

1 COMMITTEE ON FINANCE JOINTLY WITH
2 SUBCOMMITTEE ON CAPITAL BUDGET

3 CITY COUNCIL
4 CITY OF NEW YORK

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6 TRANSCRIPT OF THE MINUTES

7 of the

8 COMMITTEE ON FINANCE
9 JOINTLY WITH
10 SUBCOMMITTEE ON CAPITAL
11 BUDGET

12 ----- X

13 May 6, 2020
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16 HELD AT: Remote Hearing

17 B E F O R E: Danny Dromm
18 Chairperson

19 Vanessa Gibson
20 Chairperson

21 COUNCIL MEMBERS: Danny Dromm
22 Adrienne E. Adams
23 Alicka Ampry-Samuel
24 Diana Ayala
25 Joseph C. Borelli
Margaret S. Chin
Andrew Cohen
Robert E. Cornegy, Jr.
Laurie A. Cumbo
Vanessa Gibson
Mark Gjonaj
Barry Grodenchik
Robert F. Holden
Ben Kallos
Karen Koslowitz
Brad Lander
Rory I. Lancman
Farah N. Louis
Steven Matteo

1 COMMITTEE ON FINANCE JOINTLY WITH
2 SUBCOMMITTEE ON CAPITAL BUDGET

2

2 Carlos Menchaca
3 Francis P. Moya
4 Keith Powers
5 Donovan J. Richards
6 Carlina Rivera
7 Ydanis Rodriguez
8 Helen K. Rosenthal
9 James G. Van Bramer

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

10 Melanie Hartzog
11 Director
12 Office of Management and Budget

13 Kenneth Gardner
14 First Deputy Budget Director
15 Office of Management and Budget

16 Francesco Brindisi
17 Deputy Director
18 City Revenues, Economics, and Policy
19 Office of Management and Budget

20 Ronnie Lowenstein
21 Director
22 Independent Budget Office

23 George Sweeting
24 Deputy Director
25 Independent Budget Office

Lorraine Grillo
Commissioner
Department of Design and Construction

Jamie Torres Springer
First Deputy Commissioner

1 COMMITTEE ON FINANCE JOINTLY WITH
2 SUBCOMMITTEE ON CAPITAL BUDGET

3

4 Department of Design and Construction

5 Justin Walter
6 Chief Financial Officer
7 Department of Design and Construction

8 Andrew Hollweck
9 Deputy Commissioner of Communications
10 and Policy
11 Department of Design and Construction

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23
24 UNIDENTIFIED: Sergeant Lugo, you can

25 begin.

1 COMMITTEE ON FINANCE JOINTLY WITH
2 SUBCOMMITTEE ON CAPITAL BUDGET

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3 PEDRO LUGO: Good morning, everyone.

4 Welcome to the Committee on Finance and Subcommittee
5 on Capital Budget. At this time we asked that
6 council members and council staff please turn on
7 their video. Please silence all cell phones and
8 electronic devices. Any testimony can be sent to
9 financetestimonyatcouncil.nyc.gov. Again, that's
10 financetestimonyatcouncil.nyc.gov. Thank you for
11 your cooperation. We will begin momentarily.

12 UNIDENTIFIED: Chair Dromm, are you ready
13 to begin?

14 CHAIRPERSON DROMM: Yes.

15 UNIDENTIFIED: Whenever you are ready you
16 may begin.

17 CHAIRPERSON DROMM: OK, thank you very
18 much. Ah, good morning and welcome to the City
19 Council's first day of hearings on the mayor's
20 executive budget for fiscal 2021. My name is Daniel
21 Dromm and I chair the Finance Committee. We are
22 joined by the speaker of the City Council, Corey
23 Johnson, and the Subcommittee on Capital Budget,
24 chaired by my colleague, Council Member Vanessa
25 Gibson. I am going to turn it over to our committee
counsel to go over some, oh, excuse me, let me

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3 introduce our council colleagues who have joined us
4 today. They are Council Member Adams, Council Member
5 Louis, Council Member Menchaca, Council Member Van
6 Bramer, Council Member Chin, Council Member Lander,
7 Council Member Holden, Council Member Kallos, Council
8 Member Lancman, ah, Council Member Rodriguez I
9 believe is here with us as well, ah, Minority Leader
10 Matteo, Council Member Grodenchik, Council Member
11 Koslowitz, Council Member Powers, Council Member
12 Ampry-Samuel, Council Member Gjonaj, excuse me, um,
13 of course our speaker is here, Council Member
14 Rosenthal, Council Member Cumbo, and Council Member
15 Richards is with us as well. Ah, and I will also
16 gavel in [gavel] this hearing and now I'm going to
17 turn it over to committee counsel to go over some
18 procedural items.

18 COUNSEL CHASEN: Thank you, Chair Dromm.

19 My name is Rebecca Chasen and I am counsel to the New
20 York City Council's Committee on Finance and
21 Subcommittee on Capital Budget. Before we begin I
22 want to remind everyone that you will be on mute
23 until you are recognized to speak, at which time you
24 will be unmuted by the Zoom host. During the hearing
25 if council members would like to ask a question

3 please use the Zoom raise hand function and you will
4 be called on in order. We will be limiting Council
5 Member questions to five minutes, including answers.
6 After you are acknowledged please wait for the
7 Sergeant at Arms to tell you that your time has
8 begun. The Sergeant at Arms will also indicate when
9 your time has expired. Please also note that for
10 east of this virtual hearing we will not be allowing
11 a second round of question. Thank you. And I'll now
12 turn it over to the speaker for his opening
13 statement.

14 SPEAKER JOHNSON: Ah, thank you, Rebecca.
15 Thank you, Chairs Dromm and Gibson for holding this
16 hearing. And I want to thank Director Hartzog and
17 her entire team for participating in the City
18 Council's first virtual budget hearing. I'd like to
19 give Latonya McKinney, our finance director, and her
20 entire staff in the finance division a very big, big
21 thank you for putting this hearing together.
22 Preparing for budget hearings is challenging in any
23 year, but this year obviously has presented
24 additional complexities with the added layer of a
25 virtual hearing. We really appreciate the finance
division's efforts and we thank everyone in advance

3 for their patience as we now begin today's remote
4 budgeting. Director Hartzog, only two months, it's
5 hard to believe that only two months have passed
6 since we last met at a budget hearing, but it feels
7 like a lifetime. Our city has been ravaged by COVID-
8 19 and we have lost more than 18,000 New York City
9 residents to this deadly disease. It also has ground
10 our economy to a halt and it has devastated our
11 city's budget. As compared to the fiscal 2020
12 financial plan and adoption, the budget for fiscal
13 2021 has decreased by 5.1 billion dollars and the out
14 year budget gaps are at or approaching 5 billion
15 dollars per year. And in order to balance the budget
16 the administration proposes to nearly exhaust the
17 reserves the council fought for many years to
18 accumulate with 6.8 billion dollars in reserves being
19 used between fiscal 2020 and fiscal 2021. And these
20 alarming numbers, these are alarming numbers and we
21 know that it is very possible that the coming weeks
22 and months will bring even more bad budget news. We
23 are facing budget risks at every level. The need for
24 increased city spending related to COVID-19, the loss
25 of additional tax revenue, extreme cuts from the
state, and the anemic federal stimulus package. But

3 even with our limited resource pool, we still have
4 options. And the choices that we make could make the
5 difference between success or defeat for so many of
6 our city's residents and businesses. I'm thinking
7 about the renters who have lost their jobs and are
8 still waiting to be signed up for unemployment, the
9 small businesses who have had to close and they have
10 seen their customers disappear who can't access the
11 federal paycheck protection program loans, our youth
12 who are depending on us to provide them with
13 education and opportunity, our essential healthcare
14 workers and other essential workers who depend on PPE
15 to survive, the immigrants who have been shut out of
16 our federal relief programs, and our seniors who feel
17 alone and disconnected. These are the people we need
18 to support in a crisis. So I'm proud that through
19 our partnership we have already made some progress in
20 improving the quality of life for so many, even as
21 our daily lives remain uncertain. We have invested
22 heavily in increasing food access for those facing
23 food insecurity and have worked together to open the
24 streets up for people to get fresh air and exercise
25 in a socially distant way. I hope that we can
continue to work together to advocate for what I

3 believe is our greatest need - federal revenue
4 replacement funding. I know that Senators Schumer
5 and Gillibrand and our entire House congressional
6 delegation are fighting diligently for us in
7 Washington to get us the funding we so desperately
8 need. But without unrestricted federal support it is
9 hard to envision a path forward that does not result
10 in draconian, drastic, unprecedented cuts. New York
11 City is not just the economic engine of our state, we
12 are crucial to the economic health of the entire
13 nation. And that is why it is critical that we are
14 at the forefront of the national recovery efforts. I
15 look forward to discussing these issues with you at
16 today's hearing and I will now turn it back over to
17 Chair Dromm for his opening statement.

18 CHAIRPERSON DROMM: Thank you very much,
19 Mr. Speaker. We have also been joined by Majority
20 Leader Cumbo, Council Member Richards, Council Member
21 Cohen, and Council Member Borelli. As the Speaker
22 mentioned, coronavirus very quickly challenged our
23 city's fiscal outlook, not only with sharp reductions
24 to protected revenues, but also with unprecedented
25 budget risks. These budget hearings are an
opportunity to outline the difficult choices the city

3 faces. As we examine the administration's budget
4 proposal and move towards adoption, we must give
5 shape to our city's drastically changed fiscal
6 position and reset the spending plan to be more
7 realistic. We must also ensure that cuts are
8 targeted without depriving the most vulnerable New
9 Yorkers of vital services. The financial plan
10 proposes many cuts that would be extremely painful to
11 endure. For example, the cuts imposed in the
12 Department of Youth and Community Development would
13 slash its city levy budget by 48% and eliminate this
14 year's summer youth employment program and summer
15 camp programs. If public health concerns make a
16 full-scale SYEP program impossible, the
17 administration must commit to work with us on
18 figuring out how to engage young people this summer
19 and provide opportunities to the young people who
20 need them the most. Other agencies with very
21 significant programmatic cuts include the Departments
22 of Education, Sanitation, and Parks and Recreation.
23 On the other hand, other agencies are facing
24 relatively much smaller PEGs. For example, the
25 Department of Correction PEG would lower its budget
by 10% and the Department of Information Technology

3 and Telecommunications budget would only see a 1%
4 decrease. The proposed saving plan goes deep and
5 additional cuts are likely. So we need to delve
6 further into how the decisions were made for the
7 proposed cuts already announced and if there are
8 other areas we should consider as we negotiate the
9 budget. We must find a way to preserve the critical
10 investments championed by the council to promote
11 access to food, protect older adults, align shelter
12 and housing conditions with recommended health
13 policies for coronavirus, stabilize the small
14 business community, and support human service
15 providers. I am also particularly concerned about
16 our safety net programs for immigrant communities,
17 like my district, that have been hard hit by the
18 pandemic but unfortunately are largely left out of
19 the federal government's stimulus and recovery
20 programs. The executive financial plan does not
21 clearly demonstrate how the mayor plans to protect
22 these individuals and families. And, more
23 importantly, the executive plan lacks a vision for
24 the administration's road map for supporting the
25 social safety net in fiscal 2021. Even for areas
where we have agreed there is a dire need for

3 additional funding, such as to address food
4 insecurity, the fiscal 2021 budget showed no increase
5 investment. I look forward to discussing these
6 issues with you today at today's hearing. And I will
7 now turn it over to Chair Gibson for her opening
8 statement.

9 CHAIRPERSON GIBSON: Good morning. Thank
10 you, Chair Dromm, and good morning, Speaker Johnson.
11 Good morning to all of my colleagues in government
12 and to all of the council finance division and
13 Sergeant at Arms, and to all of our staff. To the
14 OMB team, thank you so much and good morning to each
15 and every one of you. I am Council Member Vanessa
16 Gibson. I am proud to serve as chair of the
17 Subcommittee on Capital Budget and I want to begin by
18 thanking my amazing cochair, Council Member Danny
19 Dromm, for holding today's remote hearing on the
20 executive budget, and Speaker Corey Johnson for his
21 commitment and leadership during these challenging
22 times. When the fiscal 2021 preliminary capital
23 budget and capital commitment plan were released this
24 past January the city's fiscal position was entirely
25 different. During the following months the
coronavirus disease, COVID-19, ravaged our healthcare

3 system and our economy. The city's capital projects
4 and processes were also greatly impacted, not only by
5 a state ban on many construction projects but the
6 city's own cash-flow issues, which required a
7 temporary cessation of all non-COVID health and
8 safety projects. As expected, this has resulted in
9 widespread project delays and movement of planned
10 commitments into subsequent years, causing a
11 reduction in both the capital budget and the capital
12 commitment plan. Although the city had began right
13 sizing its capital budget and commitment plan during
14 the preliminary budget process prior to COVID-19, we
15 must ensure that pre-existing priorities remain in
16 the forefront of our discussions. The fiscal 2021
17 executive capital budget includes new appropriations
18 of 10.4 billion dollars and a total of 55.3 billion
19 dollars for fiscal 2021 through fiscal 2024. In
20 comparison to the preliminary capital budget this
21 represents a 840 million dollar decrease over the
22 four-year period. The fiscal 2020 through 2024
23 executive capital commitment plan includes 83.5
24 billion dollars in planned commitments for fiscal
25 2020 through fiscal 2024, which represents a 2.3
billion dollar decrease from the preliminary capital

3 commitment plan. The administration has reduced
4 spending in its capital commitment plan on crucial
5 capital projects, including a 513 million dollar
6 reduction on several affordable housing programs and
7 reduced plan commitments for new borough-based jails
8 by 472 million dollars by moving it out to the fiscal
9 2025 through 2029 period. While the City Council
10 certainly understands and knows that COVID-19-related
11 delays and modifications to the capital commitment
12 plan are absolutely necessary to respond to this
13 pandemic, we must not lose sight of those priorities
14 in the city's capital program and of all the progress
15 that we have made towards critical capital projects.
16 Capital projects play such a vital role not only in
17 our local economy but in the general welfare and
18 overall safety of all New Yorkers. Now more than
19 ever before is the time for the City Council and the
20 administration to work together to ensure that the
21 path to rebuilding our city remains a priority. And
22 as I close I simply join the Speaker, Chair Dromm,
23 and all of my colleagues in thanking every New Yorker
24 across our city for all of their commitment for
25 stepping up, helping neighbors and families in need.
These last several months have been trying times for

3 us as a city. But I know that we are resilient, we
4 are tough, and we will get through this together.
5 Many of us have lost New Yorkers and family members
6 and friends to COVID-19. There are many that are on
7 the road to recovery that are healing. We continue
8 to pray for all of our New Yorkers and I'm so
9 thankful for all of our first responders and
10 essential workers and small businesses that while
11 struggling are remaining open and providing a
12 critical services. Only together as a family, as a
13 city, will we get through COVID-19 together. I look
14 forward to today's hearing and certainly throughout
15 the budget process we look forward to working with
16 this administration to ensure that our mutual
17 priorities are achieved on behalf of our
18 constituents, our young people, our elders, and all
19 New Yorkers. Thank you so much, Speaker Johnson.
20 Thank you, Chair Dromm. I now turn this hearing back
21 over to you. Thank you so much.

22 CHAIRPERSON DROMM: Thank you, and let me
23 say we've been joined by Council Member Rivera as
24 well. And thank you, Chair Gibson, for your hard
25 work and dedication. I really appreciate working
together with you on this budget, ah, analysis.

3 Thank you very, very much. Ah, before we begin with
4 testimony from the administration I'd like to remind
5 the public that this committee and subcommittee will
6 be holding a remote hearing for public testimony on
7 the executive budget on May 21 at 11:30 a.m. If you
8 would like to testify at that hearing please register
9 at www.council.nyc.gov/testify and information about
10 how to access the Zoom meeting will be emailed to
11 you. You may testify at that hearing via web or via
12 telephone. You may also submit written testimony
13 through that registration website or by emailing
14 financetestimonyatcouncil.nyc.gov. I will now call
15 on the members of the Office of Management and Budget
16 to testify. We will hear from Director Melanie
17 Hartzog. Ah, Director Hartzog is joined by First
18 Deputy Budget Director Ken Gardner and Deputy
19 Director for City Revenues, Economics, and Policy,
20 Francesco Brindisi. Will the committee counsel
21 please administer the affirmation?

22 COUNSEL CHASEN: Thank you. Ah, I will
23 now administer the affirmation one time and you
24 will be called on individually to so affirm at the
25 end. Do you affirm that your them will be truthful

3 to the best of your knowledge, information, and
4 belief? Director Hartzog.

5 DIRECTOR HARTZOG: Yes.

6 COUNSEL CHASEN: Mr. Gardner.

7 FIRST DEPUTY DIRECTOR GARDNER: Yes.

8 COUNSEL CHASEN: And Mr. Brindisi?

9 DEPUTY DIRECTOR BRINDISI: Yes.

10 COUNSEL CHASEN: Thank you. Director
11 Hartzog, you may begin your testimony when you are
12 ready.

13 DIRECTOR HARTZOG: OK, thank you. Good
14 morning, Speaker Johnson, Chair Dromm, Chair Gibson,
15 and members of the City Council. Thank you for the
16 opportunity to testify this morning about the fiscal
17 year 2021 executive budget. I also want to thank
18 Latonya McKinney and her team for their positive and
19 always collaborative approach to the budget. And I
20 am joined, as mentioned earlier, by Kenneth Gardner
21 and Francesco Brindisi. The 89.3 billion dollar
22 fiscal year 2021 executive budget is balanced. It
23 was released against a backdrop of 7.4 billion in
24 lost tax revenue, 800 million in state budget cuts,
25 and growing needs related to COVID-19. Shortly after
we released the preliminary budget New York City

3 became the epicenter of the most destructive
4 healthcare crisis this country has seen in decades.
5 The pandemic suddenly ended the longest expansion on
6 record. The pandemic suddenly ended the longest
7 expansion on record. The economy contracted in the
8 first quarter and is expected to drop at an
9 unprecedented pace in the second, and the city
10 tourism, entertainment, food services, and real
11 estate have come to a nearly complete halt. Financial
12 markets are experiencing a period of volatility not
13 seen since the Great Recession. We forecast New York
14 City will lose more than half a million jobs by the
15 third quarter of calendar year 2020. As the crisis
16 evolved, shelter in place and social distancing
17 requirements were imposed to contain the disease.
18 The recession that followed impacted our tax revenues
19 across the board. As a result, the executive budget
20 revised the tax revenues forecast to reflect the loss
21 of 7.4 billion over this fiscal year and the next.
22 Compounding the loss of revenue, we had to backfill
23 800 million in state budget cuts. This includes 360
24 million in educate aid and a sales tax intercept of
25 250 million. We also faced 120 million in TANF cuts.
This program is a critical resource for vulnerable

3 New Yorkers, especially in this uncertain time.

4 Further, the city had of the make an additional 63

5 million dollar contribution towards MTA's Access-A-

6 Ride. Backfilling these cuts in a good year would

7 have been a challenge. But it is a devastating in a

8 calendar year that we also estimate spending 3.5

9 billion dollars to fight COVID-19. Lost revenue and

10 state budget hits left us with an 8.7 billion dollar

11 gap over fiscal years 20 and 21. In response we

12 balance by achieving 2.7 billion in savings, applying

13 4 billion of our reserves, and using 2 billion in

14 federal aid. Achieving a high level of savings was

15 critical to this financial plan. And ultimately we

16 achieved 2.7 billion in savings across fiscal years

17 20 and 21. The PEG alone was 2.1 billion.

18 Cumulative savings since June over the past two

19 fiscal years is almost 3.9 billion. Our priority was

20 to maintain funding for health and safety for the

21 COVID-19 response. This meant very difficult

22 choices. Many programs that could not operate during

23 this time of crisis were reduced and scaled back, and

24 some new initiatives have delayed start dates. In

25 addition to an aggressive savings plan, in order to

balance we had to take down reserves by 4 billion.

3 For the first time in this administration we used
4 reserves from an upcoming year to balance that year's
5 budget. Total reserves in fiscal year 2021 are now
6 2.18 billion. This includes 100 million in the
7 general reserve and 2 billion in the retiree health
8 benefits trust. Having access to record-level
9 reserves help us preserve essential city functions
10 despite state hits and lost revenue. I want to thank
11 the council for the important role that you've played
12 in increasing our level of reserves. On top of
13 savings and reserves, we applied 2 billion in federal
14 funds towards balancing the budget. The next round
15 of stimulus from Washington, D.C. is critical.
16 Cities and states are struggling with dwindling
17 resources and escalated COVID-19 costs. We cannot do
18 this alone. And as the mayor has said, the country
19 cannot recover if New York City doesn't get back on
20 its feet. As we look ahead, our financial challenges
21 grow. This includes the real possibility of
22 additional tax revenue loss. Further, the governor
23 has announced new measures to close the state's 13
24 billion dollar budget gap. This proposal will take 8
25 billion dollars from localities by cutting 20% to 30%
across the board in funding for education, health

3 care, and more. He has not released additional
4 details. However, New York City stands to lose an
5 alarming level of funding needed to educate our
6 children and care for at-risk residents. We will
7 work with our legislative partners and advocates
8 across the state to push back on threats to resources
9 that New Yorkers need, especially in this uncertain
10 time. Finally, we are in the midst of a sharper and
11 faster hit to the labor market and the city's economy
12 than we've experienced in the past two recessions.
13 And the state budget has threatened more budget cuts
14 over the next year. Despite this adversity, the city
15 must provide for health, safety, shelter, and food
16 needs of New Yorkers while supporting mounting COVID-
17 19 costs. And we face challenges over the next few
18 years, too. Tax revenues are below preliminary
19 budget projections for the entire financial plan.
20 Our budget gaps are substantial, at 5 billion in
21 fiscal years 22, 4.5 billion in 23, and 4.9 billion
22 in fiscal year 24. The fact is we have to make very
23 tough choices now and over the next few years. And I
24 appreciate the partnership as we face this
25 unprecedented time together and look forward to
continuing the conversation about our mutual

2 priorities as we move towards adoption. And I thank
3 you for the opportunity to testify. I also just want
4 to thank all of my team at OMB. I know that you're
5 all working remotely. You've been working extremely
6 hard over the last several weeks, and I know that has
7 been challenging for us, and I appreciate everything
8 that you've done [inaudible] balancing the budget. I
9 also ask the council, because it is a very
10 challenging, I'm sure for all of you, I will do my
11 best to answer questions as much as I possibly can in
12 detail, but you'll forgive me if I have to defer to
13 the agencies on specifics or get back to you
14 immediately as I don't have my entire team with me,
15 people to answer questions in real time. Thank you.

16 SPEAKER JOHNSON: Ah, thank you, Director
17 Hartzog, for your testimony. Again, thank you for
18 being here today. I just want to, before I go into
19 some specific questions, I just want to re-highlight
20 some of the numbers that you just mentioned in your
21 testimony because I think it's important that the
22 public that's watching, and of course the council
23 members that are participating, that we just go over
24 these numbers, ah, quickly again. The, the executive
25 budget is 89.3 billion dollars. You just testified

3 that it was released against a backdrop of 7.4
4 billion dollars in lost tax revenues, 7.4 billion
5 dollars, 800 million dollars in state budget cuts
6 that came through as part of the state's budget the
7 beginning of April, and the growing needs that the
8 city has related to COVID-19. So the total loss that
9 we are projecting right now that you are reflecting
10 in the budget is 7.4 billion dollars, plus the 800
11 million dollars, so the gap right now for fiscal
12 years 2020 and 2021 that OMB is testify today is an
13 8.7 billion dollar gap over the current fiscal year
14 that we're in and the next fiscal year that we are
15 negotiating the budget on, is that correct?

16 DIRECTOR HARTZOG: We, we in fact closed
17 the 8.7 billion dollar gap in the executive budget
18 through a number of different measures. Um, that is
19 correct, it is an 8.7 billion dollar gap that we
20 closed in the executive budget.

21 SPEAKER JOHNSON: OK. I just want to
22 start off, ah, just by mentioning that, you know, I
23 have made clear that one of my top priorities, and I
24 know that many, ah, council members agree with this,
25 is protecting our social safety net. Our experiences
during the COVID-19 pandemic show just how crucial

3 this is. According to the Department of Labor, since
4 the start of the pandemic approximately 624,000 New
5 Yorkers have filed jobless claims, a shocking, ah,
6 1900% increase compared to 2019, and as the
7 unemployment rate grows so too does food insecurity,
8 homelessness, and housing stability. Food banks are
9 reporting shortages of supplies, as the need
10 continues to grow. The subways are overrun with
11 homeless adults looking for shelter, which is not
12 only an unacceptable form of shelter for this
13 vulnerable population, but it is also a public health
14 issue. Additionally, as the moratorium on evictions
15 are lifted statewide we will most definitely see an
16 increase in evictions and the needs for support in
17 this area. The fiscal 2021 budget, executive budget,
18 as you just mentioned, is balanced. But it does not
19 reflect additional resources needed to maintain the
20 social safety net as the pandemic continues into the
21 next fiscal year. For example, the HRA and DHS
22 fiscal 2021 budgets have no programmatic changes to
23 meet the massive new needs among New Yorkers for
24 social services. So my question to you is why
25 doesn't the fiscal 2021 budget reflect the growing
demands for food pantries, for senior home-delivered

3 meals, for homeless shelters, for isolation hotels,
4 for street-homeless New Yorkers, for eviction
5 prevention, etcetera. How come we're not seeing
6 those needs, which we know exist, reflected in the
7 fiscal 2021 executive budget?

8 DIRECTOR HARTZOG: So, Speaker, we have
9 been working with, um, Katherine Garcia, the city's
10 food czar, in assessing the needs on a daily basis
11 and adding as we need. So at this point in time we
12 have about 170 million dollars within the budget.
13 Um, we are at, for example, emergency food delivery
14 at 500,000 meals a day. Our goal is building towards
15 a million meals per day. As we get there and
16 constantly assessing where we our with our spending
17 we will be adding that to the budget. The other
18 thing that we did in partnership with you, Speaker,
19 and other members is add 25 million dollars for food
20 pantries, um, and that funding is being allocated and
21 distributing to multiple, over 700, pantries and we
22 will continue to do that as those needs continue to
23 grow. And then lastly we recently released a request
24 for information to all of the nonprofits. We've been
25 reaching out to them to see if they would like to
participate and encouraging them to participate in

3 our, um, Get Food, in our home-delivered meals
4 program so we can serve many more New Yorkers and
5 achieve that goal of a million. And so we're doing
6 all that we can. It's, you know, it's not
7 necessarily that the budget, yes, it doesn't reflect
8 it at this moment, but as we assess the needs, and
9 they are growing, we will be adding that funding.
10 And as you also know we don't necessarily at this
11 point, um, it's not a, ah, just because the funding
12 is not there doesn't mean we can't move forward with
13 our plans and make sure that as agencies are able to
14 ramp up and provide the necessary delivery, food
15 distribution, actually preparing the meals, that
16 they, that is not, ah, a factor prohibiting the food.

16 SPEAKER JOHNSON: We assume, Director
17 Hartzog, that the cost associated just with the items
18 that I listed is going to be significant in needing
19 to invest in these areas given the impact of COVID-19
20 on the social safety net and on these vulnerable
21 populations. Is that correct?

22 DIRECTOR HARTZOG: Yes.

23 SPEAKER JOHNSON: So, I mean, I assume
24 what you're saying is as we continue to assess what
25 the needs are going into budget adoption there will

3 be adjustments that are made to make investments in
4 those areas?

5 DIRECTOR HARTZOG: As always, Speaker,
6 much better said by you than me.

7 SPEAKER JOHNSON: OK, thank you.

8 DIRECTOR HARTZOG: Thank you for
9 summarizing.

10 SPEAKER JOHNSON: So as a way to help
11 hard-hit property owners the council proposed a
12 short-term property tax deferral program in its
13 response to the preliminary budget. This proposal
14 would have allowed impacted property owners such as
15 struggling homeowners, hotels, rental buildings that
16 provide rent deferrals, and mom and pop retail
17 properties a six-month, low-interest deferral of
18 their July property tax payment. The city's cash
19 flow issue would be held harmless by asking large
20 property owners who are able to prepay property taxes
21 similar to how they did in the 1970s when Abney
22 organized them to help the city during the city's
23 fiscal crisis at the time. Do you have a reaction to
24 this proposal? Are there any concerns that you would
25 flag about a proposal on those lines.

3 DIRECTOR HARTZOG: Um, I'm actually
4 gonna, ah, turn it over to Francesco to talk a little
5 bit about this, um, because he's been very much
6 involved in assessing this.

7 DEPUTY DIRECTOR BRINDISI: Good morning,
8 Speaker. Good morning, council members. Um, we
9 have, ah, as you know there is a number of property
10 tax, ah, payment plans, ah, and the, just last year
11 we passed some new, ah, payment plans to assist, ah,
12 low-income and, ah, people that are homeowners that
13 are struggling and that have, ah, or they're more
14 than 60 years old, 65 years old. Um, so all of
15 those, um, remain available to all the property
16 owners. Ah, I would, I would have to say that, um,
17 the situation for the cash balance is ah, is, ah,
18 something that we're assessing very closely. As you
19 know, the July payment is typically one of the two
20 biggest ones. Ah, and therefore we don't know to
21 what extent, ah, ah, prepayment would cover the, the
22 amount that, ah, that your plan, ah, suggests, ah,
23 it's delayed for, at low, at low interest rates for
24 the remainder of the population. It's just not clear
25 to what extent we can, ah, to what extent we can, ah,
play that balancing act.

2 SPEAKER JOHNSON: And Francesco or
3 Melanie, ah, what percentage of the property tax does
4 OMB expect to be delinquent in fiscal 2021 and how
5 does that estimate compare to a typical year?

6 DEPUTY DIRECTOR BRINDISI: Um, I, ah, I
7 can check on the, to the percentage. What I can, ah,
8 right away can tell you is that we increased the
9 amount of expected delinquency for fiscal year 21 by
10 about 180 million. Ah, that goes into the amount of
11 reserves that, that we, ah, think, ah, the amount of
12 property tax we don't expect to collect. Um, the,
13 the amount of, ah, um, property tax delinquencies is
14 about 2%, um, in the, in the plan.

15 SPEAKER JOHNSON: Thank you. And, ah,
16 Director Hartzog, in fiscal 2020 the city, ah,
17 charged late, ah, charged large properties an 18%
18 interest compounded daily for late payments and 7%
19 interest for smaller properties. Would the
20 administration support lowering these rates for
21 fiscal 2021 given the economic situation that many
22 property owners are facing?

23 DIRECTOR HARTZOG: That's certainly is a
24 conversation that we want to have with you, Speaker.
25 Yes.

3 SPEAKER JOHNSON: Thank you. And has the
4 administration considered other ways to help
5 households and firms having difficulty paying their
6 property taxes under current conditions?

7 DIRECTOR HARTZOG: We think at this point
8 in time, given the number of programs that we have in
9 place and, obviously, as you just mentioned, having
10 conversations about what the interest rate levels
11 are, um, that that is sufficient. Of course, we're
12 always open to having more conversations with you and
13 others who have ideas on what more we can do.

14 SPEAKER JOHNSON: OK. Well, we look
15 forward...

16 DIRECTOR HARTZOG: Absolutely.

17 SPEAKER JOHNSON: ...discussing this over
18 the course of the budget process. I want to into the
19 financial plan adjustments related to COVID.
20 Recognizing how quickly you had to adjust the
21 financial plan and the incredible uncertainty of the
22 final fiscal impact of the pandemic and the
23 incredible uncertainty of the final fiscal impact of
24 the pandemic on the city's budget, I expect that the
25 executive budget will need considerable adjustment
before we adopt the budget. And I'm curious that the

3 proposed fiscal 2021 executive budget does not
4 include any new funding for disease detective or
5 contact tracing, for more public health services, or
6 for hotels to isolate people who have been exposed to
7 COVID-19. Which areas of the budget do you see
8 adjustments that are going to need to take place for
9 pandemic response and recovery activities in fiscal
10 2021? Where do you expect to have to add more
11 funding given the needs that we're seeing to make
12 progress in these areas?

13 DIRECTOR HARTZOG: So the first thing
14 I'll say is that, um, this, the pandemic is very
15 dynamic and challenging for us to project, and as,
16 ah, things are moving on the ground, um, it becomes,
17 right, where we're just reacting, um, and moving as
18 quickly as we can on the budget side. But, again, it
19 does not prohibit the spending that needs to happen
20 to ramp up. So, to answer your question and just to
21 give you an example, when we started the pandemic,
22 um, and we talked about our projected expenses
23 related to COVID-19 we wanted to make sure that we
24 were having sufficient, um, ah, surge capacity for,
25 um, ah, additional hospital capacity outside of the
four walls, as we call it. And at the time we were

3 projecting that we may need to spend more on standing
4 up hospital capacity outside of the public hospital
5 system. And given all of our efforts around social
6 distancing that we immediately, um, of course,
7 extremely for the economy and for many communities,
8 but we did shut down the economy in terms of social
9 distancing. We were able to avoid those costs, um,
10 because we were seeing and now we're seeing
11 hospitalization rates start to stabilize. So that
12 just gives you a sense of how dynamic and challenging
13 it is as we're moving along with the pandemic to do
14 projection beyond most [inaudible] months. But where
15 we can see spending going now, um, clearly one of the
16 areas that you have talked about and prioritized, and
17 we agree, um, is food related. The other areas that
18 we'll see are isolation beds, so as we start to ramp
19 up testing capacity in communities, the mayor just
20 announced more testing expansion in several
21 communities, we want to do much more, um, and as that
22 capacity for diagnostic testing comes on line we
23 would see testing expand into more communities.
24 That's another area of spending. We would see more
25 of the disease detectives and tracing. The mayor
announced, ah, hiring a thousand positions. That's

3 over about 100 million and so the Department of
4 Health is doing an amazing job of ramping up. I
5 think there's about 300 or 400 individuals currently
6 in the pipeline, um, who are being recruited for the
7 positions to fill the thousand, and then in the
8 isolation bed model, um, that is about, ah, 250
9 million for hotels, um, and to get that capacity up
10 and running and that includes actually staffing them.

11 SPEAKER JOHNSON: So I think this next
12 question goes along the lines of what you were just
13 discussing. As New Yorkers who have contracted
14 COVID-19 recover a new cohort of the population may
15 need additional health services, such as home care
16 services, to address their health needs or other
17 potential services. Has the administration thought
18 about what resources will be needed in the long term
19 to address the health needs of those recovering from
20 COVID-19 as well as continuing to protect vulnerable
21 populations at risk of contracting the virus even
22 after New York City reaches its peak in cases. Ah,
23 if so, could you sketch out some of those investments
24 that you think will need to be made in FY24?

25 DIRECTOR HARTZOG: Well, broadly
speaking, um, we talked about the isolation beds.

3 But then the other thing that we've been doing to
4 make sure that we're, um, not putting vulnerable, ah,
5 populations at risk, for example for nursing homes,
6 not-for-profit nursing homes. We know that's a very
7 vulnerable population. These are programs that have
8 very, um, financial instability. We have put in
9 place surge contracts for them to bring on. We will
10 pay for the capacity for them to bring on additional
11 nurses and medical staff as needed. Um, as the state
12 is also working with us, um, and providing additional
13 testing there and we will do all the billing and
14 claiming for them, the back end, for the nursing home
15 so that they're not struggling to meet those demands
16 and, ah, figure out the financial mechanisms for
17 that. We're doing the same for the independent
18 hospitals as well, um, in providing them with both,
19 um, surge staffing, technical assistance, um, through
20 our resources and helping them figure out the billing
21 and claiming for all that. Um, that's all the
22 resources that we're providing. And we're also doing
23 it for home health aide programs as well, meaning as
24 people are at home, as you just spoke about, Speaker,
25 and the home aide is sick or is, um, potentially at
risk, we're making sure that we're providing and

3 working with all of those programs around PPE and
4 surge capacity staffing.

5 SPEAKER JOHNSON: Thank you. I'm going
6 to go to my last, ah, set of questions on budget
7 reserves, the state budget cuts, and there's a lot of
8 members that have questions, so I'm gonna, ah, limit
9 my time today and I may come back, ah, later,
10 depending on how many members have questions. So
11 typically in executive budgets there is one billion
12 dollars or more in the general reserve and the
13 capital stabilization reserve. You've, you talked
14 about the reserves in your testimony, along with the
15 funds and the retirees' health benefits trust that
16 could be drawn upon if needed. In contrast, this
17 budget has only 100 million dollars in the general
18 reserve and is already using all of the retirees'
19 health benefit trust funds accessible in fiscal 2021,
20 leaving very little ability to adjust to any
21 additional bad news without significant budget cuts
22 or tax increases. Do you agree with that, do you
23 agree with that assessment?

24 DIRECTOR HARTZOG: I think that we have,
25 the reserves are there just for this purpose, which
is no one could have predicted the pandemic and the,

3 the hit that we would take in terms of our review. I
4 think that you are correct that there are limited
5 resources in terms of reserves available in fiscal
6 21, um, in fiscal 2021 to be able to balance for
7 fiscal 2022. This is why the mayor has continued to
8 call on the federal government to provide another
9 round of stimulus for us. We cannot do this alone
10 and most certainly cannot cut our way out of this
11 problem. We need more support.

12 SPEAKER JOHNSON: And ultimately there
13 is, of course, ah, more potential bad news on the
14 horizon. The state's enacted budget includes
15 language that allows the state Division of Budget to
16 periodically reduce appropriations after April, June,
17 and December if state revenue is insufficient to
18 balance the budget or if expenditures are higher than
19 anticipated. The recent state financial plan will
20 trigger such cuts. What is your evaluation of the
21 risk to the city's budget from this potential state
22 action?

