

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEES ON FINANCE AND CONTRACTS (EXECUTIVE BUDGET  
HEARINGS)

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June 6, 2012  
Start: 10:10 a.m.  
Recess: 10:14 p.m.

HELD AT: Council Chambers  
City Hall

B E F O R E:

DOMENIC M. RECCHIA  
DARLENE MEALY  
Chairpersons

COUNCIL MEMBERS:

Council Member Gale A. Brewer  
Council Member Fernando Cabrera  
Council Member Margaret S. Chin  
Council Member Leroy G. Comrie, Jr.  
Council Member Daniel Dromm  
Council Member Julissa Ferreras  
Council Member Lewis A. Fidler  
Council Member Helen D. Foster  
Council Member Vincent J. Gentile  
Council Member Vincent R. Ignizio  
Council Member Robert Jackson  
Council Member Letitia James  
Council Member Karen Koslowitz

## A P P E A R A N C E S

## COUNCIL MEMBERS:

Council Member G. Oliver Koppell  
Council Member Stephen T. Levin  
Council Member Melissa Mark-Viverito  
Council Member Rosie Mendez  
Council Member James S. Oddo  
Council Member Annabel Palma  
Council Member Diana Reyna  
Council Member James G. Van Bramer  
Council Member Albert Vann  
Council Member Jumaane D. Williams

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

Mark Page  
Director  
Office of Management and Budget

David Frankel  
Commissioner  
Department of Finance

John Liu  
Comptroller  
City of New York

Ronnie Lowenstein  
Director  
Independent Budget Office

George Sweeting  
Deputy Director  
Independent Budget Office

Eddie Boles  
Lieutenant, Treasurer  
Uniformed Fire Officers Association

Ralph Palladino  
Second Vice President  
Clerical Local 1549, District Council 37

Tammy Miller  
Chair  
United Federation of Teachers, Family Childcare  
Providers

Lillian Roberts  
Executive Director  
District Council 37

Henry Garrido  
Associate Director  
District Council 37

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

Deborah Allman  
Vice President  
New York Public Library Local 1930  
District Council 37

Pat Flannigan  
Concerned Citizen

Gelene Scarborough  
Chapter Chair  
Wave Hill Garden and Cultural Center

Judy Wessler  
Commission on the Public's Health System

Dr. Joan Pastore  
Director  
AMICO

Roseanne DeGennaro  
Director  
Marlboro Senior Center

Grace Brandi  
Supervising Senior Center Director  
Jewish Community Council in Greater Coney Island

Etty Friedman  
Director  
Haber House Senior Center

Eileen Muller  
President  
Brooklyn Library Guild, Local 1482

Raglan George, Jr.  
Executive Director  
AFSCME District Council 1707

Santos Crespo  
President  
Local 372, AFSCME District Council 37

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

Peter Vreeland  
President  
Local 1559

Marcy Brown  
Treasurer  
Local 1501

Abigail Goldberg  
Librarian

Mary Carroll  
Librarian  
Business and Career Library  
Brooklyn Public Library

Lillie Carino  
Director  
1199 SEIU

Julie Wickware  
Community Voices Heard

Steven Banks  
Legal Aid Society

Deborah Wright  
President  
UAW Local 2325

Cornell Dukes

Shirlene Cooper  
HIV/AIDS Services Administrations  
Advisory Board

Christie Hodgkins  
Director of Youth Development  
CAMBA

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

Lynn Kelley  
President/CEO  
Snug Harbor Cultural Center

Alexandria Hamilton

Michael De Zoyas  
Owner  
Little Zelda

Patricia Burlace  
Executive Director  
Sister Annunciata Bethel Senior Center

Eileen Ebertz  
Bedford Park Senior Center

Johnetta Goodlowe  
Community Voices Heard

Camelia Robinson  
JTP

Precious Edwards  
Queens Library

Jacqueline McDuffie

Jovan Martinez  
RAPP

Maritza Villegas  
Guidance Counselor  
Manhattan Center High School for Science and Math

Naisha Santini  
RAPP

Ilene  
RAPP

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

Trisha Wilkerson  
RAPP

Viola  
RAPP

Emily Casarias  
RAPP

Suhaly Rodriguez  
RAPP

Soush  
RAPP

Miguel Rivera  
RAPP

Solada Hisiano  
Executive Director  
Community Association of Progressive Dominican

Elaine Short  
Lucille Rose Daycare Center

Jaslin Jimenez  
Assistant Vice President  
Hispanic Federation

RAUL RODRIGUEZ  
Vice President  
ACASIA

MR. AX

Mary Haviland  
Executive Director  
New York City Alliance Against Sexual Assault

Guinevive Gazon  
Community Organizer  
New York Lawyers for Public Interest

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

Jed Garfield  
President  
Sane Trash

Jennifer Ratner  
Sane Trash

Mike Smith  
Chief Operating Officer  
Neighborhood Defender Service of Harlem

Kelly Terry Sepovida  
Point Community Development Corporation

Cynthia Dodi  
Morningside Heights/West Harlem Sanitation Coalition

Angela Tovar  
Hunt's Point Community

Liwan Wong  
Director of Youth and Education  
St. Nick's Alliance

Martha Jindravesva  
PS34 Greenpoint

Elise Erman  
Deputy Director  
Sunset Park Promise Neighborhood

Michael King  
Executive Director  
Strong Economy for All Coalition

Mitchell Rosenberg  
Representing Fire Companies

Andre Lake  
McDonna Head Start Bedford-Stuyvesant



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

Joe Padalaya  
Executive Director  
Madison Square Boys and Girls Club

Steve Melton  
Madison Square Boys and Girls Club

Josephine San Fileiu  
Founder  
Latinas Against FDNY Cuts

Helen Kimman  
Community Relations Coordinator  
Korean-American Family Service Center

Stephanie Gandowdi  
Associate Executive Director  
Citizens' Committee for Children

Theresa Fenn  
Director  
CUCS Shelter Care Center for Women

Theresa

Saunty Matthews  
Resident

Anissa Hamilton  
Community Health Educator  
Healthy People

Randi Levine  
Attorney  
Advocates for Children

ALICE OWENS  
President  
Colony South Brooklyn Houses

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

Video Ragu Stark  
Director  
Sunset Bay Community Services

Ann Go  
Director  
Magical Years Early Childhood Center

Gloria Martinez  
Director  
World Industry Center

Carolyn McRory  
Community Gardner

CHAIRPERSON RECCHIA: Good morning, ladies and gentlemen, children, welcome to the New York City Council Chamber. Today is the last day of the City Council's hearing on the Mayor's Executive Budget for Fiscal 2013. My name is Domenic M. Recchia, Jr., and I am the Chair of the Finance Committee. At this time I would like to introduce all our colleagues who have joined us here today. To my far left, we have Leroy Comrie, Annabel Palma, Robert Jackson; to the lower dais, starting from the left to right, my left, is Karen Koslowitz, Vincent Ignizio, James Oddo; to my far right on the above dais, we have Ydanis Rodriguez, Ydanis Rodriguez. To my right is my attorney, Tanisha Edwards; to my left is Ray Majewski, the City Council's Economist. Today marks the end of the Executive Budget Hearings for 2013 budget. These Executive Budget Hearings provide one last opportunity for Council Members and the public to hear from agencies concerning the impact of cuts on an agency's ability to deliver essential services. Ideally, these hearings also provide agencies with an opportunity to show how the Executive Budget reflected and incorporated the

findings and recommendations presented by the Council in our response to the Mayor's Preliminary Budget. The Executive Budget was released on May 3rd and totaled \$68.7 billion. This budget closely resembles the Preliminary Budget with the major change being the \$466 million in revenue from the CityTime legal settlement. Fiscal Year 2013 projected gap is closed with \$4.2 billion in one-time resources, including \$1 billion from the sale of taxi medallions, which will be discussed today; \$1 billion from the retired health benefit trust; and \$1.7 billion in prepayments from Fiscal 2012. Expenses are up for 2012 and 2013 by \$139 million compared to the Preliminary Budget, with debt service savings partially offsetting increased agency and non-agency expenses. To understand the basic characteristics of the Executive Budget, one needs to start with the constraints the City is operating under. There are three major constraints on the City's budget. They include, one, the City's economy as a whole, which is recovering nicely, but slowly from the recession, and without the same mix of high paying Wall Street jobs. The second is the City

reserves. From Fiscal 2009 through 2012, the City spent about \$7.6 billion more than it took in. It did this using funds accumulated during the boom years. These funds were used to prepay certain expenses or were devoted the retired health benefit trust fund, which the City is currently drawing down. According to the Executive Budget, by the end of 2013, only \$1.1 billion of these reserves will remain. The third constraint lies with the so-called "non-controllable expenditures in the budget," which account for 56 percent of the City funds and include pensions, fringe benefits, Medicaid, debt service and public assistance. OMB expects non-controllable expenses to grow 7.2 percent. Given these constraints, there is little room for controllable agency expense to grow. Controllable agencies expense are drawn half a percent for 2013 and grow at more than one percent a year for the rest of the financial plan. In addition to these constraints, we are also faced with federal budget actions. In the past, they have provided a stimulus to the economy, but no longer do we have this. Stimulus funding is gone, and many of our programs that

were supported by federal dollars have seen reductions or eliminations in federal funding. For the past four weeks, we have heard from agency how this budget will affect essential agency services. Happily, there are several recommendations made by the Council in response to the preliminary budget plan, which the Mayor incorporated into the Executive Budget Plan, which includes providing the remaining installments of the workload funding increase to district attorneys; the restoration of critical funds to the Chief Medical Examiner's office; and funding for Sexual Assault Response Teams, or SART, at HHC. In other respects, however, the Executive Budget still fails our citizens, and especially our youth. As the last four weeks of hearings have been made clear, with only about three weeks left before we must adopt the budget, we have a lot of work to do to ensure that we will be able to adopt a budget that we all can be proud of. Today, we'll first hear from the Mayor's Office of Management and Budget, and the revenue expense and contracts budgets. Then the Finance Committee will hear from the Department of Finance,

1 Commissioner David Frankel. Then we'll hear from  
2 John Liu, the Comptroller of the City of New York.  
3 And then, the Independent Budget Office. After  
4 that, we'll hear from the public. That'll be  
5 approximately 4:30. Before we hear from the  
6 Director of Office and Management, I first want to  
7 remind all members of the public who want to  
8 testify to be sure to fill out a witness slip  
9 provided by the Sergeant-at-Arms. Please include  
10 the full name of your affiliated organization and  
11 the subject area in which you wish to testify.  
12 This will all, this will be a long day. We'll  
13 accommodate everyone who wished to testify, and  
14 like I said before, if you are disabled, we will  
15 accommodate and take you first. So if you are a  
16 senior or disabled, please identify yourself to  
17 the Sergeant-at-Arms and indicate that on your  
18 list. If you cannot stay for the entire hearing  
19 and you wish to submit your testimony, we will  
20 take it and make it a part of the official record  
21 at today's hearing. Or you can fax your testimony  
22 to my Counsel, Tanisha Edwards, at (212) 788-7061.  
23 Before we hear from Mark Page, I just want to  
24 thank the entire staff of the Finance Division for  
25

1 their excellent work in preparing for these  
2 hearings. I want to express my special thanks to  
3 Preston Niblack, the Finance Director; Jeff Rotus,  
4 the First Deputy Director; Raymond Majewski, our  
5 Chief Economist; the Expense Unit leaders, Latonia  
6 McKinney, Nathan Tull [phonetic] and Regina Ryan;  
7 and of course, Tanisha Edwards, my attorney, who  
8 has been at my side most of these hearings. I  
9 also want to thank the entire Finance staff. I'd  
10 also like to thank my personal staff, Lisa Mukla  
11 [phonetic] and Michaela Lynch, for all the  
12 excellent work. At this time, we will now hear  
13 from the Director, from the Office of Management  
14 and Budget, Mark Page. Mr. Page, good morning,  
15 welcome to the City Council Chamber. It's a  
16 pleasure to see you.

17  
18 MARK PAGE: Good morning.

19 CHAIRPERSON RECCHIA: Good morning.  
20 Smile.

21 MARK PAGE: Yeah. [laughter]

22 CHAIRPERSON RECCHIA: We got to  
23 start off on the good, on the right step. Go  
24 ahead.

25 MARK PAGE: Yeah. I guess that I



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would just--

CHAIRPERSON RECCHIA: You got to  
put your mic closer, Mr. Page.

MARK PAGE: Say that as usual--

CHAIRPERSON RECCHIA: It's not on,  
I don't think it's on.

[background comment]

MARK PAGE: It is.

CHAIRPERSON RECCHIA: Is it on?  
Could we--?

MARK PAGE: It is on. Does it, is  
it working?

CHAIRPERSON RECCHIA: Is that  
working?

[background comment]

MARK PAGE: Okay. [taps mic]  
Okay. I guess that, as usual, we're faced with  
the problem of producing a balanced operating  
budget for New York City, for the year beginning  
this July 1st. And obviously with a view to what  
happens after that. I mean, we certainly don't  
stop after Fiscal Year '12, the end of this month,  
or Fiscal Year '13, the end of next month. We are  
running at ongoing enterprise, which can only

1  
2 spend resources that it has. I would agree that  
3 the local economy, which drives our tax  
4 collections and jobs and number of other important  
5 things in this City, is growing. We're assuming  
6 that in our forecast of revenues--

7 CHAIRPERSON RECCHIA: Excuse me,  
8 could you please sit down? Could you please sit  
9 down? If you do not sit down, I would ask the  
10 Sergeant-at-Arms to please remove them. You have  
11 to sit down, this is not a time to protest.

12 [background comment] Please sit down.

13 [background comment] Then call the police and  
14 have them exited. This is--we will not stand for  
15 this, they can protest, they can raise their  
16 objections at the time of the public session. But  
17 we'll not have them stand throughout this hearing.  
18 We will take a short adjournment at this time.

19 [pause] [applause] Could you please keep your  
20 applause down? We will not tolerate any applause.  
21 Please stop the applauding. This is a Council  
22 chamber. If you do not stop, we will have you  
23 removed. We will not tolerate this kind of  
24 conduct. [pause] We will not have any  
25 protesting. If you need to, we will not have any

1  
2 applauding. This is a City Council chamber. We  
3 will respect this institution as an institution of  
4 government, where people can come on both sides  
5 and be heard. This is not no time to grandstand  
6 or to object, this is a time to work together for  
7 the best interests of the taxpayers of New York  
8 City. And I will not tolerate anyone applauding  
9 or acting up in this Council chamber. And that  
10 includes Council Members, also. [clapping] You  
11 know, Mr. Ydanis Rodriguez?

12 COUNCIL MEMBER RODRIGUEZ: [off  
13 mic] What?

14 CHAIRPERSON RECCHIA: I think you  
15 should learn to respect this institution. Okay?  
16 You should respect this institution.

17 COUNCIL MEMBER RODRIGUEZ: [off  
18 mic] I do.

19 CHAIRPERSON RECCHIA: Okay, you  
20 should, but obviously you don't. [background  
21 comments] You don't, you don't. If you have an  
22 opportunity, if you have something to say, then  
23 you should take it outside this chamber.  
24 [background comment] You have outside the  
25 chamber, you're speaking out of turn.

COUNCIL MEMBER RODRIGUEZ: [off  
mic] Okay. - -

CHAIRPERSON RECCHIA: We'll hear  
from Mr. Mark Page.

MARK PAGE: The basic nature of the  
budget process that we're in is obviously an issue  
of figuring out how to strike a balance between  
any number of competing priorities for the  
resources we have available to us. And that's  
certainly the context we're in. A difficult  
process that I think most of us are quite familiar  
with at this point. I would note that on the  
resource side, the revenue forecast that underlies  
the Executive Budget as proposed by the Mayor at  
the beginning of May, is, provides for growth,  
it's actually pretty much with the forecast  
recently published by the City Council. Looking  
forward, we unfortunately have experience in the  
last year of revenues that have come in pretty  
much on target, as opposed to the fortunate  
benefit that we've had in some prior years where  
we've come in substantially higher, which has  
enabled us to balance budgets with a little bit  
more ease. I think as we all look forward over

the next six months and year, the likelihood of the kind of growth above expectation that we've had sometimes, doesn't seem high at the moment. There's one other topic that has certainly been in the news recently. In the Executive Budget proposed by the Mayor, we relied on the proceeds of sale of additional taxi medallions in the amount of a billion dollars in Fiscal Year '13. And I would just like to speak for a minute to that particular issue. The State law which authorize us to carry out the plan for improved taxi service in the City, has been challenged. Most recently, that challenging process has resulted in the issuance of a temporary restraining order last Friday. The order currently prevents us from going forward with the marketing of the State authorized 2000 handicapped accessible yellow cab medallions, and 18,000 new medallions adding for-hail taxi service outside of the central business district. We believe the legal issues raised will ultimately be resolved in favor of the plan, and will allow it to go forward; however, the legal process is likely to be time consuming. Delay is unfortunate for New

1  
2     Yorkers waiting for the benefit of improved taxi  
3     service, but it also adds uncertainty regarding  
4     the receipt by the City of the billion in proceeds  
5     of sale of the additional medallions. The actual  
6     legal decision on the issues regarding the  
7     restraining order is not expected until the  
8     beginning of July at the earliest. Appeals will  
9     take longer. As I said, the budget and financial  
10    plan reflected the full billion in the balanced  
11    budget for Fiscal Year '13. We have, the City has  
12    some limited ability to absorb the loss of this  
13    revenue in '13, but at the cost of further  
14    increasing a forecast deficit already standing at  
15    \$3 billion in Fiscal Year '14. If the delay drags  
16    on, or the taxi plan is ultimately prevented from  
17    happening, the City will be faced with a deficit  
18    of about \$4 billion, which is must address by  
19    January 2013, six months from now, when by law the  
20    City must propose a preliminary budget for Fiscal  
21    Year '14 which shows balance in that year, while  
22    maintaining budget balance in Fiscal Year '13. I  
23    guess what this is saying is that it's hard to  
24    know where we stand in terms of the medallion  
25    sale, the timing of it and what it's going to be



Annabel Palma.

COUNCIL MEMBER PALMA: Thank you, Mr. Chair. Mr. Page, as you, as you are aware, the Council has a number of serious concerns with the recently released early learn RFP awards. And since the release of the awards on May 4th, there have been a numerous of issues that have been emerging that could have a tremendous impact on working families throughout the City of New York. And prior to the release of the awards, there was a chorus of voices, expressing the concerns that the proposed changes would not only impact small organizations, but that early learn could not, would not adequately account for the organizations' cultural competency and longstanding presence in the community. And I, and I know as you walked in, those voices were even louder at the steps of City Hall today. And frankly, the consequences of this RFP go beyond any budget dance that we've seen before. And having reviewed the recommended awards, it becomes clear that the problem with this RFP are more than just about restoring funds. We just cannot throw funds at this problem. I don't think throwing any



1 large amount of money at this problem is going to  
2 solve it. It is important to remember that this  
3 overhaul of subsidized childcare system has  
4 implications not only for families but for  
5 providers, for childcare workers, who at this time  
6 are the lowest paying in the City. And for entire  
7 neighborhoods who rely on, on our childcare system  
8 that's affordable and close to their homes, and  
9 that people are familiar with. This, the General  
10 Welfare Committee along with this Committee  
11 questioned Commissioner Richter at ACS' Executive  
12 Budget Hearing, about early learning childcare  
13 funding. And at the hearing, many of my  
14 colleagues expressed outrage and concern and  
15 frustration at the serious impact that early  
16 learning will cost to their neighborhoods and to  
17 the City. And with the, with the way the awards  
18 stand now, over 6,500 children will not receive  
19 care, due to the way the system is going to be  
20 structured. And while I am fully aware that right  
21 now all of New York City's eligible children don't  
22 receive care, this is going to have an even  
23 dramatic impact on the livelihoods of a great  
24 number of vulnerable families here in our City.  
25

1  
2 And I would hate to think that we'll take a giant  
3 step backwards in the childcare system that we  
4 provide now, and reduce the current number of  
5 children being served in our City. So, I have a  
6 couple of questions around the RFP. And I would  
7 like, you know, to hear your responses and your  
8 thoughts on what was the thinking or the rationale  
9 behind releasing this RFP. As the Budget  
10 Director, do you think that subsidized childcare  
11 was adequately funded in this year's budget?

12 MARK PAGE: I don't believe that  
13 that's really a question for me, as Budget  
14 Director. Quite honestly, we have a number of  
15 competing priorities in this budget, as I've  
16 already said. We have provided a level of funding  
17 for childcare in the proposed budget from the  
18 Mayor. As usual, we are in a process of adjusting  
19 that budget with this body, looking forward to  
20 achieving a budget which ... hopefully we can  
21 agree upon and have in place by the end of the  
22 month. The childcare funding in the budget we  
23 proposed is I think \$18 million lower than the  
24 current year in OST childcare, and a little more  
25 \$50 million lower than this year in childcare

1 through ACS. Those are significant amounts of  
2 money, but I think that as I've said we're in a  
3 period of identifying priorities and making  
4 adjustments, and discussing exactly those issues.  
5

6 COUNCIL MEMBER PALMA: I--with all  
7 due respect, Mr. Page, I am fully aware of all the  
8 priority that this budget has and what this City  
9 needs to do to make sure that we pass a balanced  
10 budget. But to not consider childcare a priority  
11 I think is really disturbing, not only to me, to  
12 this Council, but to the families that are  
13 affected by this. I think that, you know, given  
14 the economic climate that we're in, we're not  
15 only, you know, destroying the childcare system,  
16 but we're going to be destroying vulnerable  
17 families lives that are dependent upon this  
18 funding to continue to be able to work and be part  
19 of this, of the economic engine of the City. So,  
20 I'm really trying to wrap my head around how, how  
21 much what it costs to ensure that no, no child  
22 will lose the subsidized childcare in Fiscal '13,  
23 and you know, what are the potential impacts that  
24 this RFP will create to the system, if no  
25 additional funding is baselining in, in Fiscal

Year 2012? Or the out years, for that matter.

MARK PAGE: This question of children actually losing childcare slots that they're currently in, just by the fact that children get older and move on from the childcare world to school, among other things, means, at least as I am told, that the, and actually losing a slot is, on the numbers, perhaps not the issue. I understand that we're talking about the level of resources that the City should be putting into providing subsidized childcare. And I, I guess that I should add that I understand that there's considerable concern on the selection process for childcare providers. I'm not the person in the Administration able to respond on that issue, quite honestly. I'm not a part of that selection process.

COUNCIL MEMBER PALMA: I think when, again, you know, given the position that you hold, if the Administration's going to make such drastic changes to a system, and you are charged with making sure that we have a balanced budget and that we're, you're able to present a budget that's adequate for the City of New York, then you

1 definitely should be involved in those  
2 discussions, because you are the, you know, one of  
3 the main people that is going to be able to tell  
4 this Administration how, if it can be funded  
5 adequately or not. But then, I have two more  
6 questions, Council Member Recchia, and then I'll  
7 be done. In the current, Mr. Page, currently the  
8 system makes pension contributions to the Culture  
9 Institution Retirement Systems, the CIRS, for  
10 childcare workers. Will the City continue to make  
11 pension contribution as needed to maintain funding  
12 status for the CRS?

14 MARK PAGE: As I understand it,  
15 under the terms of the procurement process that  
16 we're going through, we don't continue to make  
17 those payments to the providers, but wait a  
18 second. [pause] I'm sorry, I have done this  
19 wrong. We will continue, as I understand it, to  
20 be making the pension payments for those childcare  
21 providers with whom we have contracts. I guess  
22 healthcare is what I was talking about, which I  
23 think under the procurement--

24 COUNCIL MEMBER PALMA: The central  
25 insurance program?

1  
2 MARK PAGE: --is to be purchased by  
3 the provider, not purchased by the City.

4 COUNCIL MEMBER PALMA: And has the,  
5 again, the Administration given any thoughts what  
6 negative impact that's going to cause? I mean, we  
7 have providers now that are not able to get the  
8 rate that--obtain the independent health insurance  
9 for their employees at the rate that the City  
10 currently has.

11 MARK PAGE: I guess that there are  
12 a number of issues on this. One is that New York  
13 City contracts with a great many agencies that  
14 provide services for children and many other  
15 people. I believe that it's actually a quite  
16 small proportion of that whole for whom we have  
17 provided health benefits through the City. And I  
18 think on the question of cost, there's, I believe  
19 that HIP coverage is available to agencies as well  
20 as to the City. There may be issues of copayment  
21 that are different, but I'm not sure that the, how  
22 much the cost difference is. I'm sure that's a  
23 subject which will be discussed between us over  
24 the next days.

25 COUNCIL MEMBER PALMA: Okay. Thank

1  
2 you.

3 CHAIRPERSON RECCHIA: Okay. Mr.  
4 Page, again with the healthcare, since you're  
5 taking these away from workers, how much money is  
6 that going to save us in the budget?

