture--

CHAIRPERSON RECCHIA: [interposing]

So you are testifying on behalf of Snug Harbor and the CIG group?

LYNN KELLY: I am testifying on behalf of the CIG.

CHAIRPERSON RECCHIA: Of all the CIGs?

LYNN KELLY: Correct. So we know that the City Council is very familiar with the challenges that our organizations face every time

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2 there are impending reductions in our budgets, but
3 today I would like to refocus the conversation a
4 bit on the positive and stress that simply put
5 culture is an integral part of the quality of life
6 of the city, and we are also a small business
7 sector with significant economic impacts. Let's
8 talk first culture as an economic engine for the
9 city of New York. Although our organizations are
10 all very different in size, operations and scope,
11 collectively we have a significant economic
12 impact. We employ over 9,000 people. We have
13 residents of every council district in all five
14 boroughs, and some are among the largest employers
15 in each of their boroughs. We spend more than 500
16 million dollars annually on purchased goods and
17 services, and did you know that for every one
18 dollar we receive in city funding, we return eight
19 dollars into the economy? Last year we spent with
20 nearly 13,000 vendors small businesses that we
21 support, print shops, mailing houses, caterers,
22 contractors. In Staten Island alone our
23 purchasing power last year was 2.6 million
24 dollars--60 percent of that on Staten Island, and
25 much within a three to five mile radius of our

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2 institutions. Culture also drives tourism. Last
3 year New York City reached a milestone 52 million
4 tourists and according to NYC and Company, culture
5 was one of the three reasons that tourists visited
6 New York City. As a matter of fact, in 2011
7 according to NYC and Company, they said over 7.3
8 million international visitors attended a concert,
9 play, musical, opera, went to an art gallery or
10 museum or visited a cultural or ethnic site.

11 Simply put, our unparalleled culture attracts
12 tourists and tourists spend money, and this money
13 supports the 14,000 people that are employed in
14 the tourism industry, yet another example of how
15 culture is a small business generating other small
16 businesses. But lastly and most importantly,
17 culture is a vital part of the quality of life for
18 all New Yorkers. Investing in culture means
19 investing in our quality of life, our historic and
20 ethnic neighborhoods, supplemental education,
21 programs for seniors and recreation for the
22 public. It also means investing in important city
23 assets. Through public support we are able to
24 steward our city on facilities, our parkland
25 ensuring the surrounding communities and

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2 neighborhoods remain vibrant, safe, clean and
3 accessible to the public. Despite these
4 compelling facts, we are still at a precipice. As
5 of today, we are facing a potential loss of 40
6 million dollars in operating support, which
7 represents a 65 percent decrease to most of our
8 institutions. I hope that I have demonstrated why
9 culture is no less essential to the economy and
10 the social vitality of our city than it was last
11 year, yet the decreases we face are even more
12 extreme and severely devastating not just our
13 institutions, Council Member Recchia, but to the
14 New Yorkers we serve, children, families, seniors
15 and teachers all affecting the quality of life.
16 We respectfully ask for the restoration of the
17 proposed reduction to the Department of Cultural
18 Affairs, which in turn poses a reduction to all of
19 us.

20 CHAIRPERSON RECCHIA: Could you sum
21 up?

22 LYNN KELLY: Yes. I just wanted to
23 say that we recognize that the Council has
24 impossible decisions to make right now in deciding
25 how to allocate city resources, and we sincerely

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thank you for your leadership and commitment to culture.

CHAIRPERSON RECCHIA: Okay. How much money do you need restored?

LYNN KELLY: 40 million dollars.

CHAIRPERSON RECCHIA: Is that what you are asking for for all the CIGs?

LYNN KELLY: That is correct.

CHAIRPERSON RECCHIA: Okay. Let the record reflect that the CIGs need 40 million dollars for the cultural groups in New York City. Okay. Next.

EILEEN MUELLER: Good evening, Councilman Recchia. My name is Eileen Mueller.

CHAIRPERSON RECCHIA: Push the microphone closer to you.

EILEEN MUELLER: Good evening, Councilman Recchia. My name is Eileen Mueller, and I'd like to thank you for your past support to the Brooklyn Public Library and the other libraries within the city of New York. As president of Local 1482, the Brooklyn Library Guild, I represent 800 members in 60 neighborhood branches across the Brooklyn Public Library

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2 system. Year after year I have come before the
3 City Council Committee to express the desperate
4 position the library workers in the city of New
5 York feel due to the city's lack of financial
6 support of the Brooklyn Public Library. We worry
7 year after year that our jobs are on the line. We
8 have asked to do more with less. We have done
9 that only for the library to receive less. A
10 recent report on libraries by the CUNY Center for
11 Urban Futures shows that in libraries circulation
12 is up, program attendance and program sessions in
13 the three library systems have increased
14 dramatically over the past number of years while
15 the city funding has decreased by eight percent.
16 During that period, the number of front line
17 library staff members in the three systems has
18 declined by 20 percent. At Brooklyn Public
19 Library operating budget has been cut every year
20 since the fiscal crisis hit. Despite these cuts,
21 the members of our locals are doing more than they
22 have ever done before. Circulation in the
23 libraries is up 77 percent and attendance is up 41
24 percent. The city has asked its workers to do
25 more with less, while the members of Local 1482

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2 have certainly done that. It is clear they have
3 done their part. The members tell me that they
4 fear they will no longer be able to do this. They
5 cannot provide the same services to the very
6 deserving citizens of the borough of Brooklyn.
7 You see, my members like their jobs. They love
8 helping the patrons who come to the library.
9 These patrons are looking for a favored book or to
10 use the computers to search for a job, to keep in
11 touch with friends and family or just to get
12 information to start a small business. The
13 library also serves as a safe place for visitors
14 young and old. We love our jobs. Services at the
15 Brooklyn Public Library are in greater demand than
16 ever before, but the library has remained
17 underfunded and understaffed. Over the last
18 number of years, the 60 branches of BPL have seen
19 a record number waiting to get in the doors every
20 day. As a matter of fact in fiscal year 2011 over
21 40.5 million people have visited the three library
22 systems.

23 CHAIRPERSON RECCHIA: Alright. Can
24 you sum up? How much money do you need?

25 EILEEN MUELLER: Brooklyn Public

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Library needs to have 35 million dollars, and we are at a risk of losing at the three library systems almost 1200 people--layoffs.

CHAIRPERSON RECCHIA: And how much - - Brooklyn Public Library system?

EILEEN MUELLER: How many people in the Brooklyn Public Library system? If I remember correctly, 400 and I am not sure the exact number. It is thereabouts 400. If you recall at the hearing on Monday, the library system gave us the total--

CHAIRPERSON RECCHIA: [interposing] Yeah, but I wanted to hear it from you, the union, to see what your opinion was, how much you think--

[crosstalk]

EILEEN MUELLER: 364 layoffs at Brooklyn.

CHAIRPERSON RECCHIA: As I said before, the City Council fights hard to avoid layoffs and protect people's jobs.

EILEEN MUELLER: As well as they would like to close 16 branches of the library as well.

CHAIRPERSON RECCHIA: Okay. Thank

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you. Next.

VICKY HILL: Hi. I am Vicky Hill.

CHAIRPERSON RECCHIA: Hold on. You have got to talk into the mic. State your name - -.

VICKY HILL: Good evening. I am Vicky Hill, and I am from Brooklyn Public Library. I'm the neighborhood library supervisor of the Mill Basin Branch or to put it easy, I am a branch manager, and I have come to champion. I want to thank you for all your past support of us, Chairman Recchia and all the other council people, and I just want to second what Eileen has told you about what the effect of these cuts will be on our staff. You may be asking why I am wearing all black, and you want to know am I in mourning? I will be if the proposed draconian budget cuts go into effect for the public libraries. And at my branch there is three librarians. Years ago we had five or six. We have three doing adult services, children's' services, security, evaluations, supervision. So it's a big hat. I have a lot of programs, but we are doing it because we love our public and we love our staff.

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2 I don't want to see any my staff fired. I don't
3 want to see any of my colleagues in the library
4 laid off because of the budget cuts, and I know
5 the public is up in arms and we have been sending
6 letters and post cards to the councilmen to let
7 them know that we would like to be restored and
8 fully funded.

9 CHAIRPERSON RECCHIA: I appreciate
10 that, but your letters, your cards should be sent
11 to the other side of City Hall.

12 VICKY HILL: To the mayor?

13 CHAIRPERSON RECCHIA: To the
14 mayor's side. Send it to the mayor's side.

15 VICKY HILL: So from now on we will
16 send things to the mayor.

17 CHAIRPERSON RECCHIA: I just want
18 you to know I have been in negotiations with the
19 three library systems and I made it very clear to
20 them if I do put money back that I do not want to
21 see any layoffs. These jobs are very important to
22 me. Okay. Thank you.

23 VICKY HILL: Thank you.

24 CHAIRPERSON RECCHIA: Next.

25 VALENTINE COLON: Good afternoon.

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2 My name is Valentine [phonetic] Colon. I
3 represent the members of DC 37, the New York
4 Public Library Guild 1930. Allow me to thank you
5 for this opportunity to address you this day on a
6 matter that is of the utmost importance--

7 CHAIRPERSON RECCHIA: [interposing]
8 You are from 1930, right?

9 VALENTINE COLON: From Local 1930.
10 --of utmost importance to many in this city,
11 libraries, and the financial tactic continues to
12 plague the three New York City Library Systems for
13 way too many years. For too many years, we find
14 ourselves holding hearings, demonstrations and
15 letter writing campaigns all with one goal in
16 mind--

17 CHAIRPERSON RECCHIA: [interposing]
18 But you send the letters to the wrong people. You
19 have got to send them to the other side.

20 VALENTINE COLON: No, I think we
21 do. I think NYPL does send to the mayor as well.
22 In fact we hand deliver. We actually collect them
23 and hand deliver.

24 CHAIRPERSON RECCHIA: The last time
25 a person hand delivered me a box of cards that box

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2 sat in my office until the following year when
3 they came in to see me and they left with that
4 same box. I kept the box for one year. When they
5 left, they left with that box. You know what I
6 told them? Send it to the other side. People
7 always forget to do that. I don't mind getting
8 them, but send it to the other side too.

9

VALENTINE COLON: I will make sure.
10 I will tell them.

11

CHAIRPERSON RECCHIA: So how much
12 money do you feel the New York Public Library
13 needs to be reinstated, and how many jobs do you
14 think you are possibly facing?

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VALENTINE COLON: With the layoffs
16 the figure that I was just given, I haven't gotten
17 anything from management is 656 layoffs, and that
18 would mean a major attack on what is happening
19 with us. My membership is down 30 percent in the
20 last five years. As for the total amount that we
21 are getting that figure for me--

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CHAIRPERSON RECCHIA: So in the
23 last five years you lost like 180 jobs

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VALENTINE COLON: Uh-huh.

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CHAIRPERSON RECCHIA: Is that

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through attrition?

VALENTINE COLON: A lot of it,
yeah. It's attrition all the way.

EILEEN MUELLER: We also at
Brooklyn we have lost 200 jobs, more than 200
jobs. I used to represent over 1100 employees. I
now represent about 840.

VALENTINE COLON: At my height I
had 1900 members. I am down now to 1250.

CHAIRPERSON RECCHIA: Alright. I
am glad you brought that to my attention. Thank
you.

CHRISTIAN ZEBRESKI: Thank you very
much, Chairman Recchia. My name is Christian
Zebreski, and I am here speaking on behalf of DC
37, Local 1321, the Queens Library Guild. I am
the assistant community library manager for the
Basily [phonetic] Park Community in Jamaica
Queens, which is part of the Queens Library
system, and I am very proud to be a public
servant. I am deeply embedded in my community and
my library is an integral part of our
neighborhood. I am asking you to please help me
to help all of us. When people get help at the

1 library everyone in the community benefits. When
2 we help a guy get a job so that he can support his
3 family and stay out of trouble we all benefit from
4 that. When kids have a safe place to go after
5 school, we all benefit. When entrepreneurs and
6 small business owners use the library as a place
7 to develop the local economy, we all benefit, and
8 when people take ESOL, GED and computer training
9 classes for free, we all benefit from that too.
10 Having a good library is good for all of our
11 community as a whole. Should these cuts go
12 through, our ability to serve and support our
13 public will be decimated. Should these cuts go
14 through there is a good chance, a very good chance
15 that my community library will have its doors shut
16 and the community that I am professionally and
17 personally responsible for will directly suffer.
18 Please help us help our community, and please
19 raise your voice in support of the quiet aid that
20 we provide every day. Queens Library is looking
21 at over 29 million dollars in cuts. We would see
22 428 layoffs, and we would have to close 36
23 branches, which would be half the branches--

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25 CHAIRPERSON RECCHIA: How many

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layoffs?