23 DIRECTOR HARTZOG: The risk is very high.
24 The, um, the recent announcement is 8 billion dollars
25 in cuts to localities. Um, we don't have any figures
or any sense just yet of what that will mean for New

3 York City. Um, but, you know, we know that that
4 would likely results in cuts to state education aid,
5 um, and to possibly Medicaid, um, the big areas where
6 the state spends on localities. Um, you know, the
7 state is going through what we are going through,
8 many states and municipalities are experiencing.
9 It's also why the governor, um, has called on more
10 stimulus to come to not only just New York City and
11 other localities, but obviously to the state. But
12 the risk is high.

13 SPEAKER JOHNSON: And how is the
14 administration preparing for potentially more cuts
15 from the state at a time when it is fighting to
16 address the city's current budget emergency? I think
17 the, both the mayor and the governor are calling up
18 the federal government and congressional leaders have
19 been very, our congressional leaders have been very
20 proactive in asking for more stimulus and that we
21 cannot just simply cut our way through this, and I
22 think we are calling upon the legislature to also
23 deliver the same message, that we cannot cut our way
24 through this, that we need additional stimulus
25 support. Um, we've been able to pivot very quickly
and make some very tough choices. I know that many

3 of the members and I, too, um, and the mayor share
4 the concern that we've had to make some very
5 difficult choices in this budget. This is the
6 largest savings program across this fiscal year, um,
7 and next, ah 3 billion dollars, the largest in this
8 administration, um, and we've pivoted very quickly to
9 curtail spending as much as we possibly can and
10 balance the budget, ah, the executive budget, in a
11 matter of weeks post pandemic, but this is not
12 something that we, the city or even the state can
13 just simply cut our way through.

14 SPEAKER JOHNSON: Thank you. I'm going
15 to, ah, finish. Ah, I want to thank you. I know you
16 have literally been working seven days around the
17 clock for the last eight weeks. You have been very
18 accessible, ah, in having conversations during a
19 really difficult period, of course with the city as a
20 whole, but I know for OMB. So I really appreciate
21 your hard work and, and partnership in trying to work
22 through this together. And I'll just end with this,
23 ah, with this thought, which I would love your
24 reaction to. One of the concerns that I have, ah,
25 Director Hartzog, is given the, I think, incredibly
shameful rhetoric that we've seen from Majority

3 Leader McConnell and, ah, I believe yesterday or the
4 day before from the president saying that they did
5 not want blue state bailouts and giving money to
6 states and localities that are suffering right now
7 and talking about the need for places to consider
8 bankruptcy, which we know is unacceptable. Ah, given
9 that that's been the theoretic out of Washington and
10 that we don't know yet the amount of federal stimulus
11 funds that will be appropriated for state and local
12 needs both for us and the rest of the country, given
13 that the economy is still significantly shut down
14 here in New York City and that is going to continue,
15 at least in the short term, and we don't know when
16 that's going to come back in the way that we need for
17 our, for our financial stability, given that we're
18 drawing down a significant amount of the reserves
19 that we worked for years to build up. Given the
20 issues that I just talked with you about and the
21 questions you answered around the precarious nature
22 of state cuts that we're gonna potentially see, ah,
23 just over the next money and what that could mean for
24 the city. Given all of those pieces that are, that
25 are fit together, I just want to hear your sort of
thoughts on how you think about how all of these

3 things kind of interlock. What I mean by that is how
4 do we know we're actually tapping the right amount of
5 reserves? Should we be tapping a little less in
6 reserves right now to leave more for the next fiscal
7 year in case we need it? How do we determine if we
8 are, if the PEG program is big enough. You just
9 mentioned that it's of a historic size, over two
10 fiscal years, but should those cuts even be deeper,
11 outside, of course, the safety net, outside of
12 education, outside of, ah, youth programming and
13 programs that serve the most vulnerable? When you're
14 thinking about all of these big pieces that you're
15 trying to fit together, federal funds that we need,
16 the cuts that we're gonna have to make, ah, given the
17 financial situation that we're in, the reserves that
18 we need to tap, understanding how big they need to
19 be. My concern is that we need to sort of get this
20 right. We need to make sure we're doing it
21 responsibly, and of course we're gonna talk about
22 this over the budget process, how all those pieces
23 fit together and what it looks like, but I would just
24 love to hear as my, as my closing question, how you
25 think about all these things and how it all fits
together and how we make these difficult decisions.

3 DIRECTOR HARTZOG: Well, the first thing
4 I'll say is that I think, um, you know, we are, and I
5 remain very hopeful about the, um, ability for us to
6 get some additional relief in stimulus funds. I
7 think that because we are not alone, um, this is a,
8 you know, many, many states are in the same situation
9 that we're in. Obviously, here in New York State and
10 New York City is, is really unique in other, um,
11 compared to other states, but many states are in the
12 same situation that we're in and I think there's a
13 lot of momentum, um, not just from our congressional
14 delegation but across the country for a big push,
15 again, on the stimulus funds. So I think that is a
16 critical component to this. Um, I think that on, and
17 that will definitely help on the state budget front
18 as well. Um, if the state is able to get additional
19 stimulus it provides not only relief, um, to the
20 state, but obviously to localities. So I think those
21 two pieces fit in, and I think we'll have a lot more
22 clarity on both these, as meaning the stimulus
23 funding, um, and the state budget in the coming
24 weeks. That will really help us and, to answer your
25 question, my thinking about, um, adoption and moving
forward. I do think that the combination of what

3 we've done since the beginning of the administration
4 when the economy was expanding and while it's slowed
5 in the recent years we've always continued to have
6 savings [inaudible] and we will continue that. I do
7 think that moving forward in the coming months
8 there's going to be tough choices. We'll have to
9 think about further reducing our expenditures, but I
10 am hopeful that the stimulus will help us in being
11 able to balance.

12 SPEAKER JOHNSON: And lastly, what's the
13 right amount of stimulus? If you could, ah, sort of
14 pick a number that would help us significantly, a
15 range, what would you give that range to be, to be
16 able to help us in the current fiscal year, the next
17 fiscal year, and then looking out the out year gaps,
18 what do you think that number should be for New York
19 City?

20 DIRECTOR HARTZOG: The mayor's been very
21 clear that the stimulus, um, has to cover what the
22 revenue loss is for New York City, um, and that's the
23 7.4 billion across the two fiscal years, um, and that
24 has been his position on that.

25 SPEAKER JOHNSON: Thank you. I want to
turn it, I really appreciate your testimony. I know

3 today's gonna be a long day and doing it remotely is
4 not easy. I thank my colleagues for their patience.
5 Ah, we're gonna get through this together. We are
6 united as a city and, ah, we're gonna have to make
7 tough choices, but I know we will get through this if
8 we stay smart, strategic, kind, compassionate, and
9 united in the face of this unprecedented crisis the
10 city is facing. Ah, so I thank you for your
11 testimony and for working collegiately together with
12 us o the last many weeks. And I want to turn it back
13 over to Chair Dromm.

14 DIRECTOR HARTZOG: Thank you, Speaker.

15 CHAIRPERSON DROMM: Thank you very much,
16 Speaker, and thank you very much, Director Hartzog.
17 Ah, before I begin with questioning, let me just say
18 that we have been joined by Council Members Ayala,
19 Yeger, Moya, Treyger, Brannan, Miller, and Cornegy.
20 And, ah, Director Hartzog, my questions are a little
21 bit similar to what the Speaker was getting at
22 before. Um, you know, as I mentioned in my opening,
23 out of the 2.1 billion dollars in PEGs that have been
24 already proposed, some agencies saw, ah, relatively
25 large cuts to their budges, ah, like the DOE, while
others, who are only a minimal impact. DYCD, as I

3 stated, had a 48% cut, while the NYPD's cut is so
4 negligible that it rounds out to 0%, and cultural
5 and libraries similarly had no PEGs. So, you know,
6 my question is really how did you get to the decision
7 of where to cut and how much to cut, and particularly
8 with the NYPD [inaudible].

9 DIRECTOR HARTZOG: So the mayor has made
10 it very clear that we don't have a one-size-fits-all
11 approach to the PEG program. This is not an across-
12 the-board percentage cut and that we have to take
13 into consideration each of the agencies, ah,
14 situations that they are facing. And the PEG program
15 at the time of the executive budget also took into
16 account where we are with the pandemic and social
17 distancing. So in the example of the police
18 department we had one in six police officers out
19 sick. Um, whether they were sick, COVID-positive,
20 and we had a time where we were actually ramping up
21 on social distancing and needed enforcement, and so
22 from that perspective, um, making reductions was not
23 something that made sense to us. At the same time, I
24 don't want to downplay the tough decisions for DYCD
25 around the Summer Youth Employment Program. I know
that many council members [inaudible] over the last

3 several years to expand that program to provide
4 70,000 youths with opportunities, but alternatives
5 for remote learning, um, DYCD and the Department of
6 Education are working in partnership for that and
7 looking at different opportunities, which there will
8 be more to come in the coming weeks. Um, but that's
9 some of the, the rationale that went into it. And in
10 terms of the cultural institutions, at the time
11 [inaudible] with more employees, um, were unable to
12 access stimulus funding and at the time the decision
13 was made that we should continue to push for the
14 stimulus funding but to keep the culturals intact
15 throughout, um, the course of the executive budget.
16 Now, again, many challenges are coming down the road.
17 The Speaker talked a lot about them and framed them
18 far better than I did, ah, around the state budget
19 hits and the uncertainty that we faced moving
20 forward, and so these will be conversations that we
21 have with all of you as we move towards the adopted
22 budget. But the PEG was not a one-size-fits-all and
23 it took into consideration, as I said, where we are
24 with social distancing [inaudible].

24 CHAIRPERSON DROMM: All right. I hope
25 that we can have discussion about, ah, what the, the

2 PEG to, um, NYPD looks like. And additionally I'd
3 like to ask that you look at, um, what can be done in
4 terms of the school safety agents as well. I don't
5 know, I don't believe that there are any, ah, PEGs to
6 that, um, to that, um, aspect of the, of the
7 departments' budget. That might be an area where we
8 could also look at some potential savings because
9 school is not in session and, ah, I'd like to discuss
10 that with you further as we move down the road.

11 DIRECTOR HARTZOG: Sure. I would say,
12 though, that we have been doing a lot of redeployment
13 of staff, um, across the agencies for multiple
14 functions, um, including, ah, the school safety
15 agents, um, participating in grab-and-go. We also
16 have been working with, um, for instance, TLC for the
17 taxi drivers to help in the distribution of, ah, Get
18 Food. So there's been, and we've been having Parks
19 Department staff do enforcement. It has been an all-
20 hands-on-deck effort and, as much as we can, making
21 sure that we are using every city employee in any way
22 possible that we can to help with the pandemic. But,
23 of course, happy to have conversations, too. Chair,
24 you're on mute.

25 SPEAKER JOHNSON: Chair Dromm?

3 CHAIRPERSON DROMM: Ah, now I'm here and
4 I'm back. I don't know why I was thrown off, but,
5 um, I have questions to follow up on that. Um, you
6 know, school safety agents are being used to the, ah,
7 Grab and Go Food, but, as you know, the Grab and Go
8 Food is not in every school, so there may be a
9 savings there, ah, that we could look at further as
10 we go down the road. And, I think, you know, one of
11 the things that we need to boost up are supports for
12 students, and guidance counselors and social workers
13 at this particular time seem to me to be, ah, what
14 should really be our priority as we look at the
15 Department of Education budget. So thank you. Now,
16 let me, I have some other questions in regard to, um,
17 the Department of Education. So the Department of
18 Education's fiscal 2021 executive budget reflects 470
19 million dollars in PEGs for the upcoming fiscal year,
20 with a 310.9 million dollar reduction to school
21 budgets, including a 100 million dollar reduction to
22 Fair Student Funding, something we fought very hard
23 and working with the administration for [inaudible] a
24 couple of years ago, and a 40 million dollar
25 reduction for school allocation memorandums
[inaudible]. Yet with these deep cuts to school

3 budgets the executive plan inexplicably shows no
4 reduced head count for the school. So how many fewer
5 staff will schools be able to employ as a result of
6 these cuts and, for example, how many first-year
7 teachers does 100 million dollars support and what
8 will happen to those who were recently hired?

9 DIRECTOR HARTZOG: So the department is
10 working, um, as we speak with the schools around how
11 they will actually implement the, um, 100 million
12 dollar reduction and the schools will have to present
13 plans by the end of this month as to how they will do
14 that, so I don't yet have answers for you on the
15 impact on head count there. And in terms of the SAM,
16 um, we specifically did this across the board to give
17 the schools and the department the flexibility in how
18 that's reduced. So there are, as you know better
19 than I, many, many different SAMS, um, things for
20 like, you know, technology, hardware, that perhaps,
21 um, you know, can be reduced, um, given other areas
22 that we made investments in IT that, you know, you
23 don't necessarily make it at the school level SAMS,
24 but those are actually being worked at as
25 [inaudible].

2 CHAIRPERSON DROMM: And then we're right
3 now in terms of, ah, how many fewer staff schools
4 would be able to employ?

5 DIRECTOR HARTZOG: I don't a number at
6 this time. That is part of what the department is
7 working on with each of the schools on actually
8 presenting how they will reduce their budgets for the
9 next fiscal year. And, as I said, that will be done
10 by the end of this money.

11 CHAIRPERSON DROMM: Director Hartzog, do
12 you know how many, um, teachers typically separate
13 from the DOE each year?

14 DIRECTOR HARTZOG: I don't know that.

15 CHAIRPERSON DROMM: OK, and is the hiring
16 freeze there in the DOE now?

17 DIRECTOR HARTZOG: There is a hiring
18 freeze on central.

19 CHAIRPERSON DROMM: Ah, central staff?

20 DIRECTOR HARTZOG: Correct.

21 CHAIRPERSON DROMM: But not on teachers?

22 DIRECTOR HARTZOG: No.

23 CHAIRPERSON DROMM: OK. And then, um,
24 outside of this freeze, um, there are no PEGs
25 reducing the head count at DOE central administration

3 field offices. Is that something you're going to be
4 looking at, at central administration staff?

5 DIRECTOR HARTZOG: We actually did as
6 part of the executive budget do a couple of, um,
7 reductions to central admin that I know the council
8 and, um, Council Member Treyger also asked us to look
9 into. One is further reducing professional
10 developments and so we've taken 140 million there and
11 we did reduce the administrative head counts and
12 implemented the hiring freeze, that's 53 million over
13 two years. Um, so those are just some of the
14 examples of what we took from central.

15 CHAIRPERSON DROMM: And so DOE's fiscal
16 2021 budget does not reflect COVID-19-related
17 expenses, even though we know it has incurred, ah,
18 related costs, such as providing adult and kosher
19 meals at schools and implementing remote learning.
20 So, um, why hasn't the DOE's budget been reflect, ah,
21 adjusted to reflect those expenditures and when can
22 we expect it to be adjusted?

23 DIRECTOR HARTZOG: It, this is exactly
24 what I was, um, explaining to the Speaker and his
25 question. As these expenses come up we're constantly
reevaluating them, um, and people add them as we move

3 forward with each plan. Um, but I think the
4 challenge here is the course of the pandemic and how
5 dynamic it is and how things are changing. Um, we
6 just want to make sure that you're being mindful as
7 we add additional, ah, spending that we're, you know,
8 tracking the course of the pandemic.

9 CHAIRPERSON DROMM: Would it be fair to
10 say, too, that we can expect additional cuts to DOE?

11 DIRECTOR HARTZOG: I think that we can
12 say that it's fair to say that there, that this is a
13 very challenging time for us, um, all of us, and that
14 the, um, you know, where we are with the economy and
15 where we are with both state budget and federal,
16 there's many uncertainties. Um, I think there has to
17 be additional, ah, reductions moving forward to total
18 spending costs.

19 CHAIRPERSON DROMM: Thank you. Let's go
20 to some issues around cash management. The
21 combination of COVID-related expenses to follow and
22 reduction of tax revenue and difficulties in the bond
23 market have made managing the city's cash flow
24 challenging, to say the least. How is the
25 administration managing the city's liquidity, ah,

3 crunch in the current fiscal year? Did you, did you
4 hear me, ah, Director Hartzog?

5 DIRECTOR HARTZOG: I, I did, sorry, I'm
6 not controlling, I'm not able to control when I mute
7 and unmute, so it's a little challenging here for me.
8 But I did hear your question. So the first thing,
9 um, Chair, that we did at the start of the pandemic,
10 and I especially want to thank Comptroller Stringer
11 and his staff, was that we immediately took a look at
12 where we had had contracts, mainly major capital
13 contracts that we're moving to be registered, and as
14 you know those contracts immediately liquidate. And
15 in a time where we couldn't go to the market, and it
16 is challenging, that we did not want to put the city
17 at further risk for liquidity. And so it was, the
18 first that we did was take a hard look at where in
19 fact, um, we had major contracts that spending would
20 have liquidated immediately. The second thing, um,
21 that we did overall is, ah, move very quickly to, um,
22 push and do a big push on the capital plan. I'm, I'm
23 sure Chair Gibson has many questions for me and Ken
24 on that front. But we had to make some very tough
25 decisions there and we did a stretch of about 4
billion dollars over fiscal years 20 and 21 out into

3 the 10-year plan. And, again, we did that and had
4 the 10-year plan for transparency purposes so that
5 the council and, and obviously others, the public
6 could see some, where in fact we were reforecasting
7 major capital projects. But that most certainly
8 helped us, um, in terms of, ah, especially, and I
9 know this is challenging for all, for the first time
10 we moved to stretch, um, HPD projects out. Um, those
11 are housing projects that immediately, once a deal is
12 closed, liquidate. And they're in the hundreds of
13 millions, and that helped also with balancing and
14 making sure, um, for the purposes of next fiscal
15 year, not in the current year, any deals that will
16 come into close [inaudible] with those, but it helps
17 with balancing and making sure we were, um, balancing
18 our cash. So those are the, the actions that we
19 took, um, including really working with our agencies
20 around where they were spending, um, and their
21 contracts. Um, to date I think that our cash
22 balances are strong. Um, I won't say that, um, we're
23 in the same situation that we were in if you looked
24 at a prior year and compared month to money. But I
25 do think because we took swift action at the
beginning of the pandemic and again working with the

3 comptroller's staff, um, we were able to avoid having
4 a cash crisis and, um, and avoid short-term
5 borrowing. I think there's a, one thing, the federal
6 reserve, um, is able to give, um, ah, you know, buy
7 capital. That is not the case. The federal reserve
8 and what's available currently is for short-term
9 borrowing and we haven't had to do that for liquidity
10 and I think that really speaks to strong fiscal
11 management, um, on the behalf of us, City Council,
12 and the comptroller.

13 CHAIRPERSON DROMM: Do you anticipate any
14 adverse effects from the slowing down of the
15 contracting process, to the, um, the people who hold
16 the contracts with the city?

17 DIRECTOR HARTZOG: I think that, um, we
18 have had to prioritize, ah, contract payments and one
19 of the things that we did very early on was for the
20 not-for-profit sector, who is the frontlines of work,
21 and had to reconfigure many of their programs. For
22 example, we think about preventive programs, um, who
23 need to be in touch with families, um, to make sure
24 that they're not at risk. Um, they've had to
25 reconfigure their programs quickly. We've had a lot
of our shelter programs, we've been working with, um,

3 the Speaker, um, Council Member Levin, around, um,
4 making sure that we have sufficient social distancing
5 in congregate facilities and getting isolation beds
6 up. So we've had to prioritize making sure that the
7 not-for-profit sector is paid. But, yes, there are
8 other bills and other contractors that we have been
9 juggling that potentially could have an effect.

10 CHAIRPERSON DROMM: OK, thank you. I
11 have other questions, but I'm going to move on to
12 some, um, to allow Council Member Gibson to ask
13 questions and then other council members.

14 CHAIRPERSON GIBSON: Thank you so much.
15 Thank you, Chair Dromm, and thank you, Director
16 Hartzog, to you and the team at OMB. Um, certainly
17 all of us at the council are deeply appreciative of
18 all of your work under these challenging
19 circumstances. I know that the decisions that have
20 been made to put forth an executive budget were not
21 easy, and certainly we at the council are your
22 partners in this process and we want to do the very
23 best to protect a lot of social safety net programs
24 that so many New Yorkers are reliant on. Even as we
25 begin today's hearings many of us are getting a ton
of emails and tweets on social media reminding all of

3 us of the importance of many of these programs. So
4 throughout today's hearing many of my colleagues who
5 are on today's call will certainly speak to the
6 importance of many of our programs like DYCD, summer
7 youth programs, and other programs that we really,
8 really care so much about. Um, I think we all
9 recognize that we have to make painful decisions.
10 Ah, but certainly none of us want to balance a
11 budget, a deficit, on the backs of vulnerable New
12 Yorkers and certainly young people. So I thank you
13 for your work, and, ah, I have a few questions,
14 obviously, as you know, all focused on the capital
15 plan, because I do know, as you mentioned, that we
16 have to shift some of our capital funds into the
17 outer years, and certainly I recognize why we have to
18 do that. But I do want to make sure that our capital
19 process continues to move forward. Um, the impact
20 that COVID has had on our capital program has really
21 been devastating, no question. Ah, the state's PAUSE
22 order that was, ah, implemented back in March on many
23 of our capital projects combined with our overall
24 cash flow issue has really brought all but a few of
25 our city's capital projects to a halt. What is
really unique about the situation is that the private

3 construction industry is also bound by the state's
4 PAUSE order, so the city may actually have an
5 opportunity to position itself very well when the
6 restrictions are actually lifted. So I want to
7 understand from you how soon will the city be able to
8 sell general obligation bonds and address our overall
9 capital cash flow issue, and does OMB anticipate that
10 our federal government will purchase a share of this
11 new issuance of general obligation bonds?

12 DIRECTOR HARTZOG: So one of the reasons
13 that we moved so quickly, um, to get the executive
14 budget updated was that so we could go to the markets
15 for capital and we intend to do so within the next
16 two weeks, um, for capital, which will help us, ah,
17 from a cash flow perspective. The federal reserve,
18 just to be clear, that, um, I mentioned this to, to
19 Chair Dromm just now, but that is for, ah, cash flow,
20 that's for liquidity on a short-term borrowing. It's
21 not for capital. Um, so that's not something that
22 we, um, will take advantage of on short-term
23 borrowing to deal with expense. That's not, ah, you
24 know, our plan.

25 CHAIRPERSON GIBSON: OK. So does OMB
think that the municipal bond market will actually

3 purchase city bonds as quickly as will me in that
4 case you described?

5 DIRECTOR HARTZOG: I think that there's
6 plenty of volatility in the market, but we have no
7 reason to believe at this point in time that we could
8 not move forward with a capital bond sale.

9 CHAIRPERSON GIBSON: OK, understand. Um,
10 what are we doing to position ourself to effectively
11 restart capital projects when the state does lift its
12 restriction? Do we have a plan, and is what is some
13 of the fundamental guidelines that we are putting
14 forth to prioritize health and wellness, public
15 safety, and many of our priorities that we know we
16 have to had in a post-COVID-19 world?

17 DIRECTOR HARTZOG: I, I mean, the, the
18 capital plan, um, the current cause and effect is
19 very much, you know, dependent on where we are with
20 the pandemic, um, and how we move forward, and
21 obviously very dependent on where we are with the
22 economy, where we are with our cash position. Um, so
23 those are really challenging questions to answer when
24 there's much uncertainty at this point in time.

25 CHAIRPERSON GIBSON: OK, understand. Um,
do you know when OMB will start reviewing any of our

3 non-COVID-19 or health- and safety-related, ah,
4 certificates to proceed again, 'cause I know there
5 was a pause on that process during COVID. And also,
6 how will OMB address the backlog of our CP requests
7 that are currently being held at agencies today?

8 DIRECTOR HARTZOG: Well, first let me
9 just clarify. Anything that's COVID-related but also
10 health and safety is moving. So, for example...

11 CHAIRPERSON GIBSON: OK.

12 DIRECTOR HARTZOG: We are moving forward
13 with continuing for H&H on Coney Island Hospital, um,
14 building out a wing there. So there's, there's other
15 health and safety projects that are, ah, not COVID-
16 related, but we want to make sure that we're
17 continuing forward and that's how we're trying to
18 prioritize various capital projects. I think that,
19 again, it is a uncertain time. Um, I can't make any
20 commitments that we're going to be able to move
21 forward with other capital projects that we've put
22 off, um, until we have a better certainty on where we
23 are with overall federal stimulate, state budget, and
24 my top priority is making sure that we have
25 sufficient, ah, liquidity on hand.

2 CHAIRPERSON GIBSON: OK. Do you think
3 that, um, OMB is going to give guidance to all of our
4 agencies as it relates to their overall capital? So
5 if we are prioritizing with health and wellness and
6 public safety what does that mean for some of our
7 other capital projects that obviously we know are
8 important, um, should be prioritized, what type of
9 guidelines would OMB set forth to all of our
10 agencies?

11 DIRECTOR HARTZOG: It's the same
12 guideline that we have right now, that unless it is
13 COVID-19 or related to health and safety, or
14 obviously public infrastructure projects, um, that
15 they are currently on pause. And beyond that, um, we
16 will have to reassess when we're in a different
17 place. But it's no different than the guidance we've
18 given to our agencies now.

19 CHAIRPERSON GIBSON: OK. Um, I wanted to
20 talk quickly to supported housing, because since mid
21 March, ah, thousands of New Yorkers have filed for
22 unemployment, as the Speaker mentioned. Ah, 57,000
23 are in homeless shelters and thousands are
24 experiencing homelessness and are currently
25 unsheltered. Ah, in the executive budget the

2 administration cut the supported housing budget in
3 HRA and DOHMH because the ramp-up of the program is
4 slowing. Can you ask, can you help us understand why
5 the administration is cutting housing programs at a
6 time when housing instability is growing during this
7 COVID? You're on mute, Director. [laughs]

8 DIRECTOR HARTZOG: Sorry. Again, I, I'm
9 going to ask people to help me figure out what's
10 going on 'cause I can't unmute.

11 CHAIRPERSON GIBSON: OK.

12 DIRECTOR HARTZOG: Sometimes I can mute
13 myself and I can't unmute. But at that moment I
14 could not unmute.

15 CHAIRPERSON GIBSON: OK. Did you hear
16 the question?

17 DIRECTOR HARTZOG: I did, I did, Chair,
18 apologies. Um, technology during this difficult
19 time. Ah, so the, this is what I'll say and I think,
20 um, I will defer to HPD to talk about the
21 construction, um, and what's happening there. But
22 this, this was us reflecting and taking under-
23 spending from both the rental, um, the subsidy
24 portion and the, um, for the supportive housing, um,
25 given the construction timeline. It is not that we

3 were cutting supportive housing and you're true,
4 there is a lag in the actually ramp-up time but that,
5 it's not a cut. And as it relates to the specifics
6 as it relates to the specifics on the lag on the
7 construction I will defer to HPD to provide those
8 details, and we can get you more specifics post, ah,
9 hearing.

10 CHAIRPERSON GIBSON: OK, well,
11 understand. Well, a quick suggestion, instead of, as
12 you said, it's not a cut, but supportive housing is
13 important. Um, I think we should reallocate this
14 funding to other areas where we know we can keep New
15 Yorkers housed, ah, such as rental arrears or
16 developing a more robust rental assistance program.
17 Ah, it's been mentioned by the Speaker, but we know
18 that when moratoriums on evictions are lifted there
19 is going to be a groundswell of potential evictions
20 going to housing courts throughout the city. And so
21 the idea of developing a rental assistance program
22 that just continues to compliment the work we are
23 doing and what we currently have I think would be an
24 idea that we should consider.
25

3 DIRECTOR HARTZOG: Just to be clear, we
4 do have rent arrears. They are funded through
5 different federal and, ah...

6 CHAIRPERSON GIBSON: Right.

7 DIRECTOR HARTZOG: ...state resources,
8 which are extremely helpful in alleviating pressure
9 on the city's finances, um, that we can leverage
10 there.

11 CHAIRPERSON GIBSON: OK.

12 DIRECTOR HARTZOG: And we spend about 200
13 million there.

14 CHAIRPERSON GIBSON: OK, great. Um, and
15 then I just had another question as well. And I know
16 before COVID we had been talking, um, very intimately
17 about some of the large, ah, purchase and acquiring
18 of some of the buildings, ah, that were distressed.
19 Ah, we had round one, we had round two. Are we still
20 moving forward with round three of purchasing some of
21 the buildings and, and taking those over and moving
22 them to not-for-profits. Is that still underway?

23 DIRECTOR HARTZOG: It is definitely, um,
24 still one of the priorities that we're considering.
25 But I think given our current situation financially
we're reassessing, um, the timing for that.

3 CHAIRPERSON GIBSON: OK, and another
4 capital, um, priority for us, obviously, has been the
5 construction of new schools and, you know, working
6 with, ah, Lorraine Grillo and her team, ah, we have
7 really provided a lot of opportunity to address a
8 growing need of overcrowding in our schools. Um,
9 where does the priority fall on our list as it
10 relates to moving forward on construction projects
11 for brand-new schools?

12 DIRECTOR HARTZOG: We did for the first
13 time do a stretch of, ah, for SCA, um, given where we
14 are with, um, the pandemic and our, um, economic
15 outlook, um, the details of which I don't have on me.
16 I'll to get back to you on the specifics of that.

17 CHAIRPERSON GIBSON: OK. And my final
18 question, 'cause we do have to move, ah, many of my
19 colleagues have questions. Um, a lot of the work and
20 the efforts that we've undertaken under your
21 leadership has really been to streamline the
22 certificate to proceed process, looking at the OMB
23 infrastructure and really providing a lot of support
24 for many not-for-profits that have capital projects
25 that have languished. Um, I appreciate a lot of
that, ah, really right sizing capital budgets, so

3 that it's more realistic over a five- and 10-year
4 period. We're grateful for that. I just want to
5 emphasize and remind you and your team that a lot of
6 those priorities must continue, even as we are
7 dealing with COVID and we are out of the COVID
8 pandemic and we are on the brink of recovery, we have
9 got to keep these capital projects moving forward.
10 Um, us in the City Council, our capital projects, the
11 constructions of schools, um, just technology. A lot
12 of things really need to move and housing is a
13 critical part of that. So I just want to again
14 emphasize to you and your team that as we provide
15 these guidelines for all of our agencies, keeping in
16 mind public health, safety, and overall, um, wellness
17 for New Yorkers, I definitely want to make sure that
18 housing, supportive housing, housing for seniors, and
19 the construction of schools is absolutely critical
20 and remains at the forefront of our discussions. Can
21 you hear me? [inaudible]

22 DIRECTOR HARTZOG: Yes.

23 CHAIRPERSON GIBSON: OK, thank you so
24 much. I'll turn it back over to Chair Dromm. Thank
25 you, thank you.

2 CHAIRPERSON DROMM: OK, thank you very
3 much, Chair Gibson. We're now, ah, going to go to
4 committee member, ah, OMB questions. So, um, I'll
5 turn it back over to our COMMITTEE COUNSEL, I
6 believe, at this point.

7 COMMITTEE COUNSEL: Thank you, Chair
8 Dromm. If any council members have questions for the
9 administration please use the Zoom raise hand
10 function. Um, council members, please keep your
11 questions to five minutes, including answers, and
12 wait for the Sergeant at Arms to tell you when your
13 time begins. The sergeant will also let you know
14 when your time is up. Um, we will begin with
15 questions from Majority Leader Cumbo, followed by
16 Council Member Gjonaj, followed by Council Member
17 Rivera.

18 SERGEANT AT ARMS: Council Member Cumbo,
19 your time is starting now.

20 MAJORITY LEADER CUMBO: Thank you. I'm
21 asking questions on behalf of Debbie Rose, who is
22 unfortunately at a funeral for her very best friend.
23 Um, my questions go in terms of following up on
24 Council Member Daniel Dromm's line of questioning in
25 terms of the NYPD remaining flat in this budget in

3 terms of not receiving any significant cuts, but that
4 we're also seeing a 124 million dollar cancellation
5 of the Summer Youth Employment Program, which is
6 going to impact 70,000 young people. We are also
7 seeing, ah, a cut in terms of COMPASS, Sonic, Beacon,
8 um, and Cornerstone programs in order to save
9 approximately 61 million dollars. The challenge that
10 I see with that is the administration's response
11 seems to be that we're going to utilize the NYPD to
12 police our young people. And I don't know if you've
13 seen it, but many have seen it, that it hasn't even
14 hit summer yet. We haven't even gotten to 80-degree
15 weather. And already we are seeing video after video
16 after video that is surfacing of young black
17 teenagers being handcuffed, brutally beaten. I saw
18 one of an African American teenage girl, ah, fighting
19 with a police officer as if she were a man, a grown
20 man. We're seeing video after video showing young
21 people with police officers with their knees on their
22 necks being brutally taken down and what I want of
23 the know is we've talked about alternative programs
24 but we have seen that through this budget the
25 alternative program seems to be the NYPD and what
we're gonna see again is what happened with the Eric

3 Garner situation, where this is going to create a
4 dynamic where young people are going to be arrested
5 and brutalized throughout this summer and communities
6 of color are going to have to organize and galvanize
7 and focus all of their energies around the NYPD when
8 in reality they should be focusing on stimulus money,
9 getting their businesses back up to speed. This is
10 going to be devastating. What are the plans for
11 summer youth and our young people this summer? What
12 is the, what is the plan?

13 DIRECTOR HARTZOG: So I think I, um, when
14 we talked about this earlier I noted that we are
15 working, DYCD, um, and Deputy Mayor Thompson's office
16 and the Department of Education are working on an
17 overall summer learning plan that includes both what
18 the DOE can do and in fact what DYCD can do with
19 their existing providers. And there are a number of
20 remote learning opportunities that looking at, as
21 well as providing, um, direct support to youth. So
22 those plans are forthcoming and you will be hearing
23 more from both agencies on what they intend to do.

24 MAJORITY LEADER CUMBO: Let me ask you a
25 question. Did you...

3 DIRECTOR HARTZOG: On the NYPD budget

4 I'm...

5 MAJORITY LEADER CUMBO: Did you see those
6 videos?

7 DIRECTOR HARTZOG: I can speak to the
8 budget. That's what I'm here to speak to. And I can
9 talk to you about NYPD's budget and what we did on
10 the PEG.

11 MAJORITY LEADER CUMBO: [inaudible]
12 reflection of what's going to happen to those youth,
13 and those programs that you just outlined do not seem
14 that they are comprehensive enough to deal with the
15 onslaught of over 100,000 youth with nothing to do,
16 but what we have done is allocated money to an NYPD
17 who has no ability to enforce social distancing in an
18 equitable way [inaudible] into that because it is
19 going to explode with young people who have nothing
20 to do with, for the summer, and all of these
21 resources being put into an NYPD. So as a woman of
22 color who is here to talk about the budget we are
23 hoping that in your discussions you are recognizing
24 and seeing what's happening in the outside world and
25 are able to weigh in on how we protect our young
people. Because I for one as the mother of a black

3 son I'm not going to tolerate a budget that is going
4 to allow our young people to be policed instead of
5 programmed, which we've given suggestions. And I
6 have not heard any of those suggestions in your
7 testimony about how we are going to protect our young
8 people, educate our young people, and give them the
9 resources that they need in order to be productive
10 members of society and not hog tied and arrested all
11 throughout the summer and black people and people of
12 color are gonna have to take valuable time away from
13 fighting for their businesses, fighting for
14 computers, all to focus on this systematic element of
15 racism that continues to attack communities of color.
16 We are always fighting against NYPD. We are never
17 fighting in support of budget, money, resources,
18 school, and education because our time is always
19 taken away with these types of issues. I want to see
20 a real plan to figure out...

21 SERGEANT AT ARMS: Time.

22 MAJORITY LEADER CUMBO: ...how you're
23 going to help our young people.

24 CHAIRPERSON DROMM: OK, thank you. We're
25 going to go to the next question.

2 COMMITTEE COUNSEL: We will now hear from
3 Council Member Gjonaj, followed by Council Member
4 Rivera, followed by Council Member Holden.

5 SERGEANT AT ARMS: Council Member Gjonaj,
6 your clock starts now.

7 COUNCIL MEMBER GJONAJ: Thank you. I
8 want to thank the chairs and I, ah, want to begin by,
9 um, keeping all those that have passed or lost loved
10 ones, ah, during this time in my prayers and those
11 that are currently battling, ah, this virus and
12 fighting for their lives, that I will be praying for
13 them, that they're in my heart and mind. Um,
14 Director, I'm not sure if you can answer the Majority
15 Leader's question. I think her time was up, she kind
16 of expected a response from you.

17 DIRECTOR HARTZOG: I don't have to
18 response.

19 COUNCIL MEMBER GJONAJ: OK. You're
20 right. You don't have to respond. It's obviously
21 your choice. But I, I can say some things, and so
22 much has been said by both of the chairs and the
23 Speaker already. What do you say that this
24 administration has increased our budget by 33% since
25 taking over, yet we all feel less safer, we see that

3 our streets are less clean, and we see that our
4 quality of life has not improved. This
5 administration is about to leave the, us with no
6 reserves and raid the Retirement Trust Fund. Since
7 we began, or since I was elected into the City
8 Council every budget negotiations I've warned and
9 emphasized the importance of seven years of feasts
10 requires that we should be planning for seven years
11 of famine. We are in the worst condition since the
12 1970s under this administration. How do you answer?

13 DIRECTOR HARTZOG: With all due respect,
14 Council Member, I strongly disagree. This is not the
15 1970s and since then we've had a gap accounting that
16 provides great transparency into our budget. We
17 balance our budget every year before the fiscal year
18 begins. And the reserves are here just for this
19 purpose, which is we have built them up in
20 partnership with the council over the last several
21 years for just this type of is, which is there's a
22 pandemic and we've had to dip into our reserves. In
23 addition to that, even in the good times when we've
24 had economic growth, even though it's slowed most
25 recently in the last fiscal years, we've actually had
savings. We've continued to have savings as part of

3 it, and at adoption of this past year we set a
4 precedent with the council where savings actually
5 funded a portion of the adopted budget. I expect
6 that we will continue to do that in partnership with
7 the council and I do not think that we're leaving
8 future administrations with any, ah, more challenges.
9 I think, in fact, we have increased reserves. We
10 continue to have record levels of savings and we'll
11 to do so, including the fact that we've negotiated
12 labor contracts, which has provided a lot of
13 stability in planning forward for this city's budget,
14 and we've had savings included in those contracts for
15 the first time. So I think we've provided a lot of
16 stability moving forward.