7 MARK PAGE: I don't know how much  
8 we've actually paid on this in the past, but the  
9 fact of the matter is that under this procurement,  
10 the rates offered by providers were on the basis  
11 of the fact that that cost was shifting across.  
12 And the per slot cost has generally gone up in  
13 this process--for that reason, I imagine, among  
14 others.

15 CHAIRPERSON RECCHIA: I understand  
16 that, Mr. Page, but I'm asking you how much are we  
17 going to save? What's the number? That's what we  
18 need to know. We--

19 MARK PAGE: I, I don't, I don't  
20 have the number that we've paid for healthcare in  
21 the past. I can get that.

22 CHAIRPERSON RECCHIA: Okay.

23 MARK PAGE: But I think that to  
24 look at only that number, without also looking at  
25 the cost charged for the service by the agency, is

1 not looking at the full picture.

2 CHAIRPERSON RECCHIA: Well--

3 MARK PAGE: But we can get you the  
4 number you're asking for.

5 CHAIRPERSON RECCHIA: Yeah. We  
6 need the number and we'll follow it up with a  
7 letter to you. But many of these workers are  
8 underpaid, and the reason why they take these jobs  
9 is 'cause of the health benefits. And once we do  
10 this, some, many of these agencies are going to  
11 start to close down. And this is a problem.

12 MARK PAGE: Many agencies of this  
13 kind, and we do business with, do in fact provide  
14 health benefits to their employees through the  
15 agency, as opposed through us. It's certainly--

16 CHAIRPERSON RECCHIA: Yeah, but  
17 that's only a small minority. The majority of  
18 them--

19 MARK PAGE: I think actually it's  
20 the majority--

21 CHAIRPERSON RECCHIA: Well, you  
22 know--

23 MARK PAGE: It may not be the  
24 majority in, specifically in childcare, but in  
25



1  
2 social service in general it's very much the  
3 majority.

4 CHAIRPERSON RECCHIA: Well, in DFTA  
5 it's not, okay. In DFTA we have many agencies  
6 that get their healthcare through the City, and I  
7 think it's our job to help them out. But we'll  
8 get back to this issue. Jimmy Oddo.

9 COUNCIL MEMBER ODDO: Mr. Chairman,  
10 good morning, Mr. Page. My colleagues actually  
11 beat me to the punch in terms of the topic I want  
12 to address.

13 CHAIRPERSON RECCHIA: Jimmy, I just  
14 want to welcome the children here from United  
15 Community Daycare Center. [applause] All right,  
16 we hope the children--and we've also been joined  
17 by Rosie Mendez and Council Member James Van  
18 Bramer. And Julissa Ferreras.

19 COUNCIL MEMBER ODDO: Well, as I  
20 was saying, my colleagues touched on the topic,  
21 albeit from a completely different point of view  
22 than I have, so Mr. Page, let's return to the  
23 topic we've been discussing since 2003, and that's  
24 nondiscretionary spending or the uncontrollables.  
25 I think the accepted traditional definition around

these parts of the budget dance is that the administration cuts certain programs every year and the Council restores those programs every year. But I think another iteration of the phrase "budget dance," could be that every year there's a growth in nondiscretionary spending, which sort of steals tax dollars away from agencies, in turn reduce the slated increase for those agencies, or actually cut those agencies, and we have a discussion about those reductions in increases or actual cuts. And it's a continuing frustration for me that more folks don't appreciate that every year, hundreds of millions, if not actually billions of dollars, are being shifted from agencies to these four parts of the budget. So, if you care about the Police Department, libraries, cultural, parks, afterschool and daycare, you have to understand why those programs are being reduced, it's because money is being shifted to the aforementioned healthcare costs. And Mr. Page, in the document that you and the Administration put out for the Executive Budget, it indicates that in Fiscal Year 2015, for the first time in my recollection of being up here 20

1 years, the cost of fringe benefits to the City of  
2 New York actually exceeds the cost of the  
3 pensions. It, the fringe benefits will be \$7.99  
4 billion as opposed to pensions being \$7.9 billion.  
5 Next year alone, fringe benefits are going up \$500  
6 million. The year after that, fringe benefits are  
7 going up \$645 million, \$675 million, that's a  
8 growth of 8.2 percent and 9.7 percent. And my  
9 frustration is, that is \$508 million, or \$645  
10 million in 2014, that will not be on the table for  
11 police, cultural, afterschool, etc, etc. So, I  
12 guess my question to you is threefold: Is this  
13 the first time that fringe benefits have exceeded  
14 pensions? And what can be done, what can be done  
15 to--what's the phrase?--curve, bend the curve,  
16 control the spike? And is it fair, is it accurate  
17 for some folks in some circles to actually be very  
18 critical of the Administration for eleven years  
19 into the term, not having controlled fringe  
20 benefits and the other "nondiscretionary  
21 spending."

22  
23 MARK PAGE: Well, the biggest piece  
24 of the fringe benefits obviously is healthcare.  
25 And ... one way of looking at this, when, when we

1 present the budget, there's a chart at the back  
2 that actually puts the cost of the different  
3 agencies--police, fire, so on and so forth, as  
4 appropriated in the agency's own budget, in the  
5 way we structure the thing, with their salary  
6 costs, and what they have to pay to buy cars or  
7 what have you. But then, there's a chart at the  
8 back that also puts the cost of health benefits  
9 for that agency's employees and retirement  
10 benefits, pension retirement benefits, we actually  
11 pay health as a retirement benefit, as well, into  
12 the picture. So that, if you think of salaries  
13 and health and pensions as really part of the  
14 compensation package for a teacher or a sanitation  
15 worker or fireman, policeman, what have you,  
16 working for the City, it's, you're right that it's  
17 uncontrollable, but it is an increasing  
18 compensation, in fact, that we're paying to the  
19 people who provide those services for us. Then  
20 your question about why don't we control what this  
21 costs? [pause] The City has, for a long time,  
22 used HIP and GHI as its provider, that drives how  
23 much money we allocate per employee. Those health  
24 benefit providers have generally been on the low

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1 about the debt service increase. But--and it's  
2 just clear, I mean, we are on a path where every  
3 year folks will be standing on the steps of City  
4 Hall, like I did yesterday, saying, "We have to  
5 figure out a way to cut the grass in the Parks  
6 Department." And we're never going to get to a  
7 sustainable level of funding for that agency, as  
8 long as there are these other things. And not  
9 just taking some money, it's--I mean, it's  
10 literally hundreds of millions of dollars, upwards  
11 towards, to the billions, and the arc is going in  
12 the wrong direction. And the job of my successor  
13 in this body, when I leave next year, will be  
14 tougher unless we actually start by having a  
15 conversation. I'm not asking for a radical  
16 agenda, I'm asking for people to acknowledge the  
17 problem and have a conversation. And frankly, we  
18 don't even do that. And that's why I don't think  
19 we'll ever break this cycle of what happens every  
20 year in terms of everything that happens in May  
21 and June up here. And it's very frustrating when  
22 folks come to us as elected and we say, "Yeah, I  
23 agree with you that X should have more resources,  
24 but you know where the money's going," and people

1 don't seem to care about that other side of the  
2 ledger. And it will never change unless somebody  
3 on either side of City Hall steps up and says, "We  
4 have to do, at the very least, curb the market  
5 growth in these aspects of the budget." My rant  
6 is over, Mr. Chairman.

8 CHAIRPERSON RECCHIA: Thank you,  
9 Council Member. Council Member Jackson. We've  
10 been joined by Council Member Foster and Council  
11 Member Williams. We're going to go to the clock,  
12 five minutes per person. Council Member Jackson.

13 COUNCIL MEMBER JACKSON: Thank you,  
14 thank you, Mr. Chair. Mr. Page, good morning to  
15 you and your staff. I just want to follow up on  
16 Annabel Palma's questioning regarding childcare.  
17 Let me just express to you as I expressed to the  
18 Commissioners of ACS and DYCD that people in our  
19 communities are very, very upset as a result of  
20 the proposed cuts in the Executive Budget. And I  
21 understand what you said when you gave us our  
22 briefing, that this is the beginning and we have  
23 until June 30th to come and get right. And I hope  
24 that that happens. But did you respond to Annabel  
25 Palma, what it would cost to ensure that no

1 children lost subsidized childcare in Fiscal 2013.  
2 Did you give her a number? Because she said there  
3 were 65,000 slots. Do you know what the number  
4 is? 6,500 slots.  
5

6 MARK PAGE: Quite honestly, you  
7 know, you can measure slots in, is it a school  
8 year slot, do you include summer in it? How, how  
9 fulltime is it? Where do you take it? I can't  
10 accurately translate dollars into slots. The slot  
11 number is, I can't do that accurately. I've given  
12 you the change in funding from '12 to '13 for  
13 childcare--

14 COUNCIL MEMBER JACKSON: Yes.

15 MARK PAGE: --and DYCD it's 18 and  
16 ACS it's, I think it's 54, down. And this  
17 question of people losing childcare on, on the one  
18 hand, you can talk about how many slots; on the  
19 other hand, you can actually look at individual  
20 children in care. And the fact of the matter is,  
21 by simply a year going by, and the top group of  
22 kids moving on to sort of the next stage in life,  
23 you have a large margin which is opening each year  
24 because of kids aging out.

25 COUNCIL MEMBER JACKSON: Yes, and



1  
2 Director Page, I understand the scenario you just  
3 played out. Let me just tell you what the  
4 Commissioner of ACS indicated. He said it would  
5 cost \$71.5 million. That's what he said. And I  
6 asked him a question loud and clear: "What are  
7 parents going to do when there's no daycare  
8 programs for their children?" And you know, his  
9 response was a very sensitive one, very sensitive,  
10 and he said that "We would try to our best to  
11 communicate, to place them in any environment,"  
12 but what he said is, if in fact there's nowhere  
13 for them to go, he doesn't know what they will do.  
14 And I expressed to him that I appreciate his  
15 sensitivity in giving a real, direct response  
16 instead of a bureaucratic response. And Jeannie  
17 Mulgrave, the Commissioner, said that they will  
18 try to help people find a place as far as after  
19 school programs and what have you, but siblings  
20 can stay home with older kids. And I said, "But  
21 what if there are no older kids? What are parents  
22 expected to do?" And this is the crisis, Director  
23 Page, that we're dealing with overall, and we, you  
24 and the Mayor and the City Council and all of us,  
25 we must come up with solution to protect the most

1 vulnerable individuals of our society. And that's  
2 our children. We have an obligation to do that,  
3 at all expenses. Because if not, you know, a  
4 mother will go to all type of distance to make  
5 sure that their children are protected. And as  
6 parents, we are parents ourselves, and you know  
7 how important it is. Let me just ask the  
8 question, I believe they said that if in fact  
9 money is not restored, there will be approximately  
10 2,000 layoffs in daycare parents. And as you  
11 know, the daycare employees, they don't earn a  
12 whole lot of money, they don't earn \$50,000,  
13 \$60,000, \$70,000, \$80,000, \$150,000, \$200,000;  
14 they earn \$22,000, \$23,000, \$24,000, \$28,000. And  
15 Director Page, as the Director of Office of  
16 Management and Budget, you need to understand that  
17 if these people are laid off, they're coming back  
18 on social services, they're going to demand  
19 daycare for their children that they're entitled  
20 to. It's going to cost us, collectively us, the  
21 City of New York, more money than it is to keep  
22 them employed. And I know that you're responsible  
23 for the Office of Management and Budget, and not  
24 responsible for every agency. But I'm pleading  
25

1 with you that to understand to lay people off here  
2 is going to cost us more money in the long run.

3 And I need to communicate that to you and  
4 hopefully also to our Mayor who's listening, also.

5 I hope he's listening, because it's going to cost  
6 us more in the long run, Director Page, in order  
7 to do that. And I don't think that that's the  
8 right thing to do, on behalf of the City of New  
9 York, the children and families that we represent.

10 When I say "we," you, too, you and I, we both  
11 represent them, in different positions. And I  
12 know you care, even though, you know, some people  
13 may think that you're just, say, a numbers person.

14 I know you do care. But I just want you to  
15 understand that the impact that's going to have  
16 overall. And Chair Recchia, my five minutes is  
17 up, I would like to come back on second round to  
18 ask questions on education, if I may. Thank you.

19 CHAIRPERSON RECCHIA: Yes, we will  
20 let you, we'll work that out. We are under time  
21 constraints. All right, Council Member Leroy  
22 Comrie. But before that, we've been joined by  
23 Council Member Gentile. Council Member Leroy  
24 Comrie.  
25

[pause]

COUNCIL MEMBER COMRIE: Director

Page, I just want to--good morning--echo the comments of our Council Member Annabel Palma and Robert Jackson, regarding the daycare cuts. But I just want to emphasize a different angle. The Administration's penchant to move these programs from local providers to citywide providers that have never provided service before, the penchant of this Administration to change RFPs to totally radicalize the way that these moneys are distributed, are a major problem. So, I would appeal to you to work to eliminate these RFPs because they are not only going to contribute to unemployment, but they're going to decimate the ability of New York City residents, frankly, to maintain, maintain their income, and wind up costing the City more money. And even more importantly, it's going to redistribute the opportunities for middle class people, or working class people in this City, that have been working in daycare and out of school time programs, for 30 plus years, going to providers that have no track record. And I think the City is putting itself in

1 harm's way, frankly, it's hurting people that have  
2 done excellent work in programs. And the RFPs  
3 were written, frankly, to eliminate locally based  
4 programs. And I think that those RFPs need to be  
5 eliminated and redone. And I think it's a major  
6 issue for our City, and it's a major issue that  
7 this Administration is consistently creating no  
8 opportunities for working class people to maintain  
9 what they have. And I think that it's a tra--it's  
10 a tragedy, it's truly something that's being done  
11 across the board now by multiple agencies, in the  
12 daycare slots and the outer school timeslots, and  
13 in the early, at the, not just the early learn,  
14 but there are three different major RFPs out now  
15 that people have problems with, and they're  
16 consistently moving the opportunities from long  
17 term providers to providers that don't have any  
18 history in providing services. So, I think we  
19 need to take a look at that. I wanted to talk to  
20 you, or ask you some questions about the fact that  
21 we are, the Administration also is increasing  
22 their consultant budget to levels that have never  
23 been done before. And what are we doing to try to  
24 make sure that we are hiring workers as opposed to  
25

1  
2 technology consultants, and other consultants that  
3 are increasing this budget by over a billion  
4 dollars at the last estimate? The consult  
5 contract, oversight that you have to look at these  
6 consultant contracts, what is being done by OMB to  
7 monitor and restrict the ever increasing amount of  
8 outside consultants that are being hired by this  
9 Administration?

10 [pause]

11 MARK PAGE: You know, you've talked  
12 a lot about the question of jobs. And this  
13 Administration has spent a lot of time and thought  
14 and resources on trying to, sort of, develop a  
15 local economy in New York City that's able to hire  
16 people. I mean, when you look at the jobs numbers  
17 for New York City over the last several years,  
18 we've actually done pretty well, extraordinarily  
19 well as compared to the national jobs numbers.  
20 When you say that the City is the only job  
21 opportunity for people working in childcare, I ...  
22 it's not going to work for the City, ultimately,  
23 to be the kind of employer of last resort, or  
24 whatever. I mean, we can't ... yeah, we have a  
25 certain amount of money, we need to figure out how

best to spend it, we need to hear what, what priorities have to be met. But it's--

COUNCIL MEMBER COMRIE: But Director Page, what I--

MARK PAGE: --that can't include a mandate to maintain a workforce which on contract providers that we're talking about in childcare, is not even actually the City's workforce. It is contract providers who are providing jobs. I think that, I just, I don't think that that, a commitment of that kind is something that the City can sustain. On contracting for work, we contract for social services, childcare, we contract with consultants for a lot of technical, generally time limited tasks, for which we think the best way to get the job done is to hire someone else to do it. I mean, we do that all over the operations and providing of services in New York City. I mean, we've talked a lot about childcare, what we're talking about is contract service in childcare, as a matter of fact. That's--but much of what's driving this discussion. But we also contract with people to build buildings, build roads, install computers, develop systems that we don't

1 have the capacity to develop on our own. And we  
2 don't even necessarily have the ongoing need for  
3 the kind of expertise that's necessary. Yes, we  
4 obviously, OMB, in its budget role, is concerned  
5 about how much things cost and the value you get  
6 for the bucks. I mean, that's really what we try  
7 to engage on. And obviously, we're concerned  
8 about spending.

10 COUNCIL MEMBER COMRIE: I just  
11 wanted to reply to Mr. Page. Did your contract  
12 providers in the way that they're developing the  
13 contract providers, I'm asserting that is  
14 displacing New York City residents that have been  
15 working. And all of their work has been  
16 excellent. We're not talking about failed workers  
17 or failed people or programs or agencies that were  
18 failing. What I'm trying to emphasize to you is  
19 that the RFPs were flawed, they did not allow for  
20 people in successful programs to continue the  
21 programs. Your question about the amount of  
22 dollars that you're providing for a service, even  
23 with the RFPs, all of the RFPs are lowering the  
24 amount of available hours, with the OST they're  
25 charging more hours because now they're including



1  
2 more months and they're doing less money. So, on  
3 every, all of it is floored. And my major  
4 emphasis to you, sir, is that the contract  
5 providers that are being selected have no real  
6 time experience. They're only good at putting  
7 words on paper. They're not good at delivering  
8 service because they have no track history. The  
9 Administration is setting itself up for failure,  
10 and they're also displacing local workers who have  
11 been diligent in providing excellent service at  
12 the best ability that they were given by this  
13 Administration. So if the Administration is now  
14 going to change its policy, that they're not  
15 giving these people an opportunity to catch up.  
16 And it's unfair to City residents that have done  
17 excellent service. And that's what I'm trying to  
18 emphasize. That's why we want to have these RFPs  
19 overturned, because the whole premise is flawed,  
20 and the whole purpose is going to be destructive  
21 to the City for many years to come. Thank you,  
22 Mr. Chair. I'd like to do a second round also,  
23 please.

24 CHAIRPERSON RECCHIA: All right.

25 Mr. Page, we're going to try to move this as

1  
2 quickly as possible, so if you keep your answers a  
3 little shorter and more direct, we appreciate it.  
4 Council Member Rodriguez.

5 COUNCIL MEMBER RODRIGUEZ: I just  
6 like to let Mark Page, first of all, that I  
7 personally appreciate your contribution to the  
8 City. I know that is not a easy job. No one  
9 would like to be sitting in where you are. And  
10 still you're always there, responding to question,  
11 even the difficult one. So any question or  
12 comment is not a personal level but is more  
13 looking for the best for the City. 99 percent of  
14 the working class and the middle class been saying  
15 loud and clear: "Stop the cuts." But we are not  
16 just protesting. What the 99 percent of the  
17 working class and the middle class is saying is,  
18 "There's alternative to get revenue." And when  
19 you look at possible alternative, and I don't know  
20 if you have that information, but - - [pause]  
21 dollars that the City can raise in revenue. The  
22 whole question is priority and the whole question  
23 is can you, can we, persuade the upper class New  
24 Yorkers to understand that they are in a position  
25 to increase the level of contribution to our City.

1 That investing in the working class will benefit  
2 all New Yorkers. It will benefit the working  
3 class, it will benefit the middle class, and at  
4 the end, it will even benefit the upper class.  
5 So, I think that our jobs, let the officials who  
6 are here working hard, to restore the funding. I  
7 believe, and I don't think that if you have not  
8 lived that experience, that working class, and in  
9 the name of people of color, I can tell you that  
10 those cuts in childcare service, in afterschool  
11 program, only does this to wide the gap, that has  
12 been creating to New York, the New York of the  
13 poor and the New York of the rich. You say last  
14 time that as an alternative to the afterschool  
15 program, parents can go and there's a number of  
16 private services that they can afford. And as I  
17 say that time, I say it today, that's not true,  
18 that's not fair. The constituency that I  
19 represent, mainly they live with a average of  
20 \$30,000 a year. Mr. Mark, imagine how can a  
21 family, and parents, can afford to pay \$700 for a  
22 three month ARC program, in a community? You know  
23 what? In my district, private institution, they  
24 don't even put those business in Washington  
25

1 Heights. There's not a hand [phonetic] for music  
2 in my district, there's not any of those private  
3 services. Because they know that most of the  
4 residents are not in Manhattan, they cannot  
5 afford. So, they rely on afterschool program, the  
6 statistic is there. The university in Minnesota,  
7 they did their research, they found out when  
8 education, art and music is provide at the age of  
9 three, you will have a impact at a higher  
10 education age. So, I understand that this is a  
11 difficult moment. I understand that this is not a  
12 easy decision on how to balance the budget. But  
13 we can do better, we have to think about the  
14 working class. When we ended slavery, it wasn't  
15 just black who fought against slavery. When we  
16 ended segregation, it was not just black and  
17 Latino, it was the whole society who say, "Enough  
18 is enough." And this is not a slogan, this is not  
19 coming from someone who is a activist. This is  
20 coming from a Council Member that represent a  
21 district that is mainly composed by working class  
22 people, by families that they don't have a nanny,  
23 by family that they don't have afterschool  
24 program, by family that they will pay the  
25

1  
2 consequences; because if we don't invest in early  
3 child education, we will have a larger number of  
4 young people doing time in jail. And at the end,  
5 we as a City will have to invest more. So, my  
6 colleagues, how can we convince, persuade. This  
7 is not about the voice of the working class, this  
8 is about the commitment of the upper class. Those  
9 banks, that they should be cut ten percent in the  
10 contract, so that the City will save close to \$`00  
11 million. This is about those banks, that they owe  
12 thousands of jobs to the City as exchange for more  
13 public dollar that they receive. So, I hope that  
14 the end of this process, and we have a good  
15 Finance Chairman, and a good leader as Speaker, f  
16 first we get a \$71 million to CUNY for the capital  
17 project. And I end with 30 second, with the money  
18 that the City is looking to provide to Columbia  
19 University, I also hope that the City will have  
20 the conversation with Columbia University about a  
21 potential discrimination case against the dean of  
22 the School of Engineer, Dean Feniosky Peña-Mora.  
23 Thank you.

24 CHAIRPERSON RECCHIA: Thank you.

25 [clapping] All right, let's keep your applause

down. Where's the hammer, where's the hammer.

[gavel, background noise] There'll be no  
applauding, this is, this is just--please, keep  
your applauding for some other venue. Mr. Page,  
would you like to respond?

MARK PAGE: I don't believe there  
was a question in that statement. [laughter]

CHAIRPERSON RECCHIA: Okay. Okay.

[pause, background noise]

MARK PAGE: I mean, the problem  
with ... this body has the power to raise the  
property tax. It could choose to do that.  
Otherwise, raising taxes in New York City requires  
the New York State Legislature. So, it requires a  
consensus in the City, and it requires achieving a  
consensus in Albany that that's the right thing to  
do. There's obviously a range of opinion in terms  
of what a partic--what particular tax increases on  
whom might do, in terms of the overall ability to  
New York City to create and maintain jobs, to  
attract businesses, to be a place where people  
will bring their money, which we need. And you  
know, that's an ongoing debate.

CHAIRPERSON RECCHIA: Okay.

Council Member Koslowitz. Before that, I want to recognize we've been joined by Council Member Oliver Koppell. Council Member Koslowitz.

COUNCIL MEMBER KOSLOWITZ: Thank you. Mr. Page, good morning.

MARK PAGE: Good morning.

COUNCIL MEMBER KOSLOWITZ: How did you determine closing Beacon programs by zip codes?

MARK PAGE: I didn't. [laughter]

COUNCIL MEMBER KOSLOWITZ: Who did?

MARK PAGE: I guess DYCD, as a practical matter.

COUNCIL MEMBER KOSLOWITZ: Well, I have a very serious problem with that. I represent the 29th Council District. I am in the zip code of 11375, and 11374, which was targeted to be closed the Beacon Program was targeted to be closed. I have a very serious problem, since we share a school district, school district 28, which takes in Jamaica. And half of those children going to the Beacon Program live in Jamaica, and thereabouts. The people in Forest Hills and Ricoh Park are not rich people, as some people think

1 they are. I have lived in that zip code, 11375  
2 and 11374, for 50 years. I raised my children  
3 there, and I was a single parent getting divorced  
4 when my children were seven and ten years old.  
5 And I had to go to work. And if it wasn't for  
6 afterschool programs, they weren't called Beacon  
7 Programs at that time, they were called  
8 afterschool programs. If it wasn't for the  
9 afterschool programs, I would've had to have been  
10 on welfare and food stamps. And I wasn't alone,  
11 living in 11375 and 11374. There were many people  
12 like me then, and there are still many people like  
13 me there now. And there are people there that are  
14 struggling to pay their rent, to put food on their  
15 table, and to take care of their children. And I  
16 don't think anybody realizes the pain that you go  
17 through when you have to drop your children off in  
18 the morning, and have to worry about them  
19 throughout the day because there's no childcare to  
20 take your child to, or if there is childcare, now  
21 with the RFPs, you're worried, "Are they in a good  
22 place?" This is a very scary situation. And very  
23 true, I'm way pas that now, but it's something you  
24 never forget. And it's something that I plan on  
25



1 fighting for with all my might, because taking  
2 care of our children are the most important  
3 things. So, I urge you, I really urge you, to  
4 speak to DYCD, if they're the ones who made this  
5 decision, that 11375 and 11374 is not a rich  
6 community, has many immigrants who are struggling  
7 to survive. So, I ask you, please, to take that  
8 into consideration. I agree with whatever my  
9 colleagues have said, throughout the morning, and  
10 I beg of you, please, take care of our children.  
11 They need us.