CHRISTIAN ZEBRESKI: 428, sir.

CHAIRPERSON RECCHIA: And what is the number?

CHRISTIAN ZEBRESKI: 29.6 million with 36 branch closures, which is half of the branches that we have in the system.

CHAIRPERSON RECCHIA: Queens always says they are going to close branches. Layoffs-- for the last past five years how much are you down? Do you know?

CHRISTIAN ZEBRESKI: Queens, I am sorry, sir. I don't have that number.

CHAIRPERSON RECCHIA: Okay. Thank you very much.

VALENTINE COLON: The figure for the budget, 49 million - - .

CHAIRPERSON RECCHIA: Okay.

EILEEN MUELLER: Also, Councilman, I can get the figure for Queens from John tomorrow, and I can send it to you, the number that they are down.

CHAIRPERSON RECCHIA: The New York Public Library system, their number was higher the

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other day when they testified before me. Okay. I want to thank you all. You want to say something?

VICKY HILL: I just want to say that the public libraries are basically the last house on the block. It is the only place where you can go for free, check out a book, use the restroom, go on the computer. There are many things that we offer. We offer from babies to seniors different programs, and I would be sad if libraries had to close their doors, and particularly young people in the summer would have no place to go. Thank you.

CHAIRPERSON RECCHIA: Okay. Thank you all for coming. Thank you, Ms. Kelly. It was a pleasure for you testifying. Call the next group.

FEMALE VOICE: Anthony Feliciano [phonetic], Mina Mandion [phonetic], Alicia Sawa [phonetic], William Slade [phonetic] and Frank Proccio [phonetic].

CHAIRPERSON RECCHIA: Okay who wants to go first? State your name for the record.

ALI SAWA: Good evening. My name

1
2 is Ali Sawa, and I am a New York State licensed
3 mental health counselor. I am here today on
4 behalf of the executive director of the Mount
5 Sinai Sexual Assault and Violence Intervention
6 Program or SAVI - - . The Mount Sinai SAVI
7 program is a multi-site, multi-program
8 organization dedicated to supporting and serving
9 survivors of sexual violence and intimate partner
10 violence in New York City. Sexual assault is a
11 serious problem in New York City. A recent survey
12 of over 10,000 people nationwide by CDC found
13 nearly one in five women over 18 percent have been
14 raped at some time in their lives. For men the
15 rate is one in 71 men, 1.4 percent. This
16 translates into 785,543 women raped in their
17 lifetime in New York City with 47,220 women
18 experienced rape in the last 12 months. For men,
19 54,000 have experienced rape in their lifetime,
20 yet in 2012 only 1100 rapes were reported to the
21 NYPD. Sexual assault is one of the highest
22 unreported crimes as compared to all other crimes
23 with 65 percent of sexual assaults not being
24 reported to the police. Unfortunately while
25 virtually every other crime in is a neutral or

1
2 downward trend, sexual assault shows no sign of
3 slowing down in our city. The most recent mayor's
4 management report shows a rising five year trend
5 in the crime of forcible rape. For this reason we
6 believe that resources to address sexual assault
7 must be in the city's budget. The Mount Sinai
8 SAVI program would like to be sure that adequate
9 funding to address sexual assault is in this
10 year's budget. The Mount Sinai Sexual Assault and
11 Violence Intervention program - - crime victims
12 treatment center have services available 24 hours
13 a day, 7 days a week for women, men and victims of
14 sexual violence and sex trafficking. At the
15 Kingsbridge Heights Community Center child victims
16 and non - - family members are treated to the
17 longer term impacts of child - - sexual assault
18 through counseling, therapy and other approaches.
19 New York City's alliance against sexual assaults
20 DOH recognized sexual assault forensic examiner
21 training institute or SAFETI trains nurses and
22 doctors to provide specialized forensic and
23 medical care to victims in hospitals throughout
24 the five boroughs. The program offered by the
25 four organizations in the sexual assault

1
2 initiative are essential to meeting the
3 challenging changing needs of New Yorkers. We are
4 requesting a 50 percent increase in the initiative
5 funding this year, a total of 300,000 dollars,
6 which is divided equally among the four programs.
7 With additional funding the sexual assault
8 initiative with - - the ability to serve Spanish
9 speaking families with therapy and support groups.
10 It will maintain vital training and certification
11 for emergency room nurses, doctors and other
12 professionals treating sexual assault victims in
13 all five boroughs.

14 CHAIRPERSON RECCHIA: Okay. I hear
15 you. So you are testifying that you want the
16 sexual assault initiative to be funded.

17 ALI SAWA: Correct. Yes. All four
18 organizations who are a part of it, and we are
19 asking for 50 percent increase.

20 CHAIRPERSON RECCHIA: A 50 percent
21 increase, so you want to go from 300,000 to
22 450,000?

23 FEMALE VOICE: We are asking
24 300,000 dollars--

25 CHAIRPERSON RECCHIA: State your

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name for the record please.

MINA MANDION: Mina Mandion. I am representing New York City Alliance Against Sexual Assault. We are asking 75k, each group, 300,000 dollars in total.

CHAIRPERSON RECCHIA: So you want a total of 300,000 dollars. So right now each group gets 50,000 dollars?

MINA MANDION: Mm-hmm.

CHAIRPERSON RECCHIA: So you want to go from 50 to 75. Okay. Just so I am clear. I don't mean to be so direct, but I have to make sure I understand what you are testifying.

FEMALE VOICE: We will take 150,000.

CHAIRPERSON RECCHIA: What else do you want to say?

FEMALE VOICE: - - groups served 2300 people - - and we provided 10,000 units of services including therapy and counseling sessions.

CHAIRPERSON RECCHIA: Alright, and those four groups--

ALI SAWA: Are the Mount Sinai

1
2 Sexual Assault and Violence Intervention Program,
3 St. Luke's Roosevelt Crime Victims Treatment
4 Center, Kingsbridge Heights Community Center and
5 the New York City Alliance Against Sexual Assault.

6 CHAIRPERSON RECCHIA: Alright, so
7 the Mount Sinai Sexual Assault and Violence
8 Intervention, St. Luke's, Kingsbridge Heights and-
9 -

10 ALI SAWA: [interposing] New York
11 City Alliance Against Sexual Assault.

12 CHAIRPERSON RECCHIA: Okay. Thank
13 you very much.

14 ALI SAWA: Thank you.

15 CHAIRPERSON RECCHIA: Okay.

16 MINA MANDION: Can I add one more
17 thing?

18 CHAIRPERSON RECCHIA: What do you
19 want to add?

20 MINA MANDION: The Kingsbridge
21 Heights Community Center sees clients as young as
22 three, and they are the only free program in that
23 neighborhood, so please consider this worthwhile
24 initiative. Thank you.

25 CHAIRPERSON RECCHIA: Anything

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else? Thank you very much.

ANTHONY FELICIANO: Good evening.
My name is Anthony Feliciano. I am the director
of the Commission on the Public's Health System,
and we are facilitator of the People's Budget
Coalition, an alliance of 15 plus community based-
-

CHAIRPERSON RECCHIA: Do we have
your testimony?

ANTHONY FELICIANO: Yeah. We are
united around preserving public health programs
and services. Even though the mayor and the
Department of Health claims to be committed to
improving public health over 25 million in public
health services and programs were cut in this
year's budget. To name them there a little bit
over 937 - - for - - school based health centers,
- - immunizations teams, the East Harlem Asthma
Center outreach staff, five million to child
health clinics, 2.5 million to infant mortality
reduction initiative, 1.25 million to mental
health for children under five, 8 million cuts to
HIV/AIDS testing and supportive services and more.
My attached talking points are there to give you

1
2 more details. We believe we need to restore these
3 vital public health programs and services because
4 one, the public health safety net and access. The
5 public health infrastructure in New York City is
6 critical. - - public hospital systems cannot
7 sustain further cuts, especially since we know
8 that the changes in the Affordable Care Act
9 regarding healthcare financing may affect the
10 availability of adequate and sustainable funding
11 as HHC will continue to care for people who still
12 lack health insurance, especially people who are
13 undocumented. Even with the federal healthcare
14 reform going into effect - - communities will have
15 nowhere to go if our public health services
16 infrastructure and safety net is jeopardized.
17 Many of these - - serve underserved communities as
18 you know, and some of these programs if they have
19 reduction in services - - potentially forced to
20 close. People are more likely to access emergency
21 rooms and other more costly alternatives. The
22 other area is accountability to communities. You
23 know, a municipal leader like a mayor is in charge
24 with promoting the safety and health of the city,
25 but if we have these cuts, we are representing the

1
2 abandonment of our responsibility to New Yorkers,
3 especially to the uninsured, low income persons,
4 women, children, teens, people with HIV/AIDS and
5 other chronic illnesses. We also want to say that
6 some of these services serve as large percent of
7 racial and ethnic minorities including that we
8 also understand that poverty and economic
9 insecurity has exacerbated in most of these areas,
10 and that in New York we see a further gap between
11 the poor and the rich. For example, New York City
12 is home to more than four million women and girls
13 close to one in four are economically vulnerable.
14 Basically what that means is they are likely to
15 live in poverty, have lower earnings and suffer
16 longer unemployment than women in the city.
17 Contrary to what the Health Department talks about
18 in terms of infant mortality, infant mortality has
19 increased nearly 30 percent over 10 years.

20 CHAIRPERSON RECCHIA: Okay.

21 ANTHONY FELICIANO: And so just to
22 let you know, these cuts fail to save on the short
23 run and that there is also a healthcare work
24 shortage, and so having layoffs will increase
25 that, and we also want to say that reducing hours

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2 or limiting services actually will exacerbate that
3 as well. So like always, we look up to you to
4 restore. Thank you.

5

CHAIRPERSON RECCHIA: Alright.

6

Thank you very much. Thank you all. Call the
7 next one.

8

FEMALE VOICE: Danielle Reece

9

[phonetic], Emily Caseras [phonetic], Danisha Edy

10

[phonetic], Sheila Minnim [phonetic].

11

CHAIRPERSON RECCHIA: This is team

12

RAP. This is the only panel. Thank God. I just

13

want everyone to know who is staying here, this

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program about four years ago was going to be cut,

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and at this public hearing, it went on until like

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11, 12, 1 o'clock in the morning, all these kids

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they stand until they testify, and the stories

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just touched everybody's heart and because of that

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we made sure that this program is still alive

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because of this City Council, and it's a great

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program. If you are wondering does it pay to hang

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around to testify, it definitely does. Alright.

23

Go ahead. Who wants to go first? Put the

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microphone on and state your name for the record.

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EMILY CASERAS: My name is Emily

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Caseras.

CHAIRPERSON RECCHIA: You were here last year, right?

EMILY CASERAS: I was here last year. So I want to start off by saying that I urge you guys to restore full funding for Teen RAP Program [phonetic], which serves more than 45,000 students in New York City middle school and high schools. I have been a part of this program for five years already, and it has helped me with my personal issues at home, helped me with my friends and family out in college. I am a sophomore now at SUNY - - . This program for you to cut it you are just basically cutting our youth of information how to express themselves, how to help people out, and how to avoid being in problems that they shouldn't be in. So I am just going to end it with that.

CHAIRPERSON RECCHIA: Thank you very much.

DANIELLE REECE: My name is Danielle Reece, and I am a senior at Washington Urban High School. I joined RAP at my sophomore year of high school and after three years of being

1
2 in RAP, I can honestly say that I am a different
3 person. I went from being someone who was in an
4 abusive relationship, had major family problems
5 and a lot of pent up anger inside to someone who
6 now always has a smile on my face, a positive
7 attitude and someone who cares about others. RAP
8 showed me that people can really change and that I
9 am not alone. There are still kids out there with
10 similar issues like me and worse. They all need
11 their RAP programs. RAP is a second family to all
12 of us. The people there are people that we can
13 all count on or just talk to when we need someone
14 to listen. We are all different, but in the end,
15 we all joined RAP for two reasons--we all need
16 someone to talk to and we are all tired of feeling
17 alone. RAP is our home, and no one wants their
18 home to be taken away from them.

19 CHAIRPERSON RECCHIA: Very well
20 said. What grade are you in?

21 DANIELLE REECE: I am a senior.

22 CHAIRPERSON RECCHIA: You are a
23 senior. Are you going to college?

24 DANIELLE REECE: Yes.

25 CHAIRPERSON RECCHIA: Where are you

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going to school?

DANIELLE REECE: Buffalo State.

CHAIRPERSON RECCHIA: That is
great.