17 COUNCIL MEMBER GJONAJ: Director, we're,
18 you're gonna leave this to, the next administration
19 is gonna inherit a depleted reserve when it comes to
20 our trust, our pension trust fund. They're going to
21 inherit a reserve that is frightening. When we're
22 looking at dire straits ahead and we should be
23 looking to cut in other areas. Some of them have
24 been mentioned. I'll mention a few other areas. We
25 should be looking to cut from the 5 billion plus, and

3 maybe you can elaborate. The DOE central, ah,
4 budget, is that over 5 billion dollars?

5 DIRECTOR HARTZOG: I can't speak to the
6 actual centralized budget at this time.

7 COUNCIL MEMBER GJONAJ: Well, I
8 understand it's over 5 billion dollars. We can cut a
9 billion dollars there. We can cut a billion dollars
10 from the failed New York City Thrive program with 233
11 million dollars a year that is, that is not serving
12 New Yorkers, not yielding the results for that kind
13 of money. We can cut capital projects where, where
14 parks, including Orchard Beach and others. We can
15 offer concessions where others, the philanthropy and
16 the business industry can build those infrastructures
17 that are needed and save the capital dollars. This
18 is a time that we're supposed to be thinking out of
19 the box, making sure every dollar gets spent wisely.
20 I'm not hearing that from this administration. I'm
21 not hearing that from you. I'm hearing things are
22 gonna be done in a fashion that are OK with this
23 administration, their pet projects, and I want to
24 remind you that it was this council that pushed last
25 year to build the reserves against the unwillingness

2 of this administration. You guys pushed back on
3 this. Can you answer to any of those?

4 DIRECTOR HARTZOG: It is no different
5 than what I've said. We, I disagree with your view
6 of where we are and what we've done in this
7 administration. And I think as it relates to, um,
8 your point about central admin...

9 SERGEANT AT ARMS: Time.

10 DIRECTOR HARTZOG: ...that's about 1% of
11 DOE's overall budget is central admin and we've taken
12 significant reduction to their central admin budget,
13 um, and I think that we've always been working the
14 council. Moving forward, I'm looking at different
15 savings ideas and we'll continue to do so, including
16 building the reserves.

17 CHAIRPERSON DROMM: OK, we have to move
18 on. Next, please.

19 COMMITTEE COUNSEL: We will now hear from
20 Council Member Rivera, followed by Council Member
21 Holden, followed by Council Member Adams.

22 SERGEANT AT ARMS: Council Member Rivera,
23 your time starts now.

24 COUNCIL MEMBER RIVERA: OK, thank you.
25 Thank you for [inaudible]. Um, ah, and thank you,

3 ah, for the time. The Hospitals Committee as of
4 right now will not have a budget hearing due to
5 capacity restraints related to COVID-19. So I
6 appreciate the opportunity now to ask some questions.
7 Um, quickly, about the census, and I'll get into
8 Health and Hospitals in a second. We had 40 million
9 dollars in the census outreach. My cochair and I, as
10 well as members of Congress, asked for a postponement
11 in response to the COVID-19 pandemic. Um, and they
12 postponed the self-response period to October 31,
13 which is, which is good news, I guess. How much of
14 the 40 million will New York City Census spend and
15 can unspent funding awarded to CUNY be rolled into
16 fiscal year 2021.

16 DIRECTOR HARTZOG: Ah, those are all good
17 questions, ah, Council Member. I think that the
18 census team is working now and understanding and
19 assessing what that, ah, the implications are for
20 pushing it out and what their plan is. I don't have,
21 um, any plans from them just yet, but happy to report
22 out when we do.

23 COUNCIL MEMBER RIVERA: All right, I
24 appreciate that. The, the grassroots outreach was
25 going to be really important to getting those numbers

3 and, as you saw, we're performing fairly poorly
4 nationally.

5 DIRECTOR HARTZOG: Yes. I understand
6 that they're doing some of that work remotely now,
7 but, again, they're still working on what the
8 timeline, given the expansion of the timeline
9 extension.

10 COUNCIL MEMBER RIVERA: All right. And
11 I, I just want to reiterate, ah, what the Majority
12 Leader said about asking for an immediate alternate
13 services or employment opportunities for our young
14 people, because between eliminating COMPASS, Beacon,
15 and Summer Sonic the city is looking to save 55
16 million dollars in fiscal year 2021, which is a
17 relatively small amount of savings, yet eliminates
18 all programs for young people, specifically low-
19 income young people from communities of color. So I
20 just want to leave that there, 'cause that's not a
21 question, it's more of a statement. Um, you know,
22 these are our families that were hit the hardest.
23 They're front line essential workers and, you know,
24 they need something to do. So as for Health and
25 Hospitals, um, our city's public hospital system has
26 been instrumental in responding to COVID-19, as

3 everyone knows, both in treating the patients and
4 operating citywide public health systems, such as 311
5 phone system. The public system was on its and
6 answered almost 100,000 calls on their hotline. How
7 much has H&H spent to address COVID-19 so far? Is
8 there an estimate of how much will be spent overall?

9 DIRECTOR HARTZOG: So, ah, I believe as
10 of, ah, April 29 it's been about 210 million dollars.
11 Um, but of course that's, you know, unique expenses.
12 It's, you know, obviously doctors, nurses, etcetera
13 that are on staff are, um, working. Um, we
14 anticipate and we're working with FEMA to ensure that
15 they get the advance funding on this. But I think
16 from, um, and I know in your position with oversight
17 you would be concerned, obviously, about their cash
18 position. But they are in a very good cash position,
19 um, about 540 million dollars of cash on hand. Um,
20 they continue to, and we haven't seen any, um,
21 reason. The state has been very working with them on
22 their DISH and UPLS, um, in terms of their overall
23 reimbursement. So they're in very good shape
24 financially.

25 COUNCIL MEMBER RIVERA: What support has
the federal government given so far? Is it going to

3 be sufficient and what is the likelihood that more
4 funding will come?

5 DIRECTOR HARTZOG: Um, they do and they
6 are receiving, ah, support from the CARES Act. Um,
7 we have been working with them on actually, um,
8 making sure that they're able to access that funding.
9 Um, but it's an ongoing process, Chair.

10 COUNCIL MEMBER RIVERA: Well, I figured
11 that, I mean, it wouldn't be a direct answer. I know
12 that...

13 DIRECTOR HARTZOG: Oh, sorry, it's 118
14 million dollars, um, specifically on the CARES front.

15 COUNCIL MEMBER RIVERA: Well, I know the
16 council [inaudible] 1.4 billion in federal funding
17 coming to New York City through the CARES Act. But I
18 don't think OMB has yet to apply any of those
19 expenses. But let me just ask a couple more
20 questions 'cause I don't have a lot of time. H&H
21 treats everyone regardless of insurance cognitive and
22 immigration status. Do you have a breakdown of how
23 many people have been treated by H&H for COVID who
24 are uninsured and do you have those numbers for those
25 who have Medicaid?

2 DIRECTOR HARTZOG: I don't have that, um,
3 but we can get it to you.

4 COUNCIL MEMBER RIVERA: I appreciate
5 that. How has responding to COVID-19 impacted the
6 roll out of NYC Care?

7 DIRECTOR HARTZOG: Um, it has not. Ah,
8 H&H has been moving forward, um, with their plan and
9 continuing to do so. I have not heard that it has
10 impacted their ability to roll out NYC Cares.

11 COUNCIL MEMBER RIVERA: OK. How have
12 FQHCs and community-based care been engaged in the
13 treatment of COVID-19, apart from nine local health
14 clinics. They haven't really [inaudible] a lot of
15 attention. They don't have a lot of supplies. And
16 so, um, how have you been engaging them during this
17 crisis?

18 DIRECTOR HARTZOG: Ah, particularly with
19 the FQHCs, we've actually been directly engaging them
20 and, um, are working with them to provide, ah,
21 clinical support to isolation beds.

22 SERGEANT AT ARMS: Time.

23 DIRECTOR HARTZOG: And want to do more of
24 that moving forward. And I think in terms of clinics
25 and in needs of PPE we continue to provide that

2 support. Um, but if there are certain, ah, clinics,
3 ah, Chair, that you're concerned about please do let
4 us know through Latonya and I'd be happy to make sure
5 that gets across.

6 CHAIRPERSON DROMM: Thank you. Let's
7 move to the next person, please.

8 COMMITTEE COUNSEL: We will now hear from
9 Council Member Holden, followed by Council Member
10 Adams, followed by Council Member Powers.

11 SERGEANT AT ARMS: Council Member Holden,
12 your time will start now.

13 COUNCIL MEMBER HOLDEN: Thank you, thank
14 you everyone. Ah, it's great to be back in the
15 chambers here even if virtually.

16 UNIDENTIFIED: That's great.

17 COUNCIL MEMBER HOLDEN: Ah, hi, Director.

18 DIRECTOR HARTZOG: Hello.

19 COUNCIL MEMBER HOLDEN: Ah, what are the
20 total cuts to Thrive New York City agency by agency?

21 DIRECTOR HARTZOG: Um, I don't it agency
22 by agency, but we can get you that level of detail.

23 Um, hold on one second. Ah, so in this plan we, um,
24 ah, it was 18 million over two years and, um, there
25 was 10 million related to, um, ACT teams. This was

2 because the, ah, ACT teams had to be authorized by
3 the state through Medicaid, um, and there has been a
4 delay in getting that approval from the state. And
5 then to, ah, co-response teams, these are DOH
6 clinicians and NYPD officers, um, and we, um, decided
7 to move that, shift that to fiscal year 22 for
8 expansion. It does not affect the 911 response team.
9 So if anyone calls 911, um, a person who is, um,
10 emotionally, um, disturbed then we have 911 co-
11 response teams that go out, nurses and, ah, police
12 officers.

13 COUNCIL MEMBER HOLDEN: Thank you. Um,
14 ah, is there a, you know, we talked about hiring
15 freezes. Is there a hiring freeze in the mayor's
16 office, because I'm on Twitter and...

17 DIRECTOR HARTZOG: Yes.

18 COUNCIL MEMBER HOLDEN: ...every day I see
19 he's hiring new people. So how is that happening?

20 DIRECTOR HARTZOG: There's a hiring
21 freeze across the board.

22 COUNCIL MEMBER HOLDEN: There is, right
23 now?

24 DIRECTOR HARTZOG: With the exception of
25 health and safety.

2 COUNCIL MEMBER HOLDEN: OK. Um, I
3 understand..

4 DIRECTOR HARTZOG: [inaudible]

5 COUNCIL MEMBER HOLDEN: OK. I understand
6 you want to get, ah, authorization to issue bonds and
7 you talked about that. What is the comptroller's
8 perspective on this and how can we be assured that it
9 won't be reckless spending?

10 DIRECTOR HARTZOG: Um, the comptroller's
11 perspective on issuing capital bonds, we work in
12 partnership with the comptroller on, ah, the capital
13 bond issuances, um, and we've been in direct contact
14 with his staff around the next bond issuance. Um, I
15 don't foresee any problems with that. And, as I've
16 said, in terms of managing the city's cash and
17 looking, um, when immediately the pandemic started
18 the comptroller and his staff were very helpful in
19 working through with us, ah, various contracts that
20 we had to make tough decisions on, deciding not to
21 register them to support the city's cash balance.

22 COUNCIL MEMBER HOLDEN: Ah, have you
23 looked at the Bloomberg's administration fiscal year
24 response, fiscal year 10's response to the Great
25

3 Recession, ah, to form a response to the current
4 budget?

5 DIRECTOR HARTZOG: No. But I have lived
6 through it, so tell me what your question is on that.

7 COUNCIL MEMBER HOLDEN: Well, it might,
8 it might be a good idea to look at how they responded
9 and so we could kind of formulate ours, ah, you know,
10 you have to look at the history of recessions and,
11 and how do we respond. So I think forming a model
12 budget, ah, based on what's happened before is a wise
13 move, don't you think?

14 DIRECTOR HARTZOG: I think that we are in
15 a position where thanks to our partnership with the
16 council we have record level reserves. Having been
17 in the Bloomberg administration when we didn't have
18 that and had to make very tough choices, including I
19 myself had to lay off half of my division, I would
20 say that given where we are in both reserves, record
21 levels of reserves, that we were able to use during
22 this time, um, and our continued focus and approach
23 on savings we're in a very good position at this
24 point in time.

25 COUNCIL MEMBER HOLDEN: Um, OK, Chair,
thank you very much.

2 CHAIRPERSON DROMM: OK, who's on
3 [inaudible] next?

4 COMMITTEE COUNSEL: We will now hear from
5 Council Member Adams, followed by Council Member
6 Powers, followed by Council Member Van Bramer.

7 SERGEANT AT ARMS: Council Member Adams,
8 your time starts now.

9 COUNCIL MEMBER ADAMS: Thank you very
10 much. Thank you, Chairs, and hello, Director
11 Hartzog, it's good to see you.

12 DIRECTOR HARTZOG: Hello, Council Member.

13 COUNCIL MEMBER ADAMS: I know that this
14 has been a very difficult time for you, as it has
15 been for all of us. Um, I, I just need a little bit
16 more clarity. Um, the Majority Leader touched on
17 something and it was, it was a nerve for me as well.
18 It's very difficult to understand any formula, um,
19 that would, ah, virtually, um, ah, decimate all
20 summer programming for our youth. Um, take away a
21 lot of the financing that is going to be needed, and
22 not just for the, for their homes, the income affects
23 their homes for these youth as well. So I just need
24 to hear a little bit more because I don't understand
25 a formula that would create such a disparity between

3 youth services and the NYPD, which virtually has,
4 what, 1% of, of budget cuts. So I just need to
5 understand what kind of formula does that.

6 DIRECTOR HARTZOG: So on the NYPD, 90% of
7 their budget is, ah, staff. And, as I said at that
8 point in time in the executive budget we were looking
9 at one in six, um, officers out on leave, um, sick
10 leave, and we had to make tough decisions around the
11 fact that we needed to do, and this is at the same
12 time that we were ramping up around social distancing
13 and doing enforcement and outreach around social
14 distancing to really, um, deal with the rising at
15 that time number of COVID-positive cases. And so
16 that was why we look at where we took the savings,
17 um, those were the tough decisions we had to make
18 there. On the SYEP fronts and the summer programming
19 overall, that was equally a very difficult decision
20 related to social distancing. We are working to
21 determine and, again, I hear you loud and clear
22 around youth programming, how are we engaging youth
23 during the summer, the fact that this is not only
24 just a program to engage youth, but also is a direct
25 subsidy in terms of the, um, [inaudible] they receive
for families. Um, these are, you know, all questions

3 that we're trying to work through, um, and we want to
4 engage the philanthropic community as well in trying
5 to help us do summer programming writ large through
6 DOE and DYCD, um, and you'll hear more from us in the
7 coming weeks and we want to engage all of you as well
8 in that process, too.

9 COUNCIL MEMBER ADAMS: OK. I thank you
10 for that. I'm going to just say that, um, again to
11 the Majority Leader's point, we are looking at a very
12 hot summer. We're looking at social distancing being
13 in the forefront and we are looking at right now, ah,
14 just the brutalization that is going on, that is
15 going in particularly black communities in this city.
16 We would hate to see a further escalation of any of
17 this when in my estimation we have ways to prevent
18 that by looking at this very budget. We're looking
19 at right now hiring delays for NYPD, when we can take
20 a look at the other side where NYPD is engaged in
21 social servicing right now and taking homeless off
22 the subways. I don't think that's, that should be in
23 their purview personally. Um, there are other ways
24 to look at this. We're looking at a disaster
25 situation in the over-policing, um, in the black
community. We can do something about it. I really

2 think that a closer look needs to be taken at Thrive
3 NYC. From what I see, the cuts for Thrive have, ah,
4 been done, ah, with [inaudible] and, and programs
5 that just weren't working. A closer look needs to be
6 taken with that. I understand that it's a pet
7 project, but there needs to be equity across the
8 board. There are other ways to do that and other
9 systems to take a look out. So my recommendation is
10 to please take a closer look at Thrive NYC, protect
11 the youth of this city, don't make our, our summer
12 any hotter than it normally, ah, would be. We're
13 having a hard time with this budget and, um, I
14 really, really, ah, hope that we can do a lot better
15 by our children. They deserve so much better than to
16 have everything that they've look forward to this
17 summer completely decimated. Thank you.

18 CHAIRPERSON DROMM: OK, we'll now go to
19 our next council member, please.

20 COMMITTEE COUNSEL: We will now hear from
21 Council Member Powers, followed by Council Member Van
22 Bramer, followed by Council Member Kallos.

23 COUNCIL MEMBER POWERS: Thank you.

24 SERGEANT AT ARMS: Council Member Powers,
25 your time starts now.

3 COUNCIL MEMBER POWERS: Oh, my time
4 starts now. Ah, ah, thank you, hope you're staying
5 safe and healthy, and thank you to Chair Dromm and
6 Chair Gibson for, ah, the opportunity to ask some
7 questions. Um, my first question, I have a couple
8 different topics, but the first question is, um,
9 right now the restaurants and hospitality industry
10 are particularly getting hit hard and have been
11 asking for additional assistance, and, um, a couple
12 of the items, both, you know, an additional grants
13 program for businesses, a sales tax holiday for when
14 they do reopen to allow them an opportunity to try to
15 recoup, ah, lost, lost revenue, and then also a
16 modification of the [inaudible] tax. That's three of
17 the things they have mentioned to me. Does OMB have
18 an opinion on any of those and is it considering
19 doing any of those three items?

20 DIRECTOR HARTZOG: Sure, why do I take
21 the, ah, um, grant and loans piece and then I'll turn
22 it to Francesco for the other two. Um, so at this
23 point in time we've had about 50 million dollars in
24 grants and loans, um, about 3000 grants have been
25 approved and 190 loans. And, in fact, we decided to
shift, originally the plan was to do more loans, but

3 we decided to shift to provide, um, much more grants.

4 And I think the challenge here is that we have been,

5 and I think the stimulus funding, we've been

6 aggressively pushing for that to be the answer, um,

7 because there's just more resources there than we

8 could ever provide, and so really pivoting and

9 pushing that the stimulus provide that relief.

10 Francesco, do you want to take the other two

11 questions?

12 DEPUTY DIRECTOR BRINDISI: Yes, I would

13 be glad to. Council Member, ah, so, you know, to the

14 point of the sales tax, you know, because of the

15 social distancing our forecast on sales tax revenue

16 is, ah, it's badly hit, both in this year and the

17 next one. Ah, you know, the, there is a question

18 about what are going to be the measures, ah, that are

19 going to be necessary to, ah, return to, you know, to

20 kick start the economy. Um, I don't think that that

21 is something that, ah, we're, ah, it's something that

22 we're starting to contemplate. They will have to

23 deal with how quickly we're able to reopen and how,

24 you know, we've managed to, ah, contain, ah, the, the

25 spread of the disease over time. Ah, the commercial

rent tax, as you know, it's 900 million. Ah, it's

3 going to be affected by it as well. It's going to be
4 affected by the, the recession. You know, we've
5 recently have, ah, cut commercial rent tax for small
6 businesses in collaboration with the council and, ah,
7 it's a, it's a tax that only affects certain parts of
8 Manhattan and not, and not citywide. So that's, you
9 know, certainly, ah, something that, that all of
10 those considerations need to be taken into access.

11 COUNCIL MEMBER POWERS: OK. I, I'm going
12 to keep on going because I've got a lot of topics. I
13 guess my, my point here is especially if we have
14 federal money helping to support this is to think
15 about helping those businesses that are gonna be on
16 the, the tail end of the reopening and are
17 particularly hard-hit right now because of the loss
18 of foot traffic and limited operations. They are
19 going to be at the very end, if you looked at any
20 plans the governor has put out. And when we, if we,
21 particularly if we have financial assistance from the
22 federal government, which I think is a really
23 important part of that, is to ask us to take that
24 part seriously to help those. I'm going to keep
25 going.

DEPUTY DIRECTOR BRINDISI: I understand.

2 COUNCIL MEMBER POWERS: I appreciate it.
3 What is on Riker's Island, um, you know, there have
4 been, you know, widespread reports of insufficient
5 levels of PPE for the DOC staff and people in custody
6 in both March and April. There are also media
7 reports that DOC transferred 30,000 masks to the
8 FDNY, remarkably, that were held in storage in
9 Riker's Island, which I think you would imagine
10 caused a lot of staff with the DOC to be upset. Um,
11 how has the OMB and your side of equation ensuring
12 the necessary tools and resources to protect the
13 city's essential work force will be distributed
14 adequately and used properly for the city agencies
15 moving forward in this pandemic? And, um, I want to
16 ask, I'm just gonna ask my questions and I'll let
17 you, that's number one is PPE. Two is, you know, we
18 talked about, I don't think anybody, you mentioned
19 yourself, director, layoffs, head count reductions
20 are really one of the hardest parts of this equation,
21 but what is the scenario by which the city would have
22 to consider, what is the maybe financial scenario
23 where the city would have to start looking at making
24 reductions, ah, in terms of, ah, agency head count,
25 mayoral office head count, and, um, and finally a

3 just a question is, is the city contemplating any
4 [inaudible] rental assistance for folks or renters in
5 New York City who are having trouble paying the rent
6 right now? I know we have to do a lot at the state
7 level, but is the city contemplating any source of
8 program around rental assistance. Thank. Those are
9 my questions.

10 DIRECTOR HARTZOG: Yes, quite a few
11 questions there, Council Member. Um, so let me see
12 if I can remember them all and address them.

13 SERGEANT AT ARMS: Time.

14 DIRECTOR HARTZOG: So the first on just
15 PPE in general, um, it's about 530 million citywide
16 and obviously the Department of Correction is part of
17 that. Um, and so our job is to make sure that, and
18 as the mayor has said, prioritizing health and
19 safety, um, and that we are making sure that the
20 agencies get what the finances, ah, to be able to do
21 that. And so that is the answer on that front. On
22 the head count, we have taken head count down another
23 2000 and we have the hiring freeze. Ah, to your
24 question about layoffs, the mayor has said that that
25 is the last resort, um, and our efforts have to be
focused collectively, and I know, ah, the speaker and

3 many of you are really pushing for additional
4 stimulus funding, um, and that is, um, where we are.

5 COMMITTEE COUNSEL: We will now hear from
6 Council Member Van Bramer, followed by Council Member
7 Kallos, followed by Council Member Chin.

8 SERGEANT AT ARMS: Council Member Van
9 Bramer, your time starts now.

10 COUNCIL MEMBER VAN BRAMER: Thank you
11 very much. Ah, first, I just want to say thank you
12 to Director Hartzog for, ah, your service. Chair
13 Dromm began the hearing today by talking about the
14 importance of support for students, ah, and youth
15 services and immigrant communities, and I could not
16 agree more. Ah, libraries and our cultural workers are in
17 fact youth services. They are in fact support for
18 their students, ah, support for immigrant
19 communities, ah, and I just want to thank the mayor
20 and this administration for recognizing the
21 importance of libraries and cultural workers, because
22 we all know that cutting the budgets to libraries and
23 cultural workers means layoffs. It means, ah, laying off,
24 ah, people, many of whom are members of GC37 and our
25 unionized work force and what could be worse than
laying off so many hardworking union, ah, men and

3 women, ah, particularly in Queens, ah, and so I want
4 to thank the administration for recognizing, ah, the
5 importance. Also, and I know Chair Dromm noticed
6 this, some of the busiest libraries in Queens are
7 Elmhurst, Jackson Heights, ah, Corona, some of the
8 hardest-hit neighborhoods by COVID-19. And, ah,
9 libraries are indispensable, ah, for immigrant
10 communities. Trusted institutions. Ah, and that's
11 why it's absolutely imperative, ah, that we continue
12 to protect and defend our public libraries that are
13 right now still serving the immigration communities.
14 I also, ah, just spoke to Dennis Wolcott, ah, the
15 terrific leader of the Queens Public Library, who
16 mentioned, ah, the Queens Public Library very much
17 utilizes SYEP and as the Majority Leader and Council
18 Member Adams and so many others rightfully talk
19 about, ah, what's gonna happen this summer, ah, we
20 have to make sure that we're protecting, ah,
21 libraries, ah, and culture and the arts, ah, because,
22 ah, young people, ah, are going to benefit and are
23 still benefitting, even in this time of COVID-19 when
24 the physical buildings are closed many of the
25 services and programs are actually still being
offered, ah, remotely and through Zoom, including

3 Chair Dromm's favorite drag queen story hour, which
4 is, ah, still happening and still providing
5 educational opportunities for young people. Um, I
6 also want to say in addition to making the point that
7 cuts, ah, to libraries and culture mean layoffs, ah,
8 to unionized, ah, DC37 members. Ah, we as a city,
9 and I know, ah, Mel, you know this having come
10 through, ah, that budget that Council Member Holden
11 talked about earlier, that any plan, ah, for an
12 economic recovery in the City of New York has to
13 involve a thriving cultural and arts, ah, community,
14 ah, that ultimately, ah, will drive visitors once
15 again to New York, ah, fill up our hotels and our
16 restaurants, support those unionized, ah, work forces
17 including the Hotel Trades Council members. So, ah,
18 I just want to, ah, say that, ah, ah, there are few
19 things that fit the priors of this council, ah,
20 including making sure that young people, ah, young
21 people of color, ah, working-class people,
22 immigrants, union members, ah, have the services, ah,
23 and the educational, ah, ah, opportunities that
24 everyone so desperately needs, ah, and, and
25 libraries, culture, and the arts, do that. So, ah, I
really just want to say that at this point, um, ah,

3 the budget reflects that as a value, ah, and ask you,
4 ah, Director Hartzog, ah, as we going forward, ah, to
5 continue that, um, ah, ah, importance, ah, that
6 you're placing on, on libraries, culture, and the
7 arts, and ask if you would, ah, speak to that, ah,
8 both libraries, culture, and the arts, in both the
9 educational, ah, place and, ah, in making sure that
10 we have a just economic recovery in the City of New
11 York.

12 DIRECTOR HARTZOG: Um, so, I think that,
13 you know, at this point in time in the executive
14 budget we were, um, able to, ah, preserve the funding
15 for the culturals and library institutions and we
16 were very mindful of where things were moving with
17 the stimulus dollars, and I've think you said it far
18 better than I could articulate and, um, I'm sure
19 Francesco can chime in on it, too. But just, ah, the
20 importance of the cultural institutions to New York
21 City's economy and the recovery. Um, I do think that
22 we are in extremely challenging times, as you've
23 heard me say throughout the hearing, um, and not to
24 be a broken record, but to say again that we are very
25 much, ah, looking for another stimulus package. We
are facing a very tough set of decisions moving

2 forward and so, you know, commitments to keeping
3 anything [inaudible] are just challenging to think at
4 this point in time, but understand and respect your
5 priorities, ah, Council Member. Um, I want to say
6 thank you to all of you, ah, for participating and
7 being part of the hearing. Um, I am, ah, leaving the
8 hearing but Kenneth Gardner and Francesco Brindisi
9 will be available and continue to answer your
10 questions. Thank you, Chair.

11 CHAIRPERSON DROMM: Can you tell I'm
12 having trouble with mute and unmute. Never thought
13 I'd muted in my life. But anyway, thank you, ah,
14 Director Hartzog. We appreciate you coming in and
15 giving us your time. I understand you have to go to
16 COVID meetings, time-sensitive COVID meetings. So,
17 ah, we appreciate you giving your time and we look
18 forward to talking, ah, to your other directors, um,
19 when you leave. Thank you.

20 DIRECTOR HARTZOG: Absolutely, Chair.

21 CHAIRPERSON DROMM: OK, we'll now go to,
22 I'm sorry, we'll go now to other council members'
23 questions.

24

25

2 COMMITTEE COUNSEL: We will now hear from
3 Council Member Kallos, followed by Council Member
4 Chin, followed by Council Member Richards.

5 SERGEANT AT ARMS: Council Member Kallos,
6 your time starts now.

7 COUNCIL MEMBER KALLOS: Ah, thank you to
8 Chair Dromm. I'm deeply disappointed that the budget
9 director will not remain for my line of questioning,
10 ah, and I expect to hear back from here. I want to
11 just focus on savings in our budget and concerns of
12 predictable costs from cuts. Ah, we have a contracts
13 budget of 16 billion dollars. It seems like before
14 we start cutting our services with city employees it
15 might be a good idea to gut all the consultants and
16 wasteful contracts that we've been spending all these
17 years. I was heartened to hear that, ah, OMB has
18 been working with the comptroller to review these
19 contracts and find which ones don't need to be
20 registered. Ah, and that being said I am requesting
21 a list of all the contracts that have been
22 considered, which ones weren't registered and which
23 ones were. Will you provide that to the Contracts
24 Committee? I'm requesting you pause the clock while
25

3 I'm waiting for an answer. Is there anyone that can
4 answer the question?

5 FIRST DEPUTY DIRECTOR GARDNER:

6 [inaudible] problems, problems with muting, again.
7 Um, we'll certainly be happy to provide you with a
8 list of contracts that...

9 CHAIRPERSON DROMM: Please state your name
10 for the record. Please state your name for the
11 record.

12 FIRST DEPUTY DIRECTOR GARDNER: This is,
13 this is Kenneth Gardner, first deputy budget
14 director. Ah, we, as I said, we will be happy to
15 provide you with a list of the contracts that we have
16 registered, um, and we will also attempt to give you
17 a list of, of contracts that, ah, were held back and
18 not registered. It's a little bit more difficult to
19 sort of have the negative, but we will attempt to
20 give you those that, that we can identify.

21 COUNCIL MEMBER KALLOS: Ah, great, and
22 can I have that by the end of the week please?

23 FIRST DEPUTY DIRECTOR GARDNER: Um, we'll
24 make all, ah, deliberate efforts to get it to you as
25 soon as possible, understanding that our, ah, work
force is distributed, ah, currently. But we will

3 certainly make an effort to get that to you as soon
4 as possible.

5 COUNCIL MEMBER KALLOS: OK. Ah, that's
6 great in terms of savings. I guess one of the things
7 I'm concerned about is in tough budget times you
8 might want to put off maintenance of your car and not
9 do your oil change all the time, but then at the end
10 of period you end up having to pay \$4000 for a new
11 engine instead of those \$15 every couple of months to
12 change your oil. So, ah, in that way, I think a lot
13 of things that you're cutting have predictable costs
14 from cuts. Ah, so I want to just begin on youth and
15 seniors 'cause I think those are the places where any
16 cut we make will end up costing us in the long run.
17 I want to join with my colleague, Majority Leader
18 Cumbo, Debbie Rose, Adrienne Adams on just a, a huge
19 concern over cutting SYEP and the fact that I think
20 we're still looking at a multimillion-dollar cut to
21 summer campaigns and the fact that we're about to go
22 into the summer program. So do we know how much it
23 would cost for the types of criminal interventions
24 we're seeing putting, ah, the kids who are now
25 outside and are getting in trouble for not social
distancing and, by the way, this isn't happening in

3 my community. In my community on the Upper East Side
4 I, I would love to see police officers enforcing
5 social distancing but they're not, and people are
6 just not social distancing and it is irresponsible
7 and it is wrong and when police do walk by they're
8 not doing any interventions. And all I'm asking for
9 is even just auxiliary officers to do warnings. Ah,
10 so in terms of that, ah, what is the alternative that
11 the city is proposing for these hundred thousand
12 kids? Ah, in terms of cuts to pre-K, ah, what does
13 this mean for families who won't be able to go back
14 to work if they can get a job if now they don't have
15 anyone, so they're unemployed and there's no more
16 pre-K, ah, it's been cut back in parts of the city
17 and it's not going to roll forward, either, and so
18 people can't economically recover. What is the cost
19 to the economy for people unable to earn income?
20 When it comes to cuts to the seniors, shutting down
21 our senior centers, everyone's home, everyone's going
22 to need to run an AC if they have it, if they can
23 afford it. What's going to be the cost of people
24 going to emergency room because they're too hot? How
25 much would it be to do social distancing in cooling
centers this summer in our DFTA locations, and then

3 similarly anything we don't do, where we're
4 irresponsible with your seniors, that end up being a
5 Medicaid cost of \$15,000 a month at least. Ah, do
6 you have a cost-benefit analysis on each one of the
7 cuts you're proposing to youth and seniors?

8 FIRST DEPUTY DIRECTOR GARDNER: So, I'm
9 gonna try to address, ah, some of the points you, you
10 hit on. We are exploring alternatives to SYEP. Um,
11 we don't know right now how, how big that would be or
12 what the cost of that would be. Um, clearly all of
13 this is balancing the life, ah, health, and safety,
14 which are the mayor's priorities. Um, we also have
15 to, ah, address the issue of whether, um, certain
16 types of programs we ran in the past can be done in a
17 responsible way given the need for social distancing.

18 COUNCIL MEMBER KALLOS: Can we cut our
19 bloated contracts? Can we, we spent a third of a
20 billion dollars buying 3000 iPads when we could have
21 just bought laptops in a non-emergency setting. So
22 going into September, instead of spending half a, a
23 third of billion dollars, almost half a billion, on
24 iPads could we actually just plan for the future,
25 plan for remote learning, get every kid in the city a
laptop, and spend a couple of hundred dollars instead

2 of \$500 or \$600 and just plan for the future instead
3 of just ramping up costs in an emergency?

4 CHAIRPERSON DROMM: OK, and then that
5 will be it. Ken, you want to respond?

6 FIRST DEPUTY DIRECTOR GARDNER: Um, we
7 are gonna be as we have been, scrubbing every one of
8 our contracts, looking for opportunities to save
9 money and deliver services more efficiently.

10 CHAIRPERSON DROMM: OK, thank you. Thank
11 you, Ben. Ah, we'll now move on to the next council
12 member.

13 COMMITTEE COUNSEL: We will now hear from
14 Council Member Chin, followed by Council Member
15 Richards, followed by Council Member Grodenchik.

16 COUNCIL MEMBER CHIN: Thank you. Um,
17 thank you to the cochair. Um, my question, of course
18 is, gonna be focused on, on the older adults, ah, and
19 our senior. Ah, in the preliminary budget I
20 mentioned that I was very disappointed that I did not
21 see the 10 million dollar that was promised in the
22 [inaudible] budget. And it wasn't in the executive
23 budget either. Um, our senior center has been doing
24 tremendous work in this pandemic. No matter what the
25 future's gonna be, we have to make sure that our

3 senior centers will continue to grow and to serve,
4 ah, the older adults in our city. Ah, so I want, I
5 expect, um, that 10 million to be put back, ah, into
6 the budget because right now they're still calling
7 the senior, they're the one that make sure that
8 wellness check and a lot of them are doing virtually
9 programming for our senior and going forward that
10 should be a new need, ah, technology, to make sure
11 all the seniors and older adult can be connected.
12 They were doing a fantastic job in the beginning, ah
13 with the Grab and Go and serving meal, ah, but they
14 were not getting the support, ah, from the Department
15 for the Aging or from this, ah, the city. And then
16 all of a sudden it was taken away from them. They
17 will provide a great good tasting ethnic meal,
18 healthy meal, and instead, um, the seniors are not
19 getting the quality food that they are used to at the
20 senior center. So another thing is the, the home
21 delivered meal program. There's so much more needs
22 and we gotta make sure we increase the budget, ah, to
23 the home delivered meal program. Because we were
24 historically at least 20% under the national average,
25 the amount that we reimbursed the provider. And
during this pandemic, and I've been talking to the

3 food czar, I wanted to make sure that the senior
4 center, the providers, get put back in, ah, that they
5 don't get lost, that they don't get left out, that we
6 are dealing with, yeah, a nonprofit catering,
7 caterer, who really don't know about our seniors and
8 our community. So I want to make sure now senior
9 center get back into the game, that they can continue
10 to provide a good-quality food. All they need is the
11 support, you know, the supported deliverer, ah, the
12 technical support, they can do the job. The other
13 question is that beside the executive, ah, the 10
14 million, is that I wanted to make sure that the
15 mental health need of the seniors are taken care of
16 and that's why I think the, the technology, ah, that
17 we're talking about, ah, the mayor talked about
18 providing, ah, tablets to seniors, um, in NYCHA,
19 which is great, but they need to be trained, um, they
20 need to learn how to use, ah, the technology. But
21 that should be available, ah, to all the seniors.
22 And the other question is that did you know that the
23 private social adult daycare, um, that was closed by
24 the state, they abandoned all our senior. They
25 didn't do anything to take care of their seniors, and
these are the guys who are getting Medicaid dollar

3 for low-income senior that go to their program. They
4 just totally abandoned them and we, the city, had to
5 take care of these seniors. And that's how we had to
6 connect these senior to senior center. So going
7 forward I think there's gonna be even more needs. So
8 I think that the budget, ah, for senior center, home
9 delivered meal, home care service, case management,
10 that budget needs to continue to grow, ah, to meet
11 the needs of older adults, um, in the city, 'cause
12 they have been suffering through this, ah, pandemic
13 and I want to make sure that they are taken care of.
14 So can you just answer whether money will be put
15 back, um, for the model budget and also increase, ah,
16 home delivered meal programs?

16 FIRST DEPUTY DIRECTOR GARDNER: OK, so in
17 terms of the, ah, the model budget, ah, that money
18 was not expected to start until fiscal 21. Right now
19 we're on hold because of the, the current level of
20 budget distress. We'll have a discussion about that,
21 ah, as we get a better idea of what the, the revenue
22 picture, the expense picture looks like for the rest
23 of the year. Um, in terms of getting, um, senior
24 meals, ah, right now the centers are closed, ah, and
25 we've been delivering food in multiple ways. Ah,

2 we've streamlined the home delivered meals for
3 seniors and made it part of the Get Food Program,
4 right? Individuals can call 311 and say, ah...

