

CITY COUNCIL
CITY OF NEW YORK

-----X

TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

-----X

June 29, 2011
Start: 10:23am
Recess: 10:53am

HELD AT: Emigrant Savings Bank
49-51 Chambers Street

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

COUNCIL MEMBERS:

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

A P P E A R A N C E S

COUNCIL MEMBERS:

James G. Van Bramer

Vincent M. Ignizio

James S. Oddo

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

Preston Niblack
Director of Finance
New York City Council

Jeffrey Shear
Chief Operating Officer, Operations Division
NYC Department of Education

1
2 CHAIRPERSON RECCHIA: Good morning,
3 ladies and gentlemen. Would everyone kindly
4 please be seated? All Council Members please be
5 seated. Welcome to this meeting of the City
6 Council Finance Committee. My name is Domenic M.
7 Recchia, Jr. I'm the Chair of this wonderful
8 Committee. I would like to introduce all my
9 colleagues. To my left, we have Gale Brewer,
10 Karen Koslowitz, Al Vann, Julissa Ferreras, Joel
11 Rivera. To my right, we have Jimmy Oddo, Vincent
12 Ignizio, and Fernando Cabrera and Robert Jackson.
13 We have Charles Barron, Leroy Comrie, Sara
14 Gonzalez, Inez Dickens, Danny Dromm, Jim Gennaro,
15 Mark Weprin and Larry Seabrook and Oliver Koppell,
16 Darlene Mealy, Jimmy Van Bramer, Carmen Arroyo.
17 Today the Finance Committee will resume our
18 Committee Hearing. Please be seated.

19 This Committee will take the
20 necessary actions to allow the full City Council
21 to adopt the physical 2012 budget. We will
22 recommend an expense of capital budget, fixed
23 property tax rates, set the property class shares
24 and take action on budget related intros. Before
25 we start, I'd like to take a second to thank our

1
2 talented and hard-working Finance staff under the
3 leadership of Finance Director Preston Niblack and
4 First Director Jeffrey Rodus. They deserve great
5 recognition for their around the clock work to
6 make sure that the budget process runs smoothly
7 and on time. I also want to thank the Finance
8 Counsel Tanisha Edwards, the Finance Economists
9 Ray Majewski, Scott Crowley, Jimmy Reyes and the
10 entire Finance Division, who have worked around
11 the clock to get this budget passed and the entire
12 Finance staff. I also want to thank Rob Hart and
13 Liz Schmuckler [phonetic] who have kept up with me
14 and making sure the process of keeping me on time;
15 they've done an amazing job.

16 With that said, we have to get down
17 to business. I will provide a brief description
18 of the items on our agenda today that require a
19 vote and Preston Niblack, director of the Finance
20 Division, will testify shortly-repeat, shortly-to
21 provide greater detail. The first item is the
22 expense modification. The second item is the
23 revenue modification. Both the expense and
24 revenue modification close out fiscal year 2011.
25 The third item is the amendment to the five year

1
2 capital plan. The fourth, fifth and sixth items
3 are property tax resolutions. The seventh item is
4 the resolution approving the capital budget. The
5 eighth item is the resolution approving the
6 expense and contract budget. The ninth item is
7 the resolution approving the 38th year of the
8 community development program and the 37th year of
9 reallocations. The tenth item is Intro 571, which
10 would increase the dollar amount for fees for the
11 Board of Standards and Appeals. The eleventh item
12 is Intro 570, which would increase the Department
13 of Buildings filing fees. And finally, we have
14 Intro 473, which would increase the fees for the
15 TLC medallion inspection fee and the driver's
16 license fee for the TLC drivers. The budget pack
17 that the members have in front of them contains
18 all of the items just mentioned with the exclusion
19 of the Intros, which are on your desk. The budget
20 pack also contains supporting documents and
21 schedules, which are not voted on by the members.
22 Preston Niblack will elaborate in more detail on
23 all the items we will be voting on today. Before
24 I turn the microphone over to Preston Niblack, I
25 want to briefly speak about this year's budget

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

process.

This is my tenth budget and my second as Chairman of the Finance Committee. As Chairman, I have come to appreciate the tremendous amount of work and dedication by the Speaker, the City Council, the Mayor and all of my colleagues involved to balance the City's priorities. We all had to work together to ensure we executed our responsibilities in a compassionate, yet financially prudent manner.