13 CHAIRPERSON RECCHIA: Thank you,  
14 Council Member Koslowitz. Are you finished?  
15 Okay. Just to follow up on Karen Koslowitz's  
16 questions, Mr. Page, you've been doing this for a  
17 long time, correct?

18 MARK PAGE: Yes.

19 CHAIRPERSON RECCHIA: Okay. And in  
20 your years, you have seen RFPs go out and reviewed  
21 them, correct?

22 MARK PAGE: I've been responsible  
23 for some RFPs, not this particular one. I mean,  
24 one of, one of the basic purposes of this kind of  
25 procurement process is to try to assure that we

1  
2 are in fact getting the best quality service we  
3 can, under the circumstances. And--

4 CHAIRPERSON RECCHIA: Yeah, it is.

5 MARK PAGE: --I'm sure that there's  
6 a broad range of opinion on this one, but I can  
7 assure you that the basic goal behind it was in  
8 fact that.

9 CHAIRPERSON RECCHIA: Okay. But in  
10 your years of dealing with RFPs and reviewing  
11 RFPs, and being the budget director, okay, is  
12 awarding RFPs based on zip codes more effective  
13 than awarding on a needs basis, to areas as  
14 needed? Which one is more effective?

15 MARK PAGE: I think that the goal  
16 of this RFP was, among other things, to distribute  
17 the service where it was most needed, and I, how  
18 the zip code mechanism is, was meshed into that, I  
19 can't address.

20 CHAIRPERSON RECCHIA: But, which  
21 way is more effective, by using the zip--the  
22 method that was used by zip codes, or as a needs  
23 based sys--on a needs based system. Which one?

24 MARK PAGE: I don't believe it's an  
25 either/or. I think that the one was a part of the

attempt to allocate resource on a needs basis.

CHAIRPERSON RECCHIA: All right, let me ask you it this way. Was it ever used before, awarding contracts based on zip codes? Prior to this, was it ever used before, on any contract in New York City?

MARK PAGE: I don't know.

CHAIRPERSON RECCHIA: Who would know that? You have a big staff here.

[pause]

MARK PAGE: It--the part of my big staff here doesn't know, either, as far as I can tell. [laughs]

CHAIRPERSON RECCHIA: Well, you know, so we don't know if this was ever used on a contract prior to this one before. Is that, that's your testimony.

MARK PAGE: Well, I mean, that's the truth, I don't know.

CHAIRPERSON RECCHIA: Okay.

MARK PAGE: But the--

CHAIRPERSON RECCHIA: We want the truth.

MARK PAGE: --that the, I--

CHAIRPERSON RECCHIA: Now, we just-

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MARK PAGE: --I do believe that, it's not new to try to allocate service for which there's more demand than there is service, citywide, by the area of highest need, or areas of highest need.

CHAIRPERSON RECCHIA: Listen, I understand that. Was any, do you, are you aware of any other RFP in any other City that awarded a contract based on zip codes? [pause] It's very easy, yes or no?

MARK PAGE: I think--you--I think that I've answered the question. Basically, I am not--

CHAIRPERSON RECCHIA: No, you didn't, this is, I want to know if you are aware of any other--

MARK PAGE: Any, I--

CHAIRPERSON RECCHIA: --city that used this method of awarding RFPs.

MARK PAGE: I'm not at all an expert or even decently conversant with how you award contracts of this kind by need. And part of

1  
2 that ignorance encompasses whether or not anybody  
3 has ever used zip codes for that purpose.

4 CHAIRPERSON RECCHIA: Well, no, Mr.  
5 Page, you, as the Budget Director, and your big  
6 staff, if you can't figure out if this was the  
7 most effective method, if it was the best  
8 effective method, and if you don't know if this  
9 was--'cause I cannot find another RFP throughout  
10 the country that used zip codes to award  
11 contracts. Okay? And we've been doing a lot of  
12 research on this. Okay? That must tell us  
13 something, that there's a problem with this RFP.  
14 That must tell us that there is a way that this  
15 was awarded that it wasn't fair. And I just want  
16 to leave it at that.

17 MARK PAGE: I don't believe that  
18 that connection is necessarily automatic. I mean,  
19 in government, particularly in one as large as--  
20 and of an area as extensive as New York City, you  
21 are constantly trying to find ways of determining  
22 patterns and areas and different kinds of need in  
23 different places and how best to address them.  
24 And you might think that ideally you would have  
25 the perfect, all-knowing judge who could speak to

every citizen who was interested in this, and you can't do it. So you're constantly looking for some ... way of coming to a working conclusion--

CHAIRPERSON RECCHIA: Okay.

MARK PAGE: --for question.

CHAIRPERSON RECCHIA: This has not been used, this method was never used before. Obviously, there's a reason why. Because there's a lot of problems with it, it's not fair, it's not right, and as we can see by what has been going on in this last few RFPs that were awarded by zip codes, it's devastating on the taxpayers of the City of New York. Council Member Al Vann.

COUNCIL MEMBER VANN: Thank you, Mr. Chairman. Good morning, gentlemen. I, first of all, I'd like to be associated with the passion of my colleague, Mr. Ydanis, and brother Comrie, his wisdom, and of course common sense inquiries that have gone on before by all of our colleagues here. Looking for justification, we're not going to find it unless we understand the underlying philosophy that I think represent this Mayor's and this Administration's thinking. And I think this philosophy has very little respect and value for

1 local community, and local community development.  
2 It seems to reflect if it's big, it's good. We'll  
3 give you fish, you don't have to know how to fish,  
4 and it's destroying--I can't tell you the number  
5 of community organizations that have gone out of  
6 business over the last ten years, a result of that  
7 philosophy of this Administration. It does not  
8 value small, local communities' work, even though  
9 they've been doing it well and serving the  
10 community well. They would have to--a lot of  
11 local groups will no longer be able to provide  
12 daycare services, 'cause they could not afford to  
13 buy a professional writer so that they could  
14 respond to the RFP, so that they could get perhaps  
15 funded to do what they've demonstrated over the  
16 years that they could do. It's ridiculous, quite  
17 frankly. And so, the reason is they don't really  
18 care about the value of the family unit. It's,  
19 it's ridiculous. The RFP needs to be pulled back,  
20 it's ridiculous. I'll deal with, I have some  
21 questions specifically around that, which I'll do  
22 on my second five, but on this five, I want some  
23 understanding around the YMI. That being the  
24 Young Men's Initiative, YMI. It was funded to the  
25

tune of \$127 million, for a three year program.

It was launched in 2012 Adopted Budget, supposedly to assist young black and Latino men in the areas of education, employment, justice and health.

This \$127 million over three years is a combination, I understand, of both anticipated city and also private funds. And that was money to be distributed through twelve agencies.

Question: The Administration of DYCD, the out of time school program or OST program, was cut by \$5.9 million, this budget. At the same time, we put--the Administration put \$5 million for YMI in Fiscal '13. \$3 million for the young adults initiative program, \$1 million for the young adult literacy program, \$1 million for the implementation of a mentoring component to the cornerstone program. So it seems as if we are robbing Peter to pay Paul, we're taking them-- we're cutting the OST at the same time we're funding YMI. And a similar thing is also happening with the Cornerstone. I think the DYCD reduced NYCHA's Cornerstone program by almost a million dollars, \$926,000. And yet they're putting a million dollars into YMI to serve 300



1  
2 across 25 Cornerstone programs, some kind of  
3 mentoring program. Explain to us why we're  
4 robbing Peter to pay Paul. What's the effect?  
5 What's the benefit? What's the goal?

6 [pause]

7 MARK PAGE: Again, I don't think  
8 that I am the best person to comment on the  
9 choices made in terms of how best to address needs  
10 of people through services provided by agencies.  
11 I think that in general, the YMI was trying to,  
12 trying a new or different approach to a problem  
13 for a group of people in the City. And, you know,  
14 I guess that people can differ in terms of how  
15 best to spend the money, to address people's  
16 problems. They certainly do differ. And I can't  
17 specifically answer your question about the  
18 relative value of one existing program and another  
19 in a particular agency on this front. I just, I'm  
20 not close enough to it.

21 COUNCIL MEMBER VANN: Okay. One  
22 other question that will probably go unanswered.  
23 Before the YMI initiative was implemented, this  
24 Council had supported a lot of programs and  
25 initiatives to target and support the same people

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2 than the priorities reflected in the Mayor's  
3 budget. And we're in the process of dealing with  
4 that subject. And you know, I hear your concern  
5 about various programs, which I would probably  
6 agree are important programs; on the other hand,  
7 what do you not do when you do them?

8 COUNCIL MEMBER VANN: I'll pass to  
9 the second time.

10 CHAIRPERSON RECCHIA: All right,  
11 well, thank you, Council Member. Council Member  
12 Jimmy Van Bramer, followed by Council Member  
13 Gentile.

14 [pause]

15 COUNCIL MEMBER VAN BRAMER: Thank  
16 you very much, Mr. Chair. Mr. Page, I just wanted  
17 to expand upon something that Chairman Recchia  
18 talked about, and I know you're not responsible  
19 for these disastrous RFPs, but the zip code based  
20 methodology is so flawed. I represent Long Island  
21 City, Queens, which as you may know, contains the  
22 Queensbridge houses, which is the largest public  
23 housing development in the country. It's also  
24 home to Hunter's Point and a great deal of  
25 development along the waterfront. There are

1  
2 vastly different levels of income in those  
3 communities. But they share a zip code, for the  
4 most part. There's one building in Hunter's Point  
5 that has its own zip code, but the vast majority  
6 of it is 11101. There have been programs under  
7 these RFPs that have been eliminated at the  
8 Queensbridge houses. That is an outrage, an  
9 outrage that it has happened. And I know you're  
10 not responsible for the RFP, but I just wanted to  
11 share that and help make Chairman Recchia's point,  
12 that 11101 in Long Island City contains people  
13 living vastly different lives, and they should not  
14 be punished because of their more affluent  
15 neighbors. As the Chair of Cultural Affairs and  
16 Libraries, obviously I spend most of my time on  
17 that issue, and I just wanted to share again my  
18 concern about the libraries, nearly \$100 million  
19 in cuts. But ask you specifically, last year at  
20 budget adoption, the Administration put in \$22  
21 million to get us to a meaningful level of  
22 restoration. If it was important enough at that  
23 time for the Administration to restore that  
24 funding, if closing libraries was unacceptable at  
25 that time, why not baseline that \$22 million and

1  
2 maintain that commitment, because I'm sure you  
3 would agree that laying off 1,600 librarians,  
4 closing 40 libraries citywide, and eliminating  
5 programs is still just as unacceptable today as it  
6 was last June.

7 MARK PAGE: If in the context of  
8 this budget discussion this June, that is the  
9 conclusion, I expect, you know, we will end up  
10 with some increase in library funding for '13,  
11 above what has been baselined. I mean, the ... I  
12 guess that looked at individually, there are any  
13 number of service--not any number, but there are a  
14 bunch of services that it would be nice to  
15 baseline. The other side of the coin is that the  
16 financial plan that we're looking at is \$3 billion  
17 out of whack in terms of the baseline going  
18 forward. And how are we going to deal with that  
19 in the next twelve months? And I don't, I think  
20 that, you know, those are two sides of a balance.  
21 And it's an ongoing struggle.

22 COUNCIL MEMBER VAN BRAMER:

23 [laughs] I understand what you said, and right  
24 just a few minutes you said it's unrealistic to  
25 expect that the Mayor would propose a budget that

1 the Council would sort of unanimously approve, and  
2 there would be no disagreements or no points of  
3 contention about the budget. I'm paraphrasing,  
4 but I think that accurately paraphrases what you  
5 just said. I do think, though, that I would  
6 expect that the Mayor would propose a budget that  
7 would come to an understanding about what is an  
8 acceptable level of funding for public library  
9 service, and I am sure, I believe, and I can't put  
10 words in anyone's mouth, including the Mayor, but  
11 I am sure that closing 40 libraries altogether,  
12 laying off 1,600 library employees and decimating  
13 libraries, is not acceptable, and not where we  
14 want to go with the City. And so therefore we  
15 should propose a budget that reflects that. It  
16 may not be everything I want for libraries, but  
17 it's certainly not \$100 million cut. I just  
18 wanted to ask a couple of questions about the  
19 cultural institutions, as well. I won't go over  
20 the billions that they generate in tax revenue and  
21 economic activity, I think we kind of agree on  
22 that, even if the number is different. But given  
23 the nearly \$50 million in proposed cuts that are  
24 being proposed for both our SIGs and our program  
25

1 groups, there's an \$8.4 million increase in the  
2 energy subsidy. And I'm just curious, what role  
3 does OMB have in determining the level of the  
4 energy subsidy each year?

5 [pause]

6 MARK PAGE: In our relationship  
7 with the SIGs, we have basically picked up the  
8 cost of energy, I guess as part of the baseline  
9 funding of cultural for some time. The  
10 calculation of what that number should be is  
11 something that is done between the agency, the  
12 particular SIG, and DCAS, quite honestly. My  
13 understanding is that ... that wasn't done  
14 particularly accurately--

15 COUNCIL MEMBER VAN BRAMER:

16 [laughs]

17 MARK PAGE: --on this go round.  
18 The upshot of that is that the SIGs have more  
19 money appropriated to them for this purpose than  
20 probably they will need for this purpose next  
21 year.

22 COUNCIL MEMBER VAN BRAMER: But if  
23 they don't use all of that energy, they don't get  
24 that money refunded to them. So they don't  
25

1  
2 actually get the extra money. [pause] Isn't that  
3 correct?

4 MARK PAGE: That would normally be  
5 the case.

6 COUNCIL MEMBER VAN BRAMER: Right,  
7 so they're not actually getting additional  
8 funding, at all; in fact, as you, as you know,  
9 they're being proposed to get a \$50 million cut.  
10 There are grossly overestimated estimates of what  
11 they would use in terms of heat, power and  
12 lighting, and--

13 MARK PAGE: I think it's all told  
14 about \$2 million.

15 COUNCIL MEMBER VAN BRAMER: I think  
16 there's an \$8.4 million increase for energy  
17 support for the institutions. And just, if I may,  
18 Mr. Chair, can I have one follow up question?

19 CHAIRPERSON RECCHIA: One follow up  
20 question.

21 COUNCIL MEMBER VAN BRAMER: Thank  
22 you.

23 MARK PAGE: I think the, I think  
24 the actual--we believe that the actual energy  
25 costs for next year in this category is about six.



1  
2 And they were funded at eight.

3 COUNCIL MEMBER VAN BRAMER: Okay.

4 I just wanted to ask, there is a great deal of  
5 energy put into these estimates to have adequate  
6 funding for heat, power and light. Why don't we  
7 have the same concern about providing adequate  
8 levels of operating support for these  
9 institutions, if we spend so much time, perhaps  
10 rightfully so, to figure out how much money  
11 they're going to need for energy?

12 MARK PAGE: I think that at the end  
13 of the day, these institutions have, they raise  
14 money on their own and they charge money to come  
15 in, most of them. And I think that we got into  
16 this pattern of funding energy because it's a  
17 baseline, continuing, not very, you know, it's not  
18 our partic--it doesn't sound artistic and  
19 cultural, to have to pay ConEd. And I think that  
20 the use of our money in that category actually is  
21 better than putting it into operations and leaving  
22 the SIG to raise money for the heat bill, because  
23 they're going to, they are going to do better and  
24 have an easier time raising money for their  
25 operating costs than they, their other operating

costs, than for this piece of it.

COUNCIL MEMBER VAN BRAMER: I obviously have more, but I obviously think, as you may agree, maybe you're not going to agree, that our cultural arts generate far more than we invest in them, and we should continue to fund them appropriately. Thank you.

CHAIRPERSON RECCHIA: All right, thank you, Council Member Gentile.

COUNCIL MEMBER GENTILE: Thank you, Mr. Chairman. Mr. Page--

CHAIRPERSON RECCHIA: We've been joined by Council Member Diana Reyna.

COUNCIL MEMBER GENTILE: There will, there is always wrangling over the budget, and a give and take. But you know, I, budget also reflects the priorities of the, of the entity putting that budget together, and you've talked a lot about priorities today in response to a lot of these questions. So, I'm just curious, accepting the give and take of a budget, I'm curious, given the Mayor's devastating cuts to afterschool services, to libraries, to fire companies, I'm curious as, if you could summarize for us, what

1  
2 are the Mayor's priorities, given the budget that  
3 you've presented?

4 [pause]

5 MARK PAGE: I think that I, it has  
6 to speak for itself. I mean, the fact is we have  
7 a budget of close to \$70 billion. And it funds a  
8 tremendous number of different things. I mean it-  
9 -

10 COUNCIL MEMBER GENTILE: So then I  
11 would have to assume, then, if it speaks for  
12 itself, then fire companies, afterschool centers,  
13 libraries, Beacon programs, cuts to youth, are not  
14 part of those priorities.

15 MARK PAGE: I think that, as a  
16 practical matter, New York City has a budget  
17 process which results, at least, in a ... final  
18 appropriated budget for each fiscal year, and  
19 there's a process that we go through. I think  
20 that ultimately the budget that represents all of  
21 us is the budget as finally adopted for the year.  
22 And this, the process that we are currently in is  
23 a, an important and necessary part of the  
24 development of that final budget. I don't think  
25 that this part of the process can be ignored, and

1  
2 when you look at how we get to what the budget  
3 will be for Fiscal Year '13.

4 COUNCIL MEMBER GENTILE: So you, in  
5 essence you're saying this is really not, this  
6 budget presentation that you made, or that the  
7 Mayor has given, is really not a reflection of his  
8 priorities? Is that, is that what you're saying?

9 MARK PAGE: It's--it's his  
10 Executive Budget, which is obviously a very  
11 important part of the development process of the  
12 final budget for next year.

13 COUNCIL MEMBER GENTILE: Okay. I  
14 just want to focus in this short time that I have  
15 left, on, particularly, questions concerning  
16 libraries. Between the PEGs and the Executive  
17 Budget, the three library systems are facing a  
18 cumulative cut of almost 30 percent in the 2013  
19 budget, which comes out to, as Councilman Van  
20 Bramer said, almost \$100 million. What, is there  
21 any other entity or agency that faces a cut of  
22 that magnitude?

23 [pause, background comment]

24 MARK PAGE: I don't know. I'm sure  
25 that there are some reductions of that size,

1  
2 whether they are for a total agency, I don't know  
3 offhand the answer to that.

4 COUNCIL MEMBER GENTILE: You would  
5 agree with me that \$100 million stands out,  
6 though, as a pretty sizable cut that the three  
7 systems would have to absorb.

8 MARK PAGE: I think it would be  
9 sizable cut for the systems to absorb, I agree  
10 with that.

11 COUNCIL MEMBER GENTILE: So, and  
12 we've heard over and over again, during the budget  
13 hearings, about the, the service in economic  
14 development that the libraries perform on behalf  
15 of the City. The workforce development train--  
16 development, the training programs, the business  
17 startup programs, all those programs offered for  
18 free to the people of the City of New York. Given  
19 all those benefits, just in economic development  
20 that libraries provide, have you calculated or at  
21 least evaluated how cutting the libraries by \$100  
22 million would affect small businesses, and even  
23 the unemployment rate in the City of New York?

24 MARK PAGE: I don't have an answer  
25 to those questions.

1  
2 COUNCIL MEMBER GENTILE: So it  
3 really was not a part of your calculations when,  
4 however this hundred million cut materialized?

5 MARK PAGE: I think that the  
6 reduction reflects the amount of money that has  
7 been added in this process on an annual basis, and  
8 the proportion of the citywide reduction, we were  
9 obliged to identify last November to enable us to  
10 come to a balanced plan for this year and next.

11 COUNCIL MEMBER GENTILE: Mr.  
12 Chairman, I see my time is up, and I'll come back  
13 if we have more time. But I'd have to say, in  
14 absence of anything other, we'd have to assume  
15 that the Administration's priorities do not  
16 include these cuts that are being proposed in this  
17 budget.

18 CHAIRPERSON RECCHIA: Thank you,  
19 Council Member. Council Member Julissa Ferreras.

20 COUNCIL MEMBER FERRERAS: Good  
21 morning. Is it still morning? Yes, it's still  
22 morning. I actually want to first just express my  
23 deep concerns with the OST and childcare cuts. I  
24 was a former Beacon director. I think the program  
25 is an incredible initiative, it gives

opportunities not only to parents, but also to the young people that are looking for jobs in their neighborhood. And perhaps had someone not given me that opportunity when I was 19, I wouldn't be sitting here fighting for this funding. So, I think that the way that the Administration is making Beacons and daycare a priority is not reflective of the need that we have, because the programs came into existence because there weren't youth programs in our neighborhoods. So the Beacon schools were placed in areas where there was at-risk youth and you needed a beacon of hope or just a light in our neighborhood. And that was what those public school buildings were meant to be. And to shut those lights off would just be irresponsible and incredibly concerning to me. But I want to talk about, since we're talking about funding, is the capital project at Willets Point. Since its inception in Fiscal 2008, the capital plan funding for Willets Point was \$402.72 million in, from NEDC's budget. Of this amount, \$215.22 million has already been committed. Where did the Administration commit these \$215 million? And can you explain the breakdown of those \$215

million? [pause] Can we stop the clock?

[background noise]

CHAIRPERSON RECCHIA: Tough question.

MARK PAGE: Some part of it is on property acquisition and some part of it is on infrastructure, but I don't have numbers that add up exactly to your \$215. So rather than waste time at this moment, I'd be happy to get that for you.

COUNCIL MEMBER FERRERAS: I would appreciate it. And then, I just want to know if there's any updates on the new plan. I think it's been one of the worst kept secrets that we've seen as of recently. So, I've read about the plan in the paper, and since then have been briefed somewhat. But is there anything that you can talk about the new plan, where I've heard that we may be expecting a new environmental review? And what are you expecting that, if there's going to be any cost difference now that we have to have a new review for this plan.

MARK PAGE: I'm a little bit in the same status that you are, in that I understand



1 from EDC that they're currently negotiating on  
2 what their new plan is likely to be. And I, you  
3 would expect, given where I sit, that I'm  
4 concerned about costs here. And I really don't  
5 have the answer.

6  
7 COUNCIL MEMBER FERRERAS: That's  
8 incredibly concerning. Especially when we're  
9 trying to save programs, save daycare, and this is  
10 a huge project. And to hear that we kind of  
11 don't know. Do you have any--did they give you a  
12 timeline? When will know? Is there a deadline  
13 date? I know that an RFP came out, and the  
14 responses weren't good enough, I've heard that so  
15 far. There's a deal being made, but not really.  
16 So--

17 MARK PAGE: I--my understanding is  
18 that they're continuing to negotiate with the  
19 respondents on that RFP.

20 COUNCIL MEMBER FERRERAS: My--well,  
21 you know what, it's unfortunate, because what--you  
22 know, I would hope that you knew more than what I  
23 read in the newspaper. But it seems that there is  
24 one set of respondents that they're negotiating  
25 with. It's not the entire set of the RFP

respondents. So is that correct? It's the one set.

MARK PAGE: I think it's primarily one, yes.

COUNCIL MEMBER FERRERAS: Okay. And when does that negotiation end? Is there a deadline date? We're going to be voting on a budget where we're putting in money for Willets Point, and to not know if it's going to be overrun or not, and what the deal is, I have a hard time responsibly voting for a budget that is allotting money, like we have since 2008, and moving forward, and not knowing when the deal is going to happen or not. And what the deal is.

[pause]

MARK PAGE: I don't know when they're going to finish their negotiation. My understanding as of this moment is that we're not proposing any new money in this budget for Willets Point. There is an existing amount which I believe, as you said, is about \$400, a little bit over that, of which you have a \$250 number that's been spent. I believe that's the status quo for resources for Willets Point as of this moment.

1  
2 And I can't answer whether there will be a  
3 concluded negotiation before we're adopting a  
4 budget. And I certainly can't answer that it  
5 would be different from that.

6 COUNCIL MEMBER FERRERAS: Well, I  
7 must say, Mr. Page, that I am, you know, I've  
8 always, I was a very big advocate, and I wanted to  
9 do all the affordable housing and do all the  
10 things, and advocated to preserve that funding  
11 line in the budget because it's what we wanted for  
12 Willet's Point. The proposal and the deal that I  
13 hear as of now, is proposing changes. So, I don't  
14 understand how we can responsibly commit this  
15 money in the budget, because we've done it,  
16 because of what the plan was, but now we're being  
17 asked to keep the money there, and we don't know  
18 what the plan is. So, I, what you're asking me,  
19 honestly, is making no sense to me, at this  
20 moment.