5 COUNCIL MEMBER CHIN: I know, but it's
6 not the best.

7 SERGEANT AT ARMS: Time.

8 FIRST DEPUTY DIRECTOR GARDNER: And the
9 seniors...

10 COUNCIL MEMBER CHIN: It's not the best.
11 They're not getting the best, they're not getting the
12 quality food that they're used to getting. And I
13 know that the food czar is talking about training the
14 senior center now so we can put them back. It's so
15 important that we help these center build their
16 capacity instead of lefting them out in the cold.

17 CHAIRPERSON DROMM: Council Member Chin,
18 I just want to say time has to be called, but I agree
19 with you 100% and as we move down the, ah, budget
20 path, ah, we'll be certainly discussing this further.
21 I am very disappointed to see that it was not there.
22 So I just want to say thank you and we will need to
23 just move along to the next person.

24

25

2 COMMITTEE COUNSEL: We will now hear from
3 Council Member Richards, followed by Council Member
4 Grodenchik, followed by Council Member Lancman.

5 COUNCIL MEMBER RICHARDS: Thank you, ah,
6 Chairs, and thank you, Ken. Um, so a quick question
7 and then I want to hop back in to, ah, the NYPD. Um,
8 so the administration delayed, ah, the current class,
9 ah, during this fiscal year or this PEG for 6.4
10 million dollars. Ah, how much would we save if we
11 canceled this class? Next fiscal year? I'm not
12 hearing him.

13 COMMITTEE COUNSEL: One moment, we're
14 going to unmute him.

15 COUNCIL MEMBER RICHARDS: OK.

16 FIRST DEPUTY DIRECTOR GARDNER: Sorry
17 about that.

18 COUNCIL MEMBER RICHARDS: No problem.

19 FIRST DEPUTY DIRECTOR GARDNER: I, ah, I
20 do not have a number for you right now on that, but
21 we can certainly, ah, get that together and provide
22 it for you, ah, today.

23 COUNCIL MEMBER RICHARDS: So you, you
24 would agree that on average if, if you're talking
25 about \$43,000 to \$44,000, ah, per new officer coming

3 into this class that we could save about 25 million
4 dollars in the next fiscal year. So that's sort of
5 where our estimates, ah, come. But I would love for
6 you to get that number and confirm that number with
7 the chairs, ah, as well. Ah, so the question is
8 whether are our priorities? Ah, if we're talking
9 about summer youth, we're talking about the need to
10 improve health care, we're talking about all of the,
11 um, essential things we need to get through a crises
12 why aren't we looking at cancelling a class that
13 would serve no, no, no real reason right now as crime
14 continues to decrease, ah, as we see during this
15 pandemic. Ah, is policing the priority of, of the
16 administration?

16 FIRST DEPUTY DIRECTOR GARDNER: So I, I
17 think your estimate of 25 million, um, certainly
18 sounds like it's in the ballpark of being correct.
19 Um, we obviously have to balance, ah, all of the
20 priors that we have, including public safety. Um,
21 we, we did in fact, ah, delay the, ah, the April
22 class, ah, because of the different, difficulties in
23 running a police academy class, ah, given the need
24 for social distancing. And, ah, we will look at the
25 ability of the PD to, to safely run training classes

3 as we going forward. Ah, the mayor has said that
4 health and safety are our north star and, ah, PD has
5 taken 90 million dollars of savings already between
6 prelim and exec.

7 COUNCIL MEMBER RICHARDS: Well, it
8 doesn't seem like it's just my opinion and I agree
9 with many of my colleagues that, um, PD is focusing
10 on the most serious crime at the moment, and at the
11 moment we're seeing people get beat up and locked up
12 over social distancing, something that the police
13 department shouldn't even technically be involved in.
14 I think we can utilize those resources to, to hire
15 counselors, to hire community-based organizations to
16 do a lot of this work when it comes to social
17 distance. And let me, I have limited time so I want
18 to hop into homeless outreach for a second as well,
19 being that the NYPD is now into the business of, ah,
20 removing, ah, thousands of homeless individuals off
21 of our trains. Ah, what is the budget and an
22 actually head count of the homeless outreach
23 engagement unit, ah, in the NYPD? And then, as you
24 dig that out, um, one of the things we noticed is the
25 homeless outreach unit received a new head count in
the November plan, as did the co-response teams to

2 deal with mental illness. However, only the co-
3 response teams were cut as a result of the PEG. So
4 what is the rationale, ah, for keeping homeless
5 outreach and cutting the mental health services that
6 would be attached to that. So those are my last
7 questions, Chair, on that.

8 FIRST DEPUTY DIRECTOR GARDNER: OK, so,
9 um, I will have to get back to you on the number of
10 officers in that detail. I just want to reiterate a
11 point, ah, with regard to, ah, co-response, I want to
12 be able [inaudible] what the, what the budget
13 director earlier said with regard to the fact that we
14 have not, um, reduced the 911-related co-response.
15 That's still available. People call in for that
16 reason. Um, and in terms of social distancing,
17 clearly we're not exclusively using NYPD. We're also
18 using TEAs, school crossing guards, ah, I know we've
19 also used, ah, Parks enforcement officers, um, and we
20 are also using, um, some [inaudible] providers.

21 COUNCIL MEMBER RICHARDS: Well, I don't
22 know where those people are. They're not in my
23 neighborhood. I think we're seeing video, I mean, I
24 think I saw something about 30 officers in
25 Queensbridge last night, helicopters and 20 police

2 cars all, ah, in the neighborhood over social
3 distancing. Um, so it seems to me that there's no
4 need for, ah, additional, ah, officers during this
5 moment, ah, if, if this is what the police department
6 is now, if this is the business they're, they're
7 totally [inaudible] if they have, if they have the
8 resources...

9 SERGEANT AT ARMS: Time.

10 COUNCIL MEMBER RICHARDS: ...to use 30
11 officers, ah, for social distancing events. So I,
12 I'm done, thank you, Chair. Ah, I think we should
13 cancel, ah, this incoming class. Thank you.

14 CHAIRPERSON DROMM: OK, thank you very
15 much. And we'll now go to our next council member.

16 COMMITTEE COUNSEL: Council Member
17 Grodenchik, followed by Council Member Lancman,
18 followed by Council Member Rosenthal.

19 SERGEANT AT ARMS: Council Member, you
20 may begin.

21 COUNCIL MEMBER GRODENCHIK: Thank you.
22 I'm dealing with a new laptop here, so bear with me.
23 Um, I, I want to, ah, say that I am disappointed
24 that, um, the director left. Ah, you know, we don't
25 get a chance very often to see her, ah, at hearings

3 and, um, many of my colleagues still have to go, um,
4 and ask questions and I, um, I want to associate
5 myself with, um, for starters with, ah, many of my
6 colleagues' concern about youth programs for the
7 summer. Um, they have taken an inordinate hit and,
8 ah, as someone who grew up in this city and I know
9 how hot it gets in New York City, um, in the summer,
10 our young people need structured, ah, activities,
11 especially jobs and, um, other activities, ah, to
12 keep them on the straight and narrow and, um, I just
13 want to ad my voice to, ah, those who hope, um, and
14 will fight for, ah, undoing those cuts. Um, I am
15 disappointed, ah, that I can't ask this direct,
16 directly to, ah, the director. Um, she said we could
17 not cut our way out of this problem, except that we
18 might have to because there's no guarantee, ah, that
19 there will be an additional stimulus. They are
20 talking about it. I hear Speaker Pelosi talk about
21 it. I've also heard, ah, heard comments from, ah,
22 the majority side of the Senate and the president and
23 it doesn't look like they are close to a deal, and I
24 don't know if, um, the, the deputy director can
25 answer this, but, um, what kind of [inaudible] are
happening at OMB and with the mayor to, ah, to see

3 where we go, ah, in case we don't get additional
4 stimulus?

5 FIRST DEPUTY DIRECTOR GARDNER: We
6 believe that, as the director said, we can't cut our
7 way out of this problem, um, and that we do need
8 additional federal stimulus. Um, there's no question
9 that, that we alone are now facing that problem.
10 We've seen the governor talk about how the, the state
11 facing a similar problem and those, those kinds of
12 problems are, are representative of what's going on
13 all over the country. Ah, and I think that, you
14 know, it is not simply some states but almost all
15 states, ah, and most localities that are seeing...

16 COUNCIL MEMBER GRODENCHIK: I, I get
17 that. I, I get all that, Ken. I get all that, but
18 the truth of the matter is, um, we have to be
19 prepared and, ah, I was hoping for more today and,
20 and, ah, to perhaps hear from the director what kind
21 of cuts are gonna be in store. Um, we all have our
22 favorite programs, we all have our unfavorite
23 programs. But the fact of the matter is that we
24 can't pray our way to financial stability. We have
25 got to be prepared, ah, in case we don't get
additional stimulus. Ah, the last thing that we want

3 is a financial control board to take over the City of
4 New York. Um, I know that none of my colleagues
5 here, certainly the speak and, and the others. Um,
6 so I hope, ah, since she is not here you will take
7 back that message to the director that we need to
8 see, um, to make a case for additional stimulus. Um,
9 where we're gonna cut. Ah, education, youth
10 services, um, some of those cuts are just absolutely
11 devastating, um, and the need is only gonna grow.
12 Um, you know, many of our communities have food
13 pantries that just opened. We, you know, I, I've had
14 some in my community, um, but we've had to open two
15 very large ones. Otherwise people would be going
16 hungry, um, and the way my community is set up, um,
17 it, it is often at least a mile round trip to get to
18 the nearest supermarket, and for people who can't get
19 out, um, it's that much more difficult. So I would
20 hope you would take that message back, um, to the
21 director and, um, the next time that, ah, she appears
22 before this committee or somebody from OMB appears
23 before, ah, Finance that we can hear from them
24 directly, um, and, and know what we're facing,
25 because I really don't think, um, that we know what
we're facing right now. Ah, the projections from the

3 comptroller's office, the projection from our own
4 Finance is much worse, um, than has been publicly
5 stated. I know that the mayor understands this and I
6 know that OMB understands this, because you came here
7 and you said that today. But we need to have
8 answers, um, to what, um, to what, ah, we're facing.
9 So, um, I got 38 seconds left. Um, I'm gonna waive
10 the balance of my time. Thank you very, very much.

11 FIRST DEPUTY DIRECTOR GARDNER: OK, ah,
12 you know, I speak to the budget director several
13 times a day. Ah, clearly we're all aware of the, the
14 problems that you stated, ah, and that we are, ah, we
15 definitely need more stimulus. We're concerned about
16 whether we'll, you know, whether we'll get it, how
17 much it will be, um, and, you know, if the question
18 really comes down to are more tough choices ahead,
19 um, are coming, unfortunately the, the answer is, is
20 likely they are. Um, and you know, obviously, ah,
21 OMB and the administration is going to make the, the
22 tough choices and work with council, ah, to make sure
23 that the city balances its budget and does not have,
24 ah, the kind of problems you're talking about
25 regarding the financial control board.
Unfortunately, you're muted.

2 COMMITTEE COUNSEL: We will now have
3 Council Member Lancman, followed by Council Member
4 Rosenthal, followed by Council Member Lander.

5 COUNCIL MEMBER LANCMAN: Hi, good
6 afternoon. Um, I want to quickly cover, cover three
7 topics - universal access, um, savings from Riker's,
8 and the district attorneys. On universal access the
9 PEG is 11.5 million, ah, this year and 8.5 million,
10 ah, next year, FY21, achieved through delaying access
11 to legal services expansion. We're talking about,
12 um, representation in Housing Court. The need for
13 that representation is only going to increase, um,
14 with, ah, economic calamity that people are dealing
15 with in their lives. So what is the admin's plan to
16 ensure the legal services providers are going to be
17 able to meet that increased need, um, when,
18 especially when the eviction moratorium ends. There
19 are going to be a crush of, um, eviction and Housing
20 Court proceedings where people need representation.

21 FIRST DEPUTY DIRECTOR GARDNER: OK, so
22 the, the savings that we've taken on access to
23 counsel, um, has been, ah, due to under spending, um,
24 so far and we basically took those cuts in, in FY20.
25 Um, and the moratorium extends into 21. Um, so we

3 will not be seeing as much activity clearly with the,
4 with the eviction moratorium, um, and I think, you
5 know, we'll, we will continue to monitor to see how
6 much spending there is, when the moratorium is
7 lifted, under what circumstances, right, and we're
8 all, we don't know what the rules will be in terms of
9 repayment of rent arrears, um, you know, and how that
10 coordinates with our other programs like the rent
11 arrears program. Um, and so we will monitor that and
12 obviously access to counsel has been a priority that
13 the council and the administration have shared, um,
14 over this time.

15 COUNCIL MEMBER LANCMAN: So let me ask
16 you about something related to, to Riker's. Over
17 2400 people have been released from the city jails,
18 um, on the city's own, own initiative as well as
19 prodding by the council, and 400-plus of those were
20 people serving city sentences who were released, um,
21 into an early release program, ah, that, um, is
22 authorized by state law. It's been very, very, ah,
23 successful. Um, given the experience, the positive
24 experience with this early release program during the
25 pandemic, does the administration expect to continue
these programs even once the COVID crisis has passed

3 and does this budget account for that, those savings
4 and having far, far fewer people in our city jails
5 who are serving a sentence of less than year?

6 FIRST DEPUTY DIRECTOR GARDNER: So, as
7 you know, um, the, ah, the administration has, as
8 planned for, ah, reduced for numbers of incarcerated
9 persons, ah, the savings over 20 and 21, ah, at
10 Riker's has been 350 million dollars, um, and much of
11 the, the reduced sentences has been planned for. Ah,
12 we're working with MOCJ to identify alternate funding
13 in FY21 so that we can move forward, ah, with ATI,
14 supervised release and transitional housing.

15 COUNCIL MEMBER LANCMAN: And last topic.
16 The district attorneys, I think the PEG for them is
17 20 million dollars for the remainder of this fiscal
18 year. Um, can you describe how, ah, OMB arrived at
19 that number? To what extent was it in consultation
20 with the district attorneys, 'cause it sounds like a
21 nice round number that somebody, you know, maybe came
22 up with in, in a meeting, um, and what exactly are
23 the district attorneys going to be cutting and
24 reducing in order to meet that, that goal?

25 FIRST DEPUTY DIRECTOR GARDNER: Sure.
That is a, that's a current FY20, ah, reduction, and

3 that represents, ah, ah, or an estimate of under
4 spending by the district attorneys. Ah, all of those
5 numbers, ah, were vetted fully by the DA and there,
6 there's no cutting. It's just really just a matter
7 of, of some delays, ah, as well as under spending,
8 ah, that may be partially, at least, due to the
9 pandemic.

10 COUNCIL MEMBER LANCMAN: Do you expect it
11 to impact the ability of the district attorneys to
12 comply with the new discovery law?

13 FIRST DEPUTY DIRECTOR GARDNER: We do not
14 expect, we do not expect that that will affect our
15 ability, their ability to comply with the, the new
16 discovery law. I think what you're seeing here, ah,
17 somewhat reflects a, a change in volume, ah, due to
18 the pandemic and, and some of the other, ah, sort of
19 consequences of, of the way that things have changed.

20 COUNCIL MEMBER LANCMAN: Last question.
21 Where are we on the pay parity issue? Last year, um,
22 the admin committed to a second round of pay parity
23 for ADAs...

24 SERGEANT AT ARMS: Time.

25 COUNCIL MEMBER LANCMAN: ...within five
years on the job. Where are we on that?

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2 FIRST DEPUTY DIRECTOR GARDNER: As of
3 right now, um, that remains under review.

4 CHAIRPERSON DROMM: OK, thank you very
5 much. We'll now go to our next, ah, council member
6 please.

7 COMMITTEE COUNSEL: Council Member
8 Rosenthal, followed by Council Member Lander,
9 followed by Council Member Treyger.

10 COUNCIL MEMBER ROSENTHAL: Thank you so
11 much, um, really appreciate your time. I want to
12 start, ah, with sort of budget, larger budget issues.
13 First of all, does the city still have a cash flow
14 problem? Um, the budget director mentioned that
15 about six weeks ago there was a cash flow problem.
16 You worked out something the comptroller, ah, in
17 order to ease that. So do you still have a cash flow
18 problem?

19 FIRST DEPUTY DIRECTOR GARDNER: We have
20 been working continuously on cash management, um,
21 from the start of this crisis, ah, and we've worked
22 further, moved in that direction with, you know,
23 greater scrutiny on cash, ah, once the, once the
24 federal government, ah, fully delayed the date of,
25 the payment date for the personal income tax returns

2 from April 15 to July. So that immediately meant
3 that those payments we were gonna be expect to
4 receive in the first two weeks of April all of a
5 sudden were going to be pushed back...

6 COUNCIL MEMBER ROSENTHAL: Sir, ah,
7 Kenneth, with all due respect, ah, I have five
8 minutes and now I have 3-1/2 minutes. So do you have
9 a cash flow problem right now? I understand the
10 dynamics behind. It's just simply yes or now,
11 between now and June 30, do you have a cash flow
12 problem?

13 FIRST DEPUTY DIRECTOR GARDNER: Well,
14 see, that, that's the problem is if you ask me today
15 how is our cash balance, our cash balance is OK, it's
16 lower than it has been historically...

17 COUNCIL MEMBER ROSENTHAL: Fine. And
18 here's why I'm asking, and I, I understand a possible
19 shortfall from the federal government. But...

20 FIRST DEPUTY DIRECTOR GARDNER: But it's
21 not just the federal government. The state, ah...

22 COUNCIL MEMBER ROSENTHAL: I understand.

23 FIRST DEPUTY DIRECTOR GARDNER:

24 [inaudible] ...

25 COUNCIL MEMBER ROSENTHAL: I understand.

2 FIRST DEPUTY DIRECTOR GARDNER: ...monthly
3 payments from the state, and they may use their
4 cash...

5 COUNCIL MEMBER ROSENTHAL: Right, so
6 here's, here's the problem. By, by, ah, having the
7 mindset that you're describing it means that, and we
8 know that the city is holding back from paying
9 society service providers doing the essential front
10 line work who are therefore having to borrow money
11 themselves in order to provide these essential
12 services, homeless outreach workers, domestic
13 violence counselors. Is the city planning on paying
14 for the interest fees that these nonprofits are
15 incurring now because of late payments from the city.
16 Really yes or no, 'cause I have a second and third
17 question.

18 FIRST DEPUTY DIRECTOR GARDNER: We're
19 making payments to these vendors right now. We've
20 had 560 million dollars since mid March. We, we
21 continue to prioritize invoice processing...

22 COUNCIL MEMBER ROSENTHAL: It's really
23 just the yes or no.

24 FIRST DEPUTY DIRECTOR GARDNER:
25 ...[inaudible] electronic signatures.

2 COUNCIL MEMBER ROSENTHAL: Deputy
3 Director, it's really just a yes or no. Are you
4 going to pay interest payments?

5 FIRST DEPUTY DIRECTOR GARDNER: I do not
6 believe we have a plan at this time to do that.

7 COUNCIL MEMBER ROSENTHAL: Thank you.
8 Fundamentally, given the elimination of SYEP, Sonic,
9 lack of support to the senior centers, I think the
10 mayor has already presented an austerity budget which
11 will have meaningful consequences as articulated by
12 Majority Leader Cumbo, Council Member Adams's points.
13 I do agree with them that we have to look much harder
14 at the NYPD budget. I support council members'
15 suggestions to eliminate one or more classes for a
16 meaningful savings, um, from the NYPD. But even so,
17 given a 7.5 billion dollar revenue shortfall, ah, and
18 likely minimal support from the federal government,
19 what are you doing to explore borrowing to keep us
20 from having this austerity budget? Are you in active
21 conversations with the state and with the city
22 comptroller? I think someone needs to unmute...

23 FIRST DEPUTY DIRECTOR GARDNER: Sorry, I
24 think it was me, I think I muted. Sorry about that.
25 Um, you know, I think our position is that, you know,

3 it's been very clear that, that the, our, the mayor's
4 been very clear, too, that our first line of defense
5 we expect the federal government step up here. Um,
6 clearly nothing is off the table. There isn't
7 anything that we wouldn't explore. But obviously
8 it's gonna be extremely difficult for us to do the
9 things we want to do, um, without more federal
10 stimulus, without aid to localities specifically
11 towards, ah, you know, revenue recapture.

12 COUNCIL MEMBER ROSENTHAL: So, again,
13 given that federal government is unlikely today to
14 come through and given that today we have domestic
15 violence survivors who need more help, given that
16 today we have seniors who are not getting food...

17 SERGEANT AT ARMS: Time.

18 COUNCIL MEMBER ROSENTHAL: ...in their
19 homes, what are you thinking about doing today to
20 deal with today's problems?

21 FIRST DEPUTY DIRECTOR GARDNER: I think,
22 um, first place, I think we're pretty confident that,
23 that, Minority Leader Schumer and the rest of our
24 delegation will in fact be able to successfully
25 deliver additional federal stimulus dollars. Um, we
are, of course, planning as we going forward, um, to,

3 to do what's necessary to balance the budget. Um,
4 you know, obviously we've already made painful
5 choices and I think that, you know, even in a, ah, an
6 optimistic scenario more painful choices probably lie
7 ahead.

8 CHAIRPERSON DROMM: OK, now we're going
9 to the next council member, please. Thank you.

10 COMMITTEE COUNSEL: Council Member
11 Lander, followed by Council Member Treyger, followed
12 by Council Member Koslowitz.

13 SERGEANT AT ARMS: Your time will begin
14 now.

15 COUNCIL MEMBER LANDER: Thank you, Chair,
16 and thank you, Kenneth. I appreciate how hard the
17 OMB team and of course the council's budget team as
18 well are working under just impossible conditions,
19 um, and I know that you're working hard to propose a
20 budget amidst the work economic crisis in any of our
21 lifetimes, one that puts public health first, is
22 rounded in a spirit of shared sacrifice, it heeds the
23 lessons we're all seeing about how the lack of
24 fairness and, and equity already built into our city
25 is making the crisis work, worse, that uses all the
tools in our toolbox that's fiscally prudent, ah, but

3 still invests in the future of our city, and I agree
4 with many of the decisions that you made, but of
5 course I'll focus my time on those areas where we
6 don't entirely see eye to eye, and I want to do that
7 in the partnership, ah, spirit of partnership that
8 you always bring and that the Speaker laid out in his
9 opening. Ah, two comments and then my question. Ah,
10 [inaudible] joining the comments of Chair Dromm and
11 Majority Leader, ah, Cumbo, and so many members of
12 the council here about the balance with the NYPD and
13 youth programs. Ah, in the mayor's budget briefing
14 with the council I asked about this and the budget
15 director said then, as she did today, that NYPD
16 officers are needed for social distancing
17 enforcement. But I just submit, if you've watched
18 the videos, ramped-up NYPD enforcement is just not an
19 effective use of our scarce resources at this time.
20 I'm, I'm grateful for the work our officers are
21 doing, putting themselves at risk of contracting the
22 virus, as many of them have, and we should support
23 them with PPE and training and sick leave, but with
24 crime down it does not make sense to hire 2300 new
25 officers, ah, over the next year. If we're in such
dire straits that we need a hiring freeze on teachers

3 and counselors and social workers then we should have
4 the same hiring freeze on the NYPD. That would save
5 over 200 million dollars, I believe, that we could
6 use to replace some of the devastating cuts to
7 education and summer youth activities. Um, my
8 second, ah, comment is on composting. You know we
9 love our composting in Park Slope. But I recognize
10 that the citywide curbside organic program has to be
11 suspended during this pandemic. That's painful,
12 because if we had moved aggressively to make the
13 program work it could actually be saving us money
14 rather than costing us money. But it's no, so we'll
15 need to suspend it, saving over 25 million dollars.
16 But Council Members Reynoso and Powers are offering a
17 plan so we don't lose the momentum entirely,
18 including a community composting approach that would
19 cost just about 3 million dollars along with a longer
20 term mandatory plan to move to a more effective
21 program when the crisis over and I hope you'll take a
22 serious look at it, because we need to learn from the
23 COVID crisis to do more to prepare for our city to be
24 resilient in the face of the climate crisis. Ah, my
25 question is about the city's capital budget. I
certainly understand the need the budget director

3 discussed to impose short-term delays on capital
4 projects to address cash flow issues that we were
5 experiencing in the early days of the crisis, um, and
6 I don't believe we should borrow to cover operating
7 expense. You don't want to take out a loan to pay
8 your groceries. But it is entirely appropriate to
9 borrow for long-term expenses in affordable housing,
10 for infrastructure, and for economic development. In
11 fact capital spending is one of the few counter-
12 cyclical tools that we have. It creates jobs in the
13 short term, restores confidence in the city, ah, and
14 invest in long-term items of real durable value. Um,
15 we have some room to borrow right now. We're at
16 about 12% of our operating budget on debt services
17 and we don't want to go above 15%. But that leaves a
18 lot of room in the capital budget. Our bonds remain
19 highly rated. Interest rates are extremely low. New
20 design build authority gives us the ability to move
21 those projects along more quickly, the, the pandemic
22 and social distancing allowing, to create jobs in the
23 coming year when we're sorely gonna need the economic
24 stimulus. Um, and we're really gonna need affordable
25 housing and strong infrastructure and economic
development in the coming years. So I, I don't

2 understand the decision to cut the city's affordable
3 housing capital budget by over half a billion dollars
4 in this capital commitment plan, to cut the entire
5 capital budget by over 2 billion dollars, um, to, ah,
6 suspend and unfortunately maybe cancel the borough-
7 based jail program and jeopardize the chance we have
8 of closing Riker's. So, um, shouldn't we actually be
9 increasing the capital budget or at least maintaining
10 it rather than cutting in the way that the executive
11 budget proposes?

12 FIRST DEPUTY DIRECTOR GARDNER: So our
13 budget doesn't actually cut capital spending. We've,
14 we've stretched out capital spending in some cases to
15 recognize the fact that we are going to, um...

16 COUNCIL MEMBER LANDER: I'm sorry. The,
17 the affordable housing is cut by half a billion
18 dollars. That's not just a rollout into the
19 subsequent period. And, and you know, the four-year
20 capital commitment plan is where meaningful capital
21 dollars are, so putting it in the capital commitment
22 plan that starts in 2020, long after the mayor is out
23 of office, like that's a cut, that's not [inaudible].

24 SERGEANT AT ARMS: Time.

25

2 COUNCIL MEMBER LANDER: That's not a
3 spread.

4 FIRST DEPUTY DIRECTOR GARDNER: Right, I,
5 I don't, ah, I don't agree with you. I think what
6 we've done is spread out costs and I think it is, it
7 is important to note, right, on the HPD, um, capital
8 spending. Those, those capital contracts get
9 liquidated immediately once the projects close.

10 CHAIRPERSON DROMM: Thank you very much.
11 Ah, Committee Counsel.

12 COMMITTEE COUNSEL: So unfortunately
13 we're running close to the end of time for this
14 hearing. We have another agency that's scheduled to
15 come in afterwards, so we will have time for
16 questions from three more council members, and those
17 council members will be Council Member Treyger,
18 Council Member Koslowitz, and Council Member Louis.
19 And if there are any members who are, um, in the
20 hearing who, ah, had raised their hand and wished to
21 ask questions please send those questions to the
22 Finance Division Staff. We're going to be compiling
23 a letter to, ah, the Office of Management and Budget
24 and we will be sure to include, um, all of your
25 questions that you have [inaudible] ask at the

3 hearing in that letter. And we now hear from Council
4 Member Treyger.

5 COUNCIL MEMBER TREYGER: Thank you. Ah,
6 I'll get right to it. Ah, did Chancellor Carranza
7 submit the DOE's proposed cuts to OMB, or was that
8 something that was passed on by OMB to DOE?

9 FIRST DEPUTY DIRECTOR GARDNER: Um, we
10 worked in collaboration with DOE to develop, ah,
11 where savings would be possible, um, and reflecting,
12 you know, obviously our need for savings and, and
13 their desire to, ah, ensure that we don't impact
14 education any more than is absolutely necessary.

15 COUNCIL MEMBER TREYGER: So, sir, I just
16 want to be clear. You're saying that, that the
17 chancellor submitted and signed off on cuts to school
18 budgets, is that correct?

19 FIRST DEPUTY DIRECTOR GARDNER: Well,
20 that, that's not what I said. Ah, what I said was we
21 worked collaboratively with the department and the
22 chancellor to develop these series of savings
23 initiatives and that this reflected, you know, our
24 joint reasoning on the best methods to make these
25 [inaudible].

3 COUNCIL MEMBER TREYGER: Well, I think
4 we're gonna have to, you know, look at the word
5 collaboratively, because it's, it's, I'm taking that
6 to mean that he worked with you to submit these cuts
7 and signed off on them and I believe that that's not
8 the case. I want to get to, ah, [inaudible] line of
9 questioning. Ah, 44...

10 SPEAKER JOHNSON: Council Member. It's,
11 ah, Speaker Johnson. I apologize for interrupting.
12 If we could, ah, hold his clock for a moment. I just
13 want let the committee counsel and, ah, the committee
14 staff know, as well as the, ah, folks from OMB on, we
15 need to allow the council members to ask all their
16 questions. So if we have to delay the other
17 hearings, ah, we're gonna have to delay the hearings.
18 But I want to allow at least the first round of
19 questions for the council members that have been
20 waiting patiently through this hearing. I see
21 there's a list of Council Member Menchaca, Miller,
22 Louis, Borelli, Koslowitz, Brannan, Cornegy, and
23 Rodriguez. We, we have to allow them embers to ask
24 their questions to OMB today. So if we have to push
25 back the other hearings that are gonna come after
this I'm fine with doing that. But it's not, ah,

3 it's not OK with me to move past that. So I'll turn
4 it just so the committee counsel can plan on that and
5 the committee staff can be in touch with the folks
6 that were gonna come after us. Ah, I'll turn it back
7 over to, ah, to Council Member Treyger. I apologize
8 for interjecting, but I wanted to give the staff time
9 to repair so that the members could have their time
10 to ask the deputy director the questions they need.
11 Thank you.

12 FIRST DEPUTY DIRECTOR GARDNER: Ah,
13 Speaker and, and Chair Dromm, ah, if we're gonna push
14 on past 1 o'clock would it be possible to take a 5-
15 minute break at 1 o'clock?

16 SPEAKER JOHNSON: Yes, it's fine to take
17 a 5-minute break, if people need to use the restroom
18 or do something that's totally OK. But I do, ah,
19 Ken, you need to stay to answer the council members'
20 questions.

21 FIRST DEPUTY DIRECTOR GARDNER: OK, no
22 problem. Thank you.

23 SPEAKER JOHNSON: Yup.

24 COUNCIL MEMBER TREYGER: Is OK to start
25 again? If, if, if you could restart the clock for me
back to around 3:50, please. Ah, 4410s, these are

3 CBOs that serve special education, ah, children.

4 They were pushing for the state prior to the pandemic
5 to provide parity for educators. Otherwise, their
6 programs might collapse. They serve 30,000-plus
7 children in our school system, ah, special education
8 pre-K, ah, pre-K. The state, of course, passed cuts.
9 Does the city have any plans to save this programs or
10 are these programs going to collapse?

11 FIRST DEPUTY DIRECTOR GARDNER: As you
12 know, these are, these are state-run programs. Ah,
13 they're state funded. We need the state to increase,
14 ah, funding for them. We can't increase it without
15 them.

16 COUNCIL MEMBER TREYGER: So they're,
17 without city help, ah, the city pays a portion as
18 well. The state does a pass group with the city.
19 Without city help or state help they are going to
20 collapse, and these will become the Carter cases of
21 tomorrow, which people will, the DOE will get sued
22 and eventually have to [inaudible] pay. So that will
23 be more costly for the city in long run. I want to
24 move on to school bus contracts. How many school bus
25 contracts have the 15% clawback provisions, where the
city can recoup 15% of them when busses are idle?

2 FIRST DEPUTY DIRECTOR GARDNER: So let
3 me, let me kind of walk you through the, the school
4 bus makeup. Um, there are a series of contracts, um,
5 that don't include an 85%, ah, payment provision when
6 school is not in [inaudible] session. Um, and...

7 COUNCIL MEMBER TREYGER: How many?

8 FIRST DEPUTY DIRECTOR GARDNER: Those are
9 the, I'm sorry, I don't know the number of routes
10 offhand, but those are the, ah, are the, the special
11 ed, pre-K, and pre-K. Um, there are a series of
12 other contracts, all of which, ah, have an 85%
13 provision. However, that provision was intended,
14 right, for, ah, for weather events. Um, this is an
15 unprecedented situation. Ah, we have made it clear
16 that we are not, ah, we have made payment for, for
17 March at the 85% level for those contracts. For the,
18 the ones that don't require it we have not made
19 payment. Ah, for April, May, and June we have not
20 made payments. We are reviewing, um, those contracts
21 right now and exploring all of our options in terms
22 of how we would provide the service.

23 COUNCIL MEMBER TREYGER: What is the
24 monetary value of these clawback, ah, provisions?
25 How much money does that amount to?

2 FIRST DEPUTY DIRECTOR GARDNER: Um, I
3 will try to get that for you. Um [inaudible]...

4 COUNCIL MEMBER TREYGER: Sir, I have been
5 asking this question over and over and over again and
6 it's not acceptable not to have this answer. We're
7 in the middle of a fiscal crisis and a pandemic. We
8 need numbers to negotiate. We are a co-equal branch
9 of government. I've been asking for weeks, for
10 weeks, please get us that number. Ah, I also have a
11 question...

12 FIRST DEPUTY DIRECTOR GARDNER: Happy to
13 get it to you. I think we can get that for you
14 today.

15 COUNCIL MEMBER TREYGER: Thank you. Ah,
16 also question about Carter cases, Connor cases. Um,
17 are private institutions still billing the City of
18 New York for services that they cannot render in a
19 pandemic?

20 FIRST DEPUTY DIRECTOR GARDNER: I do not
21 know the answer to that. Um, I will, let me, let me
22 try to get back to you as, as soon as I can on that
23 as well. Oh, they are billing us, so...

24 COUNCIL MEMBER TREYGER: For services
25 that they cannot provide in a pandemic?

2 FIRST DEPUTY DIRECTOR GARDNER: It's,
3 it's not, I do not know if they're, if they've
4 stopped providing all the services that they're
5 billing us for or not, but I will get you a more
6 detailed answer. They're still providing in many
7 cases remote services, right, so, so we're
8 [inaudible]...

9 COUNCIL MEMBER TREYGER: Not physical
10 therapy, I imagine.

11 FIRST DEPUTY DIRECTOR GARDNER: ... and
12 we're billing, and they're billing us for them.

13 COUNCIL MEMBER TREYGER: We're, we're
14 spending hundreds of millions of dollars on them. We
15 should know what services are not being rendered
16 right now, especially in, in, in a crisis. Ah, also,
17 want to discuss very quickly other costs within DOE
18 budget. The N-MAP test, are you familiar with the N-
19 MAP test? It's a city assessment...

20 SERGEANT AT ARMS: Time.

21 COUNCIL MEMBER TREYGER: ...which the
22 state or federal government does not mandate. Do you
23 believe that this is an essential expense moving,
24 because this was still kept in the city budget, in
25 addition to Thrive consultants who cannot provide any

2 direct services to our children. Do you consider an
3 N-MAP city test, which is not mandated, and Thrive
4 consultants, which are not mandated, to be essential
5 expenses for the DOE's budget?

6 FIRST DEPUTY DIRECTOR GARDNER: Um, I'm
7 not, I'm not that familiar with the, with the
8 particular test that you're talking about. But,
9 obviously, ah, it's very important that we assess
10 students' progress. Ah, we are also very concerned,
11 even more so now, about the, ah, about mental health,
12 especially regarding, ah, our students have been
13 through a sort of traumatic once-in-a-lifetime
14 experience.

15 CHAIRPERSON DROMM: OK, thank you very
16 much, Chair Treyger, and we'll follow up with other
17 questions later on, but we need to move to the next
18 Council Member. Thank you.

19 SPEAKER JOHNSON: Ah, Chair Dromm, it's,
20 ah, it's, ah, Corey. Ah, it's 1 o'clock, so why
21 don't we give the First Deputy, ah, Director, a five-
22 minute break, and then we'll come back and the
23 council members that are in queue can then get
24 through their questions. I mean, the committee
25 counsel is keeping track, but I see Menchaca, Miller,

2 Louis, Borelli, Koslowitz, Brannan, and Rodriguez.

3 So, Ken, go take a five-minute break and, ah, Chair
4 Dromm, if it's OK we'll, we'll reconvene in five
5 minutes.

6 FIRST DEPUTY DIRECTOR GARDNER: Thank
7 you.

8 CHAIRPERSON DROMM: Absolutely, thank
9 you.

10 SPEAKER JOHNSON: I see that the First
11 Deputy Director is back. Ah, Chair Dromm, are you
12 there?

13 COMMITTEE COUNSEL: Chair Dromm is coming
14 back online momentarily.

15 SPEAKER JOHNSON: OK. Ah, Chair Dromm,
16 if you want to begin again, we have the First Deputy
17 back and if you want to begin calling on council
18 members.

19 CHAIRPERSON DROMM: Thank you very much,
20 Mr. Speaker. OK. Ah, we'll have committee counsel
21 announce our next, ah, Council Member.

22 COMMITTEE COUNSEL: We have Council
23 Member Koslowitz, followed by Council Member Louis,
24 followed by Council Member Miller.

25

2 COUNCIL MEMBER KOSLOWITZ: Thank you. I
3 also want to lend my voice to look again and please
4 do not cut the Summer Youth Employment Program. It
5 is vital for our children to be able to have that
6 program. Also, seniors. Seniors have suffered
7 bitterly through this pandemic, as many other people
8 have. But the food that they are getting is really
9 insufficient. Six days of sardines is not a meal for
10 seniors, or anybody. And I think that you have to
11 look at the nutritional values of what we are giving
12 our seniors. My other thing is about capital. I
13 have a library in my district in Rego Park that was,
14 when it first came out in 1993 it was 12 million
15 dollars. In 2018 the mayor came to the town hall
16 meeting. The price now was up to 33 million dollars.
17 There was 20 million dollars put in the budget from
18 '93 to 2018. Now they needed 33 million dollars, and
19 the mayor graciously put in the other 13 million
20 dollars at the town hall meeting. Two weeks ago I
21 just got a call that the price of the library has
22 gone up. I heard an estimate of maybe 17 million. I
23 don't what kind of library that they want to do.
24 Doesn't anybody look at the capital projects and
25 what's going on, and why is this happening? This

2 groundbreaking was supposed to be in 2021, before I
3 left the council. This project has gone through
4 three borough presidents and three mayors, and it's
5 still now in limbo. Does anybody look at the budget
6 and watch it on capital projects?