This was not an easy process. We had to make tough decisions and tough choices and compromises on all levels that were very, very difficult. Many services have been reduced and some programs have been eliminated, but make no mistake while this budget reflects the strained economy of the country, the state and our great city, I honestly believe it also reflects smart choices that were made through a thoughtful and open process. We made many accomplishments in this budget for which I'm very proud. We were able to baseline funding for the District Attorneys, the Sexual Assault Response Team and of course, the 14 million for the Department of the

1
2 Aging for Seniors to stay open and the \$20 million
3 for CUNY. We were able to work collaboratively
4 with the Administration to ensure libraries remain
5 open five days a week and provide almost a full
6 restoration to the Parks and Cultural
7 Institutions. This is great news. Perhaps,
8 greater news is that there will be no teacher
9 layoffs and no fire house closures for the fiscal
10 year. I want to repeat no teacher layoffs and no
11 fire house closures.

12 [applause]

13 CHAIRPERSON RECCHIA: This is a
14 major accomplishment, especially when all of this
15 was done without going further into the trust
16 fund. With prudent budgeting, the Administration
17 and the City Council under the leadership of our
18 wonderful Speaker, Madam Christine Quinn, we made
19 responsible choices, but we still planned ahead
20 for the future, ensuring that our trust fund would
21 remain intact to protect us in upcoming budget
22 years. Many economists say that things will not
23 get better any time soon, and next year's budget
24 will be as difficult as this year, if not worse.
25 Before I turn the microphone over to Preston

1
2 Niblack, I want to say I am proud to be a member
3 of this body and I'm proud to be the Chair of the
4 Finance Committee. I thank Speaker Christine
5 Quinn for appointing me the Finance Chairman and I
6 hope I lived up to all the expectations that she
7 wanted me to. I will now recognize Director of
8 Finance, Preston Niblack.

9 [applause]

10 PRESTON NIBLACK: Thank you, Mr.
11 Chairman. You have several items in front of you
12 today to vote on. You have the three budget bills
13 and then a whole series of other documents that
14 comprise the budget itself. The three budget
15 bills are briefly the TLC inspection fee bill,
16 which is Intro 473, which increases the fee for
17 the initial TLC cab inspections from \$50 to \$90
18 and fees for the issuance and renewal of driver's
19 licenses by the Taxi and Limousine Commission—they
20 were last changed in 1990. The bill also
21 increases the driver's license fee from \$60 to
22 \$84. We anticipate revenue of \$3.3 million
23 dollars altogether from Intro 473. The Department
24 of Buildings fee Intro 570 increases the minimum
25 application filing fees from \$100 to a range

1
2 between \$130 to \$280 depending on the type of
3 alteration. Fees have not been increased in over
4 15 years and expect revenue of 4.4 million.
5 Finally, the Board of Standards and Appeals Intro
6 571 increases fees for various types of
7 applications for discretionary relief under the
8 jurisdiction of the Board of Standards and
9 Appeals, such as variances, special permits,
10 amendments to prior grants, et cetera. Generally,
11 the bill increases the dollar amount or percentage
12 amount of certain fees between 25 and 100%
13 depending on the type and we expect a revenue of
14 \$100,000 from this.

15 In your packet, you have items that
16 will require a vote in order to adopt the fiscal
17 year 2012 budget. First we have the reso that
18 approves the expense revenue and contract budget
19 or simply the budget. You also have a copy of
20 schedule C, which is a supporting schedule to the
21 budget reso. You'll notice that it comes in four
22 parts, so there are four actual sections to
23 schedule C. You must make of course as always
24 disclosures for schedule C and for the reso - -
25 capital. General Counsel's office is here and has

1
2 been collecting those. If you haven't given them
3 to them, they are around. Before we can adopt the
4 fiscal year 2012 budget, we have to vote out the
5 final modifications to the fiscal year '11 budget.
6 You have two budget modifications in front of you--
7 MN2 and MN3. One is the revenue budget
8 modification. The other is the expense budget
9 modification. Briefly, the revenue modification
10 recognizes an additional 1.35 billion in revenue
11 above what was adopted for fiscal year '11 and
12 that combined with about \$2.4 billion in expense
13 reductions below the budgeted amount results in a
14 surplus roll for this year of--

15 FEMALE VOICE: [Interposing] Did we
16 swear this witness in, Mr. Chair? We might have -
17 - .

18 CHAIRPERSON RECCHIA: If Jim
19 Gennaro was Chairman of this Committee, he would
20 have sworn him in.

21 FEMALE VOICE: Can we vouch for the
22 validity of the--

23 CHAIRPERSON RECCHIA: [Interposing]
24 I think we could.

25 FEMALE VOICE: I'm going to have to

1
2 check with the General Counsel. Proceed, Mr.
3 Director.