21 MARK PAGE: I hear your statement.

22 COUNCIL MEMBER FERRERAS: Thank  
23 you. Thank you, Chairman.

24 [pause, background noise]

25 CHAIRPERSON RECCHIA: You finished?

1 [background comment] Nothing to answer? Mr.  
2 Page, Willets Point, it's a big problem for this  
3 Council. Affordable housing. Okay. I'm just  
4 going to jump in and ask a question or two here.  
5 Let's just talk about, there's an issue pending  
6 that really affects this budget and you haven't  
7 spoken about? And that's the actuaries assumption  
8 rate. Where are we? He made a presentation, the  
9 actuary made a recommendation to the pension  
10 boards. Could you tell us where we are, where  
11 it's at?  
12

13 MARK PAGE: Yeah.

14 CHAIRPERSON RECCHIA: And how it's  
15 going to affect this year's budget?

16 MARK PAGE: That package is, has  
17 been voted to approve by all of the City pension  
18 boards except the fire pension board. It's  
19 subject to approval by the State Legislature in  
20 several of its factors. The earnings rate and how  
21 the costs are phased in among them, that are very  
22 important to our budget assumptions, I think that  
23 assuming his package goes forward and is enacted,  
24 which I think given where we are in terms of the  
25 board approvals and the fact that the Legislature

1 is still sitting there, is looking pretty good.  
2 Police I think voted yesterday, as a matter of  
3 fact, which is extremely helpful to the probable  
4 outcome of this process, I think that the City  
5 costs are pretty much consistent with what we  
6 reflected in the Executive Budget. I'm not sure  
7 we still have the absolute final bill from the  
8 actuary, assuming his package is enacted, there  
9 are issues having to do with who's, how much of  
10 the NYS's cost is attributable to New York City  
11 versus the MTA versus other agencies that have  
12 members. Which may change the numbers on the  
13 margin, but I don't think a whole lot.

14  
15 CHAIRPERSON RECCHIA: Okay. And  
16 what, and has any of the pension boards approved  
17 it?

18 MARK PAGE: Yes. All of them  
19 except police.

20 CHAIRPERSON RECCHIA: Okay. And--

21 MARK PAGE: I'm sorry, all of them  
22 except Fire, thank you.

23 CHAIRPERSON RECCHIA: Fire.

24 MARK PAGE: I bet your pardon.

25 CHAIRPERSON RECCHIA: Okay. So

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we're just waiting on the Fire.

MARK PAGE: Yes.

CHAIRPERSON RECCHIA: Okay. I just want, want to be clear on this. [pause] And has legislation been introduced up in Albany, or you're waiting to get Fire's approval? Do you know?

MARK PAGE: I don't think it's officially been introduced in Albany yet, but I think that we're, we're looking forward to doing that in the very near future. It would be nice if we had Fire with us, but I, not sure that the timing of the next Fire meeting and the sort of burning fuse on having the Legislature go home, I think it's possible that we, I think we're going to be talking to people in Albany very soon on this bill, hoping that Fire comes with us soon.

CHAIRPERSON RECCHIA: Okay. And in addition to that, I'd also like to find out, the Comptroller John Liu made a recommendation to, since interest rates are so low, that we should speed up capital projects. And 'cause we could get the best value for the buck right now. Do you agree with this? What's your position on it?

1  
2 MARK PAGE: We have a very large,  
3 ongoing capital program. And the--we already  
4 planned it so that we assume that about 25 plus  
5 percent of the program that we have planned and  
6 authorized to go forward with the agencies, won't  
7 happen; at least won't happen in the year period  
8 where it's authorized to go, because things slip,  
9 there are design changes, there are contract  
10 delays, doesn't all happen. If you are trying to  
11 increase this program, if we started now, we would  
12 probably begin to experience a significant  
13 increase two or three years from now. The average  
14 City project from sort of initial start to finish  
15 is four to six years, so that I think that the  
16 maneuverability of this process to actually  
17 respond to immediate lower rates, doesn't, as a  
18 practical matter, exist. On the other hand, we  
19 are taking advantage of and look forward to taking  
20 advantage of our ability to refinance the mortgage  
21 on the house, basically, which is our outstanding  
22 debt, at a lower rate. We do refundings all the  
23 time at this point, as we have access to the  
24 market.

25 CHAIRPERSON RECCHIA: Right. And

1  
2 we--and we support that. And we think it's a  
3 great idea, and I just wanted to follow up with  
4 the Comptroller's recommendation. I wanted your  
5 opinion on it, thank you very much. Council  
6 Member Koppell.

7 COUNCIL MEMBER KOPPELL: [off mic]  
8 Thank you, Mr. Chairman. Mr. Page, couple of  
9 macro questions. My briefing paper here says that  
10 we anticipate in this [background comment] Sorry.  
11 We [on mic] anticipate in this fiscal year, 2012,  
12 that we will move \$1.7 billion into next year's  
13 budget. Is that still the number, or might it be  
14 larger?

15 MARK PAGE: I mean, that's, that's  
16 the role as of the Executive Budget. I imagine,  
17 by the time we get down to budget adoption at the  
18 end of this month, or toward the end of this  
19 month, there'll be some adjustment to that number.

20 COUNCIL MEMBER KOPPELL: But is it,  
21 does it look like it might--obviously it's of some  
22 import. Does it look like it might be larger? I  
23 assume you look at the numbers almost on a daily  
24 basis, since we're--

25 MARK PAGE: Yeah.



1  
2 COUNCIL MEMBER KOPPELL: --we're  
3 close to negotiating the budget.

4 MARK PAGE: Yeah, the thing--I do,  
5 I mean, we included the SAIC money in that role  
6 number when we presented the Executive Budget. In  
7 order to satisfy our bond counsel on the use of  
8 that money, it has to be used for what would  
9 otherwise be a--it has to be used to pay debt  
10 service, as a practical matter. We've actually  
11 taken action to prepay some debt service in '13  
12 right now, with some of that money, which may  
13 affect the role number that shows in the budget.  
14 That would actually take it down. And then I  
15 would hope, frankly, that as we go along, I don't  
16 know where, you know, \$50 million plus or minus or  
17 tax revenues, I don't know where we'll actually be  
18 at the end of June. And we're always looking for  
19 agency under spending that, where we can take the  
20 money out this year, which gives us a leg up on  
21 next year. I appreciate the issues in terms of  
22 funding services in '13. I personally am  
23 extremely worried about the \$3 billion or \$4  
24 depending on the medallion status, for '14, as  
25 well, at this point.

1  
2 COUNCIL MEMBER KOPPELL: Well, I--I  
3 think that it's difficult to worry too much about  
4 '14 in those orders of magnitude, given past  
5 history, but we won't get into that. What do you  
6 see as rolling into '14 though from '13? Have you  
7 projected rolling into '14 at this point?

8 MARK PAGE: Yeah, I mean, in the  
9 Executive Budget I think we had a \$130 or  
10 something like that, rolling from '13 into '14.

11 COUNCIL MEMBER KOPPELL: That's  
12 all.

13 MARK PAGE: Yes.

14 COUNCIL MEMBER KOPPELL: Uh-huh.  
15 Looking at the medallion, I'm glad you raised  
16 that, the judge's primary objection was that this  
17 Council did not approve the scheme, the new  
18 scheme, including the 2,000 medallions. Have you  
19 contemplated coming to this Council with all or  
20 part of that in the next couple of weeks, so that  
21 you could assure that the 2,000 medallions could  
22 be sold? Have you, are you discussing that right  
23 now?

24 MARK PAGE: What I've been advised  
25 is that although we've thought of that and we're

1 thinking about it, that that doesn't fix the  
2 statutory problem with the State, that as a  
3 practical matter you would have to do both because  
4 you need the home rule message, I guess, just  
5 before you get the state legislative action on the  
6 law. And that doing the home rule action now,  
7 doesn't legally fix the action the legislature  
8 took last winter when this became law.

10 COUNCIL MEMBER KOPPELL: Well,  
11 you'll, I've been around a while, both on the  
12 State and the City level, and do have some  
13 knowledge of this. And you could redo the whole  
14 thing if you could get the State to agree.

15 MARK PAGE: Yes, if you could--

16 COUNCIL MEMBER KOPPELL: If that's  
17 a problem.

18 MARK PAGE: If you could get the  
19 State to agree. And--

20 COUNCIL MEMBER KOPPELL: Well, I  
21 don't think it would be a big problem, frankly  
22 speaking, to get State to agree as long as you  
23 were doing something similar to what they already  
24 did, and there are some aspects that you could do  
25 with this Council, dealing with the issue of

accessibility. I don't want to get into details, but I suspect that if you worked, you and the Administration and the Taxi Commission, worked with this Council, and the State Legislature, and the Governor, we could put together a plan that would be, that would move this forward and would guarantee the billion dollars. I think it only requires will, it's not a question of can it be done, it requires will, admittedly it requires some discussions with the State. I think it does, although I don't know how much we can do without the State on this issue. It should be looked at, because I'm not sure we need the State. But assuming we do need the State, I don't think that it's insuperable to sit down, the three or--I guess it's three parties, four parties, I guess, because the Commission is something separate, but the Administration controls the Commission. I don't think it would be impossible to put together a package that would guarantee the \$1 billion and the sale of 2,000 medallions. I really don't think that would be difficult, and I would urge you in the next few days to work with those responsible to do that. I don't think it's an

insuperable burden, or obstacle at all.

MARK PAGE: Right. I would love to cure the problem with the medallions, at least as much as you would. Maybe even more, actually, given the place that I'm sitting. We have had discussions on the sort of line of reasoning that you've talked about. And they've not come out very positively, thus far. I don't think they're over.

COUNCIL MEMBER KOPPELL: Good.

MARK PAGE: So we'll see.

COUNCIL MEMBER KOPPELL: I urge, I urge them to continue. I don't see any reason why at least that part, the 2,000 medallions couldn't be resolved. I think the whole thing could, but at least that part I believe could be resolved.

CHAIRPERSON RECCHIA: Right, thank you, Council Member. Council Member Jumaane Williams.

COUNCIL MEMBER WILLIAMS: Thank you, Mr. Chair. Thank you, Mr. Page and et al., for testimony. I'm sorry I came late, I missed some of it, so I apologize if I repeat some of it. I have no rap songs for you today, so I apologize

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15 COUNCIL MEMBER WILLIAMS: I'm  
16 sorry, 'cause you used up a minute. I just really  
17 wanted to know if you believe that this--

21 COUNCIL MEMBER WILLIAMS: So it

22 either does--

25 COUNCIL MEMBER WILLIAMS: --does or

1  
2 doesn't or you don't know. Does it put pressure  
3 on poor and working families in the City?

4 MARK PAGE: I think it puts  
5 pressure on services that New York City is able to  
6 provide. And I think that includes everybody, as  
7 a matter of fact.

8 COUNCIL MEMBER WILLIAMS: Does it  
9 put more pressure on poor and working families  
10 than it does on people who are considered upper  
11 middle class or rich in this City?

12 MARK PAGE: I ... I can't answer  
13 that question, because there's a whole--

14 COUNCIL MEMBER WILLIAMS: I think  
15 we can. I think the answer is yes, and you just  
16 really don't want to say that. So--

17 MARK PAGE: No, I think it's--  
18 unfortunately it would take me more time than you  
19 want to waste listening to me, for me to answer  
20 it, I think.

21 COUNCIL MEMBER WILLIAMS: I  
22 understand, but I'm pretty sure that it does. And  
23 I, every Commissioner comes I ask, whether it's  
24 Education or the Police Commissioner, do  
25 particularly black and brown young people, are

1 they born less likely to be able to learn and more  
2 likely to be criminals? Invariably people look at  
3 me like I'm crazy, and say, "Of course not." Then  
4 there's only two problems, there's only two  
5 answers, either yes they are more likely, they're  
6 born more likely to be criminals, less likely to  
7 be educated; or something is wrong with the  
8 structure in the system. So it's either one or  
9 the other, we can't say it's not one and not the  
10 other. And if it is the fact that something's  
11 wrong with the structure, why are we not doing  
12 what we need to fix it? And that's a huge problem  
13 to me, on my third budget, I see things that are  
14 just completely preposterous. I see ways that we  
15 could raise revenue that for some reason are not  
16 being considered. So, my question, also, and I  
17 don't, I'm not sure if this happens in OMB, but do  
18 you look at ways that you could possibly raise  
19 revenue? Or you just take the numbers, look at  
20 it. Do you think about, "Okay, how can we raise  
21 revenues before we cut services?"

22  
23 MARK PAGE: I think we are  
24 constantly looking at both sides of that equation.

25 COUNCIL MEMBER WILLIAMS: Did you,



1  
2 there was no idea that you came up with that could  
3 raise revenues before you cut services?

4 MARK PAGE: I think that there,  
5 there've been a bunch of ideas about raising  
6 revenues that we didn't--at the end of the day, we  
7 didn't think had enough support to happen. As--  
8 you weren't here earlier, but the fact of the  
9 matter is--

10 COUNCIL MEMBER WILLIAMS: Well, we  
11 have a lot of support in the Council. If you need  
12 that--

13 MARK PAGE: Well, if you have a lot  
14 of support in the Council, the Council has the  
15 power to raise the property tax in this town.

16 COUNCIL MEMBER WILLIAMS: Okay, so  
17 the power to fix the unincorporated business tax,  
18 \$235 million; the Medicaid reimbursements are not  
19 being collected, \$358 million; the fact that the  
20 firefighters haven't been hired, that's about \$60  
21 million; \$95 million in revenues if we change the  
22 contracts. Those kind of things that can be done  
23 right now, why are they not considered?

24 MARK PAGE: No.

25 COUNCIL MEMBER WILLIAMS: No, they

can't.

MARK PAGE: No. If you go through each one of them--

COUNCIL MEMBER WILLIAMS: Let's do that.

MARK PAGE: Okay, go back.

COUNCIL MEMBER WILLIAMS: Reform the New York City Unincorporated Business Tax, \$235 million.

MARK PAGE: You need the New York State Legislature to do that. You're not going to get that, as a practical matter--

COUNCIL MEMBER WILLIAMS: We're actually being told that--

MARK PAGE: --certainly between now and the end of June.

COUNCIL MEMBER WILLIAMS: But we're actually being told that New York City Council can do it. If that is true, would there be support from the Administration to do that?

MARK PAGE: I don't know the answer to that.

COUNCIL MEMBER WILLIAMS: Great. The Medicaid reimbursement, \$358 million in the

Education Department.

MARK PAGE: We are doing our best to ... be able to claim money for, particularly the special education costs in the Department of Education, in a way that will qualify the claim so that we actually get the money, and so that we're not simply subject to being audited five minutes later to take the money back from us. And I ... agree that it is extremely frustrating, because on the face of it we ought to be able to get more than we are. We actually have, I think, \$160 some million in the plan next year, to collect from that source. This year the number we've actually managed to collect ... \$40.

COUNCIL MEMBER WILLIAMS: \$40 is about right.

MARK PAGE: Yeah.

COUNCIL MEMBER WILLIAMS: But unfortunately my time has run out. The others were hiring the firefighters that we should've done at \$60 million a year. The contracts, if we do some changing around, we can get \$60 million to \$100 million.

MARK PAGE: I don't think, I--the

contract thing, I'd be happy to talk about, but I don't think it's, don't think it's just plucking the fruit off the tree. And the firefighters, I would love to hire firefighters.

COUNCIL MEMBER WILLIAMS: Well, we've [crosstalk]

MARK PAGE: We seem to have gotten ourselves totally tangled on that subject.

COUNCIL MEMBER WILLIAMS: We cut the services quite easily, we cut daycare, we cut afterschool programs, all the things that we say will help prevent crime in our neighborhoods, we plucked them quickly, and then we send [phonetic] stop, question and frisk to try to fill the gap. What I'm saying, let's fill the gap with the revenue that for some reason you sort of agree, don't agree, I don't know what the deal is, can help close the gap, so that the pressure that this budget puts on poor and working class people in this City can be released. But my time is up, so I don't want to put any more, make my colleagues mad at me. But thank you very much, I appreciate it.

CHAIRPERSON RECCHIA: Okay. We've

1  
2 been joined by Council Member Melissa Mark-  
3 Viverito, and Council Member Tish James. At this  
4 time, Council Member Robert Jackson will ask some  
5 education questions.

6 COUNCIL MEMBER JACKSON: Thank you,  
7 Mr. Chair. Director Page, I want to ask you a  
8 couple of questions on education, and I know in  
9 our discussions in the preliminary budget, you've  
10 expressed what your position is, with respects to  
11 your communicating to the Department of Education,  
12 within their framework, but you know, you can't  
13 direct 'em, at least you gave me that impression,  
14 what to do with their budget. But my  
15 understanding is that payments to contract schools  
16 by DOE total about \$2.4 billion expected to be in  
17 Fiscal 2013, with the majority of spending is for  
18 payment to charter schools, which total about \$828  
19 million. Have you directed or communicated with  
20 them, meaning DOE or have the Mayor or whoever's  
21 in charge, have any point considered directing  
22 them to insourcing instead of subsidizing private  
23 vendors and private schools, in order to provide  
24 the services to the children of New York City.

25 MARK PAGE: I mean, as I think

1  
2 you're aware, this Administration believes very  
3 strongly that charter schools are an important  
4 part of improving the quality of education that we  
5 can offer school children in New York City. So I  
6 don't think that they're going to direct the  
7 Department not to pursue that angle. In terms of  
8 the other part of private school tuition is I  
9 think probably special ed that you're talking  
10 about. And in that, we are, you know, very much  
11 entangled with mandates, regulations, how EIPs are  
12 done. And not necessarily going the right way,  
13 and it's the whole Carter case problem, in terms  
14 of burden of proof. If a parent sends its, if a  
15 parent has the money to send his child to a  
16 private school, they then have, we have to prove  
17 that they were wrong, as you're probably familiar,  
18 on that whole part of the equation.

19 COUNCIL MEMBER JACKSON: Yeah, and  
20 I understand, and Dennis Walcott, when he was  
21 here, at the Executive Budget Hearing for DOE, he  
22 had indicated that any contracts, anything above  
23 \$100,000, he was going to review himself, and his  
24 staff was going to take a more critical view. And  
25 I'm, what I'm asking, since he said that that was

1 going to occur, that I, you know, without asking  
2 it, it's imperative that you, meaning your office  
3 and all your staff, put more pressure on them in  
4 order to reduce the amount of contracts, in order  
5 to save money. Instead of laying off school  
6 aides, family workers and parent coordinators and  
7 the like. That's what needs to happen, Director  
8 Page. But also, it's imperative that we, meaning  
9 us through this process, and you as the director  
10 of OMB, everyone is cutting back. But contracts  
11 are getting larger and larger. We need to tell  
12 contractors, no matter who they are, that they  
13 have to reduce, five percent; if not ten percent,  
14 five percent. And if you talk about ten percent  
15 of \$4.2 or \$4.5 billion, that's a lot of money.  
16 So that's one thing. I need to express how  
17 imperative it is for your office and you to put  
18 more pressure on DOE to do more with less,  
19 especially in the contract area. But then I  
20 wanted to express to you that we have asked  
21 questions of DOE with respects to Medicaid  
22 reimbursement, as far as transportation costs and  
23 other nine areas that they can seek reimbursement.  
24 And there's a coalition out there called the May  
25

12th Coalition, and they have said that DOE could bill Medicaid for special needs services, that they could bring in over \$358 million. UFT said it's close to \$700 million. The bottom line: I think that everyone agrees, we're talking hundreds of millions of dollars that we are losing. And I know, I know that the school system needs it, I know that the general fund needs it, of the City of New York. I know that if we had that rounded off to \$400 million and we could then eliminate all of the cuts in daycare or afterschool, Beacon programs, summer youth employment jobs, and many other. So, somehow, Director Page, you got to put more pressure on DOE to put in for all of the reimbursement that they're entitled to, because they didn't receive what they were suggesting that they were going to achieve back last year. And I believe it's \$167 million that they're projecting, that's supposed to recoup back in 2013. And I hope that they do. But from experience point of view, it's not going to happen. And so, who is going to put pressure on them to do the right thing? And you're the boss. Everybody tells me that you're the boss, you're the Director. And I



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know you shake your head, but--

MARK PAGE: I would love to be able to put pressure on them in a way that was actually going to work.

COUNCIL MEMBER JACKSON: Yeah.

MARK PAGE: I mean, just one example of the problems that they're up against, and it's not just that the Department of Ed is a problem, we have problems with the State of New York and the federal government, in terms of the documentation required. You know, it's not that we're not providing the service, or we're not providing the transportation, but you can't get reimbursed for the transportation if you can't document exactly, you know, what time on what day which kid got on this bus, where he was going, who was the driver, when he got off, what service he got while he was there, when he got back on the bus, who was the driver, when he got back off, so on and so forth. When you start multiplying that by the numbers of kids that we're talking about, that generates the numbers of reimbursement that you're talking about, you have an enormous administrative make work enterprise that you're

1 required to pursue in order to qualify for the  
2 money. Another one is the, in order to get  
3 special services reimbursed under Medicaid, they  
4 have to be medically necessary, which means that a  
5 doctor has to say so, and the parent of the child  
6 has to consent to the information going into the  
7 claim. And when somebody gets a letter of that  
8 kind asking them to consent, they also have to be  
9 told that it makes no difference to the service  
10 the kid gets, whether they consent or not.

11  
12 COUNCIL MEMBER JACKSON: Director  
13 Page, if Rochester can do it, if Syracuse can do  
14 it, these other cities can do it, and you may say,  
15 "Well, they're a different city," well--

16 MARK PAGE: No.

17 COUNCIL MEMBER JACKSON: --the  
18 bottom line is that we cannot afford to lose  
19 hundreds of millions of dollars that we're  
20 entitled to. We cannot. As I said to Dennis  
21 Walcott, our Chancellor, trains the 650 DC37  
22 employees that you laid off last year, and give  
23 them even supervisors one to 15 to make sure it's  
24 done, and get that money. We're losing it,  
25 Director Page, and we cannot afford to lose it.

1 We cannot.

2 MARK PAGE: Yeah.

3 CHAIRPERSON RECCHIA: All right.

4 COUNCIL MEMBER JACKSON: We cannot.

5 CHAIRPERSON RECCHIA: Thank you,  
6 Council Member Jackson. Just to follow up on,  
7 with some education issues, Mark, Mr. Page, when  
8 we served you with our response to the Preliminary  
9 Budget, you know, okay, do you give copies of our  
10 response to City agencies?  
11

12 MARK PAGE: I don't believe so. I  
13 mean, we look at it ourselves. I hadn't thought  
14 that it was something that we were--

15 CHAIRPERSON RECCHIA: Well--

16 MARK PAGE: I'm sorry, just to--

17 CHAIRPERSON RECCHIA: Well--

18 MARK PAGE: I hadn't thought of  
19 being the conduit for that delivery.

20 CHAIRPERSON RECCHIA: We put our  
21 response back to issues on the budget, and I think  
22 it's very important I make the recommendation that  
23 you should give a copy--

24 MARK PAGE: Fine.

25 CHAIRPERSON RECCHIA: --to every

1 City agency, because when the Department of  
2 Education comes before us, and we put--

3 MARK PAGE: I'd be happy to do  
4 that.

5 CHAIRPERSON RECCHIA: --issues and,  
6 you know, when they have no idea what our response  
7 is to your budget, and we're asking questions, and  
8 they're saying, "What are you talking about?" But  
9 it's in our response to Preliminary Budget, they  
10 have no idea, it makes it very difficult for us to  
11 proceed forward.

12 MARK PAGE: I - -

13 CHAIRPERSON RECCHIA: So, I  
14 strongly recommend that you give our preliminary  
15 response to, especially to the Department of  
16 Education. I just want to talk about Chancellor  
17 Walcott announced recently that the plan to rebid  
18 the school bus pupil transportation contracts,  
19 which totaled, you know, \$1 billion. Some of  
20 these contracts have been rebid in over three  
21 decades. What, you know, what are you expected to  
22 accomplish in rebidding these contracts, do you  
23 expect significant changes? You want to elaborate  
24 on that? And how much you think it's going to  
25

1  
2 save us, if any.

3 MARK PAGE: The reason we haven't  
4 rebid them for all this time, is that we've  
5 thought that ... the uncertainty of whether the  
6 provider was actually going to have the business  
7 was going to end up costing us more than staying  
8 with the existing providers, because after all, if  
9 you're looking at a contract for, I don't know,  
10 three or four years, and you're not the current  
11 provider, you're thinking that you're going to  
12 have buy a whole bunch of buses, you're going to  
13 have to find someplace to park them, you're going  
14 to have to get drivers, you're going to have to  
15 work out the whole thing, and that's going to cost  
16 money. And you're going to try to get the money  
17 back within the next contract period. And we've  
18 always thought that that was going to be--that the  
19 disruption of changing providers was going to cost  
20 more than the benefits of competition. I think  
21 we've made a lot of progress and the Department's  
22 certainly more familiar with it than I am, but I  
23 know we've been pushing for years to at least  
24 break pieces off that are smaller where you might  
25 genuinely get completion, and use that to press

1  
2 down the overall cost. I can't give you a number,  
3 as to what you can get there, but I think that  
4 they've, they think they've got some success on  
5 their special ed busing transportation.