7 CHAIRPERSON DROMM: Ken, you're muted.

8 FIRST DEPUTY DIRECTOR GARDNER: Sorry
9 about that, yeah, it's a, it's a technology issue
10 here. Um, obviously, ah, we constantly are, are
11 looking at, at projects and budgets for them. Um,
12 one of the things that we have, ah, you know, worked
13 extremely hard on, ah, is that the fact that, I'm not
14 going to deny this, that, that some projects really
15 see large escalations, um, in the cost and that is
16 why, ah, we invested in the, the, the CPSD and the
17 front-end planning unit, um, and, ah, you know, a lot
18 of times the, the, the true cost of the projects
19 don't get known until we have people on site looking
20 at the, at the actual work that needs to be done and
21 what other things, whether it's environmental
22 remediation or anything else might also be required.
23 Ah, but I share your concern and frustration. Ah...

24 COUNCIL MEMBER KOSLOWITZ: We're talking
25 about 17 years, 17 years. I was in construction. I

2 did the books for construction companies. And I know
3 what the costs are and I that there are delays. But
4 this is ridiculous.

5 FIRST DEPUTY DIRECTOR GARDNER: Ah, we
6 agree. Ah, you know, we, we need to do better. Ah,
7 we've been pushing on this, ah, you know, for six
8 years. Ah, in some places we're doing much better.
9 But clearly this is a case where, where the project
10 keeps escalating in cost. There were unforeseen
11 remediation costs in this project, ah, as I
12 understand it. But, ah, we agree with you and we
13 need to continue to work harder and push on these
14 projects, about getting good cost estimates before
15 we, we go ahead, as opposed to starting off with one
16 number and escalating and escalating, ah, before the
17 project is finished.

18 COUNCIL MEMBER KOSLOWITZ: Well, you
19 know, I want to say thank you, but I can't say thank
20 you because I want to be the person to break ground
21 because I've been working on this for so many years.

22 FIRST DEPUTY DIRECTOR GARDNER: I
23 appreciate that, Council Member.

24 COUNCIL MEMBER KOSLOWITZ: Thank you.

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2 CHAIRPERSON DROMM: Thank you. We'll now
3 go to our next, ah, Council Member.

4 COMMITTEE COUNSEL: Council Member Louis,
5 followed by Council Member Miller, followed by
6 Council Member Menchaca.

7 SERGEANT AT ARMS: Council Member Louis,
8 your time starts now.

9 COUNCIL MEMBER LOUIS: Good afternoon. I
10 want to thank the Speaker for getting our time
11 extended. I want to thank you, Chair Dromm, for
12 organizing this with the committee counsel. Um, I
13 just have two quick questions, maybe three, um, and
14 the Majority Leader and other colleagues have
15 addressed, ah, the SYEP conundrum and the elimination
16 of that program several times already. Um, and I
17 just want to reiterate it with a follow-up, um,
18 question. With the highest months of gang and gun
19 violence coming up in the summer months, what is the
20 administration thinking about regarding funding
21 priorities, MOCJ, CMS, um, funding and new contracts?
22 Ah, second question, 170 million was provided for
23 food access and food insecurity during COVID. But
24 that's not reflected in the executive budget. It's
25 only 75 million reflected. So will additional

3 funding be added to, ah, the, before the adoption,
4 um, since all the funding isn't currently reflected?
5 And the third question is New York City provided
6 20,000 hotel rooms, um, for first responders,
7 homeless clients, and medical staff, and I wanted to
8 know if the federal government doesn't provide the
9 funding, um, and it ceases what will the
10 administration do? What's the next steps with
11 providing funding for that, as well as domestic
12 violence survivors? Thank you.

13 FIRST DEPUTY DIRECTOR GARDNER: Just to
14 address your, your last question first, um, regarding
15 the, the cost of, of hotels for, um, ah, first
16 responders and, ah, homeless. Ah, those additional
17 costs, ah, should be reimbursable by FEMA, ah, that's
18 our expectation. So, so that's, um, at least some
19 cost that we won't face. Ah, with regard to, um,
20 CMS, ah, ah, we took, um, production exec but plan to
21 utilize the providers, canvas for social distancing,
22 ah, provide food to vulnerable residents, and
23 distribute PPE throughout the community. Ah, this
24 work will be supported with federal funding. So we
25 were able to take the reduction there, but utilize
those groups in a different way. Um, did I miss

2 something 'cause I feel like I'm leaving something
3 out?

4 CHAIRPERSON DROMM: Council Member?

5 COUNCIL MEMBER LOUIS: Yeah, I was muted,
6 sorry. Um, will there be additional, ah, CMS
7 contracts added in, um, amidst like COVID, will there
8 be additional ones? And for DV survivors, what is,
9 what is the supportive services the administrative,
10 ah, the administration is thinking about regarding DV
11 survivors for housing and supportive services? Thank
12 you.

13 FIRST DEPUTY DIRECTOR GARDNER: Um, ah,
14 during this unprecedented challenge, ah, facing New
15 York City, ah, we've taken a variety of steps to
16 provide services to survivors, ah, engage with
17 providers, collaborate across city agencies, and
18 publicly share information on resources. Ah, the We
19 Understand campaign, ah, provides vital resources for
20 survivors. Ah, we advertise this in grocery stores,
21 pharmacies, and laundromats, the places that are
22 still open. Um, the, we have a COVID-19 response
23 work group and they're preparing for potential
24 increases in survivors seeking shelter due to COVID-
25 19 by seeking a state waiver to open additional DV

2 shelter capacity and vacant commercial hotel rooms.

3 Right now that request is pending and discussions
4 with the state are ongoing. Ah, we provide guidance
5 to DV shelters, provide a screen for symptoms of
6 COVID-19 with the protocol and refer survivors and
7 their families to DHS, ah, DSS isolation spaces so
8 that we don't have obviously people who are COVID-
9 positive in the congregate setting. Ah, and that, I
10 think, is, ah, I think we've answered your question.

11 COUNCIL MEMBER LOUIS: And the last one
12 was the, the 170 million that was provided for the
13 food services, ah, amidst COVID. There was only 75
14 million in the executive budget earmarked for, um,
15 FY21. I'm trying to figure out if the additional
16 funding will be added , 'cause it's only 170 million
17 now and 75 in the executive budget. Are you gonna
18 add that in the end? Thank you.

19 FIRST DEPUTY DIRECTOR GARDNER: I'll have
20 to get back to you on that. I don't have that, that,
21 that fact at my fingertips. But we will, we will get
22 out, that seems like something we should be able to
23 get you by the end of the day.

24 COUNCIL MEMBER LOUIS: Thank you.

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2 CHAIRPERSON DROMM: May I also add to
3 that, where will that money be distributed, or how
4 are you thinking of distributing that money?

5 FIRST DEPUTY DIRECTOR GARDNER: OK,
6 Chair, we'll, we'll, we'll add that to our, our
7 answer.

8 CHAIRPERSON DROMM: OK, thank you.

9 FIRST DEPUTY DIRECTOR GARDNER: Thank
10 you.

11 COMMITTEE COUNSEL: Council Member
12 Miller, followed by Council Member Menchaca, followed
13 by Council Member Rodriguez.

14 SERGEANT AT ARMS: Council Member Miller,
15 your time starts now.

16 COUNCIL MEMBER MILLER: OK, good
17 afternoon everyone. Can you hear me?

18 FIRST DEPUTY DIRECTOR GARDNER: Yes.

19 COUNCIL MEMBER MILLER: OK, great. So,
20 um, ah, first of all I want to Chair Dromm and
21 certainly I want to thank

22 SPEAKER JOHNSON: For ensuring that the
23 voice of all the members of the council and their
24 constituency are being heard here today. This is
25 very important. This has been coined the, the budget

3 of COVID-19 and so we want to make sure that, um, all
4 of those communities, particularly those that have
5 been disproportionately impacted are, are being
6 reflected in this budget here as, and as, ah, ah,
7 Chair Gibson mentioned how important that it is for
8 the capital projects and infrastructure, ah, that
9 created this disparities, um, to happen as we move
10 forward and we're talking about things likes
11 hospitals, education, transportation, and so forth.
12 So that on, on the capital side, and certainly, um, I
13 want to talk about the, the, the human capital as
14 well. So my first question would be, um, does the
15 city have a plan? Ah, what would be the process for
16 providing health benefits for surviving members of
17 the municipal work force who have died in the line of
18 duty due to COVID-19. And, and then, um, I want to
19 talk, I want to ask about, ah, ah, what I have not
20 seen in, ah, anywhere as of yet, EDC and, ah, this
21 budget and whether or not there was a funding
22 reduction or PEGs to, ah, services such as the ferry,
23 which is being, obviously, subsidized at \$10.43 per
24 trip, and the projected expansion, including capital
25 expansion of, of, of hundreds of millions of dollars.
Ah, we will see that, um, move forward? And then,

3 um, finally, ah, our not-for-profit vendors who have
4 yet to be paid, ah, including early childcare, early
5 childcare services and so forth. Ah, I know that my
6 office probably, like many other of my colleagues,
7 are fielding, ah, calls from these organizations that
8 have yet to get paid, and so what can we go back and
9 tell them about, ah, their payment for services
10 rendered and, and, ah, how do they keep afloat? Let
11 me start with the, ah, payment for, or the benefits
12 for the surviving, um, survivors of, ah, the members
13 who have passed from COVID-19, the municipal work
14 force.

15 FIRST DEPUTY DIRECTOR GARDNER: Thank you
16 for the questions. Um, first I'd just like to say
17 that we value, ah, the families of our employees, ah,
18 who continue to work in this dangerous time and that
19 each of these deaths is a tragedy. Um, COVID-19 is,
20 is a nationwide issue and cities and states
21 throughout the nation need federal help. Ah, it is
22 appropriate here. This is a national problem. It is
23 appropriate for the federal government to step up and
24 come up with a federal national solution, ah, to
25 those issues. As the mayor has said, we stand with,
ah, our congressional partners, um, to push for, ah,

2 the federal death benefit, um, for, for these types
3 of workers, um, and, you know, we feel that that's
4 the best and most appropriate thing going forward.
5 Um, with regard to the ferries, ah, there were cuts
6 to the ferries. Ah, EDC realized some savings due
7 to, ah, reduced service. However, given the, the
8 minimum contract requirements the savings are not
9 that great. EDC has in fact reduced the ferry
10 service by 30%, and they're utilizing smaller
11 vessels. , ah, they've postponed, ah, service
12 increases that were previously planned for this
13 spring. Ah, and the, the city is continuing to
14 review potential additional savings from that system.

15 COUNCIL MEMBER MILLER: OK, so there,
16 there is significant capital investment that has been
17 proposed. Can you speak to that, but also, um, I
18 believe that these families, ah, who have lost their
19 loved ones who were, ah, municipal workers are
20 entitled to about 90 days, ah, maybe six months of,
21 of, of death, of, of benefits, and then they would go
22 on the COBRA, which is pretty expensive in itself.
23 So, um, having lost a loved one is, is highly likely
24 that other members in the family are infected and are
25 going to incur, ah, ah, medical bills and for them

2 not to have healthcare benefits provided in the
3 foreseeable future would be a travesty on our part.
4 So I'd hope that we have a, a real answer to that.

5 SERGEANT AT ARMS: Time.

6 CHAIRPERSON DROMM: Ken [inaudible] OK,
7 sorry, go ahead, Rebecca.

8 COMMITTEE COUNSEL: Council Member
9 Menchaca, followed by Council Member Rodriguez,
10 followed by Council Member Borelli.

11 SERGEANT AT ARMS: Council Member
12 Menchaca, your time starts now.

13 COUNCIL MEMBER MENCHACA: Hi everyone.
14 Thank you. Buena tardes. Ah, I wanted to make three
15 different comments and, ah, end with a question. And
16 the first one is accountability. Ah, I want to echo
17 my colleague, ah, sentiment, that it is ridiculous
18 and incredibly disrespectful that Director Hartzog is
19 not here, ah, to talk with us, the City Council, ah,
20 especially when we have the power as the council to
21 propose our own budget and to push forward a people's
22 budget and that she's not here, ah, I think is, is
23 just wrong, and we need to fix that, ah, and I'm
24 holding ourselves accountable at the City Council to
25 ensure that that does not happen again as we move

3 forward through the executive budget hearings, um, so
4 we can bring more accountability to this process that
5 has been, ah, hard to understand, ah, a lot of dark
6 spaces in this discussion. In many ways I feel like
7 the stuff that's happening from the state down to the
8 city is happening from the city mayor's office to the
9 council and we need to rectify all that, and I'm
10 hoping and, again, I'm gonna hold ourselves
11 accountable at the City Council [inaudible] to ensure
12 that that happens. Um, 'cause the truth is we're not
13 united. I think that was a word that was used, ah,
14 Hartzog used it in her, ah, ah, her words, her
15 testimony that we were in partnership and in fact we,
16 we are not in partnership. You're seeing a lot of
17 division here, and I hope everyone is hearing it at
18 home. On NYPD and SYEP the fact that we have all
19 these officers coming on board. There's technology
20 within the NYPD that we can remove, ah, and see
21 savings of 230 million dollars, like the domain, ah,
22 awareness system, which is surveillance, ah, which is
23 bad for many of our communities. Um, and so we have
24 a lot of work to do here. Um, and so, um, my first
25 question is about undocumented immigrants and as the
chair of the immigration committee I have been

3 incredibly concerned in calls with the mayor, who, by
4 the way, does not want to have conference calls with
5 us at the City Council, ah, which should change. I
6 asked him about whether or not or when we'll see a
7 budget, ah, allocation from city tax levy dollars for
8 undocumented immigrants on stimulus. And, ah, he
9 said that that's not gonna happen and we're gonna
10 wait for our private partners to support us in that
11 direction. And so what's preventing us from doing
12 something for our undocumented immigrants from city
13 tax levy dollars?

14 FIRST DEPUTY DIRECTOR GARDNER: You know,
15 I, I think what the, what the mayor said is correct,
16 that, that the city is looking to it, ah, partners to
17 help with those kinds of issues. It is a very tough
18 time, as you know, as we've been talking, ah,
19 throughout the day, ah, within the city budget. Um,
20 if, if we can partner with, with, ah, with others to,
21 to try to provide those services obviously that
22 means, ah, less cutting elsewhere.

23 COUNCIL MEMBER MENCHACA: OK. So I guess
24 what I'm saying is we're not aligned here. Ah, we
25 have an incredible group of immigrant communities who
are being left out and who pay into our tax levy and

3 we should be able to afford, ah, equal access to that
4 and so I want to see a difference in that
5 conversation as we move through the executive budget
6 hearings. The second thing is, and really this is
7 the last, I only have another minute and a half, um,
8 I'm intrigued by this concept of young people and
9 they're gonna inherit this budget for a long time,
10 and I haven't heard too many opportunities that young
11 people can actually have an impact on shaping this
12 budget. And I know all of us adults here are trying
13 our best to do our best for our community, especially
14 our young people, but would OMB be open to working
15 with the council to create a youth, ah, participatory
16 budgeting, ah, conversation with young people to give
17 them the question, how would they impact the budget?
18 Where would they want of the cut certain things? Ah,
19 for many years now the City Council has been working
20 with organizations like Coro, who have been training
21 young people to understand how the budget works. Ah,
22 they've been working to build our capital budget
23 programs. They are super savvy. They understand
24 this, ah, in, in ways that are different from our
25 perspective. We are, I've heard a lot of fear and
anxiety in these conversations and I feel like our

2 young people can actually give us direction that we
3 don't have in these rooms and I'd like to empower
4 that. Ah, the commission that was voted in by the
5 public, the, ah, Civic Engagement Commission, ah, is
6 supposed to be launching a PB process citywide, and
7 what's preventing us from, from engaging our young
8 people, ah, especially those who are already, ah,
9 ready to go and bring them in to help us make some of
10 these cuts and these difficult decisions, ah, and
11 really bring them in, ah, with respect, dignity, and
12 voice?

13 FIRST DEPUTY DIRECTOR GARDNER: So we're,
14 we're happy to work with the council, ah, you know...

15 SERGEANT AT ARMS: Time.

16 FIRST DEPUTY DIRECTOR GARDNER: ...budget
17 in to adopt, um, and, you know, obviously input from
18 all of residents and citizens, ah, will be
19 appreciated.

20 CHAIRPERSON DROMM: OK. Thank you very
21 much. Thank you, Council Member. We'll now go to
22 our next Council Member for questions.

23 COMMITTEE COUNSEL: Council Member
24 Rodriguez, followed by Council Member Borelli,
25 followed by Council Member Brannan.

2 SERGEANT AT ARMS: Council Member
3 Rodriguez, your clock starts now.

4 COUNCIL MEMBER RODRIGUEZ: Eh, thank you.
5 Eh, for whatever reason I cannot see myself in the
6 camera, but I'm going to speak regardless. Eh, when
7 Mayor de Blasio was elected a few years ago, time
8 goes so fast, eh, he got elected with a mandate to
9 fight inequality. At the end of the administration
10 with everything we have accomplished together to
11 create the city with more opportunity to all, eh, New
12 Yorkers. However, the coronavirus is showing that
13 New York City is still a place of systematic racist
14 experience and still we have build a New York City of
15 the rich and the New York City of the poor. It is
16 true that the coronavirus doesn't discriminate.
17 However, it is clear that we, it is clear that we,
18 eh, eh, have seen most people dying of the
19 coronavirus who live in the poorest neighborhood.
20 They have color. They black, they Asian, they
21 Latino, they are the poorest New York. I don't want
22 any of the 8.6 million New Yorkers to die regardless
23 of the socioeconomic [inaudible] if elected official
24 when a person die he make it to the media. When
25 Donna Juana don Pedro don Maria die they only are

3 numbers. So I hope that this budget will reflect a
4 priority to the poorest New Yorkers. And I call not
5 only the administration. I call to my progressive
6 colleague at the council to please as we will
7 continue negotiating this budget to look at the need
8 to invest in the poorest neighborhood where people
9 already have been dealing with asthma, obesity,
10 diabetes, we need to provide opportunity in this
11 budget for those community to eat health, for the
12 hospital community to have real insurance. So saying
13 that eh, Deputy Mayor, I have three question. One is
14 will this budget reflect a priority to invest in the,
15 in the poorest neighborhood and how? And the second
16 one, will this administration support a decision, a
17 vote take by the coalition of mayor two years ago
18 that is calling for the federal government to reduce
19 investment in the military and invest those funding
20 in the municipality when it come to social services?
21 And the last one is related to how can this budget
22 reflect a initiative where the city can take to
23 provide or at least to be part of to provide free
24 rent for three months to tenants and small business
25 and the value of those three months to be reduced in
taxes to the property owners?

2 FIRST DEPUTY DIRECTOR GARDNER: OK, um,
3 so let's, ah, ah, on your question about in
4 investments in, in underserved and stressed
5 communities...

6 COUNCIL MEMBER RODRIGUEZ: Will this
7 budget reflect investment priority to invest in
8 antipoverty in the poorest neighborhood? That's the
9 first one.

10 FIRST DEPUTY DIRECTOR GARDNER: Yeah, I,
11 I believe this executive budget reflects that as one
12 of our core values. Um, we, you know, this budget
13 like the ones before it, ah, certainly, ah,
14 prioritize, um, taking care of and protecting our
15 most vulnerable New Yorkers. Ah, we've been
16 delivering, I think there's no greater showing of
17 that than our, than what we've done on food. We've
18 massively...

19 COUNCIL MEMBER RODRIGUEZ: I'm sorry, I'm
20 sorry, I'm sorry, I'm sorry [inaudible]. Come on,
21 let's think outside the box. It is my people who
22 dying. It's the poorest one. This budget doesn't
23 reflect to invest in the poorest neighborhood. Don't
24 give me a few things here and there about food, about
25

2 we doing this, opening this center. Will this budget
3 give priority to invest in the poorest neighborhood?

4 FIRST DEPUTY DIRECTOR GARDNER: As I
5 said, I, I believe it does. In addition to our
6 continuing commitment to affordable housing, you
7 know, in, you know, in response to the crisis, ah,
8 you know, the mayor appointed a food czar, invested
9 170 million dollars in the plan to address, ah, food
10 insecurity. That program is citywide. Ah, 50
11 million dollars for emergency food support and 25
12 million dollars in funding for pantries, which was
13 negotiated in, in partnership.

14 COUNCIL MEMBER RODRIGUEZ: I'm sorry, I'm
15 sorry, I'm sorry, I'm sorry, I'm sorry, please, come
16 on. Do you think that we have built...

17 SERGEANT AT ARMS: Time.

18 COUNCIL MEMBER RODRIGUEZ: ...a systematic
19 racist society? Yes or no?

20 FIRST DEPUTY DIRECTOR GARDNER: So I, I
21 will tell you that we have made investments, ah, in
22 this budget and the previous budgets, ah, in
23 attempting to create more equity, ah, among
24 communities. We've done, ah, we've invested
25 massively in that. And one of the mayor's key

2 priorities, as you said, it was [inaudible] started,
3 ah, in recognizing that, and so I think in that case
4 we have made those investments.

5 CHAIRPERSON DROMM: Thank you very much.
6 We're gonna have to move on to our next questions.
7 Ah, Council Member, I'm sorry, ah, counsel committee,
8 committee counsel would you please call the next
9 person?

10 COMMITTEE COUNSEL: Council Member
11 Borelli, followed by Council Member Brannan, followed
12 by Council Member Cornegy.

13 SERGEANT AT ARMS: Council Member, your
14 time starts now.

15 COUNCIL MEMBER BORELLI: Thank you. Good
16 afternoon. So why does the mayor believe that line-
17 of-duty deaths are a federal problem?

18 FIRST DEPUTY DIRECTOR GARDNER: It's a,
19 the COVID crisis is a national epidemic. Um, and,
20 and this is affecting communities all over the, the
21 country.

22 COUNCIL MEMBER BORELLI: We have, we have
23 240 municipal workers who died. Can you tell me
24 another city who has had even 10% of that number,

2 say, 25? Has any other city had 25 municipal worker
3 deaths?

4 FIRST DEPUTY DIRECTOR GARDNER: I've not
5 tracked, ah, that, those sad statistics. And I don't
6 know if people are reporting them. Um, but the fact
7 is, as we know, New York has suffered
8 disproportionately in this crisis. Our, our
9 caseload, ah, dwarfs especially on a per, on a per
10 person basis any other jurisdiction. Certainly, and,
11 and...

12 COUNCIL MEMBER BORELLI: And could that
13 be the results of the...

14 FIRST DEPUTY DIRECTOR GARDNER: But,
15 but...

16 COUNCIL MEMBER BORELLI: Could that be
17 the result of the decisions we made?

18 FIRST DEPUTY DIRECTOR GARDNER: I'm
19 sorry?

20 COUNCIL MEMBER BORELLI: Could that be
21 because of decisions we made, when to open, when to
22 close, what equipment to give to workers, etcetera?

23 FIRST DEPUTY DIRECTOR GARDNER: I think
24 it reflects the fact that there's just greater
25 disease prevalence in New York City. Ah, you know,

2 we, we can, you know, I'm not an epidemiologist. I
3 could speculate about density and international
4 travel. I've certainly heard what you've heard, ah,
5 you know, on the, the television from people. But,
6 you know, I don't think I'm in any position to, to
7 make the, the epidemiological,

8 COUNCIL MEMBER BORELLI: Who, who...

9 FIRST DEPUTY DIRECTOR GARDNER: ...

10 especially about why.

11 COUNCIL MEMBER BORELLI: Who, who

12 negotiates and signs our municipal contract? Is it
13 the federal government, the state government, or the
14 city government?

15 FIRST DEPUTY DIRECTOR GARDNER: Our labor
16 contracts are obviously negotiated by the city.

17 COUNCIL MEMBER BORELLI: Are there any
18 other municipal contract provisions we've decided to
19 pass through to the federal government at any point
20 since you've worked for the city?

21 FIRST DEPUTY DIRECTOR GARDNER: Well, if
22 you're talking about collective bargaining costs, I
23 mean, yeah, we do, we do have some. But, but your,
24 your issue, um, here is about line-of-duty death,
25 right? Um, we, ah, we have a provision in the

3 citywide contract that covers line-of-duty death.

4 But if, if you're talking about an already-executed

5 part of our collective bargaining agreement, ah,

6 that's clearly not something we would look to the

7 federal government for. But we do, you know, ah,

8 Congressmen Nadler and Rose are pointing to the

9 provision that was put in place by the federal

10 government, ah, after 9/11 that provided for a line-

11 of-duty death benefit, ah, and they have, they have

12 legislation that would, that would include, ah, death

13 from COVID-19...

14 COUNCIL MEMBER BORELLI: And I, I hope

15 they passed it. Um, another topic, the mayor

16 mentioned furloughing workers. What's the dollar

17 amount he would look to save by doing that?

18 FIRST DEPUTY DIRECTOR GARDNER: Ah, what

19 the mayor has said on, on furloughs is that right now

20 we don't have a plan to furlough any workers or to

21 lay off any workers. However, ah, you know, because

22 of the nature of this crisis, the financial side of

23 this crisis, right, nothing is off the table. We see

24 both layoffs and furloughs, probably in the reserve

25 order, as last resort, certainly with regard to

layoffs.

2 COUNCIL MEMBER BORELLI: Um, why is it
3 the federal government's problem more broadly, ah, to
4 bail out a city, ah, which elected government added
5 20 billion dollars since taking office? And just to
6 be clear, 20 billion dollars is the entirety of the
7 Los Angeles city budget and the Chicago city budget
8 combined, and that's just what we've added in six
9 years. So why is that a federal problem?

10 FIRST DEPUTY DIRECTOR GARDNER: So our,
11 our problem is not that we were, our, our budget was
12 too large. As you know, when we, when we released
13 the, ah, January preliminary budget for fiscal 21 we
14 had a balanced plan, ah, we included, you know, even
15 some new spending in there. Unfortunately, as we all
16 know, with the, with the impact of this crisis we
17 were, as almost every locality was, forced to shut
18 down their, their local economy. And we saw a 7.4
19 billion dollar revenue loss, right, and we further
20 saw 800 million dollars in state aid cuts. So we had
21 to bridge, ah, the entire gap, right, in this plan.
22 And I don't think it's fair to characterize our, our
23 desire for federal help, ah, recognizing not our
24 current spending, not saying, oh, you have to
25 [inaudible], but saying that we would like to be able

2 to get back to, to federal assistance, to get back,
3 that would put us back where we were in terms of our
4 revenue forecast before the crisis.

5 COUNCIL MEMBER BORELLI: Why do you think
6 the mayor chose to, ah, float the idea of furloughs
7 before making even further cuts to Thrive?

8 FIRST DEPUTY DIRECTOR GARDNER: I don't
9 think that, that we, first, made cuts in Thrive and
10 we have not done furloughs yet. Ah, and I don't know
11 that we will. The mayor has said that furloughs are
12 a last resort. So I don't think that's fair to
13 characterize that we put one before the other. We've
14 already made cuts in Thrive. We've not put furloughs
15 out.

16 COUNCIL MEMBER BORELLI: The mayor has
17 140 people making larger than \$150,000...

18 SERGEANT AT ARMS: Time.

19 COUNCIL MEMBER BORELLI: ...council
20 members and 35 people make over \$200,000. Will they
21 be, ah, some of the first on the list to be
22 furloughed or, or are they not on the chopping block,
23 or the layoff block or the furlough block?

24

25

2 FIRST DEPUTY DIRECTOR GARDNER: As I said
3 we, we do not have plans at the present for furloughs
4 and layoffs.

5 CHAIRPERSON DROMM: Thank you, Council
6 Member. We'll now go to the next Council Member.

7 COMMITTEE COUNSEL: Council Member
8 Brannan, followed by Council Member Cornegy.

9 SERGEANT AT ARMS: Council Member
10 Brannan, your clock starts now.

11 COUNCIL MEMBER BRANNAN: Thank you. Ah,
12 is anyone thinking about, ah, how we will [inaudible]
13 revenue? I, I think we're all eyes wide open, ah, as
14 far as the reality of some of these budget cuts, um,
15 but I think we, we, I want to make sure that OMB has
16 some people burning the midnight oil, um, when it
17 comes to raising revenue. Obviously, we're not gonna
18 raise taxes unless we're talking about raising taxes
19 on millionaires and billionaires, but, um, do you
20 have people at OMB that, that are thinking about this
21 creatively right now?

22 FIRST DEPUTY DIRECTOR GARDNER: Um, why
23 don't I actually turn this over to, ah, ah,
24 Francesco, who can, can talk about our revenue
25 picture?

2 COUNCIL MEMBER BRANNAN: OK.

3 DEPUTY DIRECTOR BRINDISI: Ah, yeah,
4 sure. Ah, the, the specific question is how to raise
5 revenues without taxes, if I'm not mistaken, without
6 raising taxes, right?

7 COUNCIL MEMBER BRANNAN: Well, I'm not,
8 I'm talking about not raising taxes on the middle
9 class. I'm all for raising taxes on the super-
10 wealthy if that's what we're thinking about.

11 DEPUTY DIRECTOR BRINDISI: Well, you
12 know, that the, that particular type of legislation
13 needs approval from Albany. Ah, therefore, you know,
14 it's not something that, it's something that the
15 mayor has advocated several times over, over the
16 first and the second term. Ah, it's, ah, something
17 that has to do with the realities of the, of the
18 politics in Albany as well.

19 COUNCIL MEMBER BRANNAN: OK, so aside
20 from that, what are we thinking about?

21 DEPUTY DIRECTOR BRINDISI: Um, ah, the,
22 the, all of our tax revenues, whether they are, you
23 know, with the exception of the property tax, ah, um,
24 or the, the property tax rate, ah, they're tied to
25 potential, ah, state legislation. So that that the,

3 the cities, you know, it's a, it's a creature of the
4 state and therefore all of those type of
5 interventions, ah, um, need to go through the state
6 legislation. We are, you know, we're happy to, to,
7 um, hear your thoughts and, and ideas so we...

8 COUNCIL MEMBER BRANNAN: Well, I'm
9 asking...

10 DEPUTY DIRECTOR BRINDISI: ...can
11 operate...

12 COUNCIL MEMBER BRANNAN: I'm asking you,
13 so there's no one at OMB right now who's thinking
14 about creative ways to raise revenue? We're just
15 saying we can't do it without Albany, so we'll just
16 let them figure it out? Is that what I'm hearing?

17 DEPUTY DIRECTOR BRINDISI: Well, there
18 are, you know, there is a large array of taxes, ah,
19 that the city levies. Ah, the, ah, you know, there
20 are some that, um, might be, ah, not as damaging to
21 the middle class as others. Clearly, ah, a
22 progressive, ah, taxation, ah, on, on income would
23 be, would be something that the mayor would advocate
24 for and, ah, and that's something that it would not
25 be difficult for us to understand and, and estimate.
We, we need to...

2 COUNCIL MEMBER BRANNAN: I mean, my, my
3 concern is that the, this tale of two cities, which
4 really never went away, is gonna come roaring back in
5 a really big way. I think it's important that we
6 remember that, um, this cannot be Manhattan versus
7 everybody else. The Manhattan's recovery does not
8 signal the entire city's recovery. I, I understand
9 that Manhattan is still, ah, you know, the, the
10 center and the economic engine of the city. But the
11 fuel for that economic engine lives in the outer
12 boroughs, and these are folks who have been impacted
13 the hardest, um, through this pandemic. Um, so we're
14 very, very concerned about balancing a budget on the
15 backs of, of folks who, ah, have gotten us through
16 and are getting us through, ah, this crisis. So I
17 think the bottom line is that an austerity budget is
18 gonna hurt the, the very same people who have already
19 suffered the most, ah, because of this virus. So
20 that is something that we're very, very concerned
21 about and I hope that you'll, you'll think about
22 that. We can't see, um, that this, this has to be
23 holistic, you know? Um, and, and that's a very, very
24 big concern for folks, you know, in the outer
25 boroughs. Thank you.

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2 CHAIRPERSON DROMM: Thank you. Next,
3 please.

4 COMMITTEE COUNSEL: Council Member
5 Cornegy.

6 SERGEANT AT ARMS: Your time starts now.

7 COUNCIL MEMBER CORNEGY: [inaudible] but
8 really had to [inaudible]

9 COMMITTEE COUNSEL: Council Member.

10 CHAIRPERSON DROMM: Council Member
11 Cornegy? Council Member Cornegy?

12 COUNCIL MEMBER CORNEGY: I'm here, can
13 you hear me?

14 CHAIRPERSON DROMM: Yes.

15 COUNCIL MEMBER CORNEGY: Ah, thank you so
16 much. I'm actually, ah, at a hospital doing some
17 food delivery. So thank you for allowing me to jump
18 back on. Um, I wanted to ask some questions around
19 the city's commitment to supporting small businesses.
20 We've had a 30, 349 billion dollar bust as it related
21 to getting resources on the ground to small and mom
22 and pop businesses, and now what equates to a 500
23 billion dollar bust in doing that. When I've spoken
24 to the administration before about their commitment
25 to small businesses they said, you know, we're just

3 going to wait to see what the federal government
4 does. And consequently the federal government really
5 did not thing for M/WBEs and, and real small mom and
6 pops, ah, and micro businesses. I know that the
7 administration thankfully did 20 million, which went
8 like, you know, in a few hours on a first come, first
9 served basis. Um, I, I don't think that we can look
10 the other way and I'm wondering what the commitment,
11 which I didn't observe in the budget, ah, in the mass
12 proposed budget, any real firm commitment in stimulus
13 dollars to our micro businesses, which are taking a,
14 a beating, and, and 51% of them won't be able to
15 return. Is there a plan to infuse some capital
16 dollars or any dollars for our small businesses in
17 the, in the proposed budget.

18 FIRST DEPUTY DIRECTOR GARDNER: So,
19 first, um, the administration, ah, created the New
20 York City Employee Retention Grant Program, which is
21 expected to benefit more than 4000 businesses
22 [inaudible] about. Ah, and the New York City
23 Business Continuity Loan Program, which expects to
24 issue 375 loans, 100 have already been processed.
25 Ah, further, we've made our SBS, ah, Business
Solution Center experts available to help these

2 businesses identify additional funding opportunities,
3 including from the, the federal SBA, financial
4 program [inaudible] contract financing loan fund. To
5 date the SBS has given out more than 20 million
6 dollars in loans to roughly 100 M/WBES. And, of
7 course, you know, as we've been stating all along, we
8 are pushing for more money to support small
9 businesses in the next federal stimulus in addition
10 to what they did in what's called Stimulus 3.5.

11 COUNCIL MEMBER CORNEGY: So I, I agree,
12 and I did mention the 20 million and I'm, I'm
13 grateful for that. But that was issued in a first
14 come, first served basis which meant that it went
15 relatively quickly and it went to some of the larger
16 small businesses who are tied in and who have the
17 capacity to, to write for the loans. So while I
18 appreciated that, is there anything of that scale
19 that's gonna become available that I can identify
20 within the budget to steer small businesses who are
21 calling me and calling my colleagues on a regular
22 basis asking for help?

23 FIRST DEPUTY DIRECTOR GARDNER: So, as I
24 said, clearly we're looking for, ah, more, ah,
25 federal assistance in this area, um, and we will

3 looking forward to working with the council as we
4 roll into, ah, ah, as we roll into adoption about
5 what kind of programs that there could be for these
6 programs, ah, in addition to sort of the, the, in
7 addition the money that we've provided for direct,
8 you know, for like the 20 million, ah, as I said
9 we're, we're making our, our employees available to
10 help these small businesses access the, the federal
11 programs that exist and that we hope to see expanded.

12 COUNCIL MEMBER CORNEGY: Um, so, I, I
13 just gotta say, you know, and put a little bit of
14 emphasis on it because there seems to be this idea
15 that, you know, the council fighting for restoration
16 to some degree of SYEP, um, and other on-the-ground
17 programs that are gonna help families negates the
18 need to have an emphasis on small business, and I
19 think that they're not mutually exclusive, and I
20 think if we don't do both, ah, post, um, ah, crisis
21 we'll find ourselves in a, in a small business
22 crisis, and I'm trying to avert that with the help
23 of, or with working with the, my council colleagues
24 and with the administration. Um, I'm gonna have a
25 heavy emphasis on that. I've already had a heavy
emphasis on it. And I just wanted to point out while

2 I stand with my colleagues in the fight to, you know,
3 restore programs that are integral to, ah, increasing
4 the quality of life of so many communities I have to
5 add small businesses, M/WBEs, mom and pops, and micro
6 businesses to that, ah, to that need.

7 FIRST DEPUTY DIRECTOR GARDNER: OK, we,
8 you know, obviously, ah, you know, the administration
9 has made small businesses and keeping small
10 businesses viable, ah, a priority for the, for the
11 administration. I just wanted to correct one thing
12 on the...

13 SERGEANT AT ARMS: Time.

14 FIRST DEPUTY DIRECTOR GARDNER: ...
15 [inaudible] discussion that the, the combined budget
16 of the two programs I mentioned, ah, was 49 million,
17 not 20. Thank you.

18 SPEAKER JOHNSON: Thank you, Deputy
19 Director, ah, Gardner. Ah, Danny, are you gonna
20 close us out, or committee counsel, are there any
21 more members that had questions?