4 PRESTON NIBLACK: I'll wait until
5 you've verified my credentials if you'd like, so...

6 I was at surplus I think. Surplus.
7 This year of 3.7 billion and as you know, the
8 surplus is used each year to pay expenses in the
9 following year, so we can adopt a balanced budget.
10 The expense budget modification also recognizes
11 transfers of funds of 2.6 billion dollars
12 altogether, which enacts changes made to the
13 budget during the course of this year as we
14 reviewed in November with the November plan and at
15 the preliminary and executive budgets. The fifth
16 item in your packet is the five-year education
17 capital plan amendment. The total plan is \$11.1
18 billion, which reflects a \$600 million decrease
19 from the current plan. The plan includes 28,866
20 new seats, about 1500 less than the current plan.
21 Funding for capacity dropped by about \$800 million
22 from the plans—\$5.4 billion funding level to \$4.6
23 billion in the amendment. The amendment increases
24 funding for technology in schools by \$147 million
25 for a total of 927 million. This increase for

1
2 technology is actually slightly less--\$30 million
3 dollars from the Chancellor's initial proposed
4 amendment to the plan. Thanks to the work of the
5 First Deputy Director, Jeffrey Rodus, the \$30
6 million decrease in technology funding will be
7 used for the replacement of inefficient PCB
8 containing lighting fixtures in schools and other
9 energy efficiency upgrades, which brings the total
10 plan amount for these items to 171 million. We
11 have from the DOE and the School Construction
12 Authority, Kathleen Grimm, Ross Holden and Nancy
13 Greenberger [phonetic] to answer questions should
14 you have them about those.

15 Finally, you have the resolution
16 approving the community development program for
17 fiscal year '12 and two capital budget resos, Reso
18 A and B, which were just distributed to you, and
19 last but not least, everybody's favorite, three
20 property tax resolutions necessary to determine
21 what proportion of the overall levy is raised by
22 each of the four property tax classes and sets the
23 rates for each class. Ray Majewski and Emorah
24 Adev [phonetic] are available to answer questions
25 about that. Mr. Chairman, I'm happy to answer any

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

questions that you have.

CHAIRPERSON RECCHIA: Thank you very much. We have some Council Members that have joined us. We have joined by Council Member Vallone, - - , Weprin, Arroyo, Garodnick--we've got everybody--Levin, Dickens, Seabrook. Okay. Does any Council Member have any questions? We recognize the Council Member from Manhattan, Gale Brewer.

COUNCIL MEMBER BREWER: On the technology we have a lot of schools that are not able to download quickly some of the technology that the students now have and software, and there are ones that have sometimes the izeone or the learning communities--the federal - - money. Will this money that is being allocated even without the 30 million--and I appreciate very much that it's going through PCB renovation and fix up. How are we going to be able to address these schools? Will this funding do that that's left in the technology budget? There are a lot of schools. I have the list.

CHAIRPERSON RECCHIA: Yes, just state your name for the record, and who is with

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

you.

JEFFREY SHEAR: My name is Jeffrey Shear and I'm Chief Operating Officer for the Operations Division of DOE. I'm joined by Lorraine Grillo, President of the School Construction Authority and Elizabeth Bergin, Executive Vice President of the School Construction Authority. The answer to your question is yes, there will be sufficient funding. The transfer of \$30 million does not affect the spending that is going directly into schools. We still plan to spend \$784 million of the technology budget in schools to enhance their connectivity and wireless Internet access.

CHAIRPERSON RECCHIA: Okay. Can I ask everyone to please take your conversations out of the chamber?

COUNCIL MEMBER BREWER: [off mic] follow up very quickly. Is that dependent on working with Verizon? Obviously, the issue is that the pipes coming into the school are not large enough to handle the work that is being done by the students and teachers. Does Verizon need to participate in that—all that money be

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

sufficient without their input?

JEFFREY SHEAR: We do need the input of our contractors, so we do have to work out—I think at the particular building you’re concerned about and have brought to our attention, so we recognize your advocacy for the O’Shea Building [phonetic]. We are working out issues with our contractors, but that building is at the top of our list of buildings to address.

COUNCIL MEMBER BREWER: Okay. Thank you, Mr. Chair. I’m just trying to make sure that all schools get the connectivity that they need. Thank you.

CHAIRPERSON RECCHIA: Okay. Thank you. I also want to recognize Helen Foster and Lewis Fidler, you have a question? No question. Okay. Does any other Council Member have any questions? Without seeing any Council Member having a question, we ask that you call the roll.