6 CHAIRPERSON RECCHIA: I know, that  
7 was the first one that just went out.

8 MARK PAGE: Yeah. Yeah, I think  
9 they expect that that's actually going to give  
10 them something, which is great. And if there's a  
11 way to carry that through the rest of the busing  
12 service, yes.

13 CHAIRPERSON RECCHIA: Okay. And I  
14 just want to follow up on something that you said.  
15 The disruption of providers, it's like you talked  
16 about how you feel that the reason why they never  
17 rebid this for decades is because it would save  
18 money, and you'd be, you get the best deal.

19 MARK PAGE: Yes.

20 CHAIRPERSON RECCHIA: Is that--yes.  
21 Okay? Then, why are you doing the complete  
22 opposite in the early learn provider--

23 MARK PAGE: You have to--

24 CHAIRPERSON RECCHIA: --the early  
25 learning--

1  
2 MARK PAGE: I think, as I said, and  
3 I figured you were going to ask this question.

4 CHAIRPERSON RECCHIA: Listen,  
5 listen to me, let me ask my question first. In  
6 the early learn RFP, you not only did you disrupt  
7 providers, you massacred providers. Okay? You  
8 took away providers that have been in business 30,  
9 40 years--the NAACP Daycare Center in The Bronx,  
10 the Shirley Chisholm Daycare Center in Bedford-  
11 Stuyvesant--great daycare centers, and you zeroed  
12 them out. If you just testified that the  
13 disruption of providers is devastating to this  
14 budget, then why are you doing it in the early  
15 learn, when how come you're not stopping it?

16 MARK PAGE: I think that the ...  
17 quality of busing that we've gotten has been  
18 adequate throughout this period. I think that one  
19 of the drivers on the RFP process for childcare  
20 has been that some childcare agencies do a better  
21 job than others. We've had a perennial problem--I  
22 mean, one structural change here, regardless of  
23 where you end up choosing the best providers is  
24 this matter of paying for service provided, not  
25 paying for empty seats. And we've had the problem

1 of paying for empty seats in contract childcare  
2 providers for a long time--absolutely not in every  
3 one of them, but in some of them. And that's a  
4 situation which you want to get out of.

5  
6 CHAIRPERSON RECCHIA: And there's a  
7 mechanism for that. Very simply, tell the daycare  
8 provider, "If you don't have X amount of seats,  
9 you're going to lose X amount of dollars." It's  
10 very simple.

11 MARK PAGE: But that wasn't  
12 provided for in our contracts with them, and  
13 that's one of the things that--

14 CHAIRPERSON RECCHIA: Well, I mean,  
15 I'm sure if you went to those--

16 MARK PAGE: --that is provided  
17 here.

18 CHAIRPERSON RECCHIA: If you went  
19 to those daycare centers and told them that, they  
20 would be more than happy to work with that. But  
21 I'm just trying to bring a point home. Is that--

22 MARK PAGE: I don't think they're  
23 comparable, actually. But I do get your point.

24 CHAIRPERSON RECCHIA: Well, I think  
25 they are comparable, and I just think that this



1  
2 early learn RFP should be pulled. I think it is a  
3 problem, and I just think that if you decide to  
4 move forward, daycare service in this City is  
5 going to be a major issue in the months ahead.  
6 Council Member Melissa Mark-Viverito.

7 COUNCIL MEMBER MARK-VIVERITO:

8 Thank you, Mr. Chair. Mr. Page. Hopefully, I'll  
9 start off my testimony today on something, or my  
10 questioning today, regarding your testimony, on  
11 something that we can agree on, which is the, was  
12 mentioned in the line of questioning that Council  
13 Member Koppell said about the five borough taxi  
14 plan, I'm a big supporter of that. And I am--

15 MARK PAGE: Good.

16 COUNCIL MEMBER MARK-VIVERITO: --

17 disappointed at where we find ourselves right now  
18 with it. And hope that we will arrive at being  
19 able to implement it as originally planned. So, I  
20 wanted to ask a question: first of all, is it,  
21 would it be fair for me to say that as Director of  
22 OMB, your concern, or one of your concerns and  
23 responsibilities, obviously, is the fiscal health  
24 of our City, and making sure that we have a viable  
25 and stable fiscal health, because it obviously

1 will lead to a more thriving City. You're  
2 concerned about the future of that, right?  
3 Viability and the fiscal health of our City.  
4

5 MARK PAGE: I may personally be  
6 concerned about that, I think that my job is  
7 primarily to deal with the fiscal management of  
8 the City's budget and financial plan.

9 COUNCIL MEMBER MARK-VIVERITO:  
10 Right, but it's all, in the end, hopefully, with  
11 the understanding that we want to have a viable  
12 and fiscally healthy New York City. The reason I  
13 ask that is I want to ask you a question about the  
14 report that was issued by Comptroller John Liu  
15 about a week-and-a-half ago, that talked about the  
16 income disparity that exists in the City of New  
17 York. Do you think that having one percent of a  
18 population earn 33 percent of the income, which is  
19 more than double the national average, do you,  
20 does that lead to any sort of concern for you? Do  
21 you think that that level of inequity can  
22 potentially be hurtful to a City?

23 [pause]

24 MARK PAGE: I think we're much  
25 better off with those people and their money than

1 without them. The problem, I might agree, that  
2 ... in general, a more even distribution of wealth  
3 is, might be a goal that we would agree on. But  
4 we've got New York City and we're trying to run it  
5 with what resources people will agree to pay in  
6 taxes, they'll stay here with their and pay the  
7 taxes, and stretch that across the services that  
8 we think are important. I mean, people will  
9 complain that New York City's too dependent on the  
10 Finance industry. And it's very cyclical, it's  
11 terrible. Well, it's too bad that it's cyclical,  
12 but quite honestly, thank goodness it's here,  
13 because it makes lots of money, and it's a large  
14 part of the tax base.

15  
16 COUNCIL MEMBER MARK-VIVERITO:

17 Well, Mr. Page, you know, that is a little  
18 trouble, you say obviously we want those people  
19 and their money. What happens to everybody else?  
20 What happens to everybody else that--?

21 MARK PAGE: Everybody else is going  
22 to be much worse off if those people aren't here.

23 COUNCIL MEMBER MARK-VIVERITO:

24 Everybody else--no, well, I think that we need  
25 equity, we need a balance. I do believe that we

are overly reliant on one sector in this City.

And I believe very, very strongly in the line of questioning that was raised by Jumaane Williams as well, that we have to be concerned about that.

There is a need for a vibrant middle class, and there is a need to provide for those that are in need. We need to have a balance. And when you

have one percent of any one sector of our society

making up 33 to 35 percent of our income, that's

quite an imbalance that I really don't think is

the direction we should be heading in. So, just

touching on and again reemphasizing some of the

things that have been raised about these revenue

options, we've mentioned before in questioning

about a greater level of accountability, and

scrutiny and transparency about the contracts and

the subsidies that we give as a City of New York,

to these large projects that promise jobs and do

not fulfill their promises. What are we doing to

recoup money that was issued with the

understanding that jobs were to be provided to the

City and have not? Is there an aggressive

investigation, analysis being done by your office

of those subsidy projects and trying to recoup

1  
2 some of that money? Some analysis may say we  
3 could probably recoup close to \$100 million. So,  
4 what is your sense of that? Where do you stand on  
5 that?

6 MARK PAGE: If you have specific  
7 information along those lines, I would be very  
8 interested to look at it. No, we don't have a  
9 specific office or part of my office that works on  
10 that. It's certainly an issue that we're  
11 concerned about. When commitments are made, we  
12 expect them to be delivered. I think that there's  
13 been some enforcement along those lines recently.

14 COUNCIL MEMBER MARK-VIVERITO:

15 Well, we need to be better because we're asking  
16 for a large amount of accountability, of our lower  
17 income residents in this City. Yet we do not ask  
18 for any level of accountability. I believe that  
19 if we were scrutinize a lot of the contracts that  
20 this City has, through the Department of Parks or  
21 any other agency, we would find a lot of waste.  
22 We would find a lot of loss of public funds. And  
23 that unfortunately is not aggressively looked at.  
24 But we want to make sure that people have to prove  
25 their homelessness in order to get emergency

1 services. I think there's something wrong with  
2 that. The last thing I would say is, in terms of  
3 the contracts with the banks, and I know that this  
4 probably has been raised, that we have, has there  
5 been any consideration, the same way that we're  
6 cutting through different agencies and asking for  
7 pegs of different agencies, why don't we cut back  
8 on the contracts with the banks. We have about  
9 \$950 million in City contracts with banks. Why  
10 can't we ask for a ten percent cut in those  
11 contracts and keep \$95 million additionally of  
12 revenue in the City of New York?

14 MARK PAGE: I don't know where the  
15 \$950 million--

16 COUNCIL MEMBER MARK-VIVERITO: All  
17 right.

18 MARK PAGE: --number comes from,  
19 but I mean, the problem is that you need the bank  
20 to agree that although you're going to pay them  
21 less, they are going to do just as much for you.

22 COUNCIL MEMBER MARK-VIVERITO:  
23 Well, Mr. Bloomberg seems to think he has that  
24 power of persuasion, I think he should pull people  
25 into the room and say that everybody has to pay,

COUNCIL MEMBER GENTILE: Just, Mr. Page, I'm so concerned about the library cuts, as you know. And when you add the library cuts to the DYCD and the OST, the OST programs and the

1 Beacon Programs that they're cutting, the, the  
2 services that we're cutting are decimating to  
3 parents, not only children but to parents, because  
4 these are the services that children use, whether  
5 it be OST, Beacon, or the libraries. And  
6 certainly libraries offer some of the same  
7 services that afterschool services and workshops  
8 that you might find in the Beacon and OST, but  
9 we're cutting them all out. So, I'm wondering if,  
10 if parents and their children do not have access  
11 to these services, has any, any valuation been  
12 done about how this affects working households, in  
13 terms of practicality? We have a cost benefit,  
14 you know, you talk about the benefit to the bottom  
15 line, but there is an effect that these cuts  
16 overall, not just to libraries, but to OST and to,  
17 to Beacon Programs, will have on working families.  
18 Has that been a consideration in coming up with  
19 numbers like this?

21 MARK PAGE: We're obviously in a  
22 process between us of discussing what the numbers  
23 are actually going to be in the New York City  
24 Budget for the year beginning July 1st. So that I  
25 think that your question is a little ahead of



itself.

COUNCIL MEMBER GENTILE: Premature?

MARK PAGE: Yes.

COUNCIL MEMBER GENTILE: So, in effect you're saying that this may not be reflective of the Mayor's actual priorities?

MARK PAGE: I think we are--he is seeking to have a, an agreed upon budget with this body, that is balanced and adopted for next fiscal year. And as I've said earlier today, we are in a part of the process of getting to that conclusion right now.

COUNCIL MEMBER GENTILE: Balanced, adopted and not devastating to families. I think you need to add that, too. Thank you, Mr. Chairman.

CHAIRPERSON RECCHIA: Thank you.  
Council Member Tish James.

COUNCIL MEMBER JAMES: So the good news is that I'm the last Council Member to ask you questions, and the further good news is that--

CHAIRPERSON RECCHIA: There's a lot more questions we have to ask.

COUNCIL MEMBER JAMES: Oh, okay,

sorry. The other--well, the bad news is that you have one more year to deal with this, and then, you know, you're out. So, I'll try to make this as painless as possible. Obviously I'm concerned about the social contract in the City of New York, between government and its peoples, particularly working, the working class and low income individuals in the City of New York, who are being squeezed. I'm concerned about homelessness, the crisis in affordable housing, domestic violence, concerned about literacy programs, Beacon Programs, Cornerstone, public housing, Advantage, and obviously Early Learn. I believe Early Learn is an early disaster, and this is an early notice to you, Mr. Page, and to the Mayor of the City of New York. You said that some of the programs are comparable. Well, I just want you to know that I visited some of the places that have been cited where some of the most neediest children, who deserve childcare in the City of New York, or who will, who are required to daycare service in the City of New York, I visited a couple of them. And here is a picture of one of the sites, it looks like a warehouse, it's in an industrial

1 neighborhood. I visited another one, it's in the  
2 same industrial neighborhood. These sites are not  
3 licensed, they've never been childcare centers  
4 ever, and one entity--there are two agencies that,  
5 specifically in the borough of Brooklyn, received  
6 the vast majority of the contracts. These two  
7 agencies are in fact related to one another. And  
8 most of these agencies I would not even put my,  
9 any animals at. And it's a travesty and a, and  
10 it's shameful that we would want to put children  
11 in an industrial area and in places like this.

12 So, that's all that I have to say with respect to  
13 Early Learn. As you know, as I indicated earlier,  
14 I plan on filing litigation because I believe that  
15 we can do better in the City of New York. And I  
16 believe children, particularly low income  
17 children, deserve better. And this is a disgrace.  
18 With respect to this big six banks which have over  
19 \$600 million in contracts in the City of New York,  
20 and you indicated where we got our evidence. The  
21 evidence is in the data that is listed in the  
22 Comptroller, on the Comptroller's website, and it  
23 includes such contracts, such big bank agents,  
24 such big banks as the following: JP Morgan Chase,

\$268 million in contracts with the City of New York; Bank of America, \$40.6; Citibank, \$14.8; Wells Fargo, \$6.2; Goldman Sachs, \$40 million; and Morgan Stanley, \$211.2 million. No one can tell me that this City is broke and that we don't have resources, for all of the programs that I started out with earlier. And so I believe that at this point in time, we can shave at least two to five percent off of these contracts, particularly when you're asking municipal workers to do more with less. You should ask these banks to do more with less. I believe that's our obligation and our duty and responsibility. Mr. Page, you know that I had a lot to do with CityTime, you know that I had two hearings on it. You know that I alerted you with regards to CityTime. And I know that your response was that it was just the course of doing business in the CityTime. You know that I uncovered the scandal, you know that I wrote a letter to the Department of Investigation and to the Comptroller's office. And we received a windfall in the amount of \$500 million. But there is only, I can only see in the budget \$466 million. Where is the other \$34 million?

MARK PAGE: It was a, an amount owing to SAIC, budgeted out of the, out of City capital.

COUNCIL MEMBER JAMES: And, okay, let me ask you about another contract that, which is unfortunately, is gone along a similar trend: the 9/11 call system, \$350 million. Is that, are those funds reflected in the budget? And is that over budgeted, I should say, the 9/11 call system? And do we anticipate receiving any savings as a result of the 9/11 call system and all of the problems inherent in that system?

MARK PAGE: The, the amount of money that you're talking about is a contract with whom?

COUNCIL MEMBER JAMES: I'm not sure. Are you familiar with the 9/11 call system and is it over budgeted?

[pause, background noise]

MARK PAGE: Yeah. I don't believe that the system is overfunded at this time. There's--the Comptroller has put out an analysis of an HP contract. We think we've actually gotten value for it. And I think it--

1  
2 COUNCIL MEMBER JAMES: That was  
3 your response to CityTime, as well. Has there  
4 been any analysis of the 9/11 call system to see  
5 whether or not there's any fraud associated with  
6 that?

7 MARK PAGE: I assume that there is  
8 the [breathes out] that we have certainly been  
9 negotiating with HP, there've been times when we  
10 weren't satisfied with their performance. I think  
11 we currently are satisfied with their performance.  
12 I think we're looking to enter into a contract for  
13 additional work, not with them but with Northrup.

14 COUNCIL MEMBER JAMES: HP, you're,  
15 is Hewlett Packard?

16 MARK PAGE: I guess so.

17 COUNCIL MEMBER JAMES: What about  
18 SeedCo [phonetic]? Are there any savings related  
19 to SeedCo?

20 MARK PAGE: Are you talking about  
21 911 or you're changing subjects?

22 COUNCIL MEMBER JAMES: I changed  
23 the subject 'cause I only have limited time, so  
24 I'm moving on. There's at least ten contracts  
25 that I have here that have been alleged to be

involved in some sort of fraudulent activity.

MARK PAGE: I mean, there's, I know that there's certainly problems with SeedCo. I don't know where that stands.

COUNCIL MEMBER JAMES: Do you know whether or not we're going to realize any--?

MARK PAGE: I don't know.

COUNCIL MEMBER JAMES: Okay. What about the CM Build NYCHA, that ballooning costs on a delayed project, what about that? And while you're at it, could you also ask him about NYCAPS [phonetic]? Let me just list you all the contracts. So, and if we can get a report. Again, I'm, I understand that we are over budgeted with 9/11. There could be some savings there which could go to all of these social programs that are being cut. NYCHA's CM Build, NYCAPS, SeedCo., and in addition to that, a number of Congressional Members of Congress have written a letter to the Comptroller General, regarding fraud related to the Department of Education's Office of School, Food and Nutrition Services, the Office of Purchasing Management, the Department of Instructional and Information Technology. In

1 addition to that, several members of Congress have  
2 asked for an investigation with the Department of  
3 Instructional and Information Technology. And  
4 also, some other contracts. They indicate that  
5 there are some false filings and some prohibited  
6 subcontracting processes that have resulted in a  
7 loss of approximately \$9.2 million. This is a  
8 letter that was sent to the Comptroller General of  
9 the United States. The letter is dated May 14th,  
10 it's signed by Congress Member Rangel, Nadler,  
11 Meeks, Clark, Serrano, Ackerman, Engle, Crowley,  
12 Towns, Velasquez and Maloney. Basically, alleging  
13 that there are some savings available for social  
14 programs that have been cut in the City of New  
15 York, programs that we obviously have a  
16 responsibility and a duty to, to provide for low  
17 income families and middle class families in the  
18 City of New York. Where is the investigation with  
19 all of these contracts that have gone awry in the  
20 City of New York? Who is watching the house and  
21 where is the accountability and the oversight? I  
22 began with CityTime and I'm not finished, I've got  
23 all of these contracts, and I need--

24  
25 MARK PAGE: If you would--



COUNCIL MEMBER JAMES: Go ahead.

MARK PAGE: If you'd like to give us your list, we would be happy to look at it.

COUNCIL MEMBER JAMES: Okay. I will give you the list. I know my time is limited.

COUNCIL MEMBER JACKSON: Let me just, let me--Director Page, appropriate questioning regarding the allegations in the letters that have been sent to Congress, and requesting investigations and outcomes, where we're talking about hundreds of millions, if not billions of dollars, I guess the big question is, does your shop investigate those allegations? Or is it an outside? And do you have, ask for a figure as to what is being considered as stolen or misappropriated, so forth and so on? In essence, give us an assessment where we are with this, with respects to the 2013 budget, if at all.

COUNCIL MEMBER JAMES: Thank you, Mr. Chair.

MARK PAGE: There was a long list of contracts.

COUNCIL MEMBER JACKSON: Yes.

1  
2 MARK PAGE: I don't know the  
3 answer, and I suspect that--I don't know what, if  
4 anything, maybe wrong with any of them, at this  
5 point. And to put a number on it and a time when  
6 we might actually have a resource that we could  
7 spend, I can't do.

8 COUNCIL MEMBER JACKSON: Okay.

9 MARK PAGE: And I suspect that  
10 coming up with a reliable number of that time, of  
11 that kind, in the next couple of weeks, is  
12 unlikely, frankly.

13 COUNCIL MEMBER JAMES: So--

14 COUNCIL MEMBER JACKSON: Okay, but  
15 I'm just, to close this out, I can understand  
16 that, but does your shop investigate these issues  
17 of concern, or is it the New York City  
18 Comptroller's Office? Is it an outside  
19 investigator? I mean, and I understand consider--

20 MARK PAGE: It all depends on the  
21 given circumstance. The City Comptroller has a  
22 large audit office.

23 COUNCIL MEMBER JACKSON: Okay.

24 MARK PAGE: I mean, they actually  
25 audited CityTime at length several months before

1 anything was found wrong, and the kind of stuff  
2 wrong that turned out to be in CityTime was not  
3 found in their audit.  
4

5 COUNCIL MEMBER JAMES: Okay.

6 MARK PAGE: So, you know, you hope  
7 for the best and you do your best. They have an  
8 audit function, there's obviously DOI. Look at  
9 CityTime, there's the U.S. Attorney. We actually  
10 look at particular things which we think don't  
11 make sense, from time to time, as do agencies.  
12 It's kind of ad hoc, I'm afraid.

13 CHAIRPERSON RECCHIA: Okay.

14 COUNCIL MEMBER JACKSON: Thank you.

15 CHAIRPERSON RECCHIA: Tish James, I  
16 believe you have one--

17 COUNCIL MEMBER JAMES: Yeah, just  
18 one last question, and I thank you for that. So,  
19 just moving on, because I'm trying to assist this  
20 Administration and the City of New York with some  
21 savings so that we could restore and identify  
22 revenue, so that all of these programs can  
23 continue to serve the constituents in the City of  
24 New York. We continue to use uniform personnel,  
25 NYPD, to replace for, in clerical positions. We

1  
2 could achieve savings because of the increased  
3 overtime by using uniform police officers, if in  
4 fact we put them on the street, particularly in  
5 high crime areas, and hire, or at least assign  
6 clerical staff to these responsibilities,  
7 particularly as it relates to 911. Why do we  
8 continue to use police officers to perform  
9 clerical duties in the City of New York, knowing  
10 that overtime costs are ballooning in the City of  
11 New York, not to mention claims against the City  
12 of New York for all, for alleged police  
13 malpractice? When are we going to stop using NYPD  
14 and start using more clerical staff, and reducing  
15 overtime?

16 MARK PAGE: The question of  
17 clerical versus police is something that we  
18 obviously talk to the Police Department about all  
19 the time, and it moves back and forth. Your  
20 premise that having more policemen would reduce  
21 spending on police overtime, over--

22 COUNCIL MEMBER JAMES: No, less--

23 MARK PAGE: --an extensive period  
24 of time, that I've been familiar with this issue,  
25 is not true. The more policemen you have, the

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more police overtime you seem to spend.

COUNCIL MEMBER JAMES: No, what I'm saying is that we should not use NYPD uniform officers to perform clerical positions.

MARK PAGE: One of your reasons, however, was to save money on police overtime, and I don't think that connection holds.

COUNCIL MEMBER JAMES: But if you are using clerical staff, who are obviously, are paid less than NYPD, let's just stick to 911, let's assume that, okay, I'll give you that we should not use NYPD in high crime areas if, you know, you want to continue to use stop and frisk, I think, you know, preventive is much more, much more successful at addressing crime than stopping and frisking individuals in violation of their rights, but I'll give you that. Let's just take NYPD off of clerical duties and use clerical staff, individuals who make less, and whose over-- and who would not result in increased overtime. Their pay is not comparable, there would be some savings.

MARK PAGE: I get your issue, I'm not sure that there's a major potential there.

I'm sure we will look at it.

COUNCIL MEMBER JAMES: Let me just say that, if you would just rein in NYPD costs, if you would not allow Police Commissioner Kelly to be unaccountable to the City of New York, then there would be some savings in the City of New York, and I would urge Mayor Bloomberg to do just that. Thank you.

CHAIRPERSON RECCHIA: Okay.

MARK PAGE: Well, I think, it's worth noting, in terms of the Police Department in the City of New York, as you're as aware I am, that crime in New York City is extraordinarily low, and it seems to be able to be maintained at that point. And that has--

COUNCIL MEMBER JAMES: Mr. Page, crime is down all across this country.

MARK PAGE: No, no, no, actually, no, no--

COUNCIL MEMBER JAMES: It's all across this country. [crosstalk]

CHAIRPERSON RECCHIA: Okay, all right. Shh!