22 CHAIRPERSON DROMM: Yes, we have, um,
23 questions from, um, Chair Gibson, and then I have one
24 final one.

3 CHAIRPERSON GIBSON: Ah, thank you so
4 much, thank you Chair, thank you Speaker, and thank
5 you to OMB. One final question, and I'm glad Council
6 Member Cornegy raised, ah, the issue of small
7 businesses. Um, our chair, Mark Gjonaj, of Small
8 Business, ah, and I both obviously represent the
9 Bronx, an outer borough, and I want to make sure that
10 we have visual acuity further dialogue with SBS,
11 Commissioner Greg Bishop and his team, around the
12 loans and grants that have been dispersed thus far.
13 Ah, we [inaudible] are extremely disappointed that
14 only 1% of the loans and 3% of the grants that have
15 already been awarded have gone to Bronx businesses.
16 I think we all would agree that that is unacceptable.
17 The outer boroughs and the real small mom and pop
18 shops, a lot of our merchants that have struggled, we
19 need to have a real focus on their needs. Ah,
20 technological support and capacity issues in applying
21 for a lot of these grants and loans has been an
22 issue. And so I want a commitment from OMB as we
23 move forward that we're going to develop a real
24 comprehensive plan with SBS that really makes sure
25 that we get to all of the businesses as best as well
can. Not just the large businesses that we know are

2 struggling, but the real small mom and pop businesses
3 that have not yet had access to any of the grants and
4 loans that we've already dispersed thus far. We need
5 assistance. We need your commitment, and I hope that
6 OMB will work with us moving forward.

7 FIRST DEPUTY DIRECTOR GARDNER: OK,
8 obviously we're always open for a conversation like
9 that, you know, to help out in any way in accessing
10 our agency. Ah, I know that, ah, SBS, ah, testified
11 last week and that they are doing specific outreach
12 for the Bronx. So we hope that that will help, but,
13 obviously we're always open for a conversation.
14 Thank you, Chairman.

15 CHAIRPERSON GIBSON: Thank you, thank you
16 Chair.

17 CHAIRPERSON DROMM: Thank you very much,
18 and my last question really deals with the borough-
19 based jails program. You know, the city made a 391
20 million dollar commitment, justice reform. I was one
21 of the first council members to call for the closing
22 of Riker's Island. So this is a very important issue
23 to me. But how much of this funding remains in the
24 financial plan, and, um, if the administration does
25

3 not still, um, believe the city can transition to the
4 borough-based jails by 2020 what is your plan?

5 FIRST DEPUTY DIRECTOR GARDNER: So on, on
6 this issue, um, you know, we have delayed the start
7 of some of the design work and, and, and, on, on the
8 project and part of that is a reflection of both the
9 financial situation and our ability to actually go
10 forward, um, in terms of, of, you know, social
11 distancing. Um, you know, obviously the, there is a
12 delay but not a, a cancellation. It's still a
13 administration priority to move off of Riker's Island
14 into borough-based jails. Ah, in the short term the
15 city has, does have to manage its care carefully to
16 make sure we can continue paying all the bills,
17 including critical health and human service
18 providers. Ah, but clearly, um, the, you know,
19 moving away from Riker's Island into borough-based
20 jails is still an administration priority and
21 something that we still plan on getting done.

22 CHAIRPERSON DROMM: OK, thank you, and I
23 look forward to having more discussions with you on
24 that topic. I continually and, um, you know, really
25 deeply believe that Riker's Island is Torture Island
and we need to move forward with these programs. So,

2 um, that's a top priority, ah, as we move forward. I
3 want to thank the Speaker. Speaker, did you have
4 anything that you wanted to say?

5 SPEAKER JOHNSON: Ah, thank you, ah,
6 Chair Dromm. Ah, I, ah, appreciate, ah, Ken, you
7 being here today, and we look forward to moving
8 through this budget process. And I would ask that
9 all of the questions that you and the Director were
10 unable to answer today, if you, I, I know it's
11 challenge because of the remote nature of not having
12 everyone in the OMB office, but I would ask that you
13 expeditiously, by the end of the week, ah, get a
14 response to the council members whose questions were
15 not answered today, ah, so that we have those as we
16 go into the other hearings that are gonna happen
17 throughout the budget process with the respective
18 committees.

19 FIRST DEPUTY DIRECTOR GARDNER: We will,
20 we will attempt to do that, and we will note
21 questions if, if we have not gotten answers, ah, by
22 the end of the week we'll note those questions and
23 give you a, an ETA on answers.

24 SPEAKER JOHNSON: Thank you. Thank you,
25 Chair Dromm.

2 CHAIRPERSON DROMM: Thank you very much.

3 Thank you to OMB. Thank you to all the members.

4 We're going to now recess until about 2:15, when we

5 expect IBO to come in, and then after that we'll hear

6 from DDC. So thank you, and we will reconvene at

7 2:15.

8 FIRST DEPUTY DIRECTOR GARDNER: Thank you

9 very much.

10 UNIDENTIFIED: Sergeant at Arms Viando

11 could you please bring us back online?

12 SERGEANT AT ARMS: Taken care of.

13 UNIDENTIFIED: We are ready to restart

14 this meeting.

15 COMMITTEE COUNSEL: Chair Dromm, are you

16 ready to begin?

17 CHAIRPERSON DROMM: OK, thank you. OK,

18 good afternoon, and welcome to the City Council's

19 first day of hearings on the mayor's executive budget

20 for fiscal 2021. My name is Daniel Dromm and I chair

21 the Finance Committee. We are joined by the

22 Subcommittee on Capital Budget, chaired by my

23 colleague, Council Member Vanessa Gibson. We

24 previously heard from the Office of Management and

25 Budget and now we will hear from the Independent

3 Budget Office. We are joined by Council Members
4 Adams, Ampry-Samuel, Grodenchik, Rivera, Louis,
5 Miller, Brannan, Yeger, Koslowitz, Cumbo, Treyger,
6 Holden, Majority Leader Matteo, and Council Member
7 Richards. Ah, I'm now going to turn it over to our
8 committee counsel to go over some procedural items.

9 COMMITTEE COUNSEL: Thank you. My name
10 is Noah Berk and I am counsel to the New York City
11 Council's Committee on Finance and Subcommittee on
12 Capital Budget. Before we begin, I want to remind
13 everyone that you will be on mute until you are
14 recognized to speak, at which time you will be
15 unmuted by the Zoom host. During the meeting, if
16 council members would like to ask a question please
17 use the Zoom raise hand function and you will be
18 called on in order. We will be limiting Council
19 Member questions to five minutes, including answers.
20 After you are acknowledged please wait for the
21 Sergeant at Arms to tell you that your time has
22 begun. The Sergeant at Arms will indicate when your
23 time has expired. Please also note that for ease of
24 this virtual hearing we will not be allowing a second
25 round of questioning. Thank you. I will now turn it
over to Council Member Dromm.

2 CHAIRPERSON DROMM: Thank you very much,
3 and in the interest of time Chair Gibson and I will
4 forego opening statements. I will now call on the
5 members of the Independent Budget Office to testify.
6 We will hear testimony from Director Ronnie
7 Lowenstein and Deputy Director George Sweeting. Will
8 the counsel, the committee counsel, please administer
9 the affirmation.

10 COMMITTEE COUNSEL: Thank you. I will
11 now administer [inaudible] one time and you will be
12 called on individually to so affirm at the end. Do
13 you affirm that your testimony will be truthful to
14 the best of your knowledge, information, and belief?
15 Ms. Lowenstein?

16 DIRECTOR LOWENSTEIN: Yes.

17 COMMITTEE COUNSEL: Mr. Sweeting? Is Mr.
18 Sweeting with us? He is, and he is not muted. Mr.
19 Sweeting, do you so affirm?

20 DEPUTY DIRECTORY SWEETING: Yeah, I do.

21 COMMITTEE COUNSEL: Thank you. Director
22 Lowenstein, you may begin when ready.

23 DIRECTOR LOWENSTEIN: OK. Ah, thank you,
24 Chairman Dromm and members of the committee for the
25 invitation to testify. Um, our testimony and tables

3 should be available to you know, and I should note
4 that a full report on the mayor's executive budget
5 will be released by IBO late next week. Two months
6 ago, ah, when I last testified before this committee,
7 um, I described the mayor's preliminary budget, um,
8 as basically in balance. Ah, it was in balance for
9 the current year. It's in balance, it was in balance
10 for next year. Um, there are only relatively small
11 gaps that we forecast for 22 and 23. And there was
12 virtually no gap at all for fiscal 24. Um, the
13 current outlook is almost staggeringly different.
14 Under the contours of the mayor's executive budget we
15 project that there are still gaps that need to be
16 closed this year and next year. The gap this year is
17 a shortfall of about 540 million, and about 830
18 million through next year. Both of these are
19 basically in the vicinity of 1%. And then a much
20 bigger problem looms for FY22, which is of course
21 just 14 months from now when the gap balloons to 6
22 billion dollars, which is more than 8% of city-funded
23 spending. Our estimate of that gap is 1 billion
24 dollars more than OMB is carrying at this point. I
25 should say that the basic assumption under all, that
underlies all of our forecasts, um, is based upon the

3 pandemic. Um, we're assuming that the economy will
4 not bounce back until the virus is somehow resolved,
5 whether it's through a vaccine or herd immunity.
6 Epidemiologists widely project that that's gonna take
7 at least 12 to 18 months, and so based on that
8 timeline, based on the medicine, we project that the
9 city is going to continue to see job losses through
10 the end of this calendar year and into the beginning
11 of next calendar year. More specifically, we're
12 anticipating that the city is gonna lose 475,000 jobs
13 from the fourth quarter of calendar year 19 to the
14 fourth quarter of this calendar year. Ah, the extent
15 to which this loss is immediate is, is amazing. Ah,
16 we expect that four out of every five of these jobs
17 that are lost will occur in the current April to June
18 quarter. Um, we think that losses in two industries
19 are going to predominate. Um, the industries are
20 retail and leisure and hospitality. And we think
21 over 60% of all job losses will be concentrated in
22 those two sectors, sectors which, I'm sure you
23 understand, tend to be low to moderate pay. But we
24 do expect nearly every industry across the city to
25 see job declines. Assuming the pandemic is largely
behind us in the next 12 to 18 months, we expect that

3 overall job growth, that is job gains, net of job
4 losses, will resume in the second quarter of next
5 year. But that recovery is going to be painfully
6 slow. We expect the city to regain just 20% of the
7 jobs lost during the pandemic by the end of next
8 calendar year, and we expect it to take fully to the
9 end of plan period before the city reaches the record
10 level of employment that the city enjoyed way back at
11 the beginning of this year. So we're looking at a
12 long period of at best very slow growth. Um, the
13 impact of the pandemic on tax revenues follows a
14 slightly different trajectory than the impact on job
15 losses. We thought job losses would be very sudden.
16 Um, but the impact on tax revenues happens more
17 slowly. Um, we expect that tax revenues this year
18 are basically flat, which is to say we expect only a
19 very small amount of additional revenue this year as
20 compared to last year, um, and that the biggest tax
21 revenue impact, ah, won't happen this year, but will
22 be in fiscal year 21, when we expect tax revenues
23 next year to be nearly 2 billion dollars below what
24 we expect for this year, which, if you recall, is the
25 same as last year. Um, with so many retail
establishments now closed, ah, there's going to be an

3 immediate impact on sales taxes. Um, the steepest
4 year over year decline in sales taxes will occur this
5 year, um, with a loss of about a billion dollars.
6 But the slide continues into next year. And with so
7 many New Yorkers losing jobs we expect there to be a
8 major impact on the personal income tax, of course.
9 Um, we expect that revenues and the personal income
10 tax this year will be slightly below what we realized
11 last year. But much larger year over year declines,
12 ah, expected in fiscal year 21 of about 1.4 billion.
13 We expect general corporation tax revenues to follow
14 the same basic pattern as for the personal income tax
15 with a relatively small year over year drop this year
16 and a much larger, over 1 billion dollar, decline
17 next year. In contrast, I should note that the
18 city's property tax, which is effectively one-half of
19 all city tax revenues, will continue growing strongly
20 throughout the financial plan period. As tax
21 revenues have declined, ah, the demand for services,
22 of course, has risen. Ah, prospects for additional
23 federal aid, general federal aid, beyond what's
24 already been designated, ah, remain very much
25 uncertain. And given the New York State's own
considerable fiscal difficulties, IBO expects that

3 the state is more likely to be a source of spending
4 pressures than a source of funds for using going
5 forward, and in the testimony we've outlined about
6 800 million dollars, ah, of ways in which we were
7 spending more next year than we would have been
8 otherwise. So without getting, additional federal
9 aid is very much uncertain, ah, it's reasonably
10 certain we're not going to be getting assistance from
11 the state. The administration's executive budget,
12 ah, proposal relies heavily on the city's reserves to
13 help close the gaps for this year and next. Um, I
14 should note that yesterday we released a brief, ah,
15 outlining what the city is doing with its reserves
16 and taking a broad definition of those reserves,
17 which I recommend. But to just give you a few
18 highlights, for example, the city's budgeted
19 reserves, that is the general reserve plus the
20 capital stabilization fund, are slated to fall to 1
21 million dollars at the beginning of the next fiscal
22 year. Compare that with the roughly 1.4 billion
23 dollars at the beginning of the current fiscal year.
24 Similarly, the city plans to draw down its Retiree
25 Health Benefits Trust Fund this year and next,
leaving a balance of just about 2.1 billion available

3 for fiscal year 22. Um, in addition to that 2.1
4 billion there's more budgeted reserves again. But if
5 you add them all up that gives you about 3 billion
6 dollars, which is only sufficient to cover about half
7 the gap that we project. To sum up, um, all
8 forecasts are, of course, uncertain. Um, this one is
9 particularly uncertain and in particular because
10 we're looking to rely on the epidemiologists to
11 figure out what the course of the pandemic will be.
12 We expect the City of New York to continue losing
13 jobs through the early part of the next calendar
14 year. Even when those jobs start returning, we
15 expect the growth to be painfully slow, and we expect
16 it to take till the end of the financial plan period,
17 until 2024, to actually regain the same number of
18 jobs as we lost. Um, and finally, there are, of
19 course, no guarantees that the jobs that we regain
20 will be the same sorts of jobs that we lost, or even
21 that the City of New York is the same city we had
22 back in January. So having said all that, um, I
23 thank you very much for the opportunity to testify,
24 and George and I would be very happy to answer any
25 questions you may have.

2 CHAIRPERSON DROMM: OK, thank you very
3 much, and I just want to say we've been joined by
4 Council Members Menchaca and Rosenthal. And, um, I
5 think in your testimony that you said that there
6 would only be 1 million in the general reserve? I
7 think you meant 100 million in the general reserve.

8 DIRECTOR LOWENSTEIN: Oh, sorry.

9 CHAIRPERSON DROMM: Yeah, I didn't want
10 to interrupt you.

11 DIRECTOR LOWENSTEIN: Definitely,
12 definitely not that bad.

13 CHAIRPERSON DROMM: Yeah, OK, very good.
14 Ah, nevertheless, it's not looking so good. Ah,
15 would you agree that this budget has very little
16 ability to adjust to any additional bad news without
17 significant budget cuts or tax increases?

18 DIRECTOR LOWENSTEIN: Near term, which is
19 to say this year and next year, the city has drawn
20 down most, but certainly not all, of its reserves,
21 which definitely limits its ability to adjust. But
22 having said that, um, basically the biggest problem
23 we're gonna face is ahead of us. So the biggest gap
24 we're looking at is for fiscal 22 if our forecast is
25 correct. Um, reserving some of those reserves,

3 saving some of that for then makes a great deal of
4 sense. And the other thing I want to say is just
5 something about the nature of reserves. Um, it's
6 very difficult to [inaudible] of a reserve fund that
7 would be sufficient to last the city through a
8 pandemic of this length. But, generally speaking,
9 what you try to do with the reserve funds is to build
10 up enough of a cushion to give you some time to
11 respond. So we've got 14 months to come up with ways
12 to bring this budget into balance, whether it's
13 appealing for additional federal aid, finding other
14 ways to cut spending, or finding ways to raise
15 revenue.

16 CHAIRPERSON DROMM: Director Lowenstein,
17 [inaudible] last November, if I'm not mistaken, ah,
18 the Rainy Day Fund was established through a, um,
19 Charter Revision Commission. Um, is that a reality
20 at this point, or what, what does that look like for
21 the future?

22 DIRECTOR LOWENSTEIN: It's, it hasn't
23 legislatively been established yet, which has to
24 happen up in Albany, um, and, of course, since this
25 all happened last November there's been, there's been
no time to deposit any funds in the Rainy Day Fund.

2 So, um, long term it could well be a [inaudible] in
3 the next downturn, perhaps, but at this point, ah,
4 the focus has to be on what can we do to bring this
5 fund into balance with the tools we have at our
6 disposal.

7 CHAIRPERSON DROMM: OK. Thank you. The
8 state's enacted budget includes language that allows
9 the State Division of Budget to periodically reduce
10 appropriations following the months of April, June,
11 and December if state revenue is insufficient to
12 balance the budget or if expenditures are higher than
13 anticipated. Unfortunately, there's bad economic
14 news on the horizon. The recent state financial plan
15 anticipates a revenue shortfall in April, ah, and
16 that will trigger such cuts. So I know that you
17 spoke a little bit about this in our presentation,
18 but what is your evaluation of the risk to the city's
19 budget from the potential state action?

20 DIRECTOR LOWENSTEIN: I'd like to turn to
21 George Sweeting for that, who I think has more
22 complete information than I do.

23 CHAIRPERSON DROMM: OK, thank you.

24 DEPUTY DIRECTOR SWEETING: Ah, good
25 afternoon, everyone. Um, the risk is certainly real.

3 Um, you know, the state budget was effectively out of
4 balance when it was adopted. So it's no surprise
5 that one month into their, their fiscal year, um, you
6 know, the, the conclusion has already been reached
7 that, that's it out of balance and needs, needs
8 adjustment. Um, and, you know, if, if it doesn't
9 happen here it could well happen at the second or the
10 third, ah, go-round on this, this process that's been
11 put in place. I might just note that it's, it's,
12 there's also a real issue about, um, how this process
13 works and what it does to undermine the authority and
14 the role of the legislature, because, um, once the
15 executive, ah, administration in Albany declares that
16 there is a revenue shortfall and then they put up a
17 list of proposed actions to close it, it's not only
18 revenue shortfall, it can also be an expense
19 increase. Um, the legislature gets 10 days to review
20 that and if they don't like those, the choices the
21 administration has made to propose, not only propose
22 but actually to enact a, a replacement budget
23 essentially. Um, it's, it's difficult to conceive of
24 the, any legislature really being able to, to take in
25 that much information, process it, and, ah, and pass
legislation, particularly when they may not even be

3 in session when the, um, when the information comes
4 down. In terms of the risk to the city budget, um,
5 the, the governor's estimate is that there's, they're
6 going to need a cut of something like 20% to 30%, ah,
7 in, in aid to localities across the state. And, ah,
8 I think they've hinted that much of it would come out
9 of education, which makes sense, because, ah,
10 education is the, um, you know, the single biggest
11 expense item in the, in the budget. Um, if they took
12 20% out of our state education aid we would lose
13 about, we estimate, 2.3 billion dollars. Um, that
14 would be a very big hole to fill if the city were to
15 decide even that it had the capacity to fill that, to
16 do that in one year. Um, you know, the state budget
17 this year didn't come through with the aid increases
18 we were hoping for and the city did backfill that
19 with about 380 million dollars. Ah, the thought of
20 the city having to backfill 2.3 billion, um, on a
21 quick turnaround, ah, is, is daunting. So to answer
22 your question in one word, yes, the risk is very
23 real.

24 CHAIRPERSON DROMM: So, you know, it just
25 makes me think that I know what you said about
education being the, um, largest part of the state

3 budget. But it's also the largest part of the city
4 budget. But nevertheless it's, um, always, um,
5 disturbing that we balance the budget on the backs of
6 students and educators and education in general, and
7 I think one of the goals that I wanted to establish
8 this morning was to look at other areas where there
9 are no, ah, or virtually nothing being cut from the
10 police department and other areas in the budget for
11 the city. So I just wanted to say that in response
12 to, um, your analysis there. But thank you.

13 DEPUTY DIRECTOR SWEETING: But if I could
14 just, you know, I was not, I didn't mean to suggest
15 that the city would, would choose necessarily to go
16 to education. It's the state, if the state cuts the
17 education piece by 2.3 billion the city's decision
18 then is, OK, do we fill that or do we fill it
19 partially, or do we, you know, ah, unfortunately have
20 to accept it.

21 CHAIRPERSON DROMM: Right, no, exactly.
22 And, ah, that's true, um, and then those decisions
23 have to be made, obviously, in terms of what our
24 priorities are, exactly. All right. Ah, the 9/11
25 attacks and their aftermath caused a sudden shock to
the New York City economy. Large parts of lower

3 Manhattan were closed for weeks and over 100,000
4 workers were displaced. One of the responses of New
5 York State was to allow New York City to issue up to
6 2.1 billion dollars in Transitional Finance Authority
7 recovery bonds, the proceeds of which could be used
8 for operating expenses. Ah, we've now received a
9 much greater shock, ah, with much of the city shut
10 down and over 700,000 workers displaced. What do you
11 see as the pros and cons of using TFA recovery bonds
12 as a model for helping us address our current
13 problems?

14 DIRECTOR LOWENSTEIN: Um, well I think
15 the pros and cons of using long-term borrowing to
16 finance operating expenses are well known,
17 particularly in the City of New York, which went
18 belly up in the '70s by doing so. Um, there are,
19 even if one were to do it, of course, um, whether we
20 would do it again and again, and whether credit
21 markets would allow us to continue to do that is an
22 open question. Um, but looking back to our forecast
23 the worst of the revenue, the fiscal impact, doesn't
24 hit until the beginning of 22. And if that's the
25 case we've got 14 months to make informed decisions
about where we might be able to cut without too much

2 pain, or what taxes we might be able to receive. We
3 have a much clearer idea of what we could, additional
4 funds we could get from the federal government, um,
5 and then be able to say OK, is this long-term
6 borrowing, assuming it would be allowed, the best
7 course for the city? But we're not, I would argue
8 that we're not at that stage yet.

9 CHAIRPERSON DROMM: Um, hopefully we
10 don't get to that and we'll see what happens, um,
11 moving forward. But I want to turn it over now to
12 Council Member Chair Gibson, ah, for questions
13 [inaudible].

14 CHAIRPERSON GIBSON: Thank you, Chair.
15 Thank you, Chair Dromm and thank you, Ronnie, and
16 thank you, George. We appreciate you..

17 DIRECTOR LOWENSTEIN: Thank you.

18 CHAIRPERSON GIBSON: [inaudible] the
19 Independent Budget Office. Thank you. It's nice to
20 see you virtually.

21 DIRECTOR LOWENSTEIN: Yes, yes.

22 CHAIRPERSON GIBSON: Thank you so much
23 for all of your help and, you know, seeing you back
24 in March I certainly would not ever expect that we
25 would be here in May. Um, it has been so challenging

2 and we appreciate your partnership and everything
3 that the Independent Budget Office is doing to really
4 help us. Ah, there are some painful decisions that
5 we have to make in the next few weeks, and New
6 Yorkers are really counting on us, ah, to save them
7 and their families, their children, the seniors, I
8 mean, every program to me is at stake, um, and
9 there's nothing during a COVID pandemic, there's
10 nothing greater than the social safety net programs
11 that we fight so hard for year after year. Um, so I
12 had just a couple of questions and, ah, recognizing
13 that IBO published an online COVID-19 spending
14 tracker, which shows the expenditures across agencies
15 by the expense type. So I wanted to ask, um, do you
16 know how much current spending is either funded by or
17 reimbursable through federal and/or state aid?

18 DIRECTOR LOWENSTEIN: Um, correct me if
19 I'm wrong, George, but the monies that we're tracking
20 are now gonna be 100% reimbursable by FEMA aid, by
21 federal aid.

22 DEPUTY DIRECTOR SWEETING: That's
23 correct.

24 CHAIRPERSON GIBSON: OK.
25

3 DIRECTOR LOWENSTEIN: And the city is
4 taking, I believe, a broad view of what might be
5 reimbursable. The city has unfortunately had
6 experience with this, particularly during the
7 Hurricane Sandy.

8 CHAIRPERSON GIBSON: Right.

9 DIRECTOR LOWENSTEIN: Superstorm Sandy.
10 Um, so right now the city has put in a total of 1.5
11 billion in expenditures that they think will be
12 reimbursable. You know, a year or two or three down
13 the line FEMA might say, well, not by all of that.
14 But, you know, that happens further down the road.
15 Um, at this point there's, the city has stockpiled a
16 lot of goods and services, things like masks and, and
17 presumably...

18 CHAIRPERSON GIBSON: PPE.

19 DIRECTOR LOWENSTEIN: ...protection and
20 all that stuff that we so desperately need. Um,
21 there's less in the way of personal expenditures.
22 Ah, there's some amount of overtime, but I think it's
23 reasonable to assume that we'll be seeing more
24 personal services being charged to FEMA.

25 CHAIRPERSON GIBSON: OK.

2 DIRECTOR LOWENSTEIN: But, but all of
3 that money now will be reimbursed 100%.

4 CHAIRPERSON GIBSON: OK, great. Um, the
5 administration had budgeted for about 2.5 billion and
6 federal reimbursement in fiscal 2020, ah, which
7 includes 1.6 billion in FEMA funding, ah, to be
8 reimbursed at a 75% rate over nine different
9 agencies. It's DCAS, H&H, Emergency Management, SBS,
10 EDC, Sanitation, police, DOIT, and DDC. Um, do you
11 guys think that the administration properly estimated
12 their federal FEMA reimbursement in the fiscal 21
13 executive budget? Do you think that's an accurate
14 estimation?

15 DIRECTOR LOWENSTEIN: Well, I think the
16 city just received word that rather than a 75%
17 reimbursement rate the reimbursement rate would go up
18 to 100%.

19 CHAIRPERSON GIBSON: OK.

20 DIRECTOR LOWENSTEIN: So, you know, a few
21 weeks ago they thought it was 75%, now they know it's
22 100%.

23 CHAIRPERSON GIBSON: OK.

24 DIRECTOR LOWENSTEIN: And if I can also
25 put in a really quick plug. Um, we've got a piece

2 coming out within the next few days that takes a
3 first look at the very many different flows of
4 federal aid over the four different pieces of federal
5 legislation that has been enacted. Most of it is the
6 CARES Act, but there are three other pieces of
7 legislation as well. Breaking them down, ah, in
8 terms of what we expect to receive and that should be
9 showing up in your inbox very shortly.

10 CHAIRPERSON GIBSON: Oh, OK. [laughs]

11 DIRECTOR LOWENSTEIN: Yeah.

12 CHAIRPERSON GIBSON: Um, do you have any
13 suggestions on how the administration could better
14 utilize FEMA funds at the local level? I mean, you
15 talked about, ah, personnel expenses, and I guess the
16 reason I ask that is because there's an article
17 circulating, well, it's been circulating for a couple
18 of days and I didn't catch the mayor's press
19 conference there's morning but there's been this
20 rumbling about potential furloughs or laying off city
21 workers. So I wanted to know your thoughts on that,
22 and do you think that, you said a year and a half or
23 so in terms of reimbursable from FEMA. Do you guys
24 think that FEMA will hold firm on that 100%
25 reimbursement?

3 DIRECTOR LOWENSTEIN: George, do you have
4 a?

5 DEPUTY DIRECTOR SWEETING: It's hard to
6 predict what FEMA would do, but, I mean, I think
7 there's a, you know, I guess I would give them the
8 benefit of the doubt and assuming that. But the, you
9 know, the other point is the federal aid that, some
10 has come and that, you know, may very well come.
11 Our, our analysis suggests that there's a lot more
12 that could come. Ah, you know, it's about more than
13 just FEMA. Ah, you know, the city budget already
14 incorporates a billion dollars from, ah, additional
15 Medicaid, ah, assistance that the city got. Um, and
16 we're indirectly getting about 715 million dollars of
17 federal emergency education aid that's flowing
18 through the state budget down to our budget. Um, and
19 then there are these other pieces, ah, that, you
20 know, we, we think from some of the other components
21 of the CARES Act and the other bills, you know, for
22 example they, they put through, um, you know, higher
23 spending or, excuse me, higher, additional grant,
24 money to be granted through existing programs like
25 the Section 8 and the, um, the Community Development
Block Grant. Ah, if you assume that the city will

3 get roughly the same share of dollars that we get
4 under the, the regular Community Block Grant Program,
5 Community Development Block Grant Program, ah, you
6 know, we, we should get, ah, some money there and it
7 begins to add up. It's small, you know, it's small
8 pieces spread across the federal budget and then
9 spread across the city budget and different agencies.
10 Ah, you know, so there's, there's more money involved
11 here than just FEMA money. And, ah, some of it's
12 come in and we think some more will come in for some
13 of these other grant programs.

14 CHAIRPERSON GIBSON: OK. Um, as we talk
15 about COVID and our efforts to restart the economy
16 and begin the healing process, you know, a lot of the
17 health experts have been saying that, you know, as we
18 see a reduction in the number of confirmed cases as
19 we have more testing sites that are available, the
20 antibody testing and things that are happening, um,
21 are you guys seeing and do you think that we as a
22 council should be very mindful of a potential second
23 wave of infections that could really impact the
24 country and our city? Um, I guess a lot of us want
25 to get back to normal as quickly as possible, but we
know things have to be done in phases. A lot of us,

3 we're all anxious to get back to normal, ah, whatever
4 normal means, right? I don't think we'll ever be
5 normal pre COVID, we're just going to resume to our
6 daily living the best way we can, right? I think
7 that's a good assumption. But do you guys think that
8 we should be worried and mindful and how would we
9 prepare for a potential second wave of COVID cases?

10 DIRECTOR LOWENSTEIN: Um, it's more than
11 reasonable to be worried. We didn't explicitly model
12 a second wave in the fall, in part because we really
13 don't have any recovery in the fall. We're
14 anticipating that jobs will continue declining at
15 that point. So it's not as though we've got to
16 bounce back but all of a sudden is going to turn into
17 another sharp drop in employment. Another way to say
18 this is our forecast of the progress of the disease,
19 um, is pretty bleak. Um, we see New York as having
20 been affected more than pretty much anyplace else and
21 because it's so prevalent here it's gonna take a lot
22 more for us to begin to reach the point that some
23 other states and local governments are starting to
24 reach. So our forecast is pretty damn bad now.
25 Could it be worse? Absolutely. Um, but...

CHAIRPERSON GIBSON: Yeah.

3 DIRECTOR LOWENSTEIN: ...we've got
4 something that's, that's pretty dark. And I should
5 say as I look, when I was looking at OMB's forecast
6 earlier today, OMB has, ah, US GDP bouncing back in a
7 year. You know, so this year the GDP is declining.
8 We also at IBO expect that US output will decline at
9 about the same amount, but the difference is we don't
10 expect next year to look good.

11 CHAIRPERSON GIBSON: Right, yeah. No, I
12 appreciate it, I understand. So, you know, I guess
13 the final thought I'll say as I wrap up, we have
14 colleagues that have questions, is, you know, I think
15 we all recognize the economic climate and the
16 forecast that we're in. But I think for us at the
17 council we have over the past, you know, several
18 budgets, during my entire tenure, we've always
19 offered up our recommendations on ways to get, you
20 know, general revenue, some of the cost saving
21 measures, um, reducing the size of some of our
22 agencies with some of the unspent, you know, money
23 that we have. And, you know, obviously that remains
24 on the table, but I just think generally New Yorkers
25 are just very concerned about their bottom line, um,
losing income, those that have lost someone to COVID,

3 that pain that remains with them and trying to resume
4 to normalcy, I think we have to be very creative and
5 a climate that has just so much challenge, I am
6 really concerned about these additional state cuts as
7 a former legislator in Albany understanding, you
8 know, that process, it's very painful to know that
9 education is going to get cut again when so many of
10 our schoolchildren are behind and even with the
11 remote learning many of them are going to get further
12 behind. So I guess I just implore you and your team
13 to continue working with us over these next several
14 weeks. As you make recommendations we are more than
15 happy to entertain them, because I do think
16 everything has to be on the table, because there's so
17 much at stake, everything has to be on table
18 [laughs].

19 DIRECTOR LOWENSTEIN: I should say that
20 we don't make recommendations, but what we do do is
21 keep a list, an ever-growing list, of ways to bring
22 the city's budget into balance.

23 CHAIRPERSON GIBSON: Yes.

24 DIRECTOR LOWENSTEIN: And if you go onto
25 the website you'll see the, the options, which we

3 update periodically, and I'm sure they're going to be
4 particularly popular at this point.

5 CHAIRPERSON GIBSON: Right, OK, thank you
6 so much, thank you guys.

7 DIRECTOR LOWENSTEIN: Thank you.

8 CHAIRPERSON GIBSON: Really appreciate
9 it.

10 DIRECTOR LOWENSTEIN: Yeah.

11 CHAIRPERSON GIBSON: I'll turn it back
12 over to Chair Dromm. Thanks again.

13 CHAIRPERSON DROMM: We have our committee
14 counsel, who wants to say something.

15 COMMITTEE COUNSEL: Ah, yes. If any
16 council members have questions for IBO please use the
17 Zoom raise hand function. You will be called on in
18 the order in which you have raised your hand.

19 Council members, please keep your questions to five
20 minutes, including answers. Please wait for the
21 Sergeant at Arms to tell you when your time begins.

22 The sergeant will let you know when your time is up.

23 Ah, Chair Dromm, I believe that we have an additional
24 Council Member to recognize.

25 CHAIRPERSON DROMM: Yes, we have Council
Member Powers who joined us as well. I think I

2 mentioned Council Member Rosenthal and Menchaca
3 already. Ah, and now if you would please call on
4 Council Members for their questions.

5 COMMITTEE COUNSEL: [inaudible] Ah, we
6 will now hear from Council Member Grodenchik,
7 followed by Council Member Holden.

8 SERGEANT AT ARMS: Council Member
9 Grodenchik, your time starts now.

10 COUNCIL MEMBER GRODENCHIK: I got it. I
11 hope I won't take that long. Ah, thank you, Chairs.
12 Ah, it's good to spend my day with everybody. It's
13 always good to see you, ah, Director Lowenstein. Um,
14 looking out, you know, um, one of the things that
15 I've tried to inject into the conversation, um, is a
16 revamping of the capital construction process and,
17 um, ah, Councilwoman Koslowitz, ah, earlier today
18 talked about, ah, trying to get the Rego Park branch
19 of the library rebuilt and the numbers have jumped
20 and jumped and jumped, and literally decades, and,
21 ah, I just wondered if you had any insight into how,
22 um, we might be able to get that done. I know that
23 maybe you weren't expecting to talk about that today
24 and we could talk offline. But, um, it seems to me
25 at this time that the city really could be saving,

3 along with the MTA, although I know that's not in
4 your purview, a lot of money, um, going forward, um,
5 by changing the process and, you know, it goes from
6 the agency to OMB to MOCS to the comptroller and any
7 one of them can slow things down, um, and I'm just
8 wondering if you had any thoughts on that.

9 DIRECTOR LOWENSTEIN: Um, I'm afraid that
10 I'm not steeped in the capital budget process, but
11 certainly there are people on IBO staff, um, who are
12 far more knowledgeable than I am. Um, perhaps I
13 could have Jonathan Rosenberg, ah, from my staff, one
14 of our deputies, ah, reach out to you to have that
15 discussion?

16 COUNCIL MEMBER GRODENCHIK: I would, I
17 would enjoy that. He can call my office and, um, my
18 chief of staff will hook us up. Um, I don't want to
19 take up too much time. I, I appreciate your work and
20 I'm looking forward to seeing your analysis on the
21 budget. And I'm going to waive the balance of my
22 time. Thank you, Chairs. Thank you, ah, Director,
23 and, um, I'm listening still.

24 CHAIRPERSON DROMM: Thank you. Counsel,
25 next council member, please.

SERGEANT AT ARMS: Time starts.

1 COMMITTEE ON FINANCE JOINTLY WITH
2 SUBCOMMITTEE ON CAPITAL BUDGET

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3 CHAIRPERSON DROMM: Excuse me, we need
4 Noah to...

5 COMMITTEE COUNSEL: I, I apologize. My
6 microphone was on mute. Ah, we will now please have
7 Council Member Holden, followed by Council Member
8 Rosenthal.

9 SERGEANT AT ARMS: Time starts now.

10 COUNCIL MEMBER HOLDEN: Thank you so
11 much. Do you hear me?

12 UNIDENTIFIED: Um-hmm.

13 COUNCIL MEMBER HOLDEN: OK, ah, see,
14 Barry, you ended too fast. You got them off guard
15 there. I'm always following Barry, ah, certainly on
16 the, in the alphabetical order. But, did, ah, my
17 question is did IBO prepare different scenarios on
18 the budget? For instance, um, you know, with the
19 current place that we're in now, um, in the pandemic
20 if we stayed sheltered in with businesses closed, um,
21 how much, you have to project this, obviously, but
22 how much per, what's the hit per month that we're
23 taking in the budget, ah, with the current climate?
24 Did you prepare like a couple of different scenarios,
25 like if we opened up in three months versus six
months and so forth?

2 DIRECTOR LOWENSTEIN: Ah, no, we have
3 definitely not done that, although it's an
4 interesting idea. Um, and there have been times
5 certainly where particularly going into a recession
6 where we will have different recession scenarios, so
7 the US declines by 4%, US declines by 2%. Um, we've
8 never considered doing it locally, but it's certainly
9 an idea worth giving some thought to.

10 COUNCIL MEMBER HOLDEN: Yeah, because...

11 DIRECTOR LOWENSTEIN: But I could stress
12 that, you know, the scenario that we've sketched out
13 is, is very dark.

14 DEPUTY DIRECTOR SWEETING: If I could
15 just jump in for a second. The, um, the scenario
16 we've got also does assume, um, the, the shelter in
17 place stays in effect in New York City considerably
18 longer than it looks like the rest of the country is
19 gonna do. Um, you know, we, we basically followed an
20 epidemiological projection that assumed people
21 followed the, what were then the White House
22 guidelines. Those guidelines are not being followed
23 any longer really, by the White, they're certainly
24 not being endorsed by the White House and they're not
25 being followed in many parts of the country. We

3 assume New York will continue to do that, which
4 pushes the, you know, resumption of normal economic
5 activity well into the summer, if not later.