[applause]

DANISHA EDY: Hello. My name is
Danisha Edy, and I am a college freshman right
now. Today I will be sharing my experience as a
RAP peer leader. In my experience with RAP I have
gone from communicating passively, to
communicating assertively. Because of RAP
workshops I have learned how to work with my peers
respectfully, understand life from others'
perspectives and how to become a strong public
speaker. These tools have opened a lot of doors
for me because I was invited and participated in
the Love Right [phonetic] conference held at
Harlem Hospital and co-facilitated a class at
Hunter College graduate of social work. I also
spoke at the - - street harassment rally in
Washington Square Park where I joined Council
Members Julissa Ferreras, Stephen Levin and many
others asking others to join the fight to end
street harassment. RAP taught me to face

1
2 challenges even when I felt like giving up.
3 because of RAP I learned to climb over obstacles
4 and continue to strive for success no matter how
5 difficult the situation may be, and thanks to RAP
6 that is exactly what I did. When I couldn't go
7 away to college due to financial burdens, I almost
8 gave up on my goal to attend, but RAP supported me
9 by helping me get back on my feet to continue
10 accomplishing my goals of attending. Currently
11 attending Hostos Community College and reside in
12 the Bronx, I take the knowledge I have gained from
13 RAP to each and every one of my classes. RAP has
14 enabled me to have a positive impact on my peers.
15 As one said, you are my role model, and I admire
16 all the work you have put in to the RAP program.
17 RAP is not like any other program. it is unique
18 in its own way because it is a place where all of
19 your differences are accepted without judgment.
20 RAP is the reason why I am at where I am at today
21 and referring back to what Council Member Letitia
22 James said on May 22nd at the City Hall press
23 conference, it is the youth as in us who have the
24 power to fight for what is right. It only takes
25 one voice to make a difference, and I will be that

1
2 one voice to lead an army of supporters because
3 New York City needs RAP. Thank you.

4 CHAIRPERSON RECCHIA: Thank you
5 very much. So eloquently said.

6 [applause]

7 MALE VOICE: Sorry. Apparently my
8 slip had the misfortune of getting lost. I guess
9 it was a little early. I am testifying off of a
10 letter that I delivered on Monday in connection
11 with the Monday discussion about the library
12 budget, and I will submit it now formally as part
13 of my testimony. That letter was in part
14 predictive. It said that the City Council Members
15 will undoubtedly say that the underfunding of the
16 libraries is unjust and must be reversed. It was
17 also in part prescriptive. It noted that there is
18 an elephant in the room that needs to be discussed
19 and if that is not discussed that the hearings
20 would be irresponsible and meaningless. The
21 deliberate underfunding of libraries is being used
22 as an excuse to wastefully sell libraries and
23 shrink the library system. as it was Monday went
24 to start to finish without any discussion of that
25 fact. In the context of this irresponsible

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2 selling off of libraries, the City Council cannot
3 simply vote to provide more funds and resources to
4 libraries without intervention because the
5 wasteful sell off of libraries is a squandering of
6 the systems' assets if the library officials are
7 doing it incompetently, but if they are doing it
8 intentionally, it is a pure plundering. You have
9 already heard today about how the Donnell Library
10 was sold off for a pittance. You have heard about
11 how the central library plan takes 380,000 square
12 feet of library space and reduces it to 80,000
13 feet, but that is being done very expensively.
14 300 million dollars is being spent to shrink that
15 space, 150 million of that is coming from the city
16 in the city's budget. And this same wasteful
17 shrinkage is being exported to Brooklyn with
18 similar plans calling for a leveraging which is a
19 selling off and shrinkage of all the libraries in
20 Brooklyn. City Council cannot vote to supply
21 additional budget funds that will be subject to
22 such squandering or plundering without
23 intervention and investigation.

24 CHAIRPERSON RECCHIA: Thank you for
25 the testimony on the libraries. To the young

1
2 adults, I hear you. I like your orange signs. We
3 will be in touch. Alright. Thank you very much.
4 Call the next panel.

5 FEMALE VOICE: Stephanie Gandell
6 [phonetic], Tyeisha Branch [phonetic], Christy
7 Parket [phonetic].

8 TYEISHA BRANCH: Good evening. My
9 name is Tyeisha Branch, and I am the program
10 director of Education and Youth Development at
11 CAMBA [phonetic], and I am here to testify on
12 behalf of our agency. Last June, CAMBA testified
13 to restore 25,000 out of school time slots that
14 were on the chopping block. These cuts included
15 400 slots at CAMBA OST programs. After our
16 testimony, our staff packed up our program
17 offices, said goodbye to our students and then
18 just a few days later after the boxes are packed
19 and the computers are disconnected we learned that
20 funding to our programs had been restored. Of
21 course, we were overjoyed that we could again
22 provide the critical resources thanks to the City
23 Council and especially Council Members Eugene and
24 Gentile; however, we had to quickly hire and train
25 new staff, move back into our offices and notify

1
2 our students and their families that our programs
3 would continue for the next year. With no stable
4 ongoing funding in place out of school time
5 programs are again facing huge cuts. 50 million
6 dollars or over 31,000 slots. The annual fight
7 for funding consumes much of our time that would
8 be better spent on our programming. The constant
9 uncertainty of funding hurts our ability to
10 maintain quality programs. Moreover, the families
11 we serve are living in destruction, fear and
12 uncertainty. Closing programs for children can
13 lead to loss of jobs and financial catastrophe.
14 Comprehensive high quality after school programs
15 cannot be replaced by unsupervised walks home and
16 afternoons in front of the TV, and that is too
17 often an alternative for our children of working
18 parents who have no other options when the school
19 bell rings. If the proposed budget passes, CAMBA
20 programs at two schools, P.S. 139 and P.S. 249 in
21 Flatbush Brooklyn will close entirely eliminating
22 a high quality after school programming for over
23 40 elementary school students. Our other four OST
24 programs which already have waitlists will lose
25 significant numbers of slots. All told we will

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2 lose 612 slots, over 56 percent of our current
3 service capacity. You must restore these
4 fundings. My testimony continues in writing
5 regarding Beacon and some other youth programs as
6 well.

7 STEPHANIE GANDELL: Good evening,
8 My name is Stephanie Gandell. I am the associate
9 executive director at Citizens Committee for
10 Children. We don't accept any government funding,
11 so I am not here asking for any on our own behalf,
12 but on behalf of the children, families and the
13 city. I want to start off by thanking the Council
14 for all that you have done to restore funding over
15 the past few years. While this annual ritual of
16 coming before you to testify and then sit on the
17 steps with signs and flyers is known as the budget
18 dance it is important to remember the dance is not
19 as simple as just restoring the cuts. They do not
20 make the programs whole, and they cause the
21 destructions that you have heard about. This
22 budget is the last budget of the Bloomberg
23 Administration and the final opportunity for this
24 City Council to leave an imprint on the city. We
25 are hopeful that not only can we restore funding

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2 this time, but we can also base line funding for
3 many of these programs. We can end the dance with
4 a curtain call ensuring the stability and future
5 of the programs that the City Council has long
6 supported. I just want to mention a couple of new
7 cuts. One is the 775,000 dollars for the school
8 based health centers. Another is raising the
9 price of school lunch from 1.50 to 2.50. We
10 believe children shouldn't be the ones who have
11 the higher taxes on them. In addition, there is a
12 new 10 million dollar cut to OST which I don't
13 know if the administration thinks the City Council
14 is going to become the OST provider, but if you
15 look at the chart, you can see that you are
16 supporting most of the OST program. In the
17 childcare arena, we have in addition to all of the
18 City Council funding a new problem of receiving
19 five million dollars less from the state in their
20 new allocations, and we can't possibly ask the
21 Council to fill that gap, but we hope that you
22 can talk to your counterparts in the state to see
23 if they can help, and lastly, on the runaway and
24 homeless youth services, we really hope that they
25 can be base lined this year and actually that we

1
2 can add to that so that we can actually start to
3 meet the increased need. On Teen RAP, we would
4 also like to restore it to its original funding
5 level of three million. The full list of
6 restorations that we are asking for are in our
7 testimony. Thank you.

8 COUNCIL MEMBER CHIN: Thank you so
9 much for coming to testify. I mean one of the
10 things that the City Council is working on it is
11 trying to baseline those programs. We don't like
12 that dance either because in dancing you are
13 supposed to have a partner, but this
14 administration is not a partner, so hopefully we
15 can change that this time or definitely in the
16 next administration, but we thank you for all of
17 the work that you do and we truly believe that
18 after school programs are so important to the
19 education of our children, and it's unfortunate
20 that programs get disrupted, but we are fighting
21 very hard to restore those programs.

22 MULTIPLE VOICES: Thank you.

23 FEMALE VOICE: Next we will have
24 Lorraine Gonzalez-Camastra [phonetic], Alfred
25 Siegel [phonetic] and Andrew Hollick [phonetic].

1
2 LORRAINE GONZALEZ-CAMASTRA: Good
3 evening. I had come with Dr. David Appel from
4 Montefiore to testify on behalf of school based
5 health centers, so if you could join me.

6 [pause]

7 LORRAINE GONZALEZ-CAMASTRA: Good
8 evening, Council Member Chin and Council Member
9 Recchia. My name is Lorraine Gonzalez-Camasta,
10 and I am the director of Health Policy at the
11 Children's Defense Fund New York. The Children's
12 Defense Fund leave no child behind mission is to
13 ensure that every child has a healthy start, a
14 head start, a fair start, a safe start and a moral
15 start in life and successful passage to adulthood
16 with the help of caring families and communities.
17 CDF a member of the people's budget coalition
18 opposes cutting New York City's public health
19 services and programs by more than 25 million
20 dollars in the executive budget. Most of these
21 programs serve children and our city's most
22 vulnerable communities. In my testimony today I
23 will focus specifically on the need to restore
24 937,377 dollars in city monies to four New York
25 City school based health centers, mainly Roosevelt

1
2 High School in the Bronx, Franklin K. Lane High
3 School in Brooklyn, George W. Wingate [phonetic]
4 High School in Brooklyn, the Percy Sutton
5 Educational Campus in Harlem. Combined these
6 schools provide healthcare services to over 8,000
7 students annually. The Children's Defense Fund is
8 gravely concerned about the impact that this loss
9 would have on health outcomes for children and
10 youth who need these schools. We strongly urge
11 that the 937,377 in city funds be restored to
12 these centers for the following reasons: number
13 one, without school based health centers, these
14 communities would likely experience an uptick in
15 emergency room visits; number two, centers are a
16 means to eliminate racial and ethnic disparities.
17 According to a study conducted in 2010 published
18 by the American Journal of Public Health school
19 based health centers have demonstrated overall
20 cost benefit to the Medicaid system and an
21 effective means for closing healthcare disparity
22 gaps. Number three, school based health centers
23 promote and support academic advancement for
24 students. A study published in the journal of
25 adolescent health notes that asthmatic children in

1 elementary schools without school based health
2 centers miss three more days on average compared
3 to those with a school based health center.
4
5 Lastly number four, absence of centers in these
6 four schools would not save money for New York
7 City. Lack of fiscal sustainability for these
8 programs would result in their closing. In turn,
9 this would require the city Department of
10 Education to provide a minimum set of city
11 mandated healthcare services costing up to 200,000
12 per school. In closing, the bottom line is that
13 937,377 from city dollars and putting these school
14 based health centers in jeopardy by cutting this
15 money would not only fail to save the city any
16 money in the short and long run, it would also
17 represent an abdication of our responsibility to
18 these children. Thank you.

19 DR. DAVID APPEL: Hi. My name is
20 Dr. David Appel, and I am a pediatrician and the
21 director of the Montefiore School Health Program.
22 25 years ago I wrote the original proposal to open
23 a school based health center at Theodore Roosevelt
24 High School. The proposal passed the Board of Ed
25 and was originally funded in 1990 by the City

1
2 Council. There has been uninterrupted funding for
3 Theodore Roosevelt High School and four other city
4 funded school based health centers since until
5 this year. The current proposed budget
6 modification would eliminate funding for four
7 school based health centers, one in each borough
8 except Staten Island. We request that you
9 reconsider these cuts. Without the funding, which
10 has supported this evidence based comprehensive
11 care since the early 1990s very innovative
12 effective model, which many clinics throughout the
13 city aspire to, these four clinics would close.
14 The city will have to provide a minimum set of
15 mandated health services and require the placement
16 of one to two RNs in each school at approximately
17 100,000 dollars per year per RN, so just factoring
18 in the replacement of school nurses lowers the net
19 savings to 337,000 dollars. Our school based
20 health centers have been the most effective in the
21 city at reducing unintended pregnancy. At
22 Theodore Roosevelt High School alone the estimated
23 cost per year is over 300,000 dollars a year in
24 savings from prenatal care, miscarriages and
25 medical care for the young women. Also school

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2 based health centers have been proven to reduce
3 hospitalizations due to asthma by 50 percent,
4 emergency room use from asthma by 50 percent,
5 increase attendance and bring a whole host of
6 services. Comparing what a school nurse can
7 provide in a school based health center in a
8 school to a comprehensive school based health
9 center, school nurse provides first aid, addresses
10 504 needs, diabetic monitoring and sports
11 physicals. School based health centers also
12 provide primary care, lab tests, reproductive
13 health care, availability of contraceptive
14 methods, HIV counseling and STI counseling and
15 treatment, immunizations, mental services and
16 often dental care. It is pennywise and pound
17 foolish. It will end up even in the first year
18 costing the city more money than it saves and
19 there will be over 8500 teens who have relied on
20 these services for over 20 years without a place
21 for confidential, respectful care in neighborhoods
22 that need these services the most.