MARK PAGE: If you look, if you

1 look at--

2 COUNCIL MEMBER JAMES: Please,  
3 don't insult my intelligence.

4 CHAIRPERSON RECCHIA: Okay, Council  
5 Member--[crosstalk]

6 MARK PAGE: I'm not insulting your  
7 intelligence, but I'm pointing out that the--

8 [gavel]

9 COUNCIL MEMBER JAMES: --and the  
10 study is out there, in each and every  
11 jurisdiction--

12 CHAIRPERSON RECCHIA: Council  
13 Member. Council Member, please--

14 COUNCIL MEMBER JAMES: --in this  
15 nation, crime is down.

16 MARK PAGE: New York City has done  
17 extraordinarily well.

18 CHAIRPERSON RECCHIA: All right, I-  
19 -all right, we're going to move on. Council  
20 Member Jimmy Van Bramer.

21 COUNCIL MEMBER VAN BRAMER: Thank  
22 you, Mr. Chair. Mr. Page, in what probably seems  
23 like several hours ago, you and I talked about  
24 culturals, and you mentioned in response to my  
25

questions about the cuts to the SIGs and to the energy, a subsidy that these institutions have the ability to raise private money, and also charge fees. And I just want to make sure that there is not an incorrect perception, that somehow these institutions, who as you well know, there is a great disparity between in terms of what they can raise, what their boards can raise. But the fact remains that for an essential, critical, vital service, that in fact spins off and generates billions in economic revenue, those institutions are also hurting in terms of private giving, foundation giving, all of that is down. And so, I want to be clear that there's no misunderstanding that somehow these organizations are able to make up these cuts that are being proposed and don't need the government funding. I disagree with that wholeheartedly, and I don't think that that's what you were trying to say. But I wanted to raise that again, and certainly you agree with me that private giving, foundation giving, has also taken a significant hit over the last several years. These institutions are hurting both on the private side and the public side, in many cases, and our



1 cultural institutions, as well as our program  
2 groups, desperately need the funding to provide  
3 the services and to remain the attractive sites  
4 for our tourists, as you have very ambitious goals  
5 in the Administration. So you're asking them to  
6 do more, and proposing less, but can we agree that  
7 they have significant issues raising private  
8 funding, as well, that that giving is down, and  
9 that they need the funding from the City of New  
10 York?  
11

12 [pause]

13 MARK PAGE: I think that the,  
14 unfortunately, the economic period that we are in  
15 and have been in, has much the same effect on the  
16 availability of public money that it has on the  
17 availability of private money for donations. So,  
18 certainly there, you point out there's a need  
19 there, I don't disagree with you. But  
20 unfortunately, it is a need competing with all the  
21 other needs we've talked about today, and many  
22 more that we haven't talked about, for whatever  
23 money we have available.

24 COUNCIL MEMBER VAN BRAMER: We  
25 agree on all of that, I just want to make sure

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2 in 2013. And why haven't you approved additional  
3 funding to hire these Corre--she's saying that  
4 Mark Page, OMB, will not let her hire these 822  
5 Correction officers.

6 [pause]

7 MARK PAGE: I think that we're in a  
8 sort of ongoing discussion with them. Obviously,  
9 she is the Correction Commissioner; on the other  
10 hand, she's a City agency, and there's not an  
11 infinite supply of money. There's always an issue  
12 of security positions. How many do you actually  
13 have to have? Is there some other way of running  
14 your Correction facility, or the whole Correction  
15 kind of infrastructure of New York City, that  
16 would enable us to provide this necessary service  
17 and not spend as much money on it. And that's a  
18 ongoing discussion between us.

19 CHAIRPERSON RECCHIA: Well, I hope  
20 you can find some shekels to help them out. It  
21 would--

22 MARK PAGE: I hope that, that I  
23 think is worthy hope, I would hope that you would  
24 join it to a hope that they can find ways of  
25 needing fewer.

CHAIRPERSON RECCHIA: You know what?

MARK PAGE: Shekels.

CHAIRPERSON RECCHIA: That's [laughter] Okay. That's why we have the wonderful Commissioner that you should relay that message to, that she should find better ways to save. Last June, the Administration added \$188 million in new spending to the budget, apart from the restoration, from the teacher layoffs, and in addition to the Council's restoration. Do you anticipate in this budget any new City funds spending in addition to those negotiated with the Council? At adoption. 'Cause last year, you know, the YMI popped up. And so I want to know, is there any program that, any new idea or anything that you're going to add money to?

MARK PAGE: That I'm looking to pump up? I know that--

CHAIRPERSON RECCHIA: Or anything that's hidden in there that's new.

MARK PAGE: As of this moment, I'm not aware of anything of, you know, significant cost.

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CHAIRPERSON RECCHIA: Okay.

MARK PAGE: That you're not aware of, in terms of our outlook for next year. I do know that I've got some issues in '12, that, where there's some overspending.

CHAIRPERSON RECCHIA: Well, we have that in a few places.

MARK PAGE: Yeah. But I'm not-- which we're going to have to deal with somehow, but I'm not aware of the kind of thing you're asking about for '13 at this moment.

CHAIRPERSON RECCHIA: Okay. What, then what I'm going to request from you, Mr. Page, is that you submit a complete and detailed list of possible new ideas or new programs that you might be funding in advance of the Council's vote on adoption. And before we vote I'll be asking you this question again.

MARK PAGE: Mm-hmm, fine.

CHAIRPERSON RECCHIA: Okay? And what I mean by, you know, a letter telling us what new programs or new ideas, anything new--

MARK PAGE: I thought, I thought you were asking me for my personal wish list.

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2 [laughter]

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CHAIRPERSON RECCHIA: No, not your  
personal wish list. I'm asking you to put, tell  
us any new--

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MARK PAGE: I get it.

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CHAIRPERSON RECCHIA: --new needs  
that you--

9

MARK PAGE: Yes.

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CHAIRPERSON RECCHIA: --are adding  
to the budget, that's buried in the thousands of  
pages that--

13

MARK PAGE: Okay.

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CHAIRPERSON RECCHIA: --I might  
miss.

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MARK PAGE: Yeah.

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CHAIRPERSON RECCHIA: Okay? So, I  
want to know from you everything new that's in  
there. That we haven't discussed. And so I make  
sure that we have no, nothing springs up, you  
know, in July or August. Okay? I really, great,  
appreciate it. We've been joined by Steve Levin,  
who has a question. One quick question.

24

COUNCIL MEMBER LEVIN: [off mic]

25

Thank you, Mr. Chairman. Thank you, Mr.--[on mic]

Thank you, Mr. Page. I just want to ask, it's kind of a two-part question, but with Department of Education, so we had our hearing at DOE and I think the Chairman mentioned, I had asked a question about the response--the Council's response to the Preliminary Budget and what they thought of that. They had never heard of it. They didn't read it. Hopefully OMB will share that with the Department of Education in the future. But the question that I have is so, you know, the changes, for example, in the charter allocation or the charter budgeting, between Preliminary and Executive grew from about 70, this is off the top of my head, about around \$70 million increase to \$120 million increase, it was about a \$50 million increase from Preliminary to Executive, in charters. That's--not just--

MARK PAGE: Right.

COUNCIL MEMBER LEVIN: --even in  
that, in that--

MARK PAGE: Yeah, okay.

COUNCIL MEMBER LEVIN: --unit of appropriation, it's not with--'cause carters are going down, contracts are going down, charters are

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2 increasing--

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MARK PAGE: Okay.

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COUNCIL MEMBER LEVI: --a lot. We have, there's a Times article today, on pre-K special ed, and the runaway costs involved with pre-K special ed. And I know that it's, there's mandates and it's--there are costs within the Department of Education that are, that are, I think that they're unchecked, they're, it's a big budget but they're moving all over the place. Can you tell me, is there, are we, is it, are we going to be looking at how, what the City's role is in keeping those costs and those increases fixed, so that we're not--I mean, there's no, there's no real, I can't see a reason why from March to June there should be a \$50 million increases in the charter budget. I just, I don't understand--I don't understand how that could happen. What's, what's going on with our budget estimates? How can we control these costs?

MARK PAGE: What I'm told is that it's a combination of new schools and growth that is, student growth in existing charter schools, which I guess as you add a class--



COUNCIL MEMBER LEVIN: Well,  
absolutely, no, I agree, the trend, and that's why  
the charter budget--

MARK PAGE: --and it--

COUNCIL MEMBER LEVIN: --is growing  
by \$120 million, but not why it should be grow--it  
shouldn't be increasing \$50 million from March to  
May.

MARK PAGE: I, I expect that maybe  
if we'd had perfect focus on this issue in March,  
no, February, which really means, and it was the  
end of January, which means the information you're  
looking at is probably December sometime. I'm,  
we--things slip. And I don't know specifically  
why the change happened between them, then and  
Exec, except we had more time to catch up with  
where we were supposed to be.

COUNCIL MEMBER LEVIN: Okay.  
'Cause that, that \$50 million--

MARK PAGE: That - - the--

COUNCIL MEMBER LEVIN: --makes a  
big difference in afterschool.

MARK PAGE: Yeah. The ... the  
Times article today, that increase of I think

double between '06 and '12, that they were talking about.

COUNCIL MEMBER LEVIN: Yeah. About \$700 million.

MARK PAGE: That is--yeah, it's un--it's not particularly out of line with special ed increases of one kind of or another. It's considerably less than contracted out special ed increase, it's more than special ed basic. And it's tremendously a function of mandate at federal and state level in terms of the service that we're providing. I realize there was a bunch of issues raised in that article which were interesting about the quality of providers and what's going on here. But--

COUNCIL MEMBER LEVIN: Can I just ask, now, in the November PEG of last year, \$100 million for the Department of Education was found in special ed pre-K. A lot of that was coming from a reimbursement rate increase from 59 percent to 69 percent, that OMB is in charge of. Are you, are you on top of this? This is from the State where we're, it says in our, in our briefing document, that we're looking to recoup a billion

dollars from the State of New York on special ed pre-K reimbursement, based on a rate issue.

MARK PAGE: Hold on, hold on. I think, I think that there--I'm told that the State's, the State reimbursement rate is 69 percent.

COUNCIL MEMBER LEVIN: We've been getting 59.

MARK PAGE: And the fact is, they don't appropriate and pay at the 69 level, which is a bit of a problem, in terms of the actual cash that we get. So that's an ongoing discussion between us and the State.

COUNCIL MEMBER LEVIN: But that's how they're, we're meeting our PEG is through that increase in reimbursement rate. Our November PEG.

[background comment whispered]

MARK PAGE: I, the detail on that particular \$100 million I'm going to have to get back to you on.

CHAIRPERSON RECCHIA: Okay, we'll have to follow up on that.

COUNCIL MEMBER LEVIN: - -

CHAIRPERSON RECCHIA: Okay. Mr.

Page, we are done. I want to thank you. We will follow up a little later with some questions. I want to thank you and your staff. I--[background comments] Oh, hold on, we're not done.  
[background comments]

MARK PAGE: Guys.

[background comment, laughter]

CHAIRPERSON RECCHIA: All right, we're not done yet, all right. [background comment] We just have a few contract questions. Okay? And we're going to be joined by the Committee on Contracts. [pause, background noise] Now we're going to ask Mr. Page questions about the contracts, which we--all right, go ahead.

[pause, background noise]

CHAIRPERSON MEALY: [off mic] Good afternoon. [on mic] Good afternoon.

MARK PAGE: Good afternoon.

CHAIRPERSON MEALY: How are you? I'm Darlene Mealy, I'm the Chair of Contracts of Committee on Contracts. It's my pleasure to be joined by Domenic Recchia and the Finance Department today, joint hearing concerning the City's Fiscal Year 2013 Executive Contract Budget.

Before we proceed, I would like to, we are to already introduced everyone. I would like to also thank all the staff who helped prepare today's Contract, especially John Lisianskiy, Shannon Manigault, and Tim Matusov. The Fiscal 2013 Executive Contract Budget totals \$10.64 billion, for 17,171 contracts. Next year, contract expenditures will total more than 15 percent of the City's overall budget. The City plans to let fewer contracts than last year, and will plan to spend \$130 million more over last year's adopted contract budget. The City's fiscal condition remains uncertain. In the face of continued budget pressure, it is vitally important that we look closely to see where the City can save money. Given the size and scope of the City spending contracts, it is essential that we review the contracting process, to ensure that the City's limited resources are used efficiently. Wasteful spending on contracts can lead to job losses and service cuts. With the Entitlement Enactment Law of--63 of 2011, we were proud to take additional steps to make sure that the City makes better choices. Agencies must weigh cost efficiencies

1 before outsourcing City services, by performing a  
2 comparative analysis between the costs and  
3 benefits of providing the service in-house, and  
4 outside. The recent Enactment Law of Local 5 of  
5 2012, which requires the Mayor to establish a  
6 searchable, online database that would provide  
7 information on the material terms of City  
8 contracts to the public, will further increase  
9 transparency and offer our City's taxpayers the  
10 ability to know more about how their dollars are  
11 being spent. Additionally, with the adoption of  
12 Local Law 18 of 2012, which will require the Mayor  
13 to notify this City's Council of cost overruns on  
14 large contracts for capital projects, and Council  
15 will now be able to improve the timeliness and the  
16 quality of its oversight of contracts that begin  
17 to go off their course. Today, we hope to explore  
18 not only the changes to the City contract budget,  
19 but the broader role of OMB plays in implementing  
20 the laws that I have mentioned. So, I would look  
21 forward to hearing your discussion with my  
22 colleague, like that. I would like to just know a  
23 couple of questions in regards to our contracts  
24 spending: equipment, maintenance and repair is--  
25

Contractual spending on equipment and maintenance, and repairs, is budgeted to increase in Fiscal 2013, compared to Fiscal '12 adopted budget, by 28 percent. Could you explain to me why the maintenance?

[pause]

MARK PAGE: I can't.

CHAIRPERSON MEALY: 28 percent.

MARK PAGE: I can get back to with looking at the elements in that number. At this moment, I don't have an answer.

CHAIRPERSON MEALY: You see?  
You'll get back to me.

MARK PAGE: Yeah.

CHAIRPERSON MEALY: So what is OMB's role of overseeing agency spending on contract services? How often, if ever, does OMB check with the agencies on major projects and contracts? What kind of information does OMB request of them? Hm?

MARK PAGE: We review and approve for registration these major contracts that agencies enter into. We review them for--that--

CHAIRPERSON MEALY: Sorry.

MARK PAGE: --on the basis of checking that it looks as though the contract will actually produce something of value that is consistent with what the agency is trying to accomplish. The basic City budget structure, which we administer, is divided into basically personal services and other than personal services, most of other than personal services is in fact contract purchases of one kind or another. I mean, it ranges from entering into contracts to purchase police cars to contracts to provide daycare or homeless services or--there are all kinds of ... services that the City provides that it does not directly through its own employees but using others. I think that the most sort of continuous, routine use of contract employees for ongoing City services, is in fact the whole social service realm for the City. In other situations, it's us--it's often focused on levels of expertise, which we don't automatically have in our workforce, for projects that have a limited timeframe. So, that it often doesn't make sense for us to even to, to try to do it in-house, so to speak.



CHAIRPERSON MEALY: At all?

MARK PAGE: Hey, I was just saying that those are the qualities of tasks that we look at, in terms of what's done with contracts and what's not. I mean, the ... CityTime system, for instance, is something that we have substantially brought in-house, in terms of who operates that. We've hired a number of additional employees in FISA who run that system.

CHAIRPERSON MEALY: Were they insourced or outsourced, additional employees?

MARK PAGE: Insourced. That is City employees to replace consultants. And that's something that we do, as--and look at, and when we think there are particularly ongoing tasks, where we can save money by hiring City employees, we do that.

CHAIRPERSON MEALY: Since you said that, is OMB currently considering ways to improve the initial planning process for the large projects? So that large budget or online extensions are reduced? Since you said we are going in-house, insource, now.

MARK PAGE: Yeah, yeah, I know, I

1 know.

2 CHAIRPERSON MEALY: With their--

3 MARK PAGE: I mean, I guess one,  
4 one major part of contracting in New York City,  
5 and I'm not sure it's what you're focused on here,  
6 but we basically contract for the construction of  
7 most of our capital plan. We have put various  
8 measures in place--

9 CHAIRPERSON MEALY: Are they the  
10 real cost true timeframe of these contracts?

11 MARK PAGE: Well, I mean, capital  
12 projects are notorious for the fact that they--  
13 there isn't enough time spent to properly scope  
14 and do preliminary design work on a given project  
15 before it shows up in the budget. And so you get  
16 numbers based on a very vague sense of a project.  
17 As you find out what the project really is,  
18 because you have the time and resources to work on  
19 it, you get changes. We've actually provided  
20 money in the budget in the last couple of years to  
21 do pre-work on capital pro--on large capital  
22 projects, to try to get a defined scope and a  
23 design and a price before the project actually  
24 officially becomes a capital project. I mean,  
25

that's very directly my agency has been working on that, and I think that that resource is, at least on the margin, improving our, the reality of our cost planning for capital contracts, I mean, that's one piece.

[pause]

CHAIRPERSON MEALY: So you're saying that, but I have, we have to think about the Mayor's trying to do better by this. The Mayor recently signed the cost overrun bills, Local Law 18, which required the Administration to report to the City Council whatever large projects go overbudgeted. What steps have been taken so far?

[pause, background comments]

MARK PAGE: I understand that the Mayor's Office of Contracts is the immediately responsible agency on this reporting, and--

CHAIRPERSON MEALY: - -

MARK PAGE: --I believe that that reporting ability is supposed to come live at the end of this month, as a matter of fact.

CHAIRPERSON MEALY: That's the FMS?

MARK PAGE: No. FMS? No.

CHAIRPERSON MEALY: Reprogramming system? [pause, background comment] 'Cause they have to redo the program system in order to--

MARK PAGE: I think they're, I think they're deriving--

CHAIRPERSON MEALY: --implement this.

MARK PAGE: --yeah, I think they're deriving the information from FMS, but it's not a function that FMS carries right now. It's a new gathering of information and reporting process which MOCS is working on.

CHAIRPERSON MEALY: But have y'all made any steps in starting it, as of yet?

MARK PAGE: My understanding is that it's supposed to work as of the end of the month. [background comment] And I, I'm further told that what they're actually ready to do at the end of this month is to take the project information which exists in FMS to send it out to the agencies responsible for the various contracts and to get back from them the information which is the subject of the report that you're looking for.

CHAIRPERSON MEALY: Okay, I have

one more question, my colleague Lew Fidler have a question, also. How are you going to implement the Outsourcing Accountability Act, Local Law 35? How are you going to monitor this law? I passed that legislation a couple of months ago.

[pause, background comments]

MARK PAGE: I think that you're, that you need to ask--

CHAIRPERSON MEALY: It's OMB?

MARK PAGE: --you need to ask MOCS that question.

CHAIRPERSON MEALY: OMB.

MARK PAGE: As the sort of primary keeper of contracts for us.

CHAIRPERSON MEALY: But you will, since you're the financial, they will be starting to start implement, implementing that law.

MARK PAGE: I believe so.

CHAIRPERSON MEALY: Okay, then Council Member Lew Fidler.

COUNCIL MEMBER FIDLER: Thank you, Chairwoman Mealy. Good afternoon, Mr. Page. I--

MARK PAGE: Afternoon.

COUNCIL MEMBER FIDLER: Sorry I

missed this morning, there were so many things I would've loved to have discussed with you that are off the--

MARK PAGE: I missed you.

COUNCIL MEMBER FIDLER: --off the table, and I know you missed that opportunity, as well. Maybe we'll go out, have a cup of coffee, I'll take you through them. I do want to ask you, though, about one item in the contract budget. And I kind of use it partially as an example. But there's a rather substantial line in the contract budget for bus transportation for pupils. Am I correct about that? And that includes the transportation of pupils in non-public schools, as well. Is it all lumped into one contract budget? One line?

MARK PAGE: I don't know the answer to that, but I should be able to get you the information anyway, if you want it broken out.

COUNCIL MEMBER FIDLER: There is a, there's a code, that says "transportation of pupils"; there's another one that says "bus transportation reimbursable" that's a lot smaller. But I'm guessing that "transportation of pupils"

1  
2 is both, because--I would hope so, because the  
3 number is so enormous.

4 MARK PAGE: Yeah.

5 COUNCIL MEMBER FIDLER: The  
6 question I have relates to the transportation of  
7 pupils in non-public schools. And, you know, as  
8 we look for ways to save money, I know that there  
9 has been a proposal made, I know I've heard  
10 Council Member Greenfield talk about it, about the  
11 idea of giving those parents vouchers, since the  
12 bus service does not work particularly well for  
13 children in non-public schools, because they have  
14 different hours and different needs. And our  
15 contract with our bus providers is not terrible  
16 flexible. That we might be able to provide better  
17 service to those parents and save money, by giving  
18 parents the ability to contract on their own, and  
19 then the schools would obviously then negotiate  
20 with individual bus companies. Is that something  
21 that OMB has looked at? Who would be looking at  
22 that? Is there a reason that that can't be done?

23 MARK PAGE: This is, this is  
24 actually, what you're talking about is taking the  
25 money for--are you talking about special ed?

COUNCIL MEMBER FIDLER: No, I'm talking about--

MARK PAGE: Particularly, or--

COUNCIL MEMBER FIDLER: --non-public schools.

MARK PAGE: Yeah.

COUNCIL MEMBER FIDLER: Yeshivas.

MARK PAGE: I know that it, this issue came up in the context of special ed, and I hadn't, I have not heard the conclusion of it, quite honestly. We've proposed to the Department of Ed that is there some way where we could save the busing cost obligation, perhaps by putting it onto the parents, or some parent arranged situation.

COUNCIL MEMBER FIDLER: Oh, I wouldn't want to put it onto the parents, I mean--

MARK PAGE: Well, if they're already--

COUNCIL MEMBER FIDLER: --that's fair.

MARK PAGE: --if they're already willing to drive, I mean, maybe they are. But the--I think the question you're answering, you're



asking is interesting, and I would be happy to look into it, frankly. I don't, I don't know.

COUNCIL MEMBER FIDLER: I, well, I ask it, because I, we're always scraping for money, and--

MARK PAGE: I would love--

COUNCIL MEMBER FIDLER: --you appreciate that more than anybody, and--

MARK PAGE: Yes.

COUNCIL MEMBER FIDLER: --and so, you know--

MARK PAGE: It's--

COUNCIL MEMBER FIDLER: --every now and then we have an idea like this, and sometimes we have a dialogue at a meeting like this, and then nothing ever happens. I mean, I would hearken back to the issue of the leasing space at daycare facilities, that we talked about at nauseum at hearings, and they never went past the hearing. So, I don't know, if somebody--

MARK PAGE: I would--

COUNCIL MEMBER FIDLER: --if someone in your office is sitting here, is taking notes, then maybe we can actually pursue this and

1  
2 save the taxpayers, and do a service to the people  
3 who are looking for this transportation, and are  
4 not being well served.

5 MARK PAGE: We'll look. Yeah.

6 COUNCIL MEMBER FIDLER: Thank you.

7 MARK PAGE: Thank you.

8 CHAIRPERSON MEALY: In general,  
9 this is my last question, sir. [laughs] Is there  
10 any plan at OMB to look into agencies how the City  
11 can save money, reducing contracts with  
12 outsourcing? Could you give me one example that  
13 is already implemented? In the agency.

14 MARK PAGE: I gave one which was  
15 timekeeping, and the insourcing of the ongoing  
16 management of that system into--

17 CHAIRPERSON MEALY: So we can save  
18 money?

19 MARK PAGE: --FISA, which is a City  
20 agency. Yes, we have.

21 CHAIRPERSON MEALY: Do you know  
22 what percentage?

23 MARK PAGE: No, but I think that we  
24 had--

25 CHAIRPERSON MEALY: Were there any

1  
2 jobs saved?

3 MARK PAGE: --I think we were able  
4 to take maybe \$29 million out of what we had  
5 through was going to be necessary to operate that  
6 system going forward. Saving jobs, it's new jobs,  
7 you actually are hiring the kind of person who  
8 used to work for the contractor to work for us,  
9 and it's not that we have an excess of that kind  
10 of sort of computer technical person, but partly  
11 because of the economy, in the last few years,  
12 we've actually been able to get people with those  
13 technical credentials, who are willing to work for  
14 us, maybe they're not paid as much for their  
15 immediate time, but the fact that we provide a, an  
16 ongoing job with benefits and so forth, actually  
17 means that we can get them to work for us. And on  
18 something like timekeeping, which is not about to  
19 go away, it's sort of a good example of a task  
20 that appropriately we should manage ourselves.  
21 We're not suddenly going to drop off a cliff and  
22 not need that capacity in-house, as a practical  
23 matter.

24 CHAIRPERSON MEALY: But I'm just  
25 asking, how--are there any agencies that are

1  
2 regularly looking into this, to make sure that  
3 these kind of opportunities, we saving money, and  
4 it's fiscally ec--

5 MARK PAGE: We--we, you know, it's-  
6 -yes.

7 CHAIRPERSON MEALY: --downtime.

8 MARK PAGE: The fact of matter is,  
9 that we look at this question of contracting in,  
10 contracting out, constantly, because we are, I  
11 mean, unfortunately, we are forever in this  
12 pattern of trying to ask agencies to spend less  
13 money than they want. And one of the parts of  
14 that inquiry is, I mean, "Could you do it cheaper  
15 yourself? Could you do it cheaper by asking  
16 somebody else to do it?" I mean, it's a two-way  
17 street, frankly, this question of whether you're  
18 better off on your own, or you're better off  
19 getting somebody else to do it. I mean, for a  
20 long time, there was an example which I kind of  
21 liked, which was we would periodically switch from  
22 having City employees empty the quarters out of  
23 the parking meters, to contracting with somebody  
24 to empty the quarters out of the parking meters.  
25 And there, each time you changed, it was cheaper

1  
2 and you got more revenue. And then you began to  
3 find out that people were buying new cars with  
4 sacks of quarters. And that wasn't a good  
5 indication, and it was time to flip it the other  
6 way. And when you, and just by changing it, and  
7 stirring up how you were getting that job done,  
8 you could actually get a much better level of  
9 honesty, as well as efficiency in collecting the  
10 money.

