

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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April 10, 2014
Start: 10:17 a.m.
Recess: 10:42 a.m.

HELD AT: 250 Broadway - Committee Rm
14th Fl

B E F O R E:
JULISSA FERRERAS
Chairperson

COUNCIL MEMBERS:
Corey D. Johnson
Helen K. Rosenthal
I. Daneek Miller
James G. Van Bramer
Laurie A. Cumbo
Mark Levine
Robert E. Cornegy, Jr.
Vanessa L. Gibson
Vincent Ignizio
Ydanis A. Rodriguez

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COMMITTEE ON FINANCE

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CHAIRPERSON FERRERAS: Good morning.
Welcome to today's Finance Committee hearing. I am
Julissa Ferreras, and I chair the Finance Committee.
I'd like to acknowledge that we've been joined by
Council Members Rodriguez, Council Member Van Bramer,
Council Member Cumbo, Council Member Rosenthal and
everyone else will be joining us shortly.

Today we have a very heavy agenda. We have
three bid items, a Transparency Resolution, two
budget modifications, the council's operating budget
for fiscal 2015 and the execute budget extender.

Let's start with the execute budget
extender. The administration has asked us to extend
the date of first submission of the fiscal year 2015
executive budget from April 26th to May 8th, by
providing the administration extra time to release
the executive budget.

The council will need extra time to hold
its Executive Budget Hearings which will now conclude
no later than June 6th, rather than May 25th. This
legislation would also extend the other Charter
mandated dates relating to the Executive Budget
actions taken by other officials, such as the
Independent Budget Office and the Borough Presidents.

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The legislation also changes the Mayor's submission of revenue estimate and the date for fixing the tax rates from June 5th to June 18th.

Our next piece of legislation relates to the council's operating budget. Under the Charter, the council has until March 10th to submit to the Mayor its own operating budget for the next fiscal year. This budget must be presented to the Mayor for inclusion in the Executive Budget without amendment by the Mayor after the Council approves it.

In January, the Charter date was extended to April 10th by legislation passed by this committee. This year the Council's budget totals just over \$56.66 million dollars, which reflects an increase of 10 percent from last year, or just one-tenth of a percent of the City's budget. The Council's budget increase reflects the Council's expansion in committees, as well as in the central staff's operation, including the establishment of a new division such as the Economic and Community Development division and the expansion existing divisions to allow the council to exercise greater oversight over the City's operations and allow the council to be in a better and more skilled position

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to shape the values of our city. The Council's Administrative Services Director, Ed O'Malley and our Fiscal Officer, Marcello Testa are here to answer questions on the council's operating budget.

The third item we will discuss is a Transparency Resolution. This resolution sets forth new changes in the designation of certain organizations receiving local aging and youth discretionary funding, as well as new changes in the designation of certain organizations receiving funding pursuant to certain initiatives in the budget.

Organizations appearing in the resolution that have not yet completed the pre-qualification process conducted by the Mayor's Office of Contract Services, the Council or another entity are identified in the attached charts with an asterisk.

As with all transparency resolutions, council members will have to sign a disclosure form indicating whether or not a conflict exists with any of the groups on the attached list. If a council member has a potential conflict of interest with any of these organizations listed, he or she has the opportunity to disclose the conflict at the time of

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their vote. As a reminder, please disclose any conflicts you may have with the proposed subcontractors that are used by organizations sponsored by discretionary funding.

These disclosures must be made before the subcontractor can be approved. Jeremy Parker [phonetic] from the General Counsel's office can assist you with any questions or concerns regarding disclosures.

Our fourth and fifth items are two budget modifications. We have an expense budget modification and a revenue modification. The revenue budget modification or MN3 (phonetic) would recognize \$1.964 billion in new revenues, the bulk of which comes from taxes. This reflects the unexpected strength of the City's real estate market and O & B's [phonetic] under estimation of personal income tax collection. Miscellaneous revenues mostly come from assets and sales of various kinds. The expense budget modification would modify units of appropriation and transfer city funds between various agencies in fiscal year 2014 expense budget.

The expense budget modification would also fund Council's initiatives, the net effect of the

1
2 proposed modification is zero. The changes included
3 in MN2 are those current year new needs. Peg
4 restoration and other adjustments presented in the
5 November 2013 updated of the financial plan in the
6 February 2014 plan update. More details are in your
7 documents and representatives from the Office of
8 Management and Budget are here to answer any
9 questions you may have on the two budget
10 modifications.

11 Lastly, we have three bid resolutions.
12 These resolutions set the hearing date of April 29th
13 at 10:00 a.m. for the Finance Committee to consider
14 amendments to the district plans for three bids. The
15 Church Avenue bid in Council Member Eugene's
16 district; the Kings Highway bid in Council Member
17 Deutsch's district seeks a district plan amendment to
18 delete provisions in their district plan that require
19 the bids to maintain brick pavers along the sidewalk
20 in the district.

21 This change will shift the liability of
22 sidewalk maintenance from the bid to the individual
23 property owners. The Downtown Alliance bid in
24 Council Member Chin's district also seeks a district
25 plan amendment to require the commercial portion of a

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mixed-use property to be assessed at the commercial rate, rather than the residential rate of a dollar.