CLERK: William Martin, Committee Clerk, roll call vote in the Committee on Finance. Expense Modification - - and Revenue Modification both closing out for year 2011. Council Member Recchia?

1
2 CHAIRPERSON RECCHIA: I encourage
3 all my colleagues to vote aye. Aye.

4 CLERK: Rivera?

5 COUNCIL MEMBER RIVERA: Because of
6 that encouragement, I vote aye.

7 CLERK: Reyna?

8 COUNCIL MEMBER REYNA: Aye.

9 CLERK: Brewer?

10 COUNCIL MEMBER BREWER: We love our
11 Finance Chair. I vote aye.

12 CLERK: Comrie?

13 COUNCIL MEMBER COMRIE: I vote aye.
14 I just want to congratulate the Finance Chair and
15 the Finance staff.

16 CLERK: Fidler?

17 COUNCIL MEMBER FIDLER: I save the
18 thanks yous for the Stated Meeting, but I know
19 there are no disclosures that our rules compel me
20 to make, but in past years, I've made a number
21 regarding staff members who have family members
22 that work for some of the groups that I support
23 funding—they play no role in that funding and a
24 couple of organizations that I fund that I'm an
25 honorary member of the Board of Directors and I

1
2 would lay those out as if I were setting them
3 forth fully here, and I vote aye on all.

4 CHAIRPERSON RECCHIA: Just so my
5 colleagues understand it, this vote is to close
6 out fiscal year 2011 and to do the modification.
7 The budget for 2012 will be the next vote.

8 COUNCIL MEMBER FIDLER: Well, in
9 that case never mind and I vote aye.

10 CHAIRPERSON RECCHIA: Okay. Go
11 ahead.

12 CLERK: Foster?

13 COUNCIL MEMBER FOSTER: Aye.

14 CLERK: Jackson?

15 COUNCIL MEMBER JACKSON: Aye on
16 all.

17 CLERK: Koppell?

18 COUNCIL MEMBER KOPPELL: Aye.

19 CLERK: Vann?

20 COUNCIL MEMBER VANN: Aye.

21 CLERK: Mealy?

22 COUNCIL MEMBER MEALY: Aye.

23 CLERK: Ferreras?

24 COUNCIL MEMBER FERRERAS: Aye.

25 CLERK: Cabrera?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER CABRERA: Aye.

CLERK: Koslowitz?

COUNCIL MEMBER KOSLOWITZ: Aye.

CLERK: Van Bramer?

COUNCIL MEMBER VAN BRAMER: Aye.

CLERK: Ignizio?

COUNCIL MEMBER IGNIZIO: Aye.

CLERK: Oddo?

COUNCIL MEMBER ODDO: [off mic]

CLERK: Reyna?

COUNCIL MEMBER REYNA: [no

response]

CHAIRPERSON RECCHIA: Reyna? We did. We're coming back, Diana Reyna? Diana Reyna? Alright. We'll keep this part open. Let's move on to the vote for 2012 and all the intros. Now we're voting on 2012 and all the intros and anyone that has a conflict, you have to disclose it on the record. You have to fill out your forms. Okay? Our wonderful attorneys have the forms with them. Nadir is right here. If you have any questions, please consult with him and Jim Caris [phonetic]. And don't forget to fill out the forms. If anyone has a conflict, put it

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

on the record. Alright. Call the roll.

CLERK: Recchia?

CHAIRPERSON RECCHIA: I vote aye on all, but before I cast my vote. I want everyone to know I have conflicts with my children's schools, which will be receiving money in this funding, and the school where my wife teaches will also be receiving funding. I vote aye on all.

CLERK: Rivera?

COUNCIL MEMBER RIVERA: I vote aye on all.

CLERK: Brewer?

COUNCIL MEMBER BREWER: I vote aye on all. My husband works part-time at the New York Historical Society and is a staff member very part-time at the YMCA. Conflict. Thank you.

CLERK: Comrie?

COUNCIL MEMBER COMRIE: My children attend public schools, which receive funding but not directly by me. My wife works at the York College, where I fund the performing arts program where she does not work, which is a separate entity from the college, and I fund the St. Alban's little league in which my son participated

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

previously. Aye on all.

CLERK: Fidler?

COUNCIL MEMBER FIDLER: I'll rely on my prior statement, and I vote aye on all.

CLERK: Foster?

COUNCIL MEMBER FOSTER: Yes.

CLERK: Jackson?