11 CHAIRPERSON MEALY: Okay, then.  
12 We've been joined by Council Member Michael  
13 Nelson, and Mr. Jackson, do you have any  
14 questions? All right, then, thank you so much.

15 MARK PAGE: Oh, thank you.

16 CHAIRPERSON RECCHIA: Okay, Mr.  
17 Page, I just have one question, then we'll wrap it  
18 up. In looking at the budget--

19 MARK PAGE: You said you were done.  
20 [laughter]

21 CHAIRPERSON RECCHIA: One quick  
22 question. Spending on equipment, maintenance and  
23 repair budget is to increase from '13--from '12 to  
24 '13 by 28 percent. Okay?

25 MARK PAGE: I was asked that

1  
2 question, and I don't know the answer. I will get  
3 one.

4 CHAIRPERSON RECCHIA: I understand  
5 that. I understand you don't know the question.  
6 But--I, what I would like to know is, okay, for  
7 repair and maintenance across the City agencies,  
8 all the agencies, all right, they're having an  
9 increase, I believe there's an increase, in every  
10 agency in repair and maintenance. All right, can  
11 we just look into that? And, if so, maybe we  
12 could do a better contract, or get someone who  
13 will do it all at a better rate than what we are  
14 doing it. Or if it's two or three different  
15 companies doing it. And I know agencies are  
16 allowed to hire who they wish.

17 MARK PAGE: Yeah, I mean--

18 CHAIRPERSON RECCHIA: I mean, I'm  
19 just trying to figure out a way--

20 MARK PAGE: Obviously that's a big  
21 issue. We actually managed to--I think that we  
22 are--one sort of recent success on that front is  
23 that the Fire Department repair garage has been  
24 sinking into the mud for years, so literally  
25 falling down. And we figured we were going to

1 have to build a whole new one for it. I think  
2 that we are actually consolidating that repair  
3 facility with DEP. [background comment] DEP, in  
4 Queens, without having to build a whole new  
5 garage, and with consolidating that function, it's  
6 something we've been trying to do recent, in the  
7 last few years, on the whole fleet management.  
8 But that's actually a big one. :And it's, yeah, I  
9 think, I agree with you, it's worth looking into--

10 CHAIRPERSON RECCHIA: Right, I just  
11 believe--

12 MARK PAGE: --whether there isn't a  
13 better way to do this.

14 CHAIRPERSON RECCHIA: --way of  
15 doing it. Okay. Well, we are done. It's 1:30.  
16 Told you I'd have you out of here at 1:30 on time.  
17 We want to thank you for testifying here today.  
18 This ends the Contract Hearing, this ends the  
19 Finance portion with OMB. We will take a five  
20 minute recess. I see Commissioner Frankel's here  
21 for the Department of Finance. They will be up  
22 next. Five minutes. [pause, background noise]  
23 If everyone can kindly find their seats. Now,  
24 we'll resume the Council's hearing on the Mayor's  
25

1  
2 Executive Budget for Fiscal 2013. At this time,  
3 we have been joined by the Commissioner for the  
4 Department of Finance. We welcome you,  
5 Commissioner. And I believe everyone should have  
6 copies of the testimony.

7 DAVID FRANKEL: Good afternoon, Mr.  
8 Chairman. With me today is Debra Feinberg, our  
9 head of Government Affairs. Good afternoon,  
10 Chairman Recchia and Members of the City Council  
11 Committee on Finance. I am David Frankel,  
12 Commissioner of the Department of Finance. I  
13 thank you for the opportunity to testify today on  
14 Mayor Bloomberg's Fiscal Year 2013 budget. As  
15 always, with respect to new senior staff, I would  
16 like to introduce you to the new Assistant  
17 Commissioner for Tax Audit, Harry Leonard, who  
18 joined us a few weeks ago. Harry brings expertise  
19 to the agency after a career as a specialist in  
20 state and local taxes in the private sector. The  
21 Department of Finance has a proposed budget of  
22 \$225.8 million for Fiscal Year '13 and a projected  
23 headcount with consultants of 1,833. Since 2009,  
24 when our team began its tenure, this represents a  
25 budget decrease of 2.6 percent and a headcount



1 decrease of ten percent. We have reshaped the  
2 agency by replacing consultants and training staff  
3 to perform new functions. We have hired new staff  
4 with specialized skill sets, including tax  
5 auditors, assessors, IT professionals, statistical  
6 modelers, economists, and data management  
7 specialists. We are developing greater expertise  
8 within the agency. Since 2009, we eliminated  
9 \$11.5 million in outside consulting expenses, and  
10 brought the work in-house, reducing the number of  
11 fulltime IT consultants from 71 to 16. While our  
12 spending and headcount is down, our overall  
13 strategy is paying off in key areas that I will  
14 discuss today. We are bringing in more tax  
15 revenue from tax audits, doing a better job of  
16 enforcing cigarette tax laws, collecting more  
17 money owed the City, improving our assessment  
18 practices, and administering our programs more  
19 efficiently and accurately. Successful audits  
20 help ensure that taxpayers are paying their fair  
21 share for the important services New Yorkers  
22 depend on. Finance will increase tax revenue  
23 recovered through auditing personal and business  
24 tax returns, by approximately \$350 million between  
25

1 Fiscal Year '12 and '14. The increase has been  
2 and will be accomplished through the many changes  
3 we have implemented in our approach to audits. We  
4 created a data modeling group to better determine  
5 likely areas of under- or non-reporting of income,  
6 allowing us to identify higher value audits and  
7 those that are more likely to succeed. We  
8 expanded the sophistication of the models and  
9 queries we run against the databases we share with  
10 the IRS, the U.S. Treasury and the New York State  
11 Department of Taxation and Finance. Our modelers  
12 identify the kinds of correlations that lead to  
13 more efficient auditing. Additionally, we  
14 continue to hire and promote tax auditors. 61 new  
15 auditors were brought in over the last two years.  
16 Each new auditor now recovers on average \$820,000  
17 in tax revenue each year. Beyond generating more  
18 revenue, our modelers are doing a better job of  
19 identifying likely audit targets, which makes  
20 audits less painful for City businesses and  
21 residents. We have succeeded in reducing the  
22 number of audits resulting in no balance owed from  
23 35 percent of all audits, to 22 percent. This  
24 compares favorably to the IRS which closes from 36  
25

1 to 29 percent of examined returns with not change.  
2 Under the leadership of Assistant Commissioner  
3 Leonard, we will continue to improve our audit  
4 targeting and processing. Improved auditing is  
5 just one example of how we continue to strive to  
6 level the playing field for New York City  
7 taxpayers. We are employing a number of other key  
8 tools to protect the vast majority of New Yorkers  
9 who play by the rules, from the small minority who  
10 do not. Let me share one real life example. At a  
11 recent outreach event in The Bronx, a distraught  
12 young man approached me about his family's  
13 delicatessen which his parents have owned and run  
14 for decades. However, he said they now find  
15 themselves close to bankruptcy. Why? Because  
16 their neighborhood competitors are selling untaxed  
17 cigarettes and attracting business not only for  
18 cigarettes but for their other products, as well.  
19 This young man and his parents are incensed that  
20 their decades old small business is being  
21 destroyed by those that thumb their noses at the  
22 law. The proliferation of untaxed cigarettes is  
23 an epidemic. Over the past nine months, Sheriff  
24 Edgar Domenech and his team in our new Cigarette  
25

1 Tax Enforcement Unit, have made almost 1,400  
2 random inspections and found that 42 percent of  
3 stores had unstamped or counterfeit stamped  
4 cigarettes. It bears repeating: 42 percent of  
5 these business establishments simply flout the law  
6 and if caught apparently regard it as a minor cost  
7 of doing business. Business owners who follow the  
8 tax laws need government support to make sure they  
9 do not lose business to rivals who break the law.  
10 For this reason, Finance is working with State and  
11 City partners to address these issues. In another  
12 area, Finance is also doing a better job of  
13 collecting agency fines that have gone into  
14 judgment after being upheld at the City's  
15 Environmental Control Board. Businesses that  
16 comply with City codes or that pay their fines or  
17 successfully challenge their summonses should not  
18 have to compete against those that violate the  
19 rules and never pay the appropriate fine. The  
20 Council or State Legislature has authorized the  
21 creation of rules for businesses to follow, and if  
22 summonses are upheld it is our job to collect  
23 them. Through a combination of parking, of  
24 targeted enforcement effort using in-house lawyers  
25

1 and collection staff, and better management of the  
2 services of outside collection agencies, we have  
3 more than doubled ECB judgment collections from  
4 \$21.1 million in 2009 to a projected \$44 million  
5 this year. Similarly, it is important for New  
6 Yorkers who follow parking rules, or who pay or  
7 successfully challenge their parking tickets, to  
8 know that everyone is subject to the same rules.  
9 Once a parking ticket is issued and upheld, it is  
10 our job to collect any unpaid amounts due the  
11 City. However, enforcement of parking, of unpaid  
12 parking tickets that go into judgment does not  
13 have to be a nightmare for the vehicle owner. For  
14 this reason, we will shortly begin piloting a new  
15 citywide booting program that we have discussed  
16 previously with you. Booting allows people to put  
17 their vehicles on the road within minutes. It  
18 also allows people access to personal belongings  
19 left behind in the vehicle, such as infant car  
20 seats, prescription drugs or important paperwork.  
21 We are planning to launch first in Brooklyn and  
22 expand the pilot to Queens and Staten Island  
23 before implementing a full, citywide program.  
24 This pilot program will help us determine whether  
25

1 and how to implement booting as an additional tool  
2 to enforce parking judgment debt. The booting  
3 program works by attaching a self-release boot to  
4 a car with more than \$350 in parking judgment  
5 debt. To release a boot, a motorist can instantly  
6 pay fees and fines by phone, at which time the  
7 motorist receives a code that will release the  
8 boot. Boots can be returned to one of a number of  
9 drop-off locations. We believe this will  
10 encourage compliance and facilitate debt  
11 collection, while also reducing inconvenience to  
12 motorists. After the pilot has concluded, we will  
13 review all aspects of the program to determine if  
14 and how the program should be further developed.  
15 One of the agency's most significant  
16 responsibilities is to value our City's property.  
17 Each year we value over 1,045,000 properties. Our  
18 final assessment roll was released on May 25th  
19 under the leadership of Assistant Commissioner  
20 Timothy Shears. Market values for Class I  
21 properties are up 1.66 percent citywide from last  
22 year; Class II properties rose 2.93 percent; and  
23 Class IV properties increased 4.46 percent.  
24 Between the tentative and final assessment roll,  
25

there was a 3.2 percent reduction in taxable value in Class IV. 41 percent of this change is a result of reviewing not-for-profit renewal applications that were submitted after the deadline for the tentative roll. In creating our assessment roll, we have changed our practices to do a better job of treating similar properties in a similar way. One significant change we have made is to increase the use of modeling, a best practice for mass appraisal. Modeling is a tool for our assessors to determine values consistently and avoid unpredictable, radical changes. As we do more work in this area, we will reach out to you to brief you about our plans in more detail. Other changes include expanding our use of modern technologies, reflected for instance in our use of aerial oblique photography to enhance our data collection and maintain up-to-date property information. We utilize the images as a remote assessment tool, enabling our assessors to view a parcel from all directions. We have established a quality assurance group to ensure procedures are followed as the role is created and that reporting is developed to review the accuracy, consistency,

1 and predictability of assessments. Finally, after  
2 the role is completed, we have assigned our  
3 internal audit team to work with the quality  
4 assurance group to develop a random audit protocol  
5 for review of the role. The final assessment role  
6 incorporates the result of a continuing, extensive  
7 effort to review and update the granting of  
8 property tax exemptions, which are worth over \$4  
9 billion annually in property tax. We want to make  
10 certain that individuals, businesses and other  
11 organizations that qualify for various exemptions  
12 receive them, and those that are not eligible, do  
13 not. This is a disciplined effort under the  
14 leadership of Assistant Commissioner Sarah Meyers  
15 and her team. The primary exemption we tackle  
16 this year was a not-for-profit property tax  
17 exemption and first time personal exemption  
18 applications. Not-for-profit exemptions account  
19 for about 13,000 properties that are awarded close  
20 to \$2 billion in tax benefits. The not-for-profit  
21 exemption renewal effort was truly a joint effort  
22 with the City Council, and I would like to thank  
23 specifically the staffs of Speaker Quinn and  
24 Chairman Recchia, as well as the Department of  
25



1 Cultural Affairs and the Mayor's Offices of  
2 Community Affairs and Contracting Services, in  
3 addition to the many community groups that  
4 assisted with this effort. In coordination with  
5 these groups, Finance staff reached out to not-  
6 for-profits in person, by phone and email. We  
7 also spoke at community forums, to ensure that the  
8 appropriate parties were educated about the  
9 renewal process. In addition, Finance staff  
10 called nonresponders and assessors visited many  
11 properties to attempt to establish in-person  
12 contact and make observations about the property's  
13 use. Through these outreach efforts, we were able  
14 to reach almost all of these organizations.  
15 Approximately 96 percent of the properties  
16 receiving this benefit completed a renewal  
17 application. Of the total group required to  
18 renew, 94 percent sent us the necessary  
19 information and were approved. About four percent  
20 had exemptions revoked for nonresponse, and the  
21 remaining two percent were reduced or revoked  
22 because of the use of the property does not  
23 qualify for the exemption. As noted, we are  
24 focused on ensuring that qualified applicants are  
25

1 granted exemptions for among the many programs  
2 that we administer, running the gamut from not-  
3 for-profit exemptions, commercial construction  
4 exemptions, or personal homeowners exemptions,  
5 just to name a few. We would like to thank  
6 Council Member Ignizio for sponsoring Intro 688,  
7 and Council Members James, Mealy, Recchia, Nelson,  
8 Halloran, Oddo and Ulrich, for cosponsoring this  
9 bill, which mandates that all applicants for  
10 certain homeowners exemptions submit proper  
11 documentation to confirm their eligibility. Every  
12 year, we receive more than 27,000 new personal  
13 exemption applications. This year, we required  
14 applicants to verify their qualification by  
15 submitting documentation. The deadline for filing  
16 an exemption application is March 15, and the  
17 review and processing of those applications must  
18 be completed by May in order for the new  
19 exemptions to appear on the first bill of the tax  
20 year, which is printed in early June.  
21  
22 Approximately 2,000 property owners were notified  
23 that their exemption application was approved but  
24 they will not see the exemption on the July bill.  
25 Another 1,500 applicants are still being

1 processed. In most cases, this is because they  
2 had to submit additional information for us to  
3 determine their eligibility. All 3,500 of these  
4 applicants will receive a letter along with their  
5 July property tax bills explaining that if they  
6 qualify, their exemptions will be posted to the  
7 next property tax bill. All qualified individuals  
8 will receive full credit for their exemptions,  
9 effective July 1st, the beginning of the tax year.  
10 It is our job to establish transparent and fair  
11 procedures and guidelines, to ensure that  
12 qualified individuals receive those valuable  
13 benefits. As we strive to continually improve our  
14 administration of benefit programs, we are  
15 learning from the not-for-profit renewal process  
16 and other exemption processing. We seek to ensure  
17 that all of our exemptions are compliant with the  
18 standards laid out in the law, and are offered to  
19 New Yorkers with as little complexity as possible.  
20 Now I'll turn to SCRIE. The administration of the  
21 Senior Citizen Rent Increase Exemption program  
22 highlights some of the many changes happening  
23 within our exemptions and abatements unit, that  
24 impact both operations and outreach. Not only  
25

1 have we implemented improvements resulting in more  
2 efficient processing and transparency, but we have  
3 also worked hard to respond to the Council's and  
4 others' concerns about this vital program that  
5 serves one of the City's most vulnerable  
6 populations. Working hand-in-hand with the  
7 Department for the Aging, we opened a new SCRIE  
8 and DRIE walk-in center to provide personalized  
9 attention to those seeking assistance with these  
10 programs. SCRIE and DRIE applicants are able to  
11 sit down with Finance or DFTA staff in the newly  
12 designed space, to have their concerns addressed.  
13 Visitors to the office can be helped in any  
14 language through interpretation services, and  
15 there is a Spanish speaking staff member onsite.  
16 We have also created a new customer service unit  
17 within the personal exemptions and abatements  
18 division. Beginning as a pilot program, six  
19 Finance employees with specialized training will  
20 be responding directly to service requests  
21 submitted to Finance by 311, which is a change  
22 from previous practice. In general, 311 is able  
23 to immediately answer a SCRIE inquiry about 85  
24 percent of the time. The other 15 percent

requires a response from Finance. Finance staff has been responding back to 311 with the required information forcing callers to again contact 311 to get the answer to their question. When this new unit becomes fully operational by the middle of this month, a Finance customer staff unit staff member will research the specific case and directly reach out to the 311 caller within two business days, to provide more personalized attention and best answer their question or address their concerns. After evaluating the success of this customer response system, we look forward to reporting to Council and continuing our discussions on this program. Further, our external affairs division and DFTA staff have been attending SCRIE clinics, and other senior fairs, and conducting increased outreach at senior centers. Since last July, Finance's outreach staff attended more than 30 SCRIE and senior citizen focused events. Finance staff will be providing SCRIE application training to staff of elected officials and to community groups, to ensure that seniors have greater access and opportunities to sign up for these programs in

1 comfortable and familiar settings. We have also  
2 created a new position of outreach coordinator for  
3 seniors, whose sole function will be developing  
4 and enhancing our outreach to this population. In  
5 addition, as you suggested, and we have discussed  
6 with Council staff, Finance is redesigning the  
7 SCRIE guidebook, which will soon be available  
8 online and in hardcopy, in addition to the other  
9 SCRIE informational materials that are already  
10 available on our website in a number of languages,  
11 and are currently distributed at senior centers  
12 and senior events. We have already shared a draft  
13 of the book with your staff and look forward to  
14 getting their feedback. Finally, we are  
15 continuing to gather data sets to identify  
16 potential eligible SCRIE recipients who do not  
17 already participate in the program. We are  
18 working with data from the Department of Housing  
19 and Community Renewal, the Board of Elections and  
20 the Human Resources Administration, to develop a  
21 targeted outreach campaign for seniors who may be  
22 eligible for SCRIE. We will keep you informed of  
23 the work as we--on this project. We greatly  
24 appreciate Chairman Recchia's input and insight as  
25

well as the input of a host of other elected officials, community groups and advocacy groups who have helped add to the dialogue on this important issue. Turning to the notice to property owners. As part of our enhanced customer service initiatives, we are focused on improving how we communicate with the public. To that end, we are working to clarify the language and appearance of our notices to property owners. One key change to our messaging is the revised quarterly statement of account. We are now calling these notices "property tax bills," so that recipients will immediately understand the nature of the mailing, without having to read through the entire document. In addition, we are piloting a new, streamlined look to the property tax bill for the 85 percent of property owners who are responsible for no charges other than property taxes. The streamlined bill will include other key information on the front of the document--I'm sorry, will include only key information on the front of the document--outstanding and new charges, the amount due, and the due date. All other detailed information regarding the

1 calculation of the amounts due will be displayed  
2 on the back of the document. Based on the  
3 response, we will make further changes to the  
4 property tax bills to ensure that owners  
5 understand clearly how much they owe, what the  
6 charges are for, and when they are due. We've  
7 made another change to the property tax bill that  
8 will save the City money and make it easier for  
9 our residents to pay what they owe. For the first  
10 time, the bill will explain to taxpayers how to  
11 pay their property tax using their home banking or  
12 online bill pay site. Invisible to the taxpayer,  
13 we have worked out an agreement to process those  
14 payments electronically at only three-and-a-half  
15 cent charge per item to the City. The savings,  
16 compared to a dollar-five to process a check sent  
17 through a lockbox will only increase over time.  
18 Another notable difference on July's property tax  
19 bills will be the changes to the school tax  
20 release program, or Star, based on a change in  
21 state law. This law mandates that Star savings  
22 cannot increase more than two percent a year. The  
23 bill will look different because the State  
24 requires us to continue to provide a Star exempt  
25



1  
2 assessed value amount, but the Star savings will  
3 be a fixed dollar amount, and no longer derived  
4 from the exempt assessed value. I hope everybody  
5 understood that. This change has been implemented  
6 for the July property tax bill, but it took effect  
7 in the last tax year. Therefore, New York City  
8 property owners who receive Star, or enhanced  
9 Star, will have a one-time charge on their first  
10 property tax bills in Fiscal Year '13, reflecting  
11 the impact of last year's two percent cap. The  
12 average one-time charge for co-op or condo owners  
13 is about \$18 for Star recipients and about \$38 for  
14 enhanced Star recipients. For single family  
15 homeowners who receive Star, the charge is about  
16 \$30 and about \$60 for those who receive enhanced  
17 Star. Just as we are seeking to improve how we  
18 communicate on our property tax bills, we are  
19 similarly focused on increasing clarify on  
20 property tax assessments for New Yorkers. As I  
21 have testified previously, we are actively  
22 developing a property tax pamphlet for residential  
23 property owners that will be complete by the end  
24 of the year. This pamphlet will be a new tool for  
25 owners to help them understand how their property

1 is assessed, what it means, and how their property  
2 taxes are calculated. We appreciate the valuable  
3 input received from Council staff and will  
4 continue to share drafts as the project  
5 progresses. One of the greatest challenges we  
6 face in improving our communication to taxpayers  
7 is the age of our Fair Tax and Arpad computer  
8 systems. Our old, increasingly outdated systems  
9 are limited in their capacity to accommodate the  
10 continually evolving State and City laws that  
11 govern property taxes and tax benefit programs.  
12 These changes often require months of complex  
13 programming and testing to ensure that they are  
14 properly incorporated and that no unrelated aspect  
15 of the program is altered. These systems have  
16 become more and more complex, fragile and  
17 difficult to change, because they have been  
18 rewritten many times over the decades, to reflect  
19 the complicated layers of tax policy and property  
20 valuation that are mandated in the law. Staff  
21 members who know the code well have retired, and  
22 we are very dependent on our remaining staff who  
23 are familiar with these systems, almost all of  
24 whom are retirement eligible. That is why we are  
25

1 committed to updating these systems, because the  
2 systems must perform sophisticated calculations,  
3 track complex and varied information, past,  
4 current and future, provide statistical analysis  
5 and generate notices. It is not an easy task to  
6 upgrade. Given this, we have developed a plan to  
7 procure replacements for Arpad and Fair Tax, to  
8 ensure the City will continue to be able to  
9 calculate bills, to calculate, bill and collect  
10 taxes for years to come. This agency continues to  
11 transform and reinvent itself. Even in the short  
12 period since I last testified before this  
13 Committee in March, there have been major  
14 operational changes implemented, new positions  
15 created, new unit staffed, and a new office  
16 opened. I am enormously appreciative of the  
17 creativity, flexibility, and energy of my staff,  
18 who day-in and day-out, provide the passion and  
19 the extraordinary skill that has enabled us to  
20 drive the agency to greater efficiency, increased  
21 transparency, and even better customer service. I  
22 could not be more proud of this group. I'm happy  
23 to take your questions.

24 [background comment]  
25

CHAIRPERSON RECCHIA: Thank you, Commissioner. And I have some questions, but I'm going to let my Council, my colleagues, go first. But I do want to thank your staff for working well with my staff. You know, as far as the SCRIE pamphlet is concerned, I know we have a meeting on Friday. We did send a memo out to every Council Member, with a copy of the pamphlet, asking them what they think should be included, not included, how to make it better. And I hope we could do the same thing for the property tax pamphlet that you're going to be putting together. That's good. All right, I'm going to let my colleagues ask questions first, and then I will come back. We've been joined by Council Member Brewer. Council Member Lew Fidler, you have questions for the Commissioner?

[pause]

COUNCIL MEMBER FIDLER: Thank you, and Commissioner I want to reiterate the comments that Chairman Recchia made, thanking your outreach staff, particularly in Brooklyn, they worked extremely well with my Council office, and your staff's been out to my district to help my

1 constituents repeatedly, and you should keep those  
2 people working, they're doing a great job. I want  
3 to go to the early part of your testimony, where  
4 you, you said, even for your own emphasis, a  
5 shocking number that, 42 percent of your  
6 inspections showed that there were untaxed  
7 cigarettes being sold. And I think that's really  
8 just the tip of the iceberg in the City of New  
9 York, in terms of uncollected sales tax, and the  
10 underground economy. I mean, one of the, one of  
11 the most galling examples to me because it's so  
12 open and notorious, are people selling counterfeit  
13 DVDs. You can't go into a diner in Brooklyn  
14 without being offered, you know, counterfeit DVDs.  
15 There's no question in my mind that no sales tax  
16 is being collected on that. I'm sure that there  
17 are a lot of other laws being violated at the same  
18 time. Who's responsible for the enforcement and  
19 the collection of that sales tax? And could you  
20 tell me a little bit more about the effort? You  
21 say that you're working with other authorities on  
22 the cigarette tax problem, what exactly are you  
23 doing? What progress have you made? And what  
24 could we hope to collect that we're not  
25

collecting? Because obviously tremendous amounts of revenue that are not being collected.