Representatives from the Department of Small Business Services are here to answer any questions you may have on the three bid items.

These are all the items for today. I will now open the floor to members who may have questions on the bids, the Transparency Resolution, the two budget modifications, the council's operating budget or the executive budget extender.

I would like to also acknowledge that we've been joined by Council Member Corey Johnson

Does anyone have any questions? No. Okay.

[crosstalk]

If you have a question, if you could just say what your question is on the topics so we have the proper person here to answer it.

COUNCIL MEMBER ROSENTHAL: Thank you chair. This is a lot of stuff and it's all great. Can I just ask about the \$1.9 billion in new revenues?

[crosstalk]

CHAIRPERSON FERRERAS: Come on up. If you could just state your name for the record.

CHARLES BRISKY [Phonetic]: Charles Brisky.

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RAY AULETTA: Hi. I'm Ray Auletta.

COUNCIL MEMBER ROSENTHAL: Thank you guys for coming here. So, um, just to be clear, \$1.9 billion is the new estimate in revenues between the preliminary and exact? Yes?

RAY AULETTA: No. What this [interrupted].

COUNCIL MEMBER ROSENTHAL: It's a technical thing. It's not anything else.

RAY AULETTA: Yes. What this is doing it that it is catching us up for the November plan and the January plan. It is the combined two. So you are actually catching us up to the February preliminary budget. Excuse me.

COUNCIL MEMBER ROSENTHAL: So in other words. Okay. So the February preliminary had a number in it that included this number and now we just have to mod over the money.

RAY AULETTA: That's correct.

COUNCIL MEMBER ROSENTHAL: Thank you. That's all my questions.

CHAIRPERSON FERRERAS: Thanks Council Member Rosenthal, Council Member Cumbo.

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COUNCIL MEMBER CUMBO: I have a question in regards to the designations of certain organizations to receive funding in the expenses.

CHAIRPERSON FERRERAS: Council Member Cumbo that is a council expense.

COUNCIL MEMBER CUMBO: Oh. I'm sorry.

CHAIRPERSON FERRERAS: No, that's fine.

[crosstalk]

CHAIRPERSON FERRERAS: You can ask the question. It's not them. But we can get the people. [crosstalk]. Thank you O&B you can go. [crosstalk] Don't leave the room. Just, you know.

[Laughing]

CHAIRPERSON FERRERAS: Okay with no further questions. Council Member Van Bramer. Yes, I acknowledged him but will draft him in. Council Member Van Bramer. I will ask Billy to call the roll.

COMMITTEE CLERK: William Martin, Committee Clark. Roll call vote for the Committee on Finance. Council Member Ferreras.

CHAIRPERSON FERRERAS: I vote Aye.

COMMITTEE CLERK: Rodriguez.

COUNCIL MEMBER RODRIGUEZ: No response.

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COMMITTEE CLERK: Van Bramer.

COUNCIL MEMBER VAN BRAMER: I vote Aye.

COMMITTEE CLERK: Gibson.

COUNCIL MEMBER GIBSON: Aye.

COMMITTEE CLERK: Johnson.

COUNCIL MEMBER JOHNSON: Aye.

COMMITTEE CLERK: Levine.

COUNCIL MEMBER LEVINE: Aye.

COMMITTEE CLERK: Rosenthal.

COUNCIL MEMBER ROSENTHAL: Aye on all.

COMMITTEE CLERK: Cumbo.

COUNCIL MEMBER CUMBO: Aye on all.

COMMITTEE CLERK: By a vote of seven in the affirmative, zero in the negative and no abstentions, the items have been adopted. Members please sign the committee reports. Thank you.

CHAIRPERSON FERRERAS: Thank you again members. Please make sure you sign the reports and we will keep the roll open until 10:45.

[background talking]

COMMITTEE CLERK: Council Member Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Aye

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2 COMMITTEE CLERK: Vote now stands at
3 eight in the affirmative.

4 COMMITTEE CLERK: Council Member
5 Cornegy.

6 COUNCIL MEMBER CORNEGY: I vote Aye on
7 all.

8 [gavel]

9 COMMITTEE CLERK: Ignizio

10 COUNCIL MEMBER IGNIZIO: I vote no on
11 the council's operating budget. Aye on all else.

12 COMMITTEE CLERK: Council Member
13 Miller:

14 COUNCIL MEMBER MILLER: I vote Aye on
15 all.

16 COMMITTEE CLERK: Final vote of
17 Committee on Finance. All items have been adopted
18 by a vote of 11 in the affirmative, zero in the
19 negative and no abstentions, with the exception of
20 the following two pre-considered resolutions in
21 regards to the operating budget and OTPS [phonetic]
22 have been adopted by a vote of 10 in the
23 affirmative, one in the negative and no
24 abstentions. Thank you.

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UNIDENTIFIED COUNCIL MEMBER: And with
that we will call the meeting to a close.
[gavel].

C E R T I F I C A T E

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



Date May 1, 2014