6 COUNCIL MEMBER HOLDEN: Oh, OK. Ah, I
7 asked this question of OMB earlier and I'll ask it,
8 just throw it out there. Um, has anybody or has your
9 office looked at the Bloomberg fiscal year, ah, 10
11 response to the Great Recession to form some kind of,
12 ah, budget and, or at least the hit on the budget and
13 which, ah, areas were cut and which worked and which,
14 ah, which projects were, we actually could do
15 without. Ah, did, did you look at that at all on
16 the, um, on the scheme of the Bloomberg, ah, years?

17 DEPUTY DIRECTOR SWEETING: Um, we've not
18 had time to go through and analyze particular, you
19 know, particular choices they made. We certainly
20 have been going back and looking at, at how the city
21 responded, not only to the 2008-2009 recession, but,
22 you know, also to, to the 9/11, ah, disaster and, ah,
23 even earlier, going back into the, the early '90s.
24 So, I guess we've done part of what you're, you're
25 asking about and I agree, it's a very interesting
question. It might be, might be a good thing to,

2 when we catch our breath after this report to take a
3 look at.

4 COUNCIL MEMBER HOLDEN: Yeah 'cause I
5 think that would, we have some history and we can see
6 how things went, and, ah, that's what I thought OMB
7 should have done and they said they didn't, but I
8 think I think they should. But thank you so much,
9 thank you, Chair.

10 CHAIRPERSON DROMM: OK, counsel, would
11 you call the next Council Member, please?

12 COMMITTEE COUNSEL: Yes, Council Member
13 Rosenthal, ah, followed by Council Member Powers.

14 SERGEANT AT ARMS: Time starts.

15 COUNCIL MEMBER ROSENTHAL: Thank you very
16 much. Um, always really appreciate hearing from both
17 of you and, and your bringing your wisdom on this.
18 Um, want to follow up on two quick questions. Last
19 night Gail Brewer announced that she had spoken,
20 Ronnie, possibly with you, maybe with George, about,
21 um, composting. And the notion that, um, the city is
22 taking 21 million in savings because they have to run
23 trucks that are half filled, um, and, and that's
24 where the savings come from, they're not gonna have
25 to run those trucks anymore. I'm wondering, she

2 mentioned that you had thoughts about how we might be
3 able to be doing composting less expensively. Is, is
4 there a paper you can send me to that I should look
5 at, or are you prepared to talk about that, just a
6 little bit?

7 DIRECTOR LOWENSTEIN: I believe, correct
8 me if I'm wrong, George, I believe that, that Gail
9 Brewer spoke to Doug Turetsky who is our chief of
10 staff.

11 COUNCIL MEMBER ROSENTHAL: Oh, that could
12 be it, yeah.

13 DIRECTOR LOWENSTEIN: Um, who, who is far
14 more knowledgeable about this than I am. Um, is
15 there anything we can offer up, George, that might be
16 helpful [inaudible]?

17 DEPUTY DIRECTOR SWEETING: Um, I mean,
18 we, we provided some basic information that I think,
19 you know, largely confirms that, ah, you know, the
20 expense of what they're currently doing. Um, but
21 there were, you know, if, if you could conceive of
22 ways in which the program, you know, was more widely
23 adopted...

24 COUNCIL MEMBER ROSENTHAL: That's right.

2 DEPUTY DIRECTOR SWEETING: Ah, you know,
3 the costs begin to go down. Um, but, you know, it's,
4 they've had a hard time achieving that, for whatever
5 reason.

6 COUNCIL MEMBER ROSENTHAL: Yeah, yup.

7 DEPUTY DIRECTOR SWEETING: Yeah, I mean,
8 we, we did explore, we gave, we did some background
9 analysis on what, ah, you know, how you could change
10 the curve a little bit if you, if you could improve
11 the, the utilization of the program.

12 COUNCIL MEMBER ROSENTHAL: Could I
13 trouble to, to ask Mr., ah, Turetsky if he could send
14 that over to my office as well?

15 DEPUTY DIRECTOR SWEETING: Um-hmm.

16 COUNCIL MEMBER ROSENTHAL: Yeah, thank
17 you, and my guess is other council members would be
18 interested, so I can forward around, you can forward
19 it around, whichever. Secondly, I'm wondering, this
20 is a totally different question. Um, if you think
21 that the city has gone too far, given the fact that
22 we have 7.5 billion in revenue shortfall, probably
23 looking at a 2 billion dollar state shortfall, ah,
24 glad to hear FEMA's now gonna reimburse the full 100%
25 for COVID-related costs. Um, maybe we could get the

3 3.5 billion back through FEMA. Um, still dealing
4 with, you know, tremendous shortfall. Do you think
5 the mayor has put forward an austerity budget? Do
6 you think he's cutting sharply into some pretty
7 fundamental programs like SYEP. Um, I understood
8 your answer about DOE, but do you think the state
9 will force us to be cutting pretty sharply into our
10 Department of Education budget? What are your
11 thoughts on that?

12 DEPUTY DIRECTOR SWEETING: Well, let me
13 go back to the, um, first part of your question. In
14 terms of the, ah, the FEMA reimbursement. The FEMA,
15 or actually I'll take it back even one step further.
16 The estimate of the revenue shortfall, which is the
17 mayor's 7.4 billion, and that's essentially how much
18 the revenue forecast has chanced since January for
19 fiscal 20 and fiscal 21. Ah, our forecast, our
20 estimate of that shortfall is actually considerably
21 bigger. It's 9.6 billion.

22 COUNCIL MEMBER ROSENTHAL: I'm sure
23 you're right.

24 DEPUTY DIRECTOR SWEETING: Ah, so, you
25 know, the, the problem, you know, looks bigger when
you start from that. It's also important to keep in

2 mind the FEMA money is not a replacement for lost tax
3 revenues.

4 COUNCIL MEMBER ROSENTHAL: Correct. It's
5 only for the additional expense of 3.5.

6 DEPUTY DIRECTOR SWEETING: Exactly,
7 exactly. So [inaudible].

8 COUNCIL MEMBER ROSENTHAL: Right, no, I
9 get all that. I'm just wondering, let's say we have
10 to, the next 2.5 billion, should that be, ah,
11 realized at some point by the mayor's, which they'll
12 obviously have to do. Do you think, like at what
13 point is it too, too much so that it hinders the
14 opportunity for recovery? And in other words there
15 has to be somewhere where we draw the line and in my
16 mind's eye say, yeah, go back to the state and say
17 now this is the definition of a crisis, we're not
18 going to put forward an austerity budget that is
19 really hurting New Yorkers tremendously. We want to
20 do, um, some borrowing to get us through the current
21 year, maybe even until we get more federal aid. And
22 the reason I ask that is...

23 SERGEANT AT ARMS: Time.

24

25

2 COUNCIL MEMBER ROSENTHAL: ...because I'm
3 so troubled, if I can just finish, Chair? Um, a
4 little bit? Sort of?

5 CHAIRPERSON DROMM: [inaudible] because
6 we've kept everybody to five minutes. So wrap it up.

7 COUNCIL MEMBER ROSENTHAL: Wrap it up,
8 Rosenthal. So, I mean, I was just concerned, you
9 know, even when the First Deputy Budget Director was
10 talking about cash flow, saying now we're probably
11 having more cash flow problems today, and you know
12 that burden is sitting on our nonprofits, who then
13 have to borrow money to do the work of the city. So
14 I'm just wondering if you think we're at the point
15 where it's, it's austere enough or you think we could
16 go even farther in cutting?

17 DIRECTOR LOWENSTEIN: OK, that is a
18 fundamentally subjective measure, um, of just the
19 sort that we very much don't respond to. Um, with
20 the numbers guy we care that, about the credibility
21 of our numbers. Um, your, your definition of
22 austerity budget is probably very different from
23 Council Member Dromm's definition of austerity
24 budget, which is different from everybody else's.

2 COUNCIL MEMBER ROSENTHAL: Council Member
3 Holden and I are totally on separate sides.

4 DIRECTOR LOWENSTEIN: [laughs] Um, what I
5 do see is the de Blasio administration and the Cuomo
6 administration doing their best to put pressure on
7 the federal government to do more.

8 COUNCIL MEMBER ROSENTHAL: OK.

9 DIRECTOR LOWENSTEIN: And I don't think
10 the mayor is overstating the problem, particularly
11 since our numbers are bleaker than his. But, you
12 know, normally you don't hear a governor talking
13 about well, there could be 40% across the board cuts.
14 I mean, um, and there's a term for that in budgeting,
15 we call it the Statue of Liberty play. I am sure
16 he's entirely earnest, but whatever we can do to make
17 the best case to Washington that we need more than
18 we're getting.

19 COUNCIL MEMBER ROSENTHAL: Right.

20 DIRECTOR LOWENSTEIN: Look at us is
21 absolutely the right thing to do.

22 COUNCIL MEMBER ROSENTHAL: Thank you, and
23 thank you, Council Member Powers, for your patience.

24 CHAIRPERSON DROMM: OK. Next.
25

2 COMMITTEE COUNSEL: We will now hear from
3 Council Member Powers.

4 SERGEANT AT ARMS: Time starts.

5 UNIDENTIFIED: I think he's muted.

6 COMMITTEE COUNSEL: OK, can we unmute the
7 Council Member, please?

8 COUNCIL MEMBER POWERS: OK, I've been
9 talking this whole time and I had [inaudible]. Nice
10 to see you. Thank you, Council Member Rosenthal. I
11 guess I'll ask the question, though, that I think she
12 was asking and others have asked. Is it fair to say
13 based on the numbers that you're presenting in your
14 testimony that the mayoral budget, in your view, that
15 the mayoral budget does not accurately reflect the
16 reality of the financial situation that lies before
17 us in the year ahead?

18 DIRECTOR LOWENSTEIN: Yes. Um, we think
19 there are gaps remaining for this year and next.
20 They're not huge gaps, but they're gaps nonetheless,
21 and if you add them together it's 540 plus 830, you
22 know, it, it's real money.

23 COUNCIL MEMBER POWERS: And do you
24 believe the mayor's budget, the executive budget, ah,
25 is accounting for hope that the, or is reflecting the

3 belief that the federal government is gonna is send
4 us aid to help fill those gaps?

5 DIRECTOR LOWENSTEIN: Ah, no, no. I
6 think that, that this, I'm confident that that was
7 the estimates that they made reflected what they were
8 seeing.

9 COUNCIL MEMBER POWERS: OK.

10 DIRECTOR LOWENSTEIN: Um, as do ours.

11 COUNCIL MEMBER POWERS: Can you, can you
12 describe to us, then, what you believe is the gap
13 between your numbers and the mayor's numbers, when
14 you're a 9 and point 6 billion, I think, they're at
15 7.4 billion. Can you give us an explanation why you
16 think there's a 2.2 billion dollar difference between
17 what you're estimating and what they're estimating?

18 DIRECTOR LOWENSTEIN: OK. In your
19 package, your testimony package, um, which, you know,
20 we have online unfortunately, there is a, ah, one
21 table that shows the pricing differences between IBO
22 and the de Blasio administration and it's for both
23 revenues and expenditures, we call it the gap chart.
24 So you can see for each year from 20 through 24, um,
25 how our tax revenue forecasts differ from that of the
administration. So...

2 COUNCIL MEMBER POWERS: OK, I, I tweeted
3 out your testimony, so I, I have it in front of me,
4 but also...

5 DIRECTOR LOWENSTEIN: [inaudible].

6 COUNCIL MEMBER POWERS: ...I'll look at
7 it. Um, the...

8 DIRECTOR LOWENSTEIN: So the big
9 difference is, I mean, so I could tell you where the
10 big differences are. You can look at the chart.

11 COUNCIL MEMBER POWERS: OK. I will look
12 at the chart and I'll encourage New Yorkers who are
13 watching to go to IBO's website and look at that just
14 the same. Um, do you believe that our current
15 measures for saving money in this city are enough and
16 that the mechanisms, you guys did a report, I think a
17 day ago or a week ago, talking about ways the city
18 can save money, what, what measures we have to save
19 money. Do you believe right now New York City is
20 equipped from a structural standpoint, ah, to be able
21 to appropriately save for, ah, occasions like this?

22 DIRECTOR LOWENSTEIN: Ah, you're talking
23 about the, the reserve funds.

24 COUNCIL MEMBER POWERS: Yes, correct.

3 DIRECTOR LOWENSTEIN: Is that, OK, got
4 it. Um, there are problems with the current
5 structure of the reserve funds, most notably that the
6 Retiree Health Benefits Trust, ah, that there's a
7 limit each year to how much you can withdraw from it,
8 because you can only get as much out as the city is
9 actually expected to pay the retirees for their
10 health benefits. Um, I should point out that could
11 be changed. It was established by local law and in
12 theory it could be changed by local law. But what it
13 does is means that you, under current law you can
14 only draw it down over a several-year period. Which
15 is what the administration is proposing to do. And
16 in this case there is logic to that because if we
17 expect the problem, the gap to be biggest starting at
18 the start of 22, um, they're saving some of those
19 Retiree Health Benefits Trust Fund monies, plus there
20 at that point will be more budgeted reserves. Um,
21 give them roughly 3 billion dollars in reserves that
22 will be budgeted to fill a hole that we see as 6
23 billion dollars, although they see it as about 5.
24 It's not everything they're gonna need. Um, but it's
25 a big part of the way. Um, the benefit of
establishing the Rainy Day Fund, once it's

3 established and once funds are put into it, it
4 becomes a much more transparent form of reserves and
5 they would be much harder to tap unless it's raining,
6 depending upon how you set the fund up. Um, but to
7 do that is gonna take a period of years to build up
8 the fund. Um, so right now, you know, it's, in
9 theory it would be a good thing. In practice, we
10 don't have it.

11 COUNCIL MEMBER POWERS: OK. I have only
12 15 seconds left, so I'm going to try to be respectful
13 and wrap up. I do have a concern here. Council
14 Member Grodenchik reflected this earlier. I do have
15 a concern that as we're doing this budgetary process
16 that we're not accurately reflecting for the grim
17 reality that faces us in our budget.

18 SERGEANT AT ARMS: Time.

19 COUNCIL MEMBER POWERS: I think the IBO's
20 testimony gives us a picture of how bad and dire this
21 could really be and I do encourage all of us, sober
22 in analysis of the budget as we move forward. I just
23 wanted to end with I also think perhaps we should be
24 thinking between Hurricane Sandy, between this
25 incident and others, you know, potentially more
reserves, but also some way to save for a pandemic or

3 an emergency in a different way from the emergency
4 spending that comes up that's independent from a
5 rainy day fund to help plug gaps, and I would
6 encourage us all to think about that as we move
7 forward. Any comment on that?

8 DIRECTOR LOWENSTEIN: Um, like a
9 question. Separate from a rainy day fund, what would
10 you do?

11 COUNCIL MEMBER POWERS: I, I could,
12 I'll contact you to follow up on that [inaudible] am
13 concerned that we have emergency spending here, we
14 don't have enough reserves, we don't have enough
15 flexibility, and we should be saving, ah, for these
16 particular moments, perhaps, as a different event and
17 occurrence on a rainy day. But anyway, I'll leave it
18 at that and thank you for your time.

19 DIRECTOR LOWENSTEIN: Thank you.

20 COMMITTEE COUNSEL: If there are any
21 other council members who did not ask questions but
22 who would like to do so at this time please use the
23 raise hand function in Zoom. Chair Dromm, no other
24 council members have raised their hands to ask
25 questions.

2 CHAIRPERSON DROMM: OK, thank you very
3 much. This will conclude this portion of today's
4 hearing. Thank you, IBO, for being here. We will
5 now take a break until 3:30 p.m., when we will hear
6 from the Department of Design and Construction. I ask
7 my colleagues who will be joining us for the DDC
8 portion of the hearing to remain in this Zoom with
9 your microphones muted until we're ready to begin.
10 Again, thank you very much for coming.

11 UNIDENTIFIED: Sergeant Viando, could you
12 bring us back online?

13 SERGEANT AT ARMS: We're back.

14 UNIDENTIFIED: Sherman, we are ready to
15 start. Give us a second, sir, it sounds like you're
16 still on muted. Go ahead, sir.

17 CHAIRPERSON DROMM: Should I start over?

18 UNIDENTIFIED: Yes, sir.

19 CHAIRPERSON DROMM: OK, thank you very
20 much. Good afternoon and welcome to the City
21 Council's first day of hearings on the mayor's
22 executive budget for fiscal 2021. My name is Daniel
23 Dromm and I chair the finance committee. We are
24 joined by the Subcommittee on Capital Budget, chaired
25 by my colleague, Council Member Vanessa Gibson. We

3 previously heard from the Independent Budget Office
4 and now we will hear from the Department of Design
5 and Construction. We are joined by a number of
6 colleagues, I just want to pull them up. They are
7 Council Member Adams, Ampry-Samuel, Grodenchik,
8 Rivera, Menchaca, Rosenthal, Brannan, Yeger, Powers,
9 Cumbo, Holden, and Koslowitz. In the interest of
10 time I will forego an opening statement, but before
11 we hear testimony I'm going to turn it over to our
12 committee counsel to go over some procedural items
13 and then ask Chair Gibson for her statement.

13 COMMITTEE COUNSEL: Thank you. My name
14 is Stephanie Ruiz and I am counsel to New York City
15 Council's Committee on Finance and Subcommittee on
16 Capital Budget. Before we begin, I want to remind
17 everyone that you will be on mute until you are
18 recognized to speak, at which time you will be
19 unmuted by the Zoom host. During the hearing if
20 council members would like to ask a question please
21 use the Zoom raise hand function. You will be called
22 on in order. We will be limiting council member
23 questions to five minutes, including answers. After
24 you're acknowledged please wait for the Sergeant at
25 Arms to tell you that your time has begun. The

3 Sergeant at Arms will also indicate when your time
4 has expired. Please also note that for the ease of
5 this virtual hearing we will not be allowing a second
6 round of questioning. Thank you, and I'll now turn
7 it over to Council Member Dromm.

8 CHAIRPERSON DROMM: Thank you very much.
9 I'm going to turn it over to Council Member and
10 Cochair Vanessa Gibson.

11 CHAIRPERSON GIBSON: [inaudible]
12 colleagues in government, I'm Council Member Vanessa
13 Gibson. I chair the Subcommittee on Capital. I
14 again want to thank my cochair, Council Member Danny
15 Dromm, our Speaker, and the members of the Committee
16 on Finance and the Subcommittee on Capital for
17 holding today's very first ever virtual hearing. Ah,
18 the Department of Design and Construction, their
19 fiscal 2021 executive budget totals 169 million
20 dollars. The department's executive plan reflects a
21 7.7 million dollar decrease in fiscal year 2020 and
22 increases of 1.4 million in fiscal 2021 and 1 million
23 in fiscal 2022 and beyond when compared to the
24 January preliminary plan. For the citywide savings
25 program and PEG, DDC identified savings of \$650,000
in fiscal 2021 and baselined savings of \$166,000 in

3 fiscal 2022 and beyond. We all know that the city's
4 fiscal position is entirely a different landscape
5 since the release of DDC's fiscal 2021 preliminary
6 budget. Since then the COVID-19 pandemic has forced
7 the priorities of our government and our budget to
8 shift to combat the spread of the virus and to
9 respond to the fallout of the pandemic. While the
10 pandemic virus has upended the lives of so many New
11 Yorkers, their families and businesses and disrupted
12 the progress of our city's capital plan, as part of
13 New York's response to contain the spread most of the
14 construction statewide and in our city was put to a
15 halt. This means that we will see significant delays
16 in the implementation and the development of many of
17 our critical projects in our city. We hope this
18 afternoon to learn more today from DDC's leadership
19 about the full impact of these measures. The
20 borough-based jails project, as an example, is among
21 one of the several projects that are facing cuts to
22 planned spending in the capital commitment plan as a
23 result of the city's new fiscal reality. Critical
24 capital projects such as this one must remain in the
25 forefront as well as many, many others, and we
anticipate learning more details about revised

3 timelines and budgets and priorities in light of
4 changes to the plan. While the City Council, we
5 understand that certain funding shifts and project
6 delays were unavoidable, we understand that, we must
7 have a plan to restart many suspended capital
8 projects after the ban on all non-emergency
9 construction has been lifted. Any such plan must
10 represent the interest of all stakeholders in our
11 city while being supported a comprehensive framework
12 that manages the risk through the current economic
13 condition. As the city's primary capital
14 construction project manager, DDC must really take
15 the lead in this process, and we look forward to
16 working with DDC, with all of you and your
17 leadership, certainly understanding the climate we're
18 in, a lot of changes that have to be made, but for
19 many of us in the council that have long delayed
20 projects, you will hear from Council Member Koslowitz
21 on her library that has taken forever and we're
22 trying to get these projects up and running under the
23 current circumstances, knowing that many have been
24 delayed, but we do want to a process where we can
25 move forward when we're allowed to do so. So I thank
you, DDC. Thank you to our Speaker. Thank you,

3 Chair Dromm. I'll turn the hearing back over to you.

4 Thanks.

5 COMMITTEE COUNSEL: Chair Dromm, Chair
6 Gibson, at this moment the hearing will be put on
7 ease while we are able to address a technical issue.

8 CHAIRPERSON DROMM: Just to make sure
9 that it was clear, we're just waiting on some
10 technical issues and being sure that Commissioner
11 Grillo, ah, can participate in this, ah, hearing. So
12 we're just waiting for that to clear up. Then we'll
13 begin again.

14 COMMITTEE COUNSEL: Commissioner Grillo,
15 would you mind speaking [inaudible] to see if your
16 audio is working?

17 COMMISSIONER GRILLO: Yes. Can, can
18 everyone hear, I guess not.

19 UNIDENTIFIED: We can hear you,
20 Commissioner.

21 COMMISSIONER GRILLO: OK, that's great,
22 terrific.

23 COMMITTEE COUNSEL: Chair Dromm, we're
24 ready to continue.

25 CHAIRPERSON DROMM: OK, thank you very
much. Um, just trying to, hold on a moment. OK, I

2 will now call on the members of the Department of
3 Design and Construction to testify. We will hear
4 testimony from Commissioner Lorraine Grillo.

5 Commissioner Grillo is joined by First Deputy
6 Commissioner Jamie Torres Springer, Chief Financial
7 Officer Justin Walter, Deputy Commissioner of
8 Communications and Policy Andrew Hollweck, and I
9 believe we are joined by one other person as well.

10 Ah, bear with me. I'm sorry, maybe Commissioner
11 Grillo can introduce the other person. Um, we, will
12 the committee counsel please administer the
13 affirmation.

14 COMMITTEE COUNSEL: Thank you. I will
15 now administer the affirmation one time and you will
16 be called on individually to so affirm at the end.
17 Do you affirm that your testimony will be truthful to
18 the best of your knowledge, information, and belief?
19 Commissioner Grillo? Commissioner Grillo, are you
20 there?

21 COMMISSIONER GRILLO: I do.

22 COMMITTEE COUNSEL: Thank you. Mr.
23 Torres Springer?

24 FIRST DEPUTY COMMISSIONER TORRES

25 SPRINGER: Yes.

1 COMMITTEE ON FINANCE JOINTLY WITH
2 SUBCOMMITTEE ON CAPITAL BUDGET

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3 UNIDENTIFIED: Yes.

4 COMMITTEE COUNSEL: Mr. Walker?

5 CHIEF FINANCIAL OFFICER WALTER: Yes.

6 COMMITTEE COUNSEL: Mr. Hollweck?

7 DEPUTY COMMISSIONER HOLLWECK: Yes.

8 COMMITTEE COUNSEL: And Mr. Barillo?

9 MR. BARILLO: Yes.

10 COMMITTEE COUNSEL: Thank you.

11 Commissioner Grillo, you may proceed when ready.

12 CHAIRPERSON DROMM: Just before you
13 proceed, we've been joined by [inaudible]

14 COMMISSIONER GRILLO: Thank you very
15 much.

16 CHAIRPERSON DROMM: Go ahead,
17 Commissioner.

18 COMMISSIONER GRILLO: That's right,
19 that's correct, sir. OK. Good afternoon, Chairman
20 Dromm, Gibson, and members of the Finance Committee,
21 Subcommittee for the Capital Budget. I'm really
22 pleased to see all of you today. Um, thank you for
23 the opportunity to testify under these very
24 extraordinary circumstances. Um, you've met everyone
25 that's joined me today. Ah, before I address the
budget, though, I'd like to say how proud I am of the

3 staff of the Department of Design and Construction,
4 the front lines of our, and who continue to deliver
5 essential infrastructure under very trying
6 conditions. Many of them have worked through
7 adversity during other challenging times in the city,
8 in the city's recent past, and are hard at work again
9 on recovery. And we are doing some great things,
10 which I'll share with you in a moment. As the first
11 agency to testify on our budget since the start of
12 the COVID crisis, let me open by saying that we are
13 facing a long-term event that is impacting our
14 operations, and the situation changes from day to
15 day. We will have to deal with those impacts
16 together creatively. It hasn't been simple or easy,
17 but from the Design and Construction perspective we
18 have done some great things together, which should
19 give us some optimism for the future. DDC is playing
20 a critical role managing the construction the city
21 needs to successfully cope with the surge of COVID
22 hospital patients. In late March our team assumed
23 responsibility for managing the build out of two
24 field hospital sites, at the Billie Jean King Tennis
25 Center in Queens and at the Brooklyn Cruise Terminal.
Within 11 days Health and Hospitals began accepting

3 patients at the tennis center, helping alleviate
4 pressure at Elmhurst, a public hospital referred to
5 as the epicenter of the epicenter of the pandemic in
6 this country. The cruise terminal is now ready to
7 accept patients as well, making 1100 beds available
8 to the city's stressed system, including for
9 intensive care patients. DDC continues to work in
10 close coordination with numerous partners, including
11 OEM, DOH, DOB, FDNY, SCA, H&H, DCAS, and others as we
12 continue to respond to this crisis. The cooperation
13 among our agencies has been incredible and gives hope
14 that we will have the facilities we need to emerge
15 from this stronger than before. I also want to
16 single out our DDC staff, who have gone above and
17 beyond the call of duty to provide for others in
18 need. They are truly essential workers. In addition
19 to our emergency work, DDC continues to pursue an
20 active infrastructure portfolio, ensuring essential
21 infrastructure is delivered. For example, even in
22 this time of crisis DDC continues to work on the
23 overhaul of downtown Far Rockaway streets, water, and
24 sewer infrastructure, part of a major revitalization
25 of the area. Work is also forging ahead on scores of
vital projects across the city to alleviate flooding,

3 ensure our resilience, and deliver clean water to
4 millions of New Yorkers. Wherever we work, we have
5 established strict guidelines in accordance with the
6 CDC and the Department of Buildings to ensure the
7 health and safety of our work force. We monitor our
8 projects carefully for compliance. Turning now to
9 our budget, the executive capital commitment plan
10 contains 2.4 billion in planned commitments for
11 FY2021. This includes 573 million dollars for DEP
12 projects, 559 million dollars for DOT projects, 126
13 million dollars for TLC projects, 289 million for
14 sanitation projections, 127 million for NYPD
15 projects, and [inaudible] million for library
16 projects, 92 million for courts, 78 million for
17 cultural projects. It's worth drawing your attention
18 once again to the variety of sponsor agencies we
19 serve. The commitment plan also fully funds the East
20 Side Coastal Resiliency Project to allow us to
21 complete this critical project. In all, the total
22 value of DDC's portfolio is 9.2 billion. DDC's
23 fiscal 21 operating budget is 169 million dollars.
24 This includes 136 million for personnel services,
25 supporting a budgeted head count of 1552, and an OTPS
budget of 33 million. The operating budget is

3 comprised of 147.5 million dollars in [inaudible]
4 funds and 17.2 million dollars in city funds, and 3.3
5 million in federal funds. Even in this crisis, M/WBE
6 participation remains an administration priority and
7 we have worked hard to engage M/WBEs in recent
8 emergency procurement as part of the mayor's M/WBEs
9 first policy. We recognize that these are the
10 emerging businesses that will sustain the city over
11 the long term. DDC continues to be the city's
12 premiere M/WBE program, including a solid 32%
13 utilization rate in the most recent quarter,
14 exceeding the city's goal. And, at long last, ah,
15 new state legislation authorized DDC to create the
16 first mentor program under a city agency, modeled
17 after the School Construction Authority's program.
18 Preparations for this program are well under way and
19 the legislation also raised the M/WBE discretionary
20 procurement limit to half a million dollars, which
21 will further increase M/WBE utilization. DDC can now
22 also create prequalified lists of M/WBE firms and
23 target specific projects that can be procured through
24 these PQLs, as we call them. We are pursuing our
25 work while keeping true to the principles of our
blueprint for construction excellence. Prior to the

3 COVID crisis we had completed another update to the
4 blueprint. Unfortunately, the crisis delayed its
5 official release, but we remain focused on its
6 principles of efficacy, coordination, and timely
7 project delivery. And since our last hearing DDC at
8 long last received state authorization to use design,
9 build, project delivery on a wide range of projects,
10 which we could not have done without the support of
11 the City Council. We've hired staff to manage this
12 portfolio who are working to identify appropriate
13 projects and ensure an efficient process once
14 projects get under way. It's worth noting that under
15 the current [inaudible] emergency declaration we've
16 been able to use the principles of rapid procurement
17 and coordinate design and delivery, and have shown
18 again that if we are permitted to use alternative
19 delivery tools we can deliver vital projects on time
20 and on budget. Before I close, I want to end on a
21 note of optimism. DDC continues to pursue a robust
22 capital program. The COVID crisis response shows
23 that given the right tools we can execute quickly and
24 efficiently. And we will be ready with more shovel-
25 ready projects if there is a meaningful commitment to
infrastructure by the federal government. Public

3 works are a great way to build durable improvements
4 while generating economic growth. And now with our
5 improved procurement standards we know that we can
6 get more rapidly to the market to quickly take
7 advantage of more industry competition for our
8 projects. Overall, DDC continues to make progress in
9 capital project delivery as it approaches one of the
10 most crucial periods in the city's history. This is,
11 to put it mildly, an unprecedented moment. But we
12 continue to take on the city's most critical work and
13 delivering vital programs. Now I'm happy to address
14 any questions [inaudible].

14 CHAIRPERSON DROMM: Thank you. We lost
15 the last two or three words, but I think you were
16 just saying thank you, and, ah, we appreciate you
17 coming and giving some testimony. Um, I, heard you
18 about Elmhurst Hospital being the epicenter of the
19 epicenter and, ah, the tremendous work that you did
20 in terms of, ah, turning the Billie Jean King Stadium
21 into a hospital, ah, and we're very, very grateful to
22 you for that. My community has been devastated by,
23 um, the COVID virus. It's, it's hard to watch and
24 hard to see. It's just really, really sad. Ah, that
25 being said, Commissioner, um, I know you spoke a

3 little about, um, how the agency has been affected.

4 But what about your day to day operations? Have
5 people had to be pulled away from other assignments?

6 How has that been going for you? I think we, we lost
7 her. Wait to see if we get her back on.

8 FIRST DEPUTY COMMISSIONER TORRES

9 SPRINGER: Chair, this is, this is Jamie Torres

10 Springer. I think I've been unmuted and I, I, ah,
11 can jump in here while we're waiting for the

12 Commissioner to reestablish her connection. Would
13 you like me to do that, Chair?

14 CHAIRPERSON DROMM: [inaudible] I also

15 had to go back and forth with meetings, so don't take
16 it as not acknowledging you. Ah, but, yes, just a

17 description about your day-to-day operations and how
18 that's been affected. Obviously you've done a

19 tremendous amount of work, especially like with

20 Elmhurst Hospital. Ah, so can you describe that for
21 us, please?

22 FIRST DEPUTY COMMISSIONER TORRES

23 SPRINGER: Sure, thank you, Chair. We appreciate the
24 opportunity to respond to that and I'm sorry that the

25 Commissioner can't do it herself. But I'm sure

she'll be back in a moment. Um, as she said during

2 her testimony, it has been a tremendously difficult
3 time, um, really for, I know for everyone and for all
4 agencies across the city government. Um, we did have
5 a lot of work initially to get our folks teleworking,
6 um, and then also maintaining the essential projects
7 that we've been, ah, continuing to construct in the
8 field, um, and we've had a, as the Commissioner said
9 during her remarks, just a tremendous response from
10 DDC staff. Not the first crisis that they have, ah,
11 worked through. They knew what to do and we've had
12 them jump in and, ah, and really get to work on
13 delivering these emergency projects that were sorely
14 needed, but also we're making sure that we're able to
15 conduct our other business, ah, wherever it's
16 possible for us to do so. Thanks for the question.

17 CHAIRPERSON DROMM: I thought I saw Chair
18 Grillo come back. Is Chair Grillo here, ah,
19 Commissioner Grillo?

20 COMMISSIONER GRILLO: I'm here, Chairman.

21 CHAIRPERSON DROMM: OK.

22 COMMISSIONER GRILLO: [inaudible].

23 CHAIRPERSON DROMM: All right, you're
24 still breaking up a little bit, but let's see how it

25

2 goes. Um, the executive budget includes citywide
3 savings programs for all city agencies, totalling...

4 COMMISSIONER GRILLO: OK.

5 CHAIRPERSON DROMM: Can you hear me?
6 Jamie, shall we go on?

7 COMMISSIONER GRILLO: I can, I can, I can
8 hear you coming in and out as well.

9 CHAIRPERSON DROMM: Oh, OK. All right.
10 So the executive budget includes citywide savings
11 program for all city agencies, totalling 2.7 billion
12 dollars between fiscal 2020 and 2021. As part of the
13 savings program DDC has identified savings of
14 \$650,000 in fiscal 21 and \$166,252 in fiscal 22 in
15 the out years, from vacancy reduction covering two
16 positions. So did OMB set any specific PEG target
17 amount for DDC and did this amount meet that target?

18 COMMISSIONER GRILLO: I'm going to turn
19 this to Justin Walter, who can talk to that, ah, as
20 chief financial officer for the agency. Justin, are
21 you available?

22 CHIEF FINANCIAL OFFICER WALTER: I am.
23 Hang on one second. Yes. I am.

24 COMMISSIONER GRILLO: I'm sorry, can you
25 hear me, Justin?

2 CHIEF FINANCIAL OFFICER WALTER: I can, I
3 can, yes. I'm available.

4 COMMISSIONER GRILLO: OK.

5 CHIEF FINANCIAL OFFICER WALTER: So, um,
6 we did work...

7 COMMISSIONER GRILLO: OK.

8 CHIEF FINANCIAL OFFICER WALTER: ...with
9 OMB.

10 COMMISSIONER GRILLO: OK, and you
11 [inaudible].

12 CHIEF FINANCIAL OFFICER WALTER: Yes, I
13 assume everyone can hear me.

14 CHAIRPERSON DROMM: Yes.

15 CHIEF FINANCIAL OFFICER WALTER: OK,
16 sorry, thank you. Ah, thank you, Chair Dromm, I'm
17 happy to take the question. Um, so, yes, ah, we
18 were, we were, ah, provided, ah, a savings amount,
19 um, from OMB. Um, the amount that you referenced
20 does meet the requested savings amount. It's, ah, a
21 small reduction. It's a, it's a two head count
22 reduction. We actually have a small [inaudible]
23 budget, um, so, you know, this doesn't seem like
24 anything that would impact our operation, um, but we,
25 we do meet the savings target at, with this, ah, cut.

2 CHAIRPERSON DROMM: OK, good. Thank you.

3 Ah, many of DDC's positions are, ah, funded by ISA
4 funding. Do you believe that that's DDC was spared a
5 larger target?

6 CHIEF FINANCIAL OFFICER WALTER: Yes,
7 that's right. Ah, the vast majority of our head
8 count is supported by ISA, ah, which kind of follows
9 the capital funding program that we manage.

10 CHAIRPERSON DROMM: OK. Is this agency,
11 is the agency expecting more cuts to come before
12 budget adoption and is there room for DDC to identify
13 more savings without having a negative impact on
14 operations?

15 CHIEF FINANCIAL OFFICER WALTER: Ah,
16 that's an, obviously we're in challenging, ah, budget
17 and financial times. We are in regular communication
18 with OMB about this. Um, I think it's, ah, a little
19 early to speculate on what additional savings, ah,
20 might, might be pursued in EDT's budget. Um, but
21 we're, we're a part of those ongoing, ah, budget
22 planning conversations with OMB.

23 CHAIRPERSON DROMM: OK. Do you need, do
24 you, um, anticipate needing more staff, ah, once the

25

3 restrictions and the city's cash flow issues are
4 resolved?

5 CHIEF FINANCIAL OFFICER WALTER: No, I
6 think our current, ah, funding and, and budget
7 provided in the executive plan is sufficient to cover
8 our current requirements.

9 CHAIRPERSON DROMM: OK. So DDC manages
10 capital projects for the majority of city agencies.
11 Which client agencies will be most impacted by the
12 temporary cessation of the capital program and which
13 agency capital projects would be the most difficult
14 to restore?

15 CHIEF FINANCIAL OFFICER WALTER: I, I
16 don't know that I'm the most appropriate person to
17 answer on that question, maybe Jamie...

18 FIRST DEPUTY COMMISSIONER TORRES

19 SPRINGER: Sure.

20 CHIEF FINANCIAL OFFICER WALTER: ...ah,
21 can take that [inaudible].

22 FIRST DEPUTY COMMISSIONER TORRES

23 SPRINGER: First I'd like to see if Commissioner
24 Grillo is on. I think Commissioner Grillo is here.
25 Having a little technical difficulty, but it looks
like she's back.