23 COUNCIL MEMBER CHIN: Thank you so
24 much for coming to testify. Health centers in our
25 schools are so important. We are trying to get

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more of them so we have got to make sure that we save every single one of them. So thank you so much for the good work that you do and for the studies and hopefully we can work it out to save them.

DR. DAVID APPEL: Thank you very, very much.

FEMALE VOICE: Next panel: Majid Newbald [phonetic], Karen Yao [phonetic], Alice B. Owens [phonetic], Rick Jones - - .

ARCHANA PRAKASH: Good evening. My name is Archana Prakash. I am the supervising attorney at the Neighborhood Defender Service of Harlem, and I'd first like to thank the Council. For a very long time you have supported our mission in providing indigent defense services to the residents of Harlem or northern Manhattan. We have been able to secure funding through the city in an RFP process and so I am actually here today not to discuss our criminal practice, but our practice in working on civil cases and the collateral consequences that many of our clients face. As you know, our clients, council members - - said that the city sometimes is a tale of two

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2 cities. We represent sort of the other city in
3 New York, working class and lower income people,
4 and a lot of our clients who come who have a
5 criminal case have a host of other issues
6 including immigration issues, housing issues.
7 Many of the youth face suspension from schools and
8 hearings where they are not represented by
9 lawyers. As well as many of our clients have
10 mental health issues. We try and provide an
11 innovative approach to our practice in that we
12 look at all of these collateral issues and try to
13 see what we can do to stop the revolving door in
14 terms of clients come back into the criminal
15 system as well as addressing issues that will
16 ultimately lead to clients having a stable place
17 to live and also having better outcomes in terms
18 of where they end up and what happens to them. So
19 what we are asking for is to receive funding to
20 work on these collateral issues. In the
21 immigration sense we were part of the getting - -
22 Out of Rikers Coalition and in a lot of ways we
23 are the main enforcers of that in terms of making
24 sure that this city of immigrants people who have
25 a reason to stay who are in deportation

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2 proceedings are not entitled to counsel and we
3 seek to provide our clients with counsel in those
4 proceedings when they have valid claims to stay in
5 this country. In terms of the youth law programs
6 that we provide again many of the school
7 suspension hearings children are being suspended
8 from school for petty offenses and they don't have
9 a lawyer. They are being questioned by DOE
10 lawyers, but they don't have a lawyer and we seek
11 to provide a lawyer for all of our clients. That
12 is a huge collateral consequence in terms of what
13 happens to 15, 16, and 17 year olds in school. I
14 will be very short in just saying that the other
15 collateral consequences that we seek to provide--
16 the other legal services that we seek to provide
17 in terms of these collateral issues the most
18 important one is our housing defense practice.
19 They are draconian laws that allow whole families
20 to be evicted when one person is facing and has
21 been convicted of a crime, and what we have done
22 is expanded our practice to allow housing attorney
23 to represent our clients and other clients in the
24 Harlem community who are facing eviction, so what
25 we are asking for is the Council has shown faith

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2 in our organization in the past. We want to take
3 the same aggressive litigation that we provide in
4 the criminal side and expand that into the civil
5 side so that we can adequately address all of our
6 clients' needs.

7

COUNCIL MEMBER CHIN: Just a
8 question. Is this a new initiative or this is
9 something that you already have requested before?

10

ARCHANA PRAKASH: It is not a new
11 initiative. We are seeking to maintain our
12 funding for the initiative as well as expand it as
13 we unfortunately have to turn away people because
14 we don't have enough lawyers who can focus on the
15 collateral issues that our clients deal with.

16

COUNCIL MEMBER CHIN: Okay, and on
17 the criminal side, you have gotten the city RFP,
18 so you have base line funding?

19

ARCHANA PRAKASH: Yes. This is all
20 for the collateral issues that our clients deal
21 with and the civil legal services that we can
22 provide.

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COUNCIL MEMBER CHIN: Okay. Thank
24 you.

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ARCHANA PRAKASH: Thank you.

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COUNCIL MEMBER CHIN: Next?

KAREN YAO: I'm Karen Yao, and I am the executive director for the Coalition for Asian American Children and Families, and I would like to thank you for holding this public hearing into this late hour and for your efforts restoring funding for crucial programs. CCF is the nation's only Pan Asian efficacy organization for children. We also work with over 40 community based organizations bettering our membership to promote better policies, funding, and services for Asian Pacific Americans or APAs. CCF also co-leads the 13 Percent and Growing Coalition which consists of over 45 Asian led and serving organizations working together to ensure that the New York City's budget protects the most vulnerable New Yorkers, including APAs. Currently APA community is already grossly underfunded with the city's human and health services dollars, and yet these dollars are being further slashed for crucial programs, and where should I begin when we speak of cuts or restoration of these cuts? I have submitted written testimony for today's hearing that includes very specific requests for the

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2 restoration of funding, but here, I would like to
3 highlight several programs that others have not
4 testified about. City Council must restore 4.6
5 million dollars to the immigrant opportunities
6 initiative, allowing immigrant families to access
7 programs to obtain citizenship and language skills
8 for these - - jobs. City Council - - must also
9 restore 6.7 million dollars in adult literacy
10 services. these programs are crucial for the APA
11 community which is 78 percent foreign born and 28
12 percent of us live in linguistic isolation. These
13 programs can mean the chance to truly be an
14 America and be acculturated into the United States
15 or not. The City Council we advocate must also
16 restore 66.2 million dollars in after school and
17 59.6 million dollars in child care dollars.
18 Others have testified on those very specific
19 points. I would like to point out that 66.2
20 million dollars means 35,000 out of school slots
21 [phonetic], that's 5600 Beacon slots and 733 slots
22 in NYCHA's Cornerstone program. 9,000 children
23 would not get early education childcare if these
24 66.2 million dollars is not restored.

25 COUNCIL MEMBER CHIN: You have it

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2 in the testimony, so we know that. Do you want
3 anything else you want to raise, like the new
4 initiative that you want to talk about?

5 KAREN YAO: The specific request
6 for restoration of funds specifically, not
7 necessarily new initiatives. I am very specific
8 in my testimony.

9 COUNCIL MEMBER CHIN: Okay. Thank
10 you. I know that you are grouped together with
11 Hispanic Federation--met with us and Black, Latino
12 and Asian caucus talking about new programs.

13 KAREN YAO: Councilwoman, if you
14 are referring to--

15 COUNCIL MEMBER CHIN: [interposing]
16 Yeah, it is in the testimony. I saw it. The
17 stabilization fund.

18 KAREN YAO: Exactly. We are very
19 much in support of a stabilization fund that would
20 support capacity building that would target our
21 membership.

22 COUNCIL MEMBER CHIN: Yeah, that is
23 very important. I am glad you stayed and
24 testified. Thank you. Next.

25 ALICE OWENS: [off mic]

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COUNCIL MEMBER CHIN: [interposing]

Alice, press the mic.

ALICE OWENS: Council Member Chin, my name is Alice Owens. I am the president of Colony South Brooklyn Houses, a social service organization founded in Brooklyn in 1904. I testified before this committee last year in the wake of early learn. I want to thank all the members of the Council, especially Committee Chairperson Domenic Recchia and members Charles Barron, Margaret Chin, Sara Gonzalez, Letitia James, Darlene Mealy, Annabel Palma and Speaker Quinn for their heroic efforts on Colony's behalf. While we still had to make significant program cuts, we have been able to operate six of our programs serving nearly 400 children and employing almost 100 in staff. Several of our sites have waiting lists. Unfortunately, I must ask the Council to once again allocate discretionary funds for Colony's childcare programs because without this funding our programs will be forced to close their doors and children and parents will be the losers. This would be a tragedy obviously for the agency but most importantly for the children,

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2 young and vulnerable to whom we offer a foundation
3 for lifelong learning and a safe secure place to
4 be during the day. It would be a tragedy for the
5 parents, hardworking, engaged and deeply concerned
6 for their children's welfare, who want as all
7 parents do only the best for their youngsters.
8 Without Colony's programs, these parents will to
9 be able to go to school or hold jobs because they
10 have no reliable source of childcare. It would
11 also be a tragedy for our staff caring, committed,
12 compassionate, well-trained and properly
13 credentialed academically for the positions that
14 they hold. The centers Colony operates that need
15 discretionary allocations are located in East New
16 York, Williamsburg and Sunset Park, all
17 communities that have a high concentration of need
18 as defined by the Administration for Children's
19 Services. Without Colony's centers our provider,
20 Mother Homes, parents can easily become
21 unemployed. Whatever economic improvements have
22 occurred, they are not robust. Jobs are scarce.
23 Our parents no matter how hardworking are
24 economically fragile. They are sometimes only a
25 paycheck away from being homeless or being unable

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2 to put food on the table. With discretionary
3 funding from the Council, this years' experience
4 has been very positive. We have continued to meet
5 all Health Department Requirements. Our landlords
6 have been supportive. We have worked closely with
7 the professional development institute at CUNY to
8 strengthen our programs and to plan for a
9 sustainable future. I want everyone to be aware,
10 and I would conclude with this. As I know council
11 members are that daycare is not a babysitting
12 service that merely places children in front of a
13 television, phone or computer screen. It is a
14 learning experience. Teachers use the nationally
15 recognized creative curriculum, the developmental
16 needs of each child are considered, and children
17 are allowed to explore, discover. Experiment and
18 be creative. There are so many opportunities for
19 service. We have proposed bringing children from
20 transitional housing sites as we have in the past
21 to a center to give them the benefits of daycare
22 and on behalf of the agency, the children, parents
23 and staff, I wish to thank you again for this
24 year's discretionary funds and ask that they be
25 continued. Our communities need more programs,

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2 not fewer and our children are our future. Thank
3 you.

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COUNCIL MEMBER CHIN: Thank you,
5 Alice. Thank you so much for staying and
6 testifying. The Council, this is our priority.
7 Last year we saved all of those programs with the
8 discretionary funds, and until we get this early
9 learn program revamp or whatever, we have got to
10 continue to save them, so we are going to work
11 very hard together with you to make sure that
12 every kid has the daycare program that they need.

13

ALICE OWENS: Thank you very much.

14

FEMALE VOICE: Next we will have
15 Dickson Xavias [phonetic], Roman Chanulushy
16 [phonetic], Botalo Arsayed [phonetic] and Danny
17 Ulhar [phonetic].

18

[pause]

19

COUNCIL MEMBER CHIN: Yeah, we are
20 going to wait for Chair Domenic Recchia. He wants
21 to be here for this panel.

22

[pause]

23

CHAIRPERSON RECCHIA: Sorry. I
24 haven't eaten anything all day. Alright.

25

DANNY ULHAR: Good evening,

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2 Committee Council. My name is Danny Ulhar. I am
3 currently a Kingsborough Community College
4 student, and I am here to represent the City
5 University for Black Male Initiative.

6 CHAIRPERSON RECCHIA: Are all of
7 you involved in the Black Male Initiative?

8 DANNY ULHAR: Yes, we are all
9 students. Within the 29 programs in Black Male
10 Initiative we are representing the men's resource
11 center, which is located in Kingsborough Community
12 College. We are here to try and hope for that we
13 can seek some restoration for the 2.25 million
14 dollars that is potentially being cut. I would
15 like to just briefly mention, I don't want to take
16 up too much of your time.

17 CHAIRPERSON RECCHIA: You have got
18 plenty of time.

19 DANNY ULHAR: I would like to
20 briefly mention my experience being affiliated
21 with the men's resource center and how it impacts
22 my academic career. Within a year and a half I
23 was able to achieve three 10,000 dollar
24 scholarships. I am currently a presidential
25 scholar honors student, regular honors student.

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The previous spring I was vice president of the honors club and I have a GPA of a 3.65.

CHAIRPERSON RECCHIA: And where did you go to high school?

DANNY ULHAR: Where did I go to high school? I went to high school abroad.

CHAIRPERSON RECCHIA: Abroad.