COUNCIL MEMBER JACKSON: Mr. Chair, I'd like to disclose that I am a trustee of the Malcolm X and Dr. Betty Shabazz Cultural and Education Center in New York City. Even though I do not designate any funds as a result of discretionary or others, they do receive City Council funding, so as a matter of full disclosure... With that, I vote aye on all.

CLERK: Koppell?

COUNCIL MEMBER KOPPELL: [off mic] my sisters works for the American Ballet Theatre— has for many years as a musician. Also that I'm ex officio member of the Board of Wave Hill, which has received both capital and expense funding in the budget. I vote aye.

CLERK: Vann?

COUNCIL MEMBER VANN: I'd like to

1
2 disclose to the extent that we allocate money to
3 Medgar Evers College. Specifically, I have family
4 members who are employed there. I have two
5 daughters that work at Medgar Evers College and a
6 son-in-law. I vote aye on all.

7 CLERK: Mealy?

8 COUNCIL MEMBER MEALY: I vote aye
9 on all.

10 CLERK: Ferreras?

11 COUNCIL MEMBER FERRERAS: I vote
12 aye on all.

13 CLERK: Cabrera?

14 COUNCIL MEMBER CABRERA: Aye.

15 CLERK: Koslowitz?

16 COUNCIL MEMBER KOSLOWITZ: Aye.

17 CLERK: Van Bramer?

18 COUNCIL MEMBER VAN BRAMER: Aye on
19 all.

20 CLERK: Ignizio?

21 COUNCIL MEMBER IGNIZIO: Yes. I
22 first want to point out and express my gratitude
23 to the Speaker for her leadership on the PCB issue
24 and I want to vote on Intro 473, 570, 571,
25 proposed Intro 201-A, Intro 590-A and the tax

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

fishing [phonetic] pre-considered. Thank you.

CLERK: Oddo?

COUNCIL MEMBER ODDO: Yes, I will vote no on Intro 473, Intro 570, Intro 571, proposed Intro 201-A, the preconsidered resos having to do with base percentage and real property tax law, and although I'm not obligated, I will put on the record the fact that I fund the College of Staten Island and I teach a class there in the fall. I also have a conflict with Yankee fans, Dallas Cowboy fans and anyone who watches those dopey real wives shows of a collective group of cities. Thank you.

CLERK: Reyna?

COUNCIL MEMBER REYNA: [no response]

CHAIRPERSON RECCHIA: Diana, are you ready? Okay. Billy, recognize Council Member Diana Reyna.

CLERK: Items, two budget mods, Council Member Reyna?

COUNCIL MEMBER REYNA: I vote aye.

CLERK: Two budget mods are adopted by a vote of 17 in the affirmative, zero in the

1
2 negative and no abstentions. Council Member
3 Reyna, all other items?

4 COUNCIL MEMBER REYNA: Aye on all.

5 CHAIRPERSON RECCHIA: Okay.

6 CLERK: All items in today's
7 Finance Committee were adopted by a vote of 17 in
8 the affirmative, zero in the negative, no
9 abstentions, with the exceptions of Introduction
10 473, 570, and 571, which were adopted by a vote of
11 15 in the affirmative, 2 in the negative and no
12 abstentions and Finance Items in relation to the
13 base percentage of real property tax laws and the
14 tax fixing resos, which were adopted by a vote of
15 16 in the affirmative, 1 in the negative and no
16 abstentions.

17 CHAIRPERSON RECCHIA: Alright.

18 Council Member Oddo, are you okay with the tally?

19 COUNCIL MEMBER ODDO: Yes.

20 CHAIRPERSON RECCHIA: Okay.

21 [background conversation]

22 CHAIRPERSON RECCHIA: Vincent
23 Ignizio, please come to the chamber. Again, all
24 members of the City Council must fill out a
25 financial disclosure and put those conflicts. If

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

you have any questions, speak to Nadir.

CLERK: Council Member Ignizio?

COUNCIL MEMBER IGNIZIO: Yes, I'm voting no on the tax fixing resolution as well--I just wanted that recorded--and the base percentages.

CLERK: Correction in three tax fixing resos and two base adjustments are now adopted by a vote of 15 in the affirmative, 2 in the negative and no abstentions. Thank you. All members please sign the Committee Reports.

CHAIRPERSON RECCHIA: I want to thank the entire Finance staff. This is the last meeting of the Finance Committee for the budget year 2011. Thank you so much. We had a great year. We're going to go straight into a Stated Council meeting right after this. Thank you very much. The Stated Council meeting will begin shortly.

C E R T I F I C A T E

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

Signature

Kimberley Uhlig

Date July 5, 2011