2 COMMISSIONER GRILLO: Jamie?

3 FIRST DEPUTY COMMISSIONER TORRES

4 SPRINGER: Yes.

5 COMMISSIONER GRILLO: Can you hear me?

6 FIRST DEPUTY COMMISSIONER TORRES

7 SPRINGER: It's a little...

8 COMMISSIONER GRILLO: Sorry.

9 FIRST DEPUTY COMMISSIONER TORRES

10 SPRINGER: It's a little choppy.

11 COMMISSIONER GRILLO: [inaudible] in and
12 out.

13 FIRST DEPUTY COMMISSIONER TORRES

14 SPRINGER: It's a little choppy, Commissioner. Yeah.

15 Just as you're adjusting maybe I'll, I'll just try to
16 address the Chair's question. So, ah, I would just
17 say...

18 COMMISSIONER GRILLO: [inaudible].

19 FIRST DEPUTY COMMISSIONER TORRES

20 SPRINGER: Oh.

21 COMMISSIONER GRILLO: [inaudible] your
22 question nor can I hear you.

23 FIRST DEPUTY COMMISSIONER TORRES

24 SPRINGER: Yeah, I think we're having some trouble
25 hearing you, Commissioner, so um, maybe I'll, I'll,

2 ah, answer this one while you're, ah, adjusting. Um,
3 so, Chair, I guess I'd start by noting, um, that we
4 are continuing with, ah, significant portions of the
5 capital program. So much of our capital program is
6 essential under the governor's executive order
7 because it addresses, ah, key infrastructure for the
8 city, sewer, water, roads, ah, streets, pedestrian
9 conveyances, ah, or life safety. Um, so we have been
10 continuing with those constructions projects. Um,
11 the, ah, for the most part it's the public building
12 projects, with the exception of some that are, ah,
13 addressing life safety issues and other, ah, high
14 priority or COVID related issues. Those are on pause
15 and so, um, we will have to assess what the impact is
16 of the, the pause on that, ah, when we are out of the
17 state of the crisis and things become a little more
18 clear.

19 UNIDENTIFIED: [inaudible]

20 CHAIRPERSON DROMM: And might, which
21 might be the easiest?

22 FIRST DEPUTY COMMISSIONER TORRES

23 SPRINGER: The easiest? I'm sorry, I missed the
24 first part.

25

3 CHAIRPERSON DROMM: Yes, the easiest
4 programs to restart and the most difficult ones to
5 restart.

6 FIRST DEPUTY COMMISSIONER TORRES

7 SPRINGER: Well, I think we'll have to assess that.

8 Um, I mean, as I say, all of our construction work

9 that's done, ah, for the transportation department

10 and DEP, um, that's continuing. So those, ah, those

11 obviously will be, um, relatively straightforward to

12 keep going. Work for other agencies, ah, other types

13 of work we'll have to, we'll just have to revisit

14 when we get out of this.

15 CHAIRPERSON DROMM: OK. Thank you again.

16 I want to turn it over now to my cochair, um, Vanessa

17 Gibson.

18 CHAIRPERSON GIBSON: Thank you, thank you

19 Chair Dromm, and good afternoon everyone at DDC. I'm

20 sorry our commissioner's having technical issues, but

21 I appreciate all of the work that the agency has been

22 doing, obviously remotely under these circumstances,

23 and, as I mentioned in our opening, um, so since the

24 preliminary hearing in March I have been pleased that

25 within my district we've been able to open a portion

of the pedestrian plaza adjacent to the Bronx Hall of

3 Justice on 161st Street in the Bronx, the civic area
4 next to our courthouse. And then last money we were
5 finally able to open the West Tremont step streets on
6 the west side of my district in Morris Heights, ah,
7 after about a year and a half. So I did see that
8 project winding down, as I live in that area, and I
9 was grateful that even within COVID we were able to
10 move forward. Um, so just in light of that, just in
11 terms of understanding some of the metrics and what
12 DDC is looking at in terms of our priorities and
13 essential projects. Um, the governor's executive
14 order suspended a lot of the nonessential
15 construction and Jamie, I believe, or Justin, you
16 said that that most of the DDC work is essential,
17 which is a good thing, um, and understanding some of
18 our cash flow issues a lot of projects have been
19 halted. Are there any current projects in DDC's
20 portfolio today that have been officially shut down
21 as a result of COVID-19?

22 COMMISSIONER GRILLO: If I may,
23 Councilwoman?

24 CHAIRPERSON GIBSON: Ah, yes, you're
25 there. OK, I can hear you.

2 COMMISSIONER GRILLO: [inaudible] are
3 you?

4 CHAIRPERSON GIBSON: Yes, hi.

5 COMMISSIONER GRILLO: I moved to a
6 different location in the house. So hopefully this
7 will...

8 CHAIRPERSON GIBSON: OK. Stay there.

9 COMMISSIONER GRILLO: It may [inaudible]
10 better. Now nothing has officially shut down or
11 closed or finished. We are just in, obviously, in a
12 situation where our, our projects, everything's on
13 pause while we, um, really assess, um, and evaluate
14 what projects can move forward and what can't and
15 what the timing is.

16 CHAIRPERSON GIBSON: OK. Um, what about,
17 ah, the design in house. Ah, are we still moving
18 forward on, on our in-house design projects?

19 COMMISSIONER GRILLO: Yes, we are. We
20 are still, everyone at DDC, while they're not working
21 in the office they are working from home.

22 CHAIRPERSON GIBSON: OK, great.

23 COMMISSIONER GRILLO: [inaudible] and
24 others, yeah.

3 CHAIRPERSON GIBSON: And now does that
4 also apply to the preparation of requests for
5 proposals? Is that ongoing as well, RFPs?

6 COMMISSIONER GRILLO: All of this is, is
7 ongoing. The preparation for all of these pieces are
8 ongoing. Um, have we put out any RFPs? No, I don't
9 believe so. Jamie, maybe you can confirm.

10 CHAIRPERSON GIBSON: OK.

11 FIRST DEPUTY COMMISSIONER TORRES

12 SPRINGER: No, we haven't. We don't have, we don't
13 have active procurement at this time.

14 COMMISSIONER GRILLO: Correct, thank you.

15 CHAIRPERSON GIBSON: OK, OK. And as we
16 prepare for resuming to normalcy and getting back on
17 the road to recovery, do you have an idea and a
18 timeframe of when you think you'll be able to move on
19 any of our RFPs?

20 COMMISSIONER GRILLO: I think, I think,
21 and maybe, Jamie, you will agree with me, I think
22 this really depends upon, um, how we move forward as,
23 as a city and how we have, how long we have to
24 continue, ah, focus solely on COVID.

25 CHAIRPERSON GIBSON: OK. Um, does this
also apply, since many of your projects have been

3 moving forward, um, have you been able to submit
4 certificates to receive requests to OMB? Has that
5 process been ongoing on as well?

6 COMMISSIONER GRILLO: Um, no, we have, we
7 have continued internally to prepare...

8 CHAIRPERSON GIBSON: OK.

9 COMMISSIONER GRILLO: ...but we have, at
10 this point we are not, not submitted to OMB.

11 CHAIRPERSON GIBSON: OK. So I guess
12 generally everything at this point is really on
13 pause...

14 COMMISSIONER GRILLO: Correct.

15 CHAIRPERSON GIBSON: ...and what we're,
16 what we're trying to figure out is when the
17 restrictions are lifted from the governor's executive
18 order and we do proceed, all of the priorities that
19 we are, you know, putting in place and lining up in
20 queue, um, is that all going to proceed
21 simultaneously or is there going to be sort of a
22 phase-in period as we get back to normal?

23 COMMISSIONER GRILLO: Well, we're not
24 [inaudible] that's, that's a very good question and
25 I'm really not in a position to answer, but I would

2 say from a business perspective we don't want to put
3 too many projects out on the street at the same time.

4 CHAIRPERSON GIBSON: Correct.

5 COMMISSIONER GRILLO: Ah, that causes,
6 ah, difficulty with our contractors and there's a
7 certain level that each of them, so from, purely from
8 the business perspective we would do this in a way
9 that could allow our contractors to give us the
10 lowest bids possible.

11 CHAIRPERSON GIBSON: OK. Um, our city's
12 executive capital commitment plan, we saw a reduction
13 of 2.3 billion dollars from the preliminary plan to
14 the executive, and most of that funding was moved out
15 of the executive plan timeframe of fiscal 2020
16 through 2024 and into the 2025 through 2029 period.
17 Um, how did DDC chose the projects that were moved
18 into the out years? Like, can you give us an idea
19 what some of the criteria that you used to make these
20 determinations?

21 COMMISSIONER GRILLO: Well, remember,
22 remember that DDC, ah, works for a number of sponsor
23 agencies.

24 CHAIRPERSON GIBSON: Right.
25

2 COMMISSIONER GRILLO: So it's really a
3 collaborative decision with our sponsor agencies.
4 For example, DOT, we will work very closely with them
5 on their priority projects. So that's really how it
6 works. It's not something that we make a general
7 decision on.

8 CHAIRPERSON GIBSON: OK. Keeping in
9 mind...

10 COMMISSIONER GRILLO: [inaudible].

11 CHAIRPERSON GIBSON: Right. Keeping in
12 mid that the priority capital projects all have a
13 real focus on health and wellness and public safety,
14 correct?

15 COMMISSIONER GRILLO: Correct.

16 CHAIRPERSON GIBSON: OK. So, as an
17 example, does that mean that some of our DDC-managed
18 projects, like a potential park project or some of
19 the resiliency work, does that mean that that will
20 continue to be prioritized?

21 COMMISSIONER GRILLO: Well, we can speak
22 about, ah, the East Side Coastal Resiliency Project.

23 CHAIRPERSON GIBSON: Um-hmm.

24 COMMISSIONER GRILLO: Moving forward.

25 CHAIRPERSON GIBSON: OK.

2 COMMISSIONER GRILLO: Ah, because that,
3 that in itself is another situation where, ah, we
4 have to protect the city and that's the goal of the
5 project, protect lower Manhattan from, you know, a
6 storm or flooding. So those are the types of
7 projects that I see personally as priorities.

8 CHAIRPERSON GIBSON: OK.

9 COMMISSIONER GRILLO: So...

10 CHAIRPERSON GIBSON: Wanted to ask about
11 the borough-based jails. Um, a significant portion
12 of that funding was moved to the outer years. Can
13 you give us a little bit of understanding of how we
14 came to that decision and are we still on pace within
15 our priority to close Riker's Island?

16 COMMISSIONER GRILLO: Well, before I, you
17 know, I'm gonna turn this over to, ah, Jamie Torres
18 Springer, who has...

19 CHAIRPERSON GIBSON: OK.

20 COMMISSIONER GRILLO: ...really taken
21 the...

22 CHAIRPERSON GIBSON: Yes.

23 COMMISSIONER GRILLO: [inaudible] on
24 borough-based jails and knows this like the back of
25 his hand.

2 CHAIRPERSON GIBSON: [laughs]

3 COMMISSIONER GRILLO: But I will say that
4 we're committed, we're committed to the borough-based
5 jails. But, Jamie...

6 CHAIRPERSON GIBSON: OK.

7 COMMISSIONER GRILLO: ...if you want to
8 take over.

9 FIRST DEPUTY COMMISSIONER TORRES

10 SPRINGER: I, I think, ah, exactly as the
11 Commissioner says, and Chair, I, I think this may
12 have been discussed earlier from, from what I've been
13 told, but to be clear the, um, the shift in the
14 allocation of capital dollars for the jails program
15 really was, has nothing to do with the, ah, COVID-
16 related matters. It was simply, ah, reorienting
17 years in which dollars as spent as we refined our
18 program and we had a better understanding of here's
19 how much money we would need in this year versus the
20 following year. So it was simply a reorientation of
21 that funding.

22 CHAIRPERSON GIBSON: OK. So it's still
23 moving forward as we planned, right?

24

25

2 FIRST DEPUTY COMMISSIONER TORRES

3 SPRINGER: Yeah. We certainly remain committed to
4 the program.

5 CHAIRPERSON GIBSON: OK. Um, I wanted to
6 ask about Rodman's Neck. Um, the fiscal 2021
7 executive plan has 242 million for the new firearms
8 training facility in the Bronx. It's been a long
9 awaited, anticipated project that, as you know, has
10 had a real impact on the residents of the northeast
11 Bronx and City Island for many, many years. Um, do
12 you guys have a status on that?

13 COMMISSIONER GRILLO: We, we are, um,
14 Council Member, we're still, ah, we're working, we're
15 having ongoing, ah, conversations and meetings with
16 NYPD on this, ah, to define the scope. Ah, we're
17 still not there yet. But, um, we are meeting to meet
18 their, their long-term needs and once we come to
19 agreement on the scope of work we will move forward.

20 CHAIRPERSON GIBSON: OK. Wanted to ask
21 about your strategic blueprint that was released in
22 2019. I know, one of your favorites, ah, to improve
23 capital projects delivery.

24 COMMISSIONER GRILLO: Right.

2 CHAIRPERSON GIBSON: And then six months
3 after the release, ah, there was a six-month
4 blueprint progress plan that informed the department,
5 um, on improving ways of using city funds more
6 efficiently, which we always talk about, and reducing
7 design and construction durations to minimize delays.
8 Um, and according to the report DDC has already saved
9 five months in the initiation process and three
10 months in the procurement process. So kudos to DDC.
11 Um, you guys expect an additional savings of 30
12 months in design and construction for a typical
13 project. So my question is how realistic is the
14 scenario of additional project cost savings
15 considering our current climate. Can we still say
16 that we may achieve more on savings?

17 COMMISSIONER GRILLO: Absolutely,
18 absolutely. And I think one good example of that is
19 what, without a lot of the, um, restrictions that we
20 were facing and face generally, ah, we were ready, as
21 you can see, we, we, um, were ready to, um, start,
22 um, a new hospital at Billie Jean King Tennis Center
23 in 11 days. So it can be done. It's a matter of the
24 restrictions that we have to deal with on a regular
25 basis. So my point here is this is, ah, as the mayor

3 has said many times in, in his briefings, this is an
4 opportunity for us to all rethink how we move forward
5 on a lot of this work. We, DDC and the team at DDC
6 has done an extraordinary job looking at each and
7 every aspect of our processes. And we're still
8 getting those, ah, timeframes down, those scheduled
9 shortened. We've actually, ah, reduced our payment
10 processing time by 40%, for example. It can be done.
11 But if we begin to look at procurement differently,
12 if we begin to look at a lot of the various
13 oversights differently, perhaps we can do a, an even
14 better job. Um, Council Member, you're, you're...

14 CHAIRPERSON GIBSON: Yeah, I'm unmuted,
15 I'm good. Um, during this time have you guys
16 received any positive feedback from any of your
17 client agencies with regard to these improvements?

18 COMMISSIONER GRILLO: Oh, yeah.

19 CHAIRPERSON GIBSON: Has there been
20 feedback? OK.

21 COMMISSIONER GRILLO: Absolutely,
22 absolutely. And we've worked very closely with them
23 as well for their ideas and for their input as we
24 move forward.

3 CHAIRPERSON GIBSON: OK, and are there
4 still projects that are being reassigned from DDC
5 back to the client agencies? Is that still
6 happening?

7 COMMISSIONER GRILLO: I don't believe
8 that that's the case. I, at least I, I am not aware
9 of that.

10 CHAIRPERSON GIBSON: OK. And so I guess
11 help me understand the role of DDC with the current
12 blueprint in place and dealing in a post-COVID world
13 how we can assure our constituents, the members of
14 the council, and just the broader public that, you
15 know, the DDC-managed projects will remain a
16 priority, um, understanding that, you know, we still
17 have some restrictions to some extent. Um, there's
18 generally been so many challenges. But, you know, do
19 you guys envision doing anything differently moving
20 forward as you respond to a post-COVID world?

21 COMMISSIONER GRILLO: Well, I think, like
22 anything else across the city we, we have to look at
23 priorities. Right now DDC is very, very active in
24 the infrastructure world. Ah, we are still doing a
25 lot of those projects because they are essential.
They are clean water, they are sewer, they're all of,

2 roadwork and all of the rest. Um, again, hopefully
3 we are continuing in, in the mindset that, um, all of
4 our projects are important and all of our projects
5 should move forward.

6 CHAIRPERSON GIBSON: OK. And if I could
7 just circle back to borough-based jails again, Jamie,
8 um, are we on track to be ready in 2026 when we have
9 to leave Riker's Island? Is that still the case? I
10 just want to make sure.

11 FIRST DEPUTY COMMISSIONER TORRES

12 SPRINGER: Um, Chair, so, you know, as, as we said,
13 we, the administration is, ah, remaining very
14 committed to the mayor's goal. Um, we have, ah, over
15 the course of this crisis, ah, had to pause some of
16 the consultant activities that were supporting the
17 work. Ah, but we have been continuing with some of
18 the early procurements and some other activities.
19 Um, so we will have to evaluate any impact that the,
20 ah, crisis has had on the program once we're through
21 this stage, but we certainly remain committed to
22 those goals.

23 CHAIRPERSON GIBSON: OK. Well, no, and I
24 guess I'm, I'm asking that because we all remain
25 committed to goals. But that's fundamentally

3 different than actually implementing it, um, and OMB
4 was up earlier and the first dep essentially said
5 that because of the COVID there's going to be a
6 serious delay in the start of design work due to the
7 financial situation of our city and the ability to go
8 forward because of social distancing and simply other
9 things. Not a cancellation, but a delay. Again,
10 we're committed, it's a priority, but I think, again,
11 we have to be very mindful that we made a commitment
12 and the City Council passed legislation to ensure
13 that we would be able to remove all of the jails off
14 of the island by 2026. Like that's a commitment we
15 have got to keep, right? Even in COVID. I just want
16 to make sure we're clear that we've got to keep that
17 commitment. Make sense?

18 FIRST DEPUTY COMMISSIONER TORRES

19 SPRINGER: [inaudible]

20 CHAIRPERSON GIBSON: OK. OK. Um, I
21 don't have any other questions. I'll turn it back
22 over to our chair. I know other colleagues may have
23 questions. Thank you so much, everyone.

24 CHAIRPERSON GIBSON: Thank you very much,
25 ah, Chair Gibson. And just to reiterate the issue
of, um, the closure of Riker's Island is something

2 that's really important to me. In my earlier
3 testimony today I said that I was one of the first
4 people to speak out on the torture that occurs on
5 Riker's Island and, ah, we really need to move
6 forward with that. So, ah, we're going to follow
7 that very, very closely and we want to see that
8 closed by 2026, let me put it that way. That was our
9 commitment, so. Um, OK. I'm going to go to, um,
10 council member questions now. Um, and I'm gonna ask
11 Counsel, Stephanie, ah, Ortiz to call the council
12 members.

13 COMMITTEE COUNSEL: Thank you. If any
14 council member has questions for DDC please use the
15 Zoom raise hand function. You will be called in the
16 order in which you have raised your hand. Council
17 members, please keep your questions to five minutes,
18 including answers. Please wait for the Sergeant at
19 Arms to tell you when your time begins. The sergeant
20 will let you know when your time is up. We will now
21 hear from Council Member Koslowitz, followed by
22 Council Member Grodenchik.

23 SERGEANT AT ARMS: Council Member
24 Koslowitz, your clock starts now.

2 COUNCIL MEMBER KOSLOWITZ: Thank you. I
3 don't want to sound like a broken record, but I'm
4 gonna talk about the Rego Park library and talk about
5 the money that has been spent, the, ah, initial cost
6 of the library was 12 million dollars. In, ah, 2018,
7 ah, the mayor, Bill de Blasio, came to a town hall
8 meeting in Rego Park and put in another 13 million
9 dollars that [inaudible] the cost went up to 20
10 million. Three borough presidents put in money. I
11 put in money. Melinda Katz put in money. We kept
12 putting in money and we had 20 million dollars
13 because that was the cost. Then it became 33 million
14 dollars. And this was supposed to happen before, ah,
15 by 2021. I was gonna do the groundbreaking, the, um,
16 shovel in the ground. This is a project that I, I
17 can't believe what's happening. Two weeks ago I
18 heard that there was more money needed. Can anybody
19 explain that?

20 COMMISSIONER GRILLO: I think, ah, thank
21 you, Council Member, for this and I understand your
22 frustration. I know, I, I've, we've talked about
23 this before. Um, first of all, um, this project,
24 this is, this is one of the things that we've
25 addressed in our blueprint because of, of issues like

3 this. What, what used to happen was that the, the
4 agency or the entity, the sponsor, would have funding
5 and a desire to build out a project. When it came
6 time to the scope and the design of the project very
7 little attention was paid to the amount of funding
8 that was there, OK? Now we approach it differently.
9 We design to the funding that we have. In this
10 particular case there was, ah, designs produced that
11 were well over what the funding was and they came
12 back to you over and over again. I recognize that.
13 Now, we've looked at that very recently and there is
14 some, so far, some additional funding, not a lot of
15 funding, and I, I know there's been numbers thrown
16 around that are very, very high, but that's not the
17 case. But right now what we are doing with that
18 particular project is we are going through that
19 design with a third party organization to look at to
20 see where in fact we can cut down on the, some of the
21 times that would cause this to be over budget. This
22 is what happens when a project begins and not
23 everybody's in agreement as to what it should be at
24 the end. Now that's never gonna happen again. So,
25 my point here is we understand your, your
frustration. We are very, very close to what we need

2 to do with this project, but we have to take that
3 second and third look to make sure that we can get it
4 to fit within the budget that you currently have.
5 And that's what we're doing right now.

6 COUNCIL MEMBER KOSLOWITZ: Well, that's a
7 little better news that I'm hearing now other than
8 the 17 million dollars more [inaudible]

9 COMMISSIONER GRILLO: I've heard that
10 [inaudible] that's not the case. That is not the
11 case. So I hope that makes you feel better.

12 COUNCIL MEMBER KOSLOWITZ: Well, it does,
13 it does make me feel better, but I really like this
14 project to begin. I think 17, 18 years a project
15 should be done. It should probably need more repairs
16 at this point.

17 COMMISSIONER GRILLO: [laughs] You're
18 right. Thank you.

19 COUNCIL MEMBER KOSLOWITZ: So, thank you.

20 CHAIRPERSON DROMM: Um, Counsel, ah,
21 Stephanie Ortiz?

22 COMMITTEE COUNSEL: Um, yes, we'll now
23 hear from Council Member Grodenchik, followed by
24 Council Member Rivera.

2 COUNCIL MEMBER GRODENCHIK: Ah, thank you
3 very much.

4 SERGEANT AT ARMS: Your time begins now.

5 COUNCIL MEMBER GRODENCHIK: Thank you,
6 Chairs. Ah, Commissioner it is always good to see
7 you. Um, I have sympathy for, ah, my dear friend,
8 Karen Koslowitz. Um, and I think all of us, ah, I
9 the council do. Um, you talked about, um, we've had
10 private conversations and, and today you sated a bit
11 about streamlining operations, and going forward, um,
12 what are the next steps and, and what kind of
13 cooperation are you gonna need from us, so, um, we
14 can finally put stories as we just heard in, in the
15 rearview mirror because it is frustrating. You know,
16 I'm dealing with some of those issues. Not on the
17 scale that, ah, Council Member Koslowitz is, but I
18 just wanted to know if you had, um, you know, your
19 wish list. If you had, ah, three wishes in terms of
20 streamlining operations, what would they be?

21 COMMISSIONER GRILLO: Well, I think, ah,
22 thank you, Council Member, that's a great question
23 and I think that gives us a lot to, to think about.
24 I know from the perspective of DDC some of things
25 that needed to be dealt with, and one of them had to

2 do with exactly I told Council Member Koslowitz. And
3 that is everybody needs to agree and everything needs
4 to be fully funded before a project starts, even
5 starts construction, because exactly what happened to
6 the Rego Park library was happening through the life
7 of DDC. A sponsor agency requests the project with a
8 certain amount of money. Everyone sat down and, and
9 designed it way above what the funding was. Now
10 we've all, every one of our sponsor agencies has
11 agreed that we need to come to a, a decision before
12 we start a project. Otherwise, we're gonna be in
13 this boat over and over again. Now, are there other
14 ways? I think as, as the mayor has said over and
15 over again, ah, that, ah, there are. As a matter of
16 fact, he formed a number of committees today to look
17 at all of the processes that the city, ah, has,
18 including a, a potential charter revision commission
19 as well, to look at ways that we can do this across
20 the board. So I'm not, I'm not gonna be very
21 specific, but I'm hoping that somebody will hear my
22 voice as time goes by.

23 COUNCIL MEMBER GRODENCHIK: I've always
24 heard your voice and I like your voice.

25 COMMISSIONER GRILLO: [laughs]

2 COUNCIL MEMBER GRODENCHIK: Um, I, I, and
3 I thank you for your work that you're doing in my
4 district, especially, um, the School Construction
5 Authority, which I know, ah, is your other hat. Um,
6 I just want to put in your mind that there, there,
7 and I won't ask you to comment, but there are, um, a
8 lot of hoops that these projects have to, to jump
9 through, from the agency, um, to MOCS, to OMB, to the
10 law department, ah, and, and then finally the
11 comptroller, if we get lucky, ah, not to mention DDC,
12 and I forgot, oh my God, the design commissioner.
13 How could I forgot those...

14 COMMISSIONER GRILLO: [laughs]

15 COUNCIL MEMBER GRODENCHIK: Ah, my, my
16 friends at the Design Commission. Um, and I know
17 things have improved, but it is very, very, one of
18 the biggest complaints, and I'm gonna see a lot of
19 nodding heads here, ah, it is, um, is from our
20 constituents. When is it gonna get built? You know,
21 um, Karen Koslowitz could have sent somebody to
22 college already by the time, had the baby, sent that
23 baby all the way through college, um, and maybe even
24 grad school before this library will get redone.
25 But, um, I just want to put that in your mind and,

3 and can we eliminate the law department? Can we
4 eliminate, you know, um, why do we have a MOCS if OMB
5 is looking at all those kind of things that we as the
6 city need to be looking at to, um, get our work, get
7 our, ah, the people that are paying our taxes and our
8 salaries, um, a fairer share and also, um, it would
9 be good for the construction companies. They would
10 have more work. It would be good for the people that
11 are doing the work all around if we can cut down the
12 bureaucracy, um, that's, that would be wonderful.
13 Anyway, stay safe, everybody. Ah, I look forward to
14 seeing you soon, um, under better circumstance. I
15 yield the balance of my time. Thank you, Chair
16 Dromm, and thank you, Chair Gibson, um, for leading
17 us today.

18 CHAIRPERSON DROMM: Thank you very much.
19 And before we go on I want to apologize to our
20 committee counsel. Ah, her name is Stephanie Ruiz,
21 not Ortiz. Stephanie Ortiz was in my fourth grade
22 class, it's a long time ago. My apologies to you,
23 Stephanie Ruiz. Please call the next Council Member.

24 COMMITTEE COUNSEL: Thank you, Chair
25 Dromm. We will now hear from Council Member Rivera,
followed by Council Member Ampry-Samuel.

3 SERGEANT AT ARMS: Time starts.

4 COUNCIL MEMBER RIVERA: Hi everyone,
5 thank you so much for being here. Ah, you know, it
6 was, ah, exciting to hear about the East Side Coastal
7 Resiliency Project. So I just want to ask about the
8 timeline and the impact on the park and ability to
9 social distance during construction, considering that
10 we certainly do have a couple months ahead of us of,
11 of this shelter in place type of lifestyle.

12 COMMISSIONER GRILLO: Sure. Thank you,
13 Council Member, it's very good to see you as well.
14 Um, yeah, I, I think we pretty much based, ah, going
15 along on our schedule that we had planned. Ah, we
16 are looking for a shovel in the ground in the fall.
17 So I think that you will have the ability to use the,
18 the East Side, ah, area during the summer when the
19 issues of social distancing will still be part of our
20 lives. And so hopefully, ah, we will not disturb
21 that in any way. But in the fall we hope to begin
22 and, as you know, we've worked very, very hard to
23 make sure that, ah, large portions of the park remain
24 open throughout the life of the project.

25 COUNCIL MEMBER RIVERA: So ultimately the
groundbreaking that was scheduled for, I guess around

3 this time, will be pushed to the fall and everything
4 stays in place, including the phasing. So does it
5 also extend the overall timeline? I guess the,
6 April, May, June, July, ah, the six months or so, or
7 do you, or do you predict that these delays might
8 extend the timeline even further, and will that lead
9 to, um, an increase in terms of request for capital
10 money?

11 COMMISSIONER GRILLO: That's a very good
12 question, but I'm, I'm actually moving forward under
13 the assumption that we're still going to maintain our
14 timeline. We will make changes, obviously, in how we
15 move forward, ah, and perhaps do several of the
16 pieces of this at the same time or in a different
17 order. But, ah, our goal is to maintain that
18 timeline.

19 COUNCIL MEMBER RIVERA: OK. Um, and I
20 guess my final question is on the green way. I know
21 there were 3 million dollars in savings, ah, that
22 were projected, ah, in terms of through fiscal year
23 2021. This is associated with some of our bike lane
24 infrastructure. Is there any impact on the capital
25 side for, for some of the bike lanes and some of the

2 areas that we were planning, especially the ones
3 that, ah, we've seen, ah, crashes, specifically?

4 COMMISSIONER GRILLO: Um, I, I really
5 can't answer that. Ah, Jamie, do you have any
6 information in that area?

7 FIRST DEPUTY COMMISSIONER TORRES

8 SPRINGER: Nope, yeah, just, just had to get unmuted.
9 Ah, I, I think those are DOT projects, ah, you're
10 referring to, Council Member. They're, they're not
11 capital projects being done by DDC.

12 COUNCIL MEMBER RIVERA: I thought so,
13 too, but I just wanted to be sure whether there was
14 any investment with you all or is it just strictly
15 DOT?

16 COMMISSIONER GRILLO: DOT.

17 FIRST DEPUTY COMMISSIONER TORRES

18 SPRINGER: DOT.

19 COUNCIL MEMBER RIVERA: [inaudible] other
20 clarifying question, very quick. Um, do you have any
21 involvement with any Health and Hospitals, um,
22 infrastructure projects? Any capital projects?

23 COMMISSIONER GRILLO: Ah, actually, I, I
24 don't know if you were available for the beginning,
25 but we talked about, um, two of the, um, pop-up

2 hospitals that we stood up over the last couple of
3 weeks. Yes, we, we helped them in that area, yeah.

4 COUNCIL MEMBER RIVERA: [inaudible]

5 COMMISSIONER GRILLO: And we are doing
6 some work at Bellevue Hospital, ah, at the shelter
7 there to improve that building as well.

8 COUNCIL MEMBER RIVERA: That's, that is,
9 I'm so glad you mentioned that 'cause that is long
10 overdue. So no involvement with the Ida G. Israel
11 Clinic, right, in Coney Island?

12 COMMISSIONER GRILLO: None at all, none.

13 COUNCIL MEMBER RIVERA: All right. Well,
14 thank you so much for the time, Mr. Chair, and good
15 to see everyone.

16 COMMISSIONER GRILLO: Good to see you.

17 CHAIRPERSON DROMM: OK, next council
18 member.

19 COMMITTEE COUNSEL: We will now hear from
20 Council Member Ampry-Samuel, followed by Council
21 Member Adams.

22 SERGEANT AT ARMS: Time starts.

23 COUNCIL MEMBER AMPRY-SAMUEL: Good
24 afternoon, everyone, and thank you Chair Dromm and
25 your Cochair Gibson. It's just a real quick

2 question, Commissioner. Um, out of the 2.4 billion
3 dollar planned commitments for FY21, 78 million is
4 listed for cultural projects. Can you explain what
5 those types of cultural projects are moving forward
6 and why, and the reason why I ask that question is
7 because I'm really interested in, um, the types of
8 projects, because there's a particular art project
9 that is located in one of my NYCHA campuses in
10 Kingsborough Houses and it's a project from the 1930s
11 called The Frieze Jericho Wall, and the wall is
12 located outside and is crumbling, and it was already
13 prioritized by the administration because it's
14 crumbling, and so I just wanted to get a little
15 clarity on why this project does not meet the
16 guidelines for work right now. Um, I asked that
17 question ahead of the hearing and I was told that,
18 um, the project was not listed because it didn't meet
19 the criteria, and so I just wanted to get a sense of
20 why not, especially since this particular project is,
21 um, literally crumbling and it was already a urgent
22 matter.

23 COMMISSIONER GRILLO: Sure. Well, thank
24 you very much for the opportunity. Ah, as for your
25 first part of the question, ah, cultural projects

2 will include, for example, libraries, museums, um,
3 you know, we may get called to do, um, a project
4 within a, an existing museum, for example, a boiler
5 or heating system, or things like that. Ah, but they
6 are funded projects. Now, for your NYCHA project, we
7 do very limited NYCHA work. We have done some
8 community centers within NYCHA. But NYCHA really is,
9 is responsible for that type of work.

10 COUNCIL MEMBER AMPRY-SAMUEL: This
11 particular project is a DDC project.

12 COMMISSIONER GRILLO: It is?

13 COUNCIL MEMBER AMPRY-SAMUEL: Oh, yeah,
14 yeah, yeah, yeah.

15 COMMISSIONER GRILLO: I'm not aware of
16 it. I have to apologize. I have to look at that and
17 figure that one out and get back to you.

18 COUNCIL MEMBER AMPRY-SAMUEL: OK, all
19 right, thank you.

20 COMMISSIONER GRILLO: Sure.

21 CHAIRPERSON GIBSON: OK, thank you. Next
22 Council Member?

23 COMMITTEE COUNSEL: We'll now hear from
24 Council Member Adams.

2 COUNCIL MEMBER ADAMS: One of my favorite
3 commissioners of all time.

4 COMMISSIONER GRILLO: [laughs] How are
5 you?

6 COUNCIL MEMBER ADAMS: Good to see you.
7 OK, I'm well, I'm well. Um, I, I would love to
8 revisit, um, ah, my, ah, my Queens delegation chair's
9 issue on the library, because it's actually been an
10 issue since I was a trustee, um, of the Queens, of
11 the Queens Public Library, and I see Karen laughing.
12 It's been around a long time. But you know that. I
13 digress. I just have a really quick question and I
14 hope I know the answer. Um, what impact, if any, has
15 the pandemic had on the Southeast Queens Flooding
16 Project, um, and will this project continue to, ah,
17 go forward as scheduled? Has the timeline changed,
18 ah, at all? I, I'm pretty sure the answer is no. I
19 see you nodding your head. But just reassure me.

20 COMMISSIONER GRILLO: Yeah, I, I think
21 in, in my opening remarks I mentioned that we are,
22 we're doing, ah, the Rockaway Project, we're doing
23 the, um, Southeast Queens Project. Those are
24 critical projects, those are essential projects, and
25 they are moving forward.

3 CHAIRPERSON DROMM: Can I interrupt
4 there? I just want to say how important that is. I
5 had a hearing where, um, folks whose basements were
6 flood with human feces, is that the project you're
7 talking about as well? Is that what you're speaking
8 to?

9 COMMISSIONER GRILLO: Yeah. Yeah,
10 Council Member, ah, as a Queens kid, um, since the
11 time I was a, a youngster there were those kinds of,
12 ah, conversations and we are so glad to be providing
13 that community with the infrastructure they need.

14 CHAIRPERSON DROMM: And, and,
15 Commissioner Grillo, do you know if those families
16 are back in their homes, or are they still in hotels,
17 or do you know what the story is with those
18 residents? There was about 125 residents, I believe.

19 COMMISSIONER GRILLO: I believe everybody
20 is back in their homes, but I will, I will confirm
21 that.

22 CHAIRPERSON DROMM: OK, just, absolutely
23 horrible for homeowners to continue to have to pay a
24 mortgage while then being homeless, you know, it's
25 just a horrible situation, but we have Council Member

2 Adams who is standing up for her constituents all the
3 time, so.

4 COMMISSIONER GRILLO: [inaudible].

5 COUNCIL MEMBER ADAMS: And, and just to,
6 just, just, if I may, ah, as far as that issue goes,
7 ah, Chair Dromm, ah, the residents of South Ozone
8 Park, ah, for the most part, ah, they have been taken
9 care of. I believe there is only one family, ah, as
10 of right now that is still in the hotel and that is
11 of their own choosing. Their home is still not, ah,
12 not ready but I believe that there were, ah, 28, and
13 I believe 27 out of 28 that were left in the hotels
14 are now out of the hotel. So that, that's actually
15 good news. So thank you for asking about that. And
16 thank you, Commissioner.

17 COMMISSIONER GRILLO: Thank you.

18 CHAIRPERSON DROMM: Thank you. Let's go
19 to the next council member, please.

20 COMMITTEE COUNSEL: If there are any
21 other council members that did not speak yet and have
22 a question and would like to do so, please raise your
23 hand with, ah, using the hand raise function on Zoom.
24 Chair Dromm, there does not appear to be any more
25

3 council members with the raise hand [inaudible]
4 questions.

5 CHAIRPERSON DROMM: All right. Well,
6 thank you very much. I happen to agree. I think it
7 was Council Member Adams who said one of my favorite
8 commissioners, and you certainly are, ah,
9 Commissioner Grillo. Thank you for always being so
10 available to us and for being so thorough and honest.
11 Thank you for coming, and to everybody who came in
12 from the department. Thank you. Ah, this...

13 COMMISSIONER GRILLO: Thank you so...

14 CHAIRPERSON DROMM: Go ahead, I'm sorry.
15 Go ahead [inaudible].

16 COMMISSIONER GRILLO: Stay well.

17 CHAIRPERSON DROMM: OK, OK, thank you.
18 Ah, this concludes today's hearing. Before we close,
19 as a reminder to the public the committee and
20 subcommittee will be holding a remote hearing for
21 public testimony on the executive budget on May 21 at
22 11:30 a.m. If you would like to testify at that
23 hearing please register at
24 www.council.nyc.gov/testify and information about how
25 to access the Zoom meeting will be emailed to you.
You may testify at that hearing via web or via

3 telephone. You may submit written testimony through
4 that registration website or by emailing
5 financetestimony@council.nyc.gov. And with that I
6 want to thank everybody in the finance team for all
7 the work that they've done, headed up by, of course,
8 our one and only Latonya McKinney and Regina, ah,
9 Pareda Ryan, and all of the other members of the
10 finance team. Thank you very much. Ah, this has
11 been a great, ah, first budget hearing and, um, we
12 will see you on May 21. [inaudible].

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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 20, 2020