DANNY ULHAR: Yes. So--

CHAIRPERSON RECCHIA: [interposing]
And where do you live now?

DANNY ULHAR: I am sorry.

CHAIRPERSON RECCHIA: Where do you live?

DANNY ULHAR: Long Island, Long Beach. I was born and raised in Brooklyn, and then half of my life I was raised in Trinidad. I wasn't always a great student, and the Black Male Initiative has definitely helped me to harness my academic achievements and confidence. Thank you.

CHAIRPERSON RECCHIA: Okay.

BOTALO ARSAYED: Good evening, Councilman. My name is Botalo Arsayed. I am also a student at Kingsborough Community College representing the men's resource center. One of

1
2 my favorite philosophers once said though every
3 member of - - nobody would fall because everyone
4 will be each other's crutches. That philosopher
5 goes by the name of Shawn Carter, but most of you
6 know him as Jay Z. At the men's resource center
7 at Kingsborough Community College, I am blessed to
8 have a mentor who is my crutch, who has my back,
9 who has taught me to use my voice.

10 CHAIRPERSON RECCHIA: Who is your
11 mentor?

12 BOTALO ARSAYED: Michael Rodriguez.
13 He is sitting right over there. The beautiful man
14 with the dreads. Because of Michael Rodriguez, I
15 am vice president of 90.3 WKRB, Brooklyn's number
16 one dance and electronic station since 1978 at
17 Kingsborough Community College, Phi Beta Kappa
18 Honors Society and just recently I was awarded a
19 2500 dollar scholarship with - - documentary
20 institute all because my mentor told me to use my
21 voice.

22 CHAIRPERSON RECCHIA: Where do you
23 live?

24 BOTALO ARSAYED: Brooklyn, New York
25 born and raised.

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CHAIRPERSON RECCHIA: Where?

BOTALO ARSAYED: Flatbush.

CHAIRPERSON RECCHIA: And what high school did you go to?

BOTALO ARSAYED: I went to Prospect Heights.

CHAIRPERSON RECCHIA: Okay. Tish James' district.

BOTALO ARSAYED: Yes.

CHAIRPERSON RECCHIA: So you are a freshman at Kingsborough or a sophomore?

BOTALO ARSAYED: I am a sophomore.

CHAIRPERSON RECCHIA: And you are going to graduate?

BOTALO ARSAYED: I am graduating at the end of this fall, and I will be transferring to Howard University.

CHAIRPERSON RECCHIA: In Washington?

BOTALO ARSAYED: Yes.

CHAIRPERSON RECCHIA: And what is your major?

BOTALO ARSAYED: Media technology and management.

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CHAIRPERSON RECCHIA: Alright. - -

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BOTALO ARSAYED: Thank you so much.

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DICKSON XAVIAS: Hello. My name is

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Dickson Xavias. I also attend Kingsborough

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Community College, and my experience with BMI - -

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. Before I came to BMI I want to say I was not

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that interested in the school. I kind of came to

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school because parents forced me to. I was going

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through the motions, and I was actually

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considering dropping out until one fateful day I

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walked inside the men's resource center and there

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was pictures on the walls of great leaders, great

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young, black and Spanish leaders, and I was like,

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I want to be on this wall. I want greatness.

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CHAIRPERSON RECCHIA: Do they have

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a picture of Charles Barron up there?

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DICKSON XAVIAS: Yes, they do.

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They do.

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[laughter]

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DICKSON XAVIAS: When I got there,

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I no longer wanted to just go through the motions

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with the school. I wanted to achieve something

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greater, and you have a support system that just

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2 makes you want to be better. As you see up here,
3 all of these guys are my peers. All of these guys
4 I consider brothers, and they keep pushing me to
5 strive for greatness and ever since I went to BMI
6 my grades have shot up completely. I went from I
7 believe a 1.--I was almost going to get kicked out
8 of school, and now my grade point average has
9 really went up, and I have just got to thank BMI
10 for that, and thank all of these people that is
11 right here in front of me. I shudder to think
12 what would happen if kids didn't have this
13 opportunity. I would not be here right now be
14 able to talk to you guys right now, be able to
15 dress nicely.

16 CHAIRPERSON RECCHIA: You are
17 dressed real sharp with that bowtie.

18 DICKSON XAVIAS: Thank you. I
19 learned how to tie a bowtie at--

20 CHAIRPERSON RECCHIA: [interposing]
21 Is that what they teach you?

22 DICKSON XAVIAS: They teach you how
23 to become a leader at BMI, and I am becoming a
24 young leader right now, and I really want to thank
25 you guys for the opportunity to talk to you guys.

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CHAIRPERSON RECCHIA: Where do you

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live?

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DICKSON XAVIAS: Coney Island.

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CHAIRPERSON RECCHIA: Where in

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Coney Island?

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DICKSON XAVIAS: 31st.

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CHAIRPERSON RECCHIA: 31st between -

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- and Surf.

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DICKSON XAVIAS: Yeah, right on

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Surf.

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CHAIRPERSON RECCHIA: You like your

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City Councilman?

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DICKSON XAVIAS: Council Member - -

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? Oh, this guy?

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CHAIRPERSON RECCHIA: Even though I

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am white you can look up to me too.

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[laughter]

19

DICKSON XAVIAS: No, but I do

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appreciate everything that you have done.

21

CHAIRPERSON RECCHIA: Where did you

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go to elementary school?

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DICKSON XAVIAS: Elementary, P.S.

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CHAIRPERSON RECCHIA: P.S. 193.

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And where did you go to middle school?

DICKSON XAVIAS: Joseph Lim

[phonetic] and I went to high school at Abraham Lincoln High School.

CHAIRPERSON RECCHIA: - - . You

have got to remember your Councilman is Domenic M. Recchia, Jr. for six more months. That's okay. Hakim Jeffries is the Congressman. We just elected him. I'm running for Congress on the other side of the Belt Parkway right where the bridge stops. Next year I am running for Congress, but Hakim is a good congressman. You look good.

DICKSON XAVIAS: Thank you. Thank

you very much. Do you know who your assemblyman is? Alex - - . Okay.

ROMAN CHANULUSHY: Hello,

Councilman. My name is Roman Chanulushy. We had actually previously met, which is one of the opportunities that I have found--sorry, I am the student government president at CUNY Kingsborough right now, which is a position I have honestly felt has been taken and really take advantage of in a positive way by many young men, many of them

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2 who were participants in the Black Male
3 Initiative, including the former vice president
4 myself. I was an officer in Brothers United,
5 which is actually--myself and Danny are very close
6 because of that. We had met at a volunteering
7 opportunity during Hurricane Sandy in the - - . I
8 had a headlamp, so I look a little different
9 today, but this is why I urge all of the
10 councilmen and women to really support this
11 program because it creates opportunities for black
12 and Latino males and a lot of disenfranchised
13 students, except for myself--I am a non-
14 traditional student. I started on my
15 undergraduate degree at 26. All of these
16 opportunities including opportunities to
17 volunteer, be a part of the community proceed with
18 academic and social and emotional growth, this
19 program and all of the 29 programs of the Black
20 Male Initiative they successfully provide all
21 across CUNY, and I just believe this program is
22 essential in that purpose. I have seen great
23 success with my personal growth and with many of
24 my brothers as well, people that normally would
25 not have this opportunity available.

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CHAIRPERSON RECCHIA: Thank you very much, and thank you for volunteering at - - Houses with us.

ROMAN CHANULUSHY: I am glad they restored electricity relatively quickly. A lot of those people, the people in their 90s, they were really worried, they were up there on the 20th floor, and a lot of the elderly people there they were not really comfortable. These are the kind of things that programs--

CHAIRPERSON RECCHIA: [interposing] There is something that you should learn and all of you should understand. Getting involved in your community is very, very important. Volunteering is very, very important, and becoming a leader is also important because when you lead you can set your agenda and your vision for what you believe in, and you can have a voice, but during Super Storm Sandy, it really shows communities coming together regardless of color, sex, your agenda, what you believe in 'cause everybody was helping each other. It was a beautiful moment. In - - Houses, we had everybody. All kinds of--it was so diverse. We

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all came together, but thank you.

[applause]

KALED MORAD: Good evening. My name is Kaled Morad, and I am also at Kingsborough. I am a sophomore. This is my first semester, and I recently joined BMI and men's resource center because I am looking for leadership opportunities, and I am coming from a place where that wasn't offered to me or given to me, and now I need that because being that I am the only man in my household I need to learn certain things and the men's resource center is definitely teaching me how to have a higher academia. I want to quote W.B. Yeats. He said, Education is not the filling of a pail, but the lighting of a fire, and I believe with this I will light that fire, and I will become a great leader, and that is what I strive for. So I want to thank the men's resource center and all my peers here who also have been helping me and I would like to continue this. Thank you.

CHAIRPERSON RECCHIA: thank you for coming here. You should the professor in charge - - do a great job, these young men. It takes a lot

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to come here testifying. You can watch yourselves on TV cablevision channel 74 next week. Where are you from?

KALED MORAD: I am from Trinidad originally.

CHAIRPERSON RECCHIA: Where do you live now?

KALED MORAD: I live in Staten Island?

CHAIRPERSON RECCHIA: Where?

KALED MORAD: In Mariner's Harbor.

CHAIRPERSON RECCHIA: Mariner's Harbor, Debbie Rose's district. Do you know who your councilwoman is?

KALED MORAD: Debbie Rose.

CHAIRPERSON RECCHIA: Alright. That is why I am running in Congress in Staten Island, Brooklyn seat against Michael Grimm. It's good education. Thank you.

KALED MORAD: No problem.

CHAIRPERSON RECCHIA: Alright. I want to thank you all for coming. You really touched our hearts and thank you for coming today. Let's give these young men a round of applause.

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[applause]

MALE VOICE: We are going to call the next panel: Joseph Mimpa [phonetic], John Medina [phonetic], Ann Valdez [phonetic] and Joseph.

CHAIRPERSON RECCHIA: Community Voices Heard. You guys have been sitting here all day.

JOSEPH MIMPA: I was going to say good afternoon, but good evening. My name is Joseph Mimpa. I am a leader and member of Community Voices Heard. I want to thank you, Chair and Ms. Chin, Council Member who stayed to listen to those who for so long haven't had their voices heard. Recently the Commissioner - - was here making statements in reference to supporting HRA's position. The financial storm, which is brewing, it has been heeded by some, while others seek to ignore it or at least hope it will go away until they are safely out of City Hall and relocated to their new plush surroundings far away from the cries of the anguish, pain and despair and prevailing darkness of hopelessness, which the poor are immersed in. we make the plea to the

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2 City Council to continue to show the courage and
3 leadership they have shown in the past to help New
4 Yorkers regain the pride, self-esteem and
5 confidence to succeed and growth with all of this
6 great city as we capture what has been denied for
7 20 years. Let's begin to focus on things that
8 work, programs that have proven to be successful,
9 activities that are essential to the services and
10 that dramatically impact individuals, families and
11 communities. Let's do what we can to put people
12 working again. There is a formula by which 65
13 million dollars plus current allocated public
14 recipient benefits funding for useless job search
15 contracts can equal 15,000 paid traditional jobs
16 where people can earn 11 dollars an hour, which
17 would mean added tax revenue and increased revenue
18 for business and the most important human dignity.
19 Programs like POP, the parks opportunity program,
20 which provides public assistance recipients with a
21 real paycheck for real work an opportunity to pay
22 taxes, contribute to their social security account
23 and receive earned income tax credit as well as
24 other benefits. These traditional jobs have
25 received high praise for even people like

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2 Commissioner - - and Commissioner White from Parks
3 and Recreation. It is an example of what can be
4 done and what should be done. I am just going to
5 end with an investment in people yearning to
6 better themselves and their families and New York
7 City is a proven winner, a common sense approach
8 to good and caring government. It is an expansion
9 of the traditional job program to other city
10 agencies, which can provide a more effective
11 utilization of human capital by improving the
12 delivery of much needed services, tapping a
13 reserve of eager, capable and talented people
14 looking for an opportunity to prove themselves so
15 that they can become contributors as opposed to
16 recipients. Thank you for your caring and
17 understanding.

18 CHAIRPERSON RECCHIA: Thank you.

19 ANN VALDEZ: Thank you. Good
20 evening. My name is Ann Valdez. I am a leader at
21 Community Voices Heard. As you know, for the last
22 several years CVH has been fighting to restore
23 funds for the Parks Opportunity Program, which
24 provides jobs for people who are on public
25 assistance in New York City. Every day over

1
2 15,000 people are being forced to do unpaid labor
3 called work experience program, WEP. WEP is about
4 humiliation, degradation and punishment for the
5 lowest income people. Mayor Bloomberg has cut
6 this Parks Opportunity Program for the last few
7 years. The City Council has partially we restored
8 it. We thank you for that. Community voices
9 heard wants transitional jobs to be expanded, not
10 reduced. CVH believes WEP is wrong and should be
11 eliminated. I am the mother of three children,
12 two are grown and a 14 year old. I have been off
13 and on public assistance for several years. I am
14 in the we care program due to some physical
15 barriers to employment. I am interested in a
16 transitional job like POP, but the positions in
17 the park are very physically demanding and CVH
18 would like other agencies--and CVH as well as I
19 would like other agencies that have WEP positions
20 to have positions with a paycheck, such as the
21 Department of Citywide Administrative Services,
22 Department of Aging and the MTA. By restoring
23 funds the City Council could create thousands of
24 jobs for the lowest income New Yorkers. People
25 public assistance want a path out of poverty. One

1
2 path is one the job training like POP transitional
3 jobs with a paycheck hopefully leading to
4 permanent employment with a living wage. POP
5 provides jobs with a paycheck, training, union
6 membership, social security credit and EITC
7 qualification. Currently precious childcare slots
8 are being used so that parents of babies can do
9 forced labor, forced unpaid labor of WEP instead
10 of letting the baby be cared for at home and using
11 the childcare slots to guarantee childcare for
12 people getting a paycheck. Thank you for
13 supporting restoration and please consider
14 expanding and creating more jobs for people on
15 public assistance. Thank you.

16 JOHN MEDINA: Good evening, Domenic
17 Recchia, Jr., chairman of the Finance Committee
18 and Margaret Chin, Council Member. Finally we
19 made it. Thanks for hanging in there. My name is
20 John Medina. I'd like the Council to restore 44
21 million dollars into the budget for the Parks
22 Opportunity Program, which has been a successful
23 and key component in the maintenance of the parks
24 according to the Department of Parks and
25 Recreation report dated May 30th, 2013. This

1
2 program not only provides a venue for low income
3 individuals to obtain viable work experience
4 skills, but also provides sustainable wages
5 enabling families to move away from poverty when
6 provided long term employment opportunities into
7 the labor market. This request for restoring the
8 funding to the Parks Opportunity Program reflects
9 the fiscal year 2010 total dollars allocated to
10 the POP at its peak. This request for restoring--
11 unfortunately since 2010 funding for the POP has
12 been steadily decreasing at a rapid rate and being
13 replaced with outrageous numbers of unpaid workers
14 for their respective labor called WEP. I am a
15 decorated soldier with a medical condition
16 currently assigned to perform WEP because I
17 receive food stamps and 215 for rental assistance,
18 215 dollars. Each week I report to the Carver
19 Senior Center to process SCRIE, file income taxes,
20 answer phones, the same work as the caseworker,
21 but she gets a paycheck, and I don't. It should
22 not be a crime to need help from social services,
23 and then be forced to do free labor just for being
24 poor. The job training programs should be
25 expanded to other agencies such as Mass Transit

1
2 Authority, Sanitation Department, Department of
3 Aging, - - Department of Citywide Administrative
4 Services. Demanding unpaid labor in exchange for
5 humanitarian economic social justice when people
6 are in extreme poverty is disgraceful. New York
7 City retains the world's most amounts of
8 billionaires and millionaires, second to the
9 country of Dubai. Please restore the Parks
10 Opportunity Program and expand - - jobs. Just a
11 quick note, there is a lot of veterans coming
12 home. It's disgraceful that they just for getting
13 a handout and needing help they should be treated
14 like second class citizens, and then provide
15 unpaid labor without a paycheck. That is it.

16 CHAIRPERSON RECCHIA: Well, John, I
17 want to thank you for your testimony. I want to
18 thank all of you for your testimony. This is my
19 last hearing. I am term limited out, but since I
20 have been the Finance Chairman, I think you have
21 been at every one of these public hearings all
22 day, and I just want to thank you for what you do,
23 and this City Council, the leadership of Speaker
24 Christine Quinn, would love to sit down and work
25 with you to make sure we help those vets when they

1
2 do come home and we don't want to leave them
3 stranded out there--the feeling that no one cares
4 about them. We are going to--last year we did
5 very well, the City Council, with the Parks
6 budget. We restored millions of dollars. I am
7 working on it right now to make sure that money
8 gets put back and to see how we can expand this
9 program into other city agencies. Of course it is
10 important. It is very effective program. I just
11 want you to know that as you know my door is
12 always open. You have come to us a number of
13 times. But I just want you to know we are here to
14 work with you. Okay. Thank you very much. Hold
15 on.

16 COUNCIL MEMBER CHIN: I would just
17 like to make a comment. I really wanted to thank
18 you for staying here. I know you were here
19 earlier during the day, and it is so important. I
20 know that we encourage people to come down, but
21 this is the way you make your voices heard, and it
22 does touch our heart, and what your suggestion
23 means so much because a job it means dignity for
24 the individual, but it is a success program. We
25 have to get more of our people working, so we want

1
2 to work with you to make sure that we can continue
3 and expand these programs to other agencies, and
4 thank you for your suggestion and thank you for
5 being here.

6 CHAIRPERSON RECCHIA: Okay. How
7 are we doing in the back, Mr. X? You're still
8 here. Mr. X has been here since all of my City
9 Council hearings.

10 MALE VOICE: Randy Levine
11 [phonetic], Sonman Thapa [phonetic], Philip Chen
12 [phonetic], Vagnes de la Rosa and Susan Lacerte
13 [phonetic].

14 [background conversation]

15 CHAIRPERSON RECCHIA: Alright. I
16 know. My sergeant at arms is having a heart
17 attack. Okay.

18 RANDY LEVINE: Thank you for the
19 opportunity to speak--

20 CHAIRPERSON RECCHIA: [interposing]
21 Put the microphone closer to you. State your
22 name.

23 RANDY LEVINE: Thank you for the
24 opportunity to speak with you this evening. My
25 name is Randy Levine, and I am an attorney and

1
2 project director of Advocates for Children of New
3 York. For more than 40 years Advocates for
4 Children has worked to promote access to the best
5 education New York can provide for all students,
6 especially students of color and students from low
7 income backgrounds. Given this mission, we are
8 mystified by Mayor Bloomberg's proposal to cut
9 47,000 children from early childhood education and
10 after school programs at a time when the city and
11 state are implementing the rigorous common core
12 standards and emphasizing college and career
13 readiness early childhood education is not
14 negotiable. Long term research shows that low
15 income children who are left out of high quality
16 early childhood education programs not only start
17 kindergarten behind, but are more likely to be
18 retained a grade in school, be placed in special
19 education classes and drop out of high school.
20 Similarly after school programs help improve
21 children's development, safety and academic
22 performance. Slashing the after school system in
23 New York City would move our schools and our
24 communities in the wrong direction. Depriving
25 47,000 children of these programs will also be far

1
2 more costly in the long run. Leading economists
3 have found that high quality early childhood
4 programs and after school programs are cost
5 effective, providing taxpayers with a strong
6 return on our investment by reducing spending on
7 remedial instruction, special education, public
8 assistance and the criminal justice system. as
9 you know, approximately 130 million dollars is
10 needed to ensure that we continue to serve the
11 same number of children in early childhood and
12 after school programs. We are mainly here to say
13 that we are deeply grateful that the City Council
14 worked to restore funding for early childhood and
15 after school programs last year. We know children
16 who are attending the programs that you saved and
17 who will be ready to start kindergarten in the
18 fall because they have the opportunity to
19 participate in an early childhood program. Once
20 again, we are urging you to work with Mayor
21 Bloomberg to reject the short sighted
22 irresponsible proposed cuts. Thank you for the
23 opportunity to testify.

24 CHAIRPERSON RECCHIA: thank you
25 very much. Next?

1
2 VAGNES DE LA ROSA: My name is
3 Vagnes de la Rosa, and I am here representing Jim
4 O'Neil [phonetic] the executive officer at Sports
5 and Arts in Schools Foundation. Thank you for
6 allowing us the opportunity to speak and for
7 supporting SASF, which allows us to provide after
8 school and summer programming to every council
9 district. I cannot overemphasize the importance
10 of after school programming to parents, students,
11 families, teachers and entire school community.
12 Not only do after school programs play a vital
13 role in keeping children safe and engaged during
14 non-school hours, but also provide critical
15 support to working families and provide much
16 needed jobs to community members, a lot of whom
17 are college students working their way through
18 school. Youth programs are not a luxury. They
19 are a necessity for hundreds of thousands of
20 families in our communities. We currently serve
21 over 35,000 youth and their families in the areas
22 of academic enrichment, sports, arts and college
23 and career readiness programs. These after school
24 program hours provide the opportunity for
25 activities to occur while simultaneously giving

1
2 parents and guardians the peace of mind that their
3 children are safe and well cared for. After
4 school programs continue to support education by
5 complementing the direct education already offered
6 at our schools. This is what I call indirect
7 education, which is a type of youth development
8 education that comes from experiential learning.
9 It is when youth are learning math in your
10 culinary program because they are learning
11 measurement skills. It is when our youth are
12 learning statistics by calculating how many shots
13 they made in the basketball game or develop
14 engineering skills when they are creating robots
15 in our STEM focused robotics clubs. This type of
16 learning is essential for young people who are not
17 only expanding their knowledge base, but also
18 increasing critical thinking and character
19 education skills. We urge you to continue to make
20 youth programming a priority in the upcoming
21 budget. Please renew our citywide discretionary
22 proposal and anti-obesity proposal. These funds
23 will allow us to support anti-obesity programs in
24 middle schools in your community and throughout
25 the city and will allow us to operate a special

1
2 summer program for older youth in Queens and
3 Brooklyn affected by Hurricane Sandy. We are
4 requesting a renewal of a million dollars in
5 discretionary funding for summer camps, and
6 600,000 for anti-obesity programs. I want to
7 thank the Council again for their continued
8 support of some of the programs that allow these
9 programs to continue uninterrupted annually. The
10 Council has always in good and bad fiscal times
11 recognized and understood the importance and
12 benefits of providing after school and summer
13 youth programming. It is why we hope you continue
14 to support via SASF and other community based
15 organizations to continue to provide services to
16 the youth of our great city. Thank you.

17 CHAIRPERSON RECCHIA: Thank you
18 very much. Next.

19 SONMAN THAPA: Good evening. My
20 name is Sonman Thapa. I am from - - . I am the
21 committee organizer at - - .

22 CHAIRPERSON RECCHIA: Do you have
23 testimony?

24 SONMAN THAPA: I should have one.
25 I handed it to the sergeant.

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CHAIRPERSON RECCHIA: Go ahead.

SONMAN THAPA: - - is a member of New York Citywide Coalition that has come together to fight the - - affordable housing in New York City at the hand of - - equity. Over the past seven years, New York City's equitable housing market has been severely destabilized by private equity companies that purchase large number of rent stabilized buildings at inflated price and then push out the rent stabilized tenants, so that they can charge market rates using a wide range of harassing techniques from frivolous lawsuits to failing to provide heat, conduct necessary repairs. Because of those practices, the city has lost thousands of rent regulated apartments over the last few years. As the crisis continues, organizers and lawyers have begun working with tenants in all five boroughs fighting back against these landlords aggressive and illegal tactics. Every tenant that we are able to help dozens more are losing their affordable housing at the hands of predatory equity and the result is that thousands of rent regulated tenants are forced out of their home each year. Because the predatory

1
2 equity companies have far more resources than
3 community organizations the preservation of rent
4 stabilized units depends on assistance of New York
5 City Council. We ask the Council to step in
6 providing funding to stop the loss of these vital
7 rent regulated apartments. With additional
8 resources community organizers supported by
9 attorneys can powerfully defend tenants against
10 dangerous predatory equity landlords. Tenants can
11 begin to fight back and we can make sure that the
12 private investment corporations - - the city its
13 precious affordable housing. Thank you for the
14 opportunity to testify.

15 CHAIRPERSON RECCHIA: Thank you
16 very much.

17 PHILIP CHEN: Hi. My name is Phil
18 Chen. I am the general manager for Armitage Gone
19 Dance. I know we have talked a lot about the
20 annual spring dance, so let's actually get down to
21 dance. I am here to talk about the proposed cuts
22 to the Department of Culture. They are facing a
23 67.5 million dollar cut. The proposed budget for
24 FY '14 is 88.1 million down from FY '13's budget
25 of 155.6 million, and this is already on top of a

1
2 four million dollar--it's lower than four million
3 dollars than what was already projected in
4 January.

5 CHAIRPERSON RECCHIA: So you are
6 testifying for...?

7 PHILIP CHEN: I am testifying on
8 behalf of a lot of dance organizations.

9 CHAIRPERSON RECCHIA: We love dance
10 organizations.

11 PHILIP CHEN: I know you do, and we
12 have come together to save your time to collect
13 them all into one testimony, and I am representing
14 all of them today. When a plane full of New York
15 City ballet dancers landed in Moscow in 1962 for
16 their first Russian engagement an interviewer
17 asked them, welcome to Russia, home of classical
18 ballet. New York City Ballet founder and lifelong
19 New Yorker George Balanchine [phonetic] famously
20 replied, I beg your pardon. America is the home
21 of classical ballet. Russia is the home of
22 romantic ballet. More specifically, he meant New
23 York City. The dance community of New York City
24 reflects our city itself. It is the diverse
25 center of the dance universe. We are the home to

1
2 two of the best ballet companies in the world. I
3 am proud to live in a city that lays claim to
4 Balanchine, to - - , Agnes de Mille [phonetic],
5 and Mikhail Baryshnikov. We are the city that
6 pioneered modern dance housing the laboratories of
7 Martha Graham [phonetic], Merce Cunningham
8 [phonetic], Alvin Ailey [phonetic] and Paul Taylor
9 [phonetic]. We kept pushing and experimenting
10 giving birth to the postmodern movement out of the
11 - - memorial church Trisha Brown [phonetic],
12 Lucinda Childs [phonetic] Yvonne Rainer [phonetic]
13 among many others. In 2009 and 2010 according to
14 a dance NYC study based on data from the cultural
15 data project the city boasted close to 200 dance
16 organizations around the five boroughs with over
17 230.7 million dollars spent by these groups. I
18 worry that this number may have gone down since
19 then and I know that some companies are downsizing
20 their operations, cutting the number of dancers
21 and rehearsal weeks in order to stay in business
22 during the recession. We are more than just a
23 community of artists though. The influence of the
24 dance community of New York City is felt across
25 the city and I respectfully go over time because I

1
2 am testifying on behalf of five different
3 organizations. From Dance Theater of Harlem's
4 artistic director, Virginia Johnson, the
5 Department of Culture has played a pivotal role in
6 enabling Dance Theater of Harlem to address a
7 myriad of cultural, educational, health, social
8 and economic needs through the art of ballet.
9 While a perceived lack of intrinsic value of an -
10 - may underlie the proposed cuts, our achievement
11 over the past four decades show the transformative
12 power of the arts, make adequate funding for the
13 support of the DCA both necessary and prudent. I
14 am just going to skip a few of these. From - -
15 administrative director Mary Hodges, today our
16 company is a multi-million dollar business with a
17 global reach and we are still headquartered in the
18 same Chelsea brownstone. Having a healthy New
19 York City dance community with local dance
20 schools, employed professional dancers and
21 performances that draw dance lovers from all
22 around the world is vital to our business helping
23 us derive the economy of the city. From the
24 American Ballet Theater CEO Rachel Moore
25 [phonetic], New York City remains the home base of

1
2 the company. New York is also the focus of a
3 majority of ABT's education and training efforts.
4 The company reaches nearly 15,000 students and
5 families every year providing access to world
6 class dance to those who would not otherwise have
7 the opportunity. ABT distributes over 2500
8 complimentary tickets to participating students
9 and provides substantial scholarships with - - and
10 ABT's pre-professional Jacqueline Kennedy Onassis
11 school, enabling access the highest quality
12 artistic training. And finally from Dancers
13 Responding to AIDS founding director Denise
14 Roberts Herlan [phonetic], who was here earlier
15 today, the funding available to dance companies
16 through the Department of Cultural Affairs ensures
17 that these dancers will continue to perform at
18 venues across the city. In 2002, 85 AIDS and
19 family service organizations were awarded 895,000
20 dollars through the Broadway Cares national grants
21 programs including citywide harm reduction in the
22 Bronx, after hours project in Brooklyn, Crossroads
23 Food Pantry in Manhattan, River Fund New York and
24 Queens and the Community Health Action of Staten
25 Island. It is also noteworthy that Manhattan

1
2 Movement of the Arts director of programming,
3 Aaron Fogerty [phonetic] and New York City Ballet
4 principal dancer Daniel Albrecht [phonetic] raised
5 96,000 dollars just recently this year at their
6 Dance Against Cancer gala benefitting the American
7 Cancer Society and the work that they are doing in
8 New York City. We are more than just tutus and
9 tiaras when you want a night out on the town. We
10 are New Yorkers living, working, making, learning
11 and teaching. We pilot educational models that
12 are replicated worldwide. We maintain the city's
13 reputation of being the dance capital of the
14 planet. We provide creative ways to solve many of
15 our city's social problems and are proactive in
16 doing so. We improve test scores, memory
17 retention, social acceptance, likelihood of
18 getting into higher education self-esteem and
19 physical health of the next generation of New
20 Yorkers. We help young people discover their
21 potential to become future doctors, lawyers,
22 politicians, scientists and entrepreneurs of the
23 city. We help breakdown social barriers of race
24 and class across income levels. We promote
25 discussion and self-reflection. We promote

1
2 empowerment to the cities of New York City.

3 Please consider restoring the Department of
4 Culture's 2014 budget. Thank you.

5 CHAIRPERSON RECCHIA: Thank you.

6 After the first page, I was ready to put back all
7 the money. You read the second page, you lost it
8 all.

9 [laughter]

10 CHAIRPERSON RECCHIA: How are you?

11 Welcome home.

12 SUSAN LACERTE: Susan Lacerte from
13 Queens Botanical Garden.

14 CHAIRPERSON RECCHIA: We know.

15 SUSAN LACERTE: Yes, I know you
16 know, and I am here because I believe in New York
17 and I believe in our government, and I know
18 without a doubt that the cultural are a large part
19 of what makes New York City New York City because
20 we are crucibles of creativity and centers in the
21 community. I think about what we do with
22 teachers. I think about what we do with students.
23 I think about we helped with Hurricane Sandy. I
24 think about the New York Hall of Science offering
25 their facility to hold electrical workers that

1
2 needed to work all around the city. I think of us
3 driving trucks that had gas down to the Rockaways
4 to deliver food from a farmer's market. I think
5 of the morning tai chi every day that people come
6 to the garden. I think of the Museum of the
7 Moving Image and how that whole part of Queens
8 just transformed, and I think that the balance in
9 the current budget is just not quite right. It's
10 a public/private partnership. Part of what the
11 public needs to do is they need to pay admissions.
12 They need to do things. they need to volunteer,
13 but part of what the city does and what the City
14 Council has always done is to advocate for that
15 on a bigger level, so I am advocating for
16 restoration of the cultural budget also. It has
17 been a long night, and you all are to be
18 commended. Thank you very much.

19 CHAIRPERSON RECCHIA: Thank you.
20 Thank you all for coming to testify. Okay.
21 Anybody else?

22 MALE VOICE: Michael Delfores
23 [phonetic] from Save our Homes, Rafael Schweizer
24 [phonetic], Robert Lederer [phonetic], Francoise
25 Florentine [phonetic] and Sean Basinski [phonetic]

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from the Street Vendor Project.

CHAIRPERSON RECCHIA: How are you?

RAFAEL SCHWEIZER: Thank you, Mr. Chairman. My name is Rafael. I am--

CHAIRPERSON RECCHIA: - -

RAFAEL SCHWEIZER: Good evening, Mr. Chairman and council members. My name is Rafael Schweizer. I am chairman of the Bronx Park East Community Association, and co-founder of the Palm Parkway Citizens Conservation Core. Both organizations are active in Council District 13 and 15 represented respectively by Jimmy Vacca and Councilman Joel Rivera. I am here to speak about Parks funding. So for a little levity, I know this has been a long evening. A poem. Pelham Parkway, Bronx Park, Pelham Bay Park, Van Cortland [phonetic] Forest, these oaks, these maples, without gender nonetheless they capture our heart. They spur our soul. They touch the tenderness that may be tucked beneath hardened city dwellers who may have never experienced a Vermont sunrise or wandered in a northeastern forest. For our parks are the city's forests. They are our forests, our oasis. Just like Superman had a

1
2 fortress of solitude, so do Bronx dwellers and
3 city dwellers. In fact the most fortresses of any
4 borough in the Bronx. Between our vacation
5 retreats to relatives in rural New Hampshire be it
6 a year or for many Bronxites a visit that is yet
7 to happen our parks anchor the city dwellers' soul
8 like our trees anchor the soil. Through
9 photosynthesis they breathe. Through our parkland
10 our trees speak. Providing us a setting to hear
11 nothing but the rustle of leaves or nothing at
12 all, nevertheless our parks speak. Giving us a
13 welcoming place for our minds to race with
14 uncontrollable glee about our dreams for the
15 future or our plans for our family, our parks are
16 our family, so they should no longer be treated
17 like a stepchild. Keeping in mind that many of
18 our urban forests are man and woman made, let us
19 then think of our parks as our children. Will we
20 neglect them? Will we fail to base line 26 and a
21 half million dollars for JTPs, pools and
22 playgrounds? Will we allow thousands of forsaken
23 tree stumps to represent this neglect? As the
24 Earth we call home has indeed been betrayed and
25 neglected our parks have become the urban

1
2 microcosm of the choice we have. Neglect or act.
3 Our parks need more funding, more staff and more
4 employee training. This year's Parks Department's
5 budget is an improvement over previous years, but
6 it still falls short. In addition to restoring
7 the POP funding we must first restore and base
8 line for future budgets the 26.5 million to
9 prevent the shuttering of four city pools, the
10 loss of over 900 seasonal workers and JTPs as well
11 as the loss of 30 valued playground associates who
12 educate our children during the summer months
13 ahead. Second, we must base line at least two
14 million dollars per year for the removal of stumps
15 from city streets and finally, we must give the
16 Bronx a fair share of the 207 newly hired city
17 parks workers. The Bronx contains the most amount
18 of parkland of any borough with 24 percent of all
19 city parkland being located in the Bronx as well
20 as housing the city's largest park, Pelham Bay
21 Park. We don't have wealthy park conservancies,
22 so we are relying on you. On behalf of the Bronx
23 Park East Community Association and the Pelham
24 Parkway Citizens Conservation Core. I thank you
25 for your commitment to our unique city and the

1
2 boroughs that comprise it. The Parks District 11
3 and 14 managers Eddie Hernandez [phonetic], Arnice
4 Foster [phonetic] and supervisor Clinton Johnson
5 [phonetic] deserves better so I urge you let us
6 not forget our parks.

7 CHAIRPERSON RECCHIA: Okay. Thank
8 you. Next.

9 SEAN BASINSKI: Thank you. My name
10 is Sean Basinski. I am the director of the street
11 vendor project. We are part of the Urban Justice
12 Center. There is about 20,000 street vendors in
13 New York City. We have about 2,000 members.
14 Apart from some much appreciated - - from a few
15 City Council Members, we don't receive any city
16 funding, so we are not asking for any restorations
17 in our budget, but we are actually offering some
18 money that is in the budget. In January the Daily
19 News discovered that the mayor's office had
20 inserted a new expense in the DOH budget of
21 580,000 dollars to hire a group of seven lawyers
22 to chase after street vendors who have unpaid
23 fines. Frankly, we would not have seen this if it
24 wasn't for the Daily News. We don't spend time
25 digging through the budget, but we were notified

1
2 about this, and we have taken the position that it
3 is unfair and unnecessary. I know you have been
4 hearing all day from worthy programs that are
5 being cut, and yet there is a new expense in the
6 city budget of 580,000 dollars to try and collect
7 money from street vendors who don't have that
8 money, they can't afford the fines, and it is a
9 waste of money. It is a way to tax our small
10 businesses. It is nothing to do with health and
11 safety, so we have made our case to Council Member
12 Maria del Carmen Arroyo and we just want to--I
13 want to come as well today to make you all aware
14 to not miss this expense, this new expense in the
15 city budget. We think it is wasteful. As you
16 know, the City Council has recently lowered the
17 fines on street vendors. That is going to
18 actually increase the collection rates, and in any
19 event we are talking about a minute--a few million
20 dollars that is currently being unpaid. To spend
21 580,000 dollars to try collect a few million
22 dollars is a waste of money and especially because
23 these are street vendors. The reasons that they
24 are not paying the money that they are not paying
25 is because they don't have the money. I have

1
2 submitted more thorough testimony in writing and
3 we very much appreciate the time here this
4 evening. Thank you.

5 CHAIRPERSON RECCHIA: I just want
6 to say - - the street vendors. This is a very
7 sensitive issue with the street vendors throughout
8 New York City, and you have some people for, some
9 people against. An issue that is coming, and just
10 to give you a heads' up, you have street vendors
11 that put their carts out there all night long, 24
12 hours a day and it is just--it attracts dirt and -
13 - communities. That is a problem that is coming
14 just to give you a heads' up on it.

15 SEAN BASINSKI: I do appreciate the
16 heads up. We do about that, and in fact--

17 CHAIRPERSON RECCHIA: [interposing]
18 Because people in the community they are not
19 against it. We try to work with everybody. I
20 understand what you are saying that all these
21 lawyers being hired you feel like they are out to
22 get you guys.

23 SEAN BASINSKI: Well, we are very
24 concerned about--in fact our organization what we
25 do is we train vendors in what the rules are. The

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DOH provides almost no training.

CHAIRPERSON RECCHIA: You are right. Somebody should tell what the rules are but I am just saying the issue with these vendors out there all night long, I think people in the community are not happy with it.

SEAN BASINSKI: We are aware of that. They should not be there. There is a rule you can be there for 23 hours, but you need to take the cart back to the garage to wash it every night, and most of the vendors--

CHAIRPERSON RECCHIA: [interposing] -- part of the sidewalk around it. They stay in one spot.

SEAN BASINSKI: Absolutely, we certainly agree. One of the things that we do, Chair Recchia is we work with our members on very limited budget of our own. If we had half a million dollars it would be much different out there. We don't. The city wants to pay that money to try to collect money from vendors, who have already been fined, who are not able to pay those fines. We want to, if there is money available, we would love to take that money to

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2 train vendors to make sure there is compliance in
3 the rules, and to get them to understand what the
4 rules are. Often they don't understand the rules
5 'cause the rules are only provided in English and
6 often they don't speak English.

7 CHAIRPERSON RECCHIA: After this
8 budget, we will sit down. I would like to sit
9 down with you to talk to you more about this that
10 we could help you.

11 SEAN BASINSKI: We would appreciate
12 that. Thank you.

13 CHAIRPERSON RECCHIA: Okay. Next.

14 ROBERT LEDERER: Good evening. My
15 name is Robert Lederer. I am director of
16 research, policy and advocacy for the Bronx Health
17 Link.

18 CHAIRPERSON RECCHIA: For the Bronx
19 what?

20 ROBERT LEDERER: The Bronx Health
21 Link. We are an agency that does health
22 education, research and advocacy for the people of
23 the Bronx and tries to connect providers,
24 policymakers and residents of the Bronx, and we
25 are also here in support of the people's budget

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2 coalition for public health. Our most immediate
3 concern is the infant mortality reduction
4 initiative.

5

CHAIRPERSON RECCHIA: People have
6 been saying the infant mortality rate in New York
7 City is going down.

8

ROBERT LEDERER: It has been going
9 down overall, but the problem is that there are
10 certain neighborhoods, primarily neighborhoods of
11 color in which has not been going down and there
12 continues to be an extreme racial disparity. In
13 most areas the black and Puerto Rican mothers have
14 twice the rate of infant deaths as white mothers,
15 and that is something that our program is very
16 directly addressing and in the next year, if this
17 program is restored, it is currently 2.5 million,
18 which has been flat funded for about three years
19 and before that it has been steadily decreased
20 from the height of five million four years ago,
21 but if we are able to continue--

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CHAIRPERSON RECCHIA: [interposing]
23 That is when we had a surplus.

24

ROBERT LEDERER: Right. And if we
25 are able to continue and we are requesting a

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2 500,000 dollar increase so that we can do two
3 things that really follow the national literature
4 and research on this, which is number one, that
5 there is a mountain of evidence that the problems
6 with infant outcomes that result in low birth
7 weight and prematurity and ultimately in death
8 often originate before the woman is pregnant and
9 so women need to be counseled, educated and
10 tested, screened for illnesses that can put them
11 at risk, whether it's obesity, diabetes, all kinds
12 of problems, smoking of course, asthma, a whole
13 range of things that if they can be caught early
14 and if new habits can be developed and medical
15 care can provided that a lot of these problems
16 which result in very expensive hospitalizations of
17 premature infants can be greatly reduced, and so
18 that is basically what we are requesting is that
19 to continue our unique services--

20 CHAIRPERSON RECCHIA: [interposing]
21 So you want the infant mortality initiative to be
22 increased by 500,000 dollars?

23 ROBERT LEDERER: That is right.
24 And to do a concentrated, focused effort around
25 preconception care all women and men of

1
2 childbearing age because the man's health has an
3 important role in all of this as well and we also
4 want to target even more finely the geographic
5 specificity of the neighborhoods we pick, so that
6 those are the ones that have the worst outcomes
7 despite as you correctly said, despite the
8 overall--

9 CHAIRPERSON RECCHIA: Overall, it's
10 going up some people argue--

11 ROBERT LEDERER: It's going down.
12 Right. But certain neighborhoods are not going
13 down and that is where we want to make sure the
14 services have the maximum concentration, and that
15 is where that increase becomes really critical.

16 CHAIRPERSON RECCHIA: Okay. Thank
17 you very much.

18 ROBERT LEDERER: Thank you.

19 CHAIRPERSON RECCHIA: Do you have
20 your camera all set? I want to make sure you look
21 good.

22 FRANCOISE FLORENTINE: Good evening
23 my name is Francoise Florentine. I am from East
24 New York Diagnostic and Treatment Center under the
25 division of Kings County Hospital. As a public

1
2 health educator, I am here to testify on behalf
3 the East New York Diagnostic in order to promote
4 the infant mortality reduction initiative. As a
5 health educator, my job with pregnant women I
6 teach them - - introduction to labor, what to
7 expect--

8 CHAIRPERSON RECCHIA: [interposing]
9 Do you have copies of your testimony?

10 FRANCOISE FLORENTINE: No. I am
11 just speaking - - 'cause I work within the - - .
12 As a health educator, my job is to teach pregnant
13 women about introduction to labor, what to expect
14 from labor, breastfeeding, postpartum, newborn
15 care as well as pediatric follow up - - diabetes
16 and so on. So I am here to speak on behalf of
17 East New York in order for you to provide us
18 adequate funding in order to promote this program
19 because it is very important - - initiative - -
20 community district with high infant mortality
21 rates, preterm birth and low birth weights and
22 works to improve birth outcomes and reduce severe
23 - - ethnicity disparities within our communities.
24 So as a health educator, I always like encourage
25 women in order to follow their prenatal care

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2 follow up by taking their prenatal care vitamins
3 on a daily basis as well to get their iron as well
4 also to take their folic acid 'cause you know our
5 future depends on our children. A mother is
6 supposed to be healthy so we can expect a healthy
7 baby; therefore, I count on you guys to provide
8 adequate funding in order to promote the program
9 because our future depends on our children. The
10 best thing we can provide our children is number
11 one, a good health and a good education. Thank
12 you.

13 CHAIRPERSON RECCHIA: Thank you
14 very much.

15 ROBERT LEDERER: Let me just add
16 one thing. One of our clients was here until 6:30
17 ready to testify and I just want to read on
18 paragraph of what she was prepared to say if she
19 had been able to say it. She had to get home to
20 her new two month old baby. Her name is Connie
21 Malopo [phonetic]. She is a Zambian immigrant who
22 has been here about two years and went to one of
23 our workshops where pregnant women are taught that
24 they need to know about their pregnancy to have
25 it conclude safely. She said she attended three

1
2 workshops on healthy pregnancy and childbirth at
3 Morris Heights Health Center sponsored by the
4 infant mortality reduction initiative. Later I
5 had to have an emergency C-section due to my high
6 blood pressure. Because of the workshops I
7 recognized I was experiencing symptoms that were
8 potentially dangerous and as a result went quickly
9 to the ER. My doctor told me that if I had come
10 any later, both my baby and I might have died.
11 This shows how important it is for women to have
12 knowledge and what a difference this program can
13 make. So I just wanted that to be in the record
14 because I think her experience is really
15 emblematic of what our program does every day.

16 CHAIRPERSON RECCHIA: Thank you
17 very much. I want to thank you all for coming to
18 testify. Okay. Does anyone else want to testify
19 before we call Mr. X? Okay, Mr. X. It's an honor
20 and a pleasure. I think every year we end with
21 you. I think last year we ended with you also.

22 MR. X: Yes. You did. That is why
23 I arrived after the forum started, but I was here
24 until--

25 CHAIRPERSON RECCHIA: State your

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name for the record.

MR. X: Mr. X. To Mark Weprin, happy 52nd birthday. To Margaret Chin and Jimmy Van Bramer, I have a job for you. It's a joint committee effort. To Domenic Recchia, I have several concerns about fiscal year 2014, the HRA workforce, and the libraries. Here in New York City County we have three library systems and they are all terrible Internet computer wise. The HRA unlike John Medina who testified earlier today I apply for public assistance. I applied food stamps and Medicaid assistance. I was a WEP worker. I looked at HRA pushing me around - - . - - . The WEP as you know is a joke. You don't get paid. You just have to work for your benefits. If you don't participate in WEP, your case will be closed. That is unacceptable. I was always against the WEP in the last 16 years. Why Michael Bloomberg or should I say Michelle Bloomberg - - a WEP alternative, a HRA alternative remains a mystery, why he refused to fund the libraries for us, for those who are computer savvy like myself remains a mystery. There is no excuse for that. It would be nicer if the libraries were

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2 open longer. It would be nicer if we didn't have
3 to pay for printing outside of Queens 'cause we
4 have to do that out of Queens libraries. That is
5 outrageous. We didn't do that years ago. So yes,
6 my concerns are yes, the libraries, the HRA--also
7 workforce. Workforce like the HRA is also a joke.
8 - - employees, it all depends on who you speak to.
9 You speak to the right employees, they will help
10 you find employment. You speak to the wrong
11 employees, you won't get employment. I'd just
12 like you to share my concerns with him in the six
13 months, and I mention it's one year ago - - it's
14 one year ago tomorrow, to Michael Bloomberg, I
15 want to personally thank you friends for that pre-
16 birthday present you gave me at Yeshiva University
17 on January 2011. That's it for now. I am sorry I
18 couldn't give you typed testimony, but I am
19 constantly on the road.

20 CHAIRPERSON RECCHIA: I know.
21 Alright, Mr. X. Thank you for coming to testify.

22 MR. X: Thank you.

23 CHAIRPERSON RECCHIA: Is there
24 anyone else who would like to testify? Without
25 seeing anyone else--

1
2 COUNCIL MEMBER JACKSON: Finally
3 just let me say since this is our last executive
4 budget hearing, Domenic, I think you have chaired
5 the last four, and as the Chair of the Finance
6 Committee. It was my pleasure working with you as
7 the chair of the Finance Committee. I have sat
8 here at the last final day of executive budget
9 hears almost with you until the end.

10 Unfortunately I had to leave for two hours. I had
11 interviews for my next position that I am seeking
12 or else I would have been sitting here with you,
13 but I made it back in time to say to you, it was
14 my pleasure working with you as the chair of the
15 Finance Committee, and I am glad that our
16 colleague, Margaret Chin is here. She has been
17 through many of the hearings also, and to Ms.
18 Edwards, thank you. As the counsel to the Finance
19 Committee, you have been a pleasure to work with
20 and I have enjoyed our relationship, and Domenic,
21 I look forward to working with you in the future
22 whatever role and responsibility that you are in.

23 CHAIRPERSON RECCHIA: So do I,
24 Council Member Jackson, and I want to thank you
25 for always being here. Since I have been the

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2 Finance Chair you have always ended all of the
3 public sessions with me and you have been here
4 throughout all. I want to thank you for your
5 interest, for your great knowledge in education,
6 what you have done with the Education Committee.
7 It has been wonderful for all the children in New
8 York City. I also want to thank Margaret Chin for
9 staying here and for being with us. Staying the
10 course. Anybody else want to say anything? With
11 that, this is our last Finance hearing. I want to
12 thank everyone. I want to thank my wonderful
13 Finance staff under the leadership of Preston
14 Niblack and the deputy director, Jeffrey Rodus
15 and my entire staff and especially my attorney
16 sitting to my left, Tanisha Edwards. She has been
17 with me since day one. She has just been really,
18 really good. I want to thank you for your hard
19 work. This concludes this Finance hearings on FY
20 2014. Sergeant at arms, we want to thank you for
21 staying late with us, and I want to thank Speaker
22 Christine Quinn for working with us and for your
23 great leadership in this City Council. In the
24 next few weeks, we will be starting tomorrow we
25 will be negotiating the budget with the mayor and

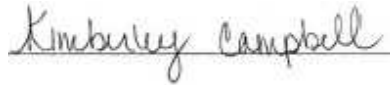
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2 his administration. In the next few weeks we will
3 have a budget. It will be a budget that is fair,
4 fiscally responsible and save our core services
5 and make all the people of the city of New York
6 proud of this administration and this City
7 Council. This concludes the hearing for FY 2014.

8 [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

Handwritten signature of Kimberley Campbell in cursive script, written over a horizontal line.Date _____ 7/1/13