DAVID FRANKEL: Let me start with the revenue side. There have been many estimates of the revenue that's lost running to the hundreds of millions of dollars to the City and the State. It's of course unclear to understand what you might collect, even if every cigarette was taxed, because part of the reason that people go and they buy untaxed cigarettes is because they're cheaper. Would they continue to buy them if they were paying \$6 or, what is it, \$6 or so, \$6.50 and--no, but I mean, for just the sales tax part is, right, six-and-a-half bucks. We are working with other agencies and we are in the process of drafting legislation that would increase both civil and criminal penalties to people who are found to be in possession of our selling untaxed cigarettes. And working both in the City and we'll be working with various district attorneys and the State to do that, our Sheriff, if you haven't met him, Edgar, stand up for a second, Edgar Domenech, who's the former second in command of the Bureau of Alcohol, Tobacco, Firearms and Explosives in

1 Washington, also has an extensive network of  
2 contacts in the federal government, who we're  
3 working with also. We recently, Edgar and his  
4 staff, went into a store and found some untaxed  
5 cigarettes, and they followed--I'm going to get  
6 this story somewhat wrong--but they followed a  
7 gentleman back to a locker, a storage locker,  
8 where in coordination with, who was it, the FBI?  
9 Who'd you get, who'd we get the search warrant  
10 through? For the pole camera. [background  
11 comment] Okay, so--U.S. Marshals and The Bronx  
12 D.A. we put a pole camera outside of this locker,  
13 and based on the surveillance provided by the pole  
14 camera, managed to get a search warrant. And went  
15 in and found 1,700 cartons of untaxed cigarettes,  
16 tens of thousands of tax stamps, and arrested the  
17 two individuals I think who were involved in that.  
18 So, we're working on more and more cases like  
19 that.  
20

21 COUNCIL MEMBER FIDLER: So the  
22 enforcement is primarily within your agency,  
23 within Sheriff Domenech's--

24 DAVID FRANKEL: Certainly the  
25 enforcement of the cigarette tax issue, and sales

1  
2 tax, both the State and mostly the State the sales  
3 tax audits. I'm not going to pretend that the  
4 underground economy is something that you can  
5 tackle. With--

6 COUNCIL MEMBER FIDLER: Why not?

7 DAVID FRANKEL: Well, with the  
8 resources that you have, even if you had unlimited  
9 resources, I'm still not convinced that it's easy--  
10 -well, it's certainly not easy--that it's  
11 productive, in some sense, or that it's  
12 economically feasible to do this. Okay, so we go  
13 and find the guy that's selling untaxed DVDs. I  
14 agree with you, I hate this. So now, we, what do  
15 we do, we arrest him. Right? The law probably  
16 says that it's a minor misdemeanor. We don't  
17 collect any sales tax from him, we don't know  
18 whether the people who are buying the DVDs from  
19 him are now going and buying taxed DVDs. So, I am  
20 totally on your side, I think we totally agree on  
21 this. I don't have--I haven't come up with a  
22 truly effective strategy for getting into the  
23 underground economy on certain things, untaxed  
24 cigarettes is one that we are focused on.

25 COUNCIL MEMBER FIDLER: I mean, it



1 would seem that cigarettes are the, I don't think  
2 any of them are easy, but the easiest, because  
3 they are infrequently sold from the trunk of a  
4 car, they're usually sold in a store. And quite  
5 frankly, the reason and I'm sure you're aware,  
6 that's the reason we increased the tax on  
7 cigarettes is to discourage people from smoking to  
8 begin with. But you know, those that are going to  
9 buy, are going to buy. And you know, I always  
10 find it especially galling when the law is  
11 flaunted openly and notoriously. And agencies,  
12 you know, walk past it every day, and nothing  
13 happens, and it sends all the wrong messages, not  
14 just the loss of revenue, but all the wrong  
15 messages to people about obeying the law. And  
16 that no one is above the law. And it would strike  
17 me, and we've had this conversation, I've heard  
18 this conversation on numbers of different levels,  
19 on the State level, when we talked about Native  
20 American cigarette sales and why we can't collect  
21 that. And I know that's not the City's problem,  
22 that's a State problem. That we kind of turn this  
23 blind eye, and at the same time, we are allowing  
24 not only the policy that we've tried to establish

1 by taxing cigarettes, to be thrown to the wind,  
2 but hundreds of millions of dollars. And at very  
3 least, \$100 million. And that's a lot of money in  
4 this budget. And I know that we're always eager  
5 to add parking ticket enforcement agents because  
6 they pay for themselves. All right? We got out  
7 and we hire somebody, they issue tickets, more  
8 than it costs us to pay their salary. It would  
9 seem to me that we ought to beef up the  
10 enforcement at least in the cigarettes, would pay  
11 for itself, time and again. Like this is one  
12 place where maybe adding a few employees for  
13 enforcement might actually bring us in some  
14 revenue, and serve a public policy purpose. And  
15 so I would suggest that we talk, have that  
16 conversation with OMB, that I know that our Taxi  
17 Commissioner had this conversation regarding taxi  
18 enforcement. He said, "I can enforce the laws  
19 better if you give me another taskforce, they'll  
20 pay for themselves." Well, I think this would pay  
21 for itself. Let's hire some people to collect the  
22 cigarette taxes at very least. If you want to  
23 work on the other stuff that galls me, like the  
24 DVDs, that would be my pleasure. But the

1 cigarettes should be a no-brainer. And I think  
2 that that, now, budget time, is the time that we  
3 should be talking about that.

4  
5 DAVID FRANKEL: Well, I'm not sure  
6 it has to do with hiring people. As I've said,  
7 last August, we started--I agree with you  
8 completely--so we started this new unit. We have  
9 done 1,400 random inspections since then. We've  
10 seized cigarettes, we've arrested, I don't know,  
11 six or eight people in this process, and we've  
12 fined hundreds of people. So, we're not sitting  
13 here doing nothing, we're doing exactly what  
14 you're suggesting.

15 COUNCIL MEMBER FIDLER: So, you've  
16 had 1,400 inspections, how much revenue has that  
17 yielded you? All right. And have you seen an  
18 uptick in compliance? And are we collecting more  
19 cigarette tax revenue?

20 [pause]

21 DAVID FRANKEL: I have no idea if  
22 it's increased any revenue. You seize cigarettes,  
23 and you stop them from being sold. I don't know  
24 whether those people who would've bought those  
25 cigarettes now go out and purchase taxed

cigarettes. I just don't know the answer to that.  
I assume there are statistical modelers--

COUNCIL MEMBER FIDLER: I think you  
have to assume--

DAVID FRANKEL: --could - - that  
out--

COUNCIL MEMBER FIDLER: --that a  
significant portion of them haven't, won't all of  
a sudden give up their addiction to cigarettes.

DAVID FRANKEL: Fair enough, so but  
the average seizure of our part is, I don't know,  
four cartons, three cartons, about seven cartons,  
I forgot exactly what it is, it's not a huge  
amount, in these. So if you added the mall  
together, my guess is that the revenue  
implications would be relatively small. But I--

COUNCIL MEMBER FIDLER: So, what--  
and what is the, what is the consequence to the  
person from whom you've seized the four cartons?

DAVID FRANKEL: Almost nothing.  
That's why I just said [crosstalk] well that's  
what I just said, we're working on legislation  
that will significantly increase the civil and  
criminal penalties.

COUNCIL MEMBER FIDLER: And does that legislation need to be passed at the City level or the State level?

DAVID FRANKEL: State level. But we'd love your support, when we get it drafted--

COUNCIL MEMBER FIDLER: You have it.

DAVID FRANKEL: Great.

COUNCIL MEMBER FIDLER: I mean, I guarantee you, you have it, I mean, I think we need to do it faster and I think we need to be a little bit, you know, more aggressive about this. And clearly, the people who have the four cartons are getting it from the people who have the 40, who have the 4,000 in the warehouse someplace.

DAVID FRANKEL: Well, that's why we took the four cartons and we went out and we found the 1,700. With respect, Councilman, on almost anything I've ever been questioned, we're ahead on this. Right, we started this in August, we are working our butts off to try to do this. So--

COUNCIL MEMBER FIDLER: I'm -- I assume that's a pun, right? [laughter] I'm glad--

-

1  
2                   DAVID FRANKEL: You were the only  
3 one who got it, though. [laughs]

4                   COUNCIL MEMBER FIDLER: I'm quick.  
5 No, I'm not trying to play "gotcha" with you,  
6 Commissioner. I--this is something that I find  
7 particularly galling. And I hate leaving money on  
8 the table. And, you know, one way or another  
9 we're leaving money on the table, and if there's a  
10 better way, a more aggressive way to do it--if  
11 you're already doing it, great; and if we can do  
12 more, then we should. And that's what I'm saying.  
13 And you certainly have my absolute support. I  
14 hope we're not going to wait until the next  
15 legislative session to increase these penalties.  
16 I'm sure the cigarette lobby's going to push back  
17 very, very hard, I'm imagining the grocers are  
18 going to push back very, very hard. You know, and  
19 I understand the politics of it. But the fact of  
20 the matter is, we can't let the politics of this  
21 stop us here. And I think we should do it before  
22 the legislature goes out of session, seven days  
23 from now.

24                   DAVID FRANKEL: Thank you.

25                   CHAIRPERSON RECCHIA: Okay. Thank

1  
2 you, Council Member. We've been joined by Council  
3 Member Al Vann, Council Member Fernando Cabrera.  
4 I'm just going to jump here and just ask you some  
5 questions on property tax. Okay? First, the  
6 bills. What system failures have occurred that  
7 cause there to be incomplete, incorrect and  
8 missing addresses on the bills?

9 DAVID FRANKEL: I mean, for the  
10 most part, it's not system failures, it's property  
11 owners who don't report their correct addresses.  
12 A property owner is required to give us an  
13 address. We use that address to mail out these  
14 property bills. So it's not, it's not a systems  
15 issue.

16 CHAIRPERSON RECCHIA: In the fall,  
17 there were a major issue with this, about property  
18 tax bills being mailed to the wrong addresses and  
19 there was a failure in Department of Finance.

20 DAVID FRANKEL: I'm sorry, Mr.  
21 Chairman, I--we may be just on a different  
22 wavelength here.

23 CHAIRPERSON RECCHIA: All right,  
24 about 8,000 properties were not mailed their tax  
25 bill in July through October, 2011.

1  
2                   DAVID FRANKEL: Right. We have a  
3 certain number of properties that we have no  
4 addresses for and we have a certain number of  
5 properties that we get return mail because no  
6 one's there to collect the addresses. That's what  
7 we're focused on in trying to clean up that data.  
8 Right, but that data gets cleaned up by us trying  
9 to reach out these property--Remember, property  
10 owner has an obligation to give us a correct  
11 address to send their bill to. Clearly we don't  
12 have all correct addresses, we've got--

13                   CHAIRPERSON RECCHIA: And--

14                   DAVID FRANKEL: --several thousand-

15 -

16                   CHAIRPERSON RECCHIA: I'm glad  
17 brought that up, because property owners have  
18 given you the correct address to mail it to, and  
19 they still mail it to the wrong address. I know  
20 this for a fact.

21                   DAVID FRANKEL: Okay. I don't,  
22 honestly I don't know what to say to you, Mr.  
23 Chairman.

24                   CHAIRPERSON RECCHIA: Well, I'm  
25 just saying--



1  
2                   DAVID FRANKEL: If there is an  
3 example--

4                   CHAIRPERSON RECCHIA: --'cause  
5 there is a problem, and I will give you the prop--

6                   DAVID FRANKEL: --in the 1,045,000  
7 properties--

8                   CHAIRPERSON RECCHIA: --I will give  
9 you the property, I will give you the properties,  
10 'cause it's not only one, it's many. Okay? I  
11 just want to bring that to your attention. As far  
12 as the Star program, okay, you're going to look to  
13 correct those bills, and ... are you ready to, you  
14 know, put an explanation in the bills? How--  
15 what's the plan to do that?

16                   DAVID FRANKEL: Yes, we have a  
17 bill, we have an explanation. I don't know  
18 whether it's been shared with the Council yet, but  
19 those, it has, I'm told that it has been. Yeah.  
20 Those bills will go out in the next week or two.

21                   CHAIRPERSON RECCHIA: Okay. And is  
22 there--we left off there ... we did not see what  
23 the explanation will say, we recommended that on  
24 the bill there should be an explanation of what  
25 happened. We have not seen how the final outcome

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of that.

DAVID FRANKEL: Well, we're happy to share with you, we'll get it to you today or tomorrow.

CHAIRPERSON RECCHIA: Okay, 'cause this is going to be a concern to us, you know, 'cause we believe that many people are not made aware of why this is going to happen, they're going to see this additional charge on their bill. And we just wanted to make sure they understand that this is a one-time issue, because of the law that was passed up in Albany. As far as the audits are concerned, the proposed increase from \$10 million to \$12 to \$35 is based on, you're going to increase the number of audits, 'cause that's a large number to go from \$10 million to \$35 million.

DAVID FRANKEL: I'm sorry, I'm not following exactly what numbers--

CHAIRPERSON RECCHIA: In the budget. In there, in the Executive Budget, it's projected increase of \$10 million in F'12, and \$35 million based on how many business and tax shelters, you know, increase in audits.

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DAVID FRANKEL: Yes.

CHAIRPERSON RECCHIA: That's what the Executive Budget says.

DAVID FRANKEL: Yeah, as a matter of fact, our budget numbers are PEG numbers for the last two or three years, have not been \$25 million, they've been about \$100 million a year that we expect to bring in, in additional revenue, from hiring new auditors, from better modeling, from better statistical analysis, and the like. As I said, we've hired 55 or 61 new auditors, I forgot what the number is, they each bring in about a little bit over \$800,000 apiece.

CHAIRPERSON RECCHIA: And--

DAVID FRANKEL: We'd like to think that's a low number, actually, we'd like to think we can, we might be able to do better than that. But I don't know.

CHAIRPERSON RECCHIA: So what's your number that you think you're going to increase it to?

DAVID FRANKEL: Well, over the last, over three years, from '12, '13 and '14, the PEG numbers have been a total of \$350 million. So

1  
2 it's about \$110 million a year, \$115 million a  
3 year.

4 CHAIRPERSON RECCHIA: All right.  
5 In May you released the final assessment roll.  
6 And can you tell us what's the major changes from  
7 the tentative rolls that were issued?

8 [pause]

9 DAVID FRANKEL: I don't actually  
10 have an answer to that question in terms--I've  
11 told you there were some value reductions--

12 CHAIRPERSON RECCHIA: Well, let's  
13 take the Google building, for instance. All  
14 right? It saw a 40 percent rise in market value  
15 on the tentative roll, and a steep jump that got,  
16 you know, it was in the newspapers. And then you  
17 revised it down to an eight percent increase on  
18 the final roll. Like why did that change?

19 DAVID FRANKEL: It had mostly to do  
20 with the, with our failure initially to understand  
21 the electricity costs and the energy costs that  
22 that building generates.

23 CHAIRPERSON RECCHIA: So, from the  
24 final rolls to, you know, the tentative roll to  
25 the final rolls, all right, you released, you

1  
2 know, with the tentative roll, a statistical  
3 summary of that roll. And how come you don't  
4 release a similar summary on the final roll? The  
5 assessment.

6 DAVID FRANKEL: There's a property  
7 tax report that'll come out in several months that  
8 pulls all of this stuff together.

9 CHAIRPERSON RECCHIA: But how come  
10 on the final roll there's not a full explanation?

11 [pause, background comment]

12 DAVID FRANKEL: We've never done  
13 it. If it's important to do--I will tell you the  
14 timing, as you know, the timing of all of this is  
15 quite intense. And so the tentative roll is  
16 produced after essentially four solid months of  
17 work. And as you know, we're looking to give us  
18 some more time by moving the RPI filing date back  
19 from September 1st to June 1st, which we hope the  
20 Council's going to be supportive of. And the  
21 tentative roll is just that, it is a tentative  
22 roll, and we look to--

23 CHAIRPERSON RECCHIA: But what  
24 we're asking for is how come there's not a final  
25 report like this for the final roll, with all the

1  
2 corrections and everything made?

3 DAVID FRANKEL: All I can tell you  
4 is that it hasn't been done in the past. If it's  
5 something that's critical to get done, we could  
6 look into what it would take to actually do that  
7 in the timeframe that we have.

8 CHAIRPERSON RECCHIA: Well, I think  
9 it's important to know, it's for people to see,  
10 you know, the changes and the transparency and  
11 what, what the difference are, and from the  
12 tentative to the final roll, and why something  
13 might have gone down, I think it's important.

14 DAVID FRANKEL: I hear you, we'd  
15 have to, I'm not saying it's not a good idea, I'm  
16 just saying, it's another task that we'd have to  
17 figure out whether we can complete in the  
18 timeframe that we could.

19 CHAIRPERSON RECCHIA: Okay. All  
20 right, Council Member Gale Brewer.

21 [pause]

22 COUNCIL MEMBER BREWER: I think--  
23 couple questions. One is, first of all, thank you  
24 for your staff, Debra and others, both on SCRIE,  
25 and then I know you're coming tomorrow night to

1 talk about property issues on the West Side.

2 Thank you very much. Question is, on the liens, I

3 know you talked about them in your testimony, we,

4 I think, as staff members, thanks to the Speaker's

5 Office and you, we did make a lot of calls, both

6 for the nonprofits and for individuals residents.

7 And I'm just wondering, the numbers that you

8 cited, the not-for-profits, the main issue there

9 seemed to be that a lot of mis-addresses and mis-

10 location of where the bill was sent. So, that's

11 all been updated on your computer and that will

12 not happen again. I'm just wondering, are we

13 going to be making these calls every year? Or is

14 this something that kind of got straightened out,

15 thanks to your large list and us making the calls?

16 DAVID FRANKEL: Well, I think

17 certainly some of the list got straightened out, I

18 can't tell you until next year what we're going to

19 do. The non-responders, for example, which were

20 four percent, they don't have their exemption this

21 year. So, they presumably will not appear next

22 year.

23 COUNCIL MEMBER BREWER: - - Okay.

24 DAVID FRANKEL: In any way, shape

25

1 or form. And now we have 94 percent of the  
2 people, or of the institutions who got the  
3 exemption, we know what their addresses are,  
4 hopefully this will be an easier process this  
5 coming year. Let me point out, we are required by  
6 law to do this annually. We're trying to figure  
7 out the easiest way for property owners to do it,  
8 whether we'll just simply have them self-certify  
9 that there's no change, or something else, just to  
10 make it easier. And we're actually having a  
11 debate internally about is it a good idea to have  
12 to do this every year? Or should we do it every  
13 two or three years? Does that make it easier?  
14 And there's a real interesting debate about  
15 whether doing it each year in an easy way, and  
16 having people used to doing it, is better, even  
17 for the taxpayer, than having them do it every  
18 three years, where they don't remember what they  
19 did, and--So, there's that kind of debate that's  
20 going on. Anyway, under the law, we have to do it  
21 every year, and that's what we're going to do for  
22 now.  
23

24 COUNCIL MEMBER BREWER: Okay. It's  
25 just helpful to understand, because I, it was



quite an experience calling, you know, finding the gardener, who's a volunteer--

DAVID FRANKEL: I appreciate it.

COUNCIL MEMBER BREWER: --and happen to know her home address. - -

DAVID FRANKEL: Well, we're enormously grateful to you and the Council and everybody else--

COUNCIL MEMBER BREWER: We all know - -

DAVID FRANKEL: --who put in such tremendous effort.

COUNCIL MEMBER BREWER: We did work hard on it. On the issue of collection, on fines and fees and other aspects owed, I know you indicated almost a doubling from ECB, and I guess that includes OATH. But my question is, how do you go about it? How much does it cost to do the collection? And is there a lot more that could be collected? I think we did a report a while ago with IBO that it's a billion-two, that is owed. Some of it will never be collected. But this is hard, as we know, for the taxpayer to hear, they're paying their taxes, as you know, and then

1  
2 they hear these numbers of uncollected. It's not  
3 easy.

4                   DAVID FRANKEL: Well, we should all  
5 understand that one of the big problems with the  
6 City, that we are working on, that has existed for  
7 decades, is that the City's not run like a regular  
8 business. And in most businesses, most of these  
9 dollar amounts would've been written off years  
10 ago. I mean, I can give you an example, and for  
11 instance in business taxes, there is, if you would  
12 look at a number, we said we're owed a little bit  
13 over \$2 billion in business taxes. And when it  
14 really comes down it, there's about \$500 million  
15 that's in judgment, and of that only \$50 million  
16 of it, about, are from taxpayers who have filed a  
17 business tax return in the last three years. Now  
18 what does that say about the other \$2 billion  
19 that's sitting there? Well, in fairness, some of  
20 it's still with us and we're going to be able to  
21 collect it. But vast majority, the vast majority  
22 of it has no hope of being collected. And what  
23 we're going to try to do over the next six months  
24 is to propose rules that may not get rid of it but  
25 put it in a bucket, so that everybody understand

1 that this is not real debt, and that people  
2 shouldn't really be talking about how we should go  
3 out and collect \$2-3-4 billion, because it's just  
4 simply not real. The ECB debt, there's about  
5 \$1.2, around \$1.2 billion of that.

6  
7 COUNCIL MEMBER BREWER: Yeah, I did  
8 that report.

9 DAVID FRANKEL: It is, I believe  
10 there are \$1.6 million summonses or something,  
11 that make up that, of about five or six hundred  
12 thousand different entities. We have recently  
13 sent about \$800 million of that to our collection  
14 agencies. And but many of it is years old, much  
15 of it is years old, and we will collect pennies on  
16 the dollar from that.

17 COUNCIL MEMBER BREWER: You know,  
18 it might be, the li--I thought the lien process  
19 was very helpful. So, I don't know if it's legal  
20 or if you can do it, but it wouldn't hurt for you  
21 to send to the same Council Members the people who  
22 you can't get any information from, if you have  
23 addresses. Sometimes we know the real deal. It's  
24 a suggestion.

25 DAVID FRANKEL: We're happy to

1  
2 share whatever we--we're happy to enlist anybody  
3 in our collection efforts.

4 COUNCIL MEMBER BREWER: I mean, I'm  
5 just saying, is with the lien stuff, you never  
6 would've been able to find some of those  
7 nonprofits without us.

8 DAVID FRANKEL: We agree.

9 COUNCIL MEMBER BREWER: Because it  
10 really was home numbers, you know, etc. So I'm  
11 just thinking that might be another way of--

12 DAVID FRANKEL: Sure, we'll talk to  
13 Council staff about it.

14 COUNCIL MEMBER BREWER: Exactly.

15 DAVID FRANKEL: About doing that.

16 COUNCIL MEMBER BREWER: Another  
17 issue of the assessment, I mean, I know you hear  
18 this all the time, is there ongoing discussion  
19 about how to deal with assessing property more  
20 accurately? Is there a taskforce? Or do you feel  
21 like you're going it satisfactorily, etc., etc.?

22 DAVID FRANKEL: Well, as I said, we  
23 are working on a whole variety of different  
24 approaches to doing this. One of the things that  
25 holds out the most promise for us, particularly on

1 residential co-ops, condos and rental buildings--

2 COUNCIL MEMBER BREWER: That's what  
3 I'm talking about.

4 DAVID FRANKEL: --is beginning to  
5 model, use a more, a modeling approach that takes  
6 much of the discretion out of the hands of the  
7 assessors. You have to build correct models,  
8 because otherwise it doesn't work. But we've  
9 spent countless hours over the last two or three  
10 months looking at his approach and I believe in  
11 the next month or so, we'll have something to  
12 share with you, so that you can get comfortable  
13 with this before we do it.

14 COUNCIL MEMBER BREWER: Okay. The  
15 co-ops, of course, want to make sure they get  
16 their same three year abatement in Albany. Is  
17 that something that the Administration supports?

18 DAVID FRANKEL: We have a bill up  
19 in Albany, on the co-op/condo, certainly for next  
20 year, we would support continuation of the co-op  
21 and condo abatement.

22 COUNCIL MEMBER BREWER: Okay.  
23 Finally, the, you mention you testified about the  
24 boot, and I think it sounds interesting, as long  
25

1 as it works, and the wireless connection works,  
2 and so on and so forth. And if you have a boot,  
3 and you call somebody, you get a password, and you  
4 can unlock the boot.  
5

6 DAVID FRANKEL: Yeah.

7 COUNCIL MEMBER BREWER: That sounds  
8 very exciting.

9 DAVID FRANKEL: There's no, there's  
10 no wireless connection associated with this.

11 COUNCIL MEMBER BREWER: Well, you  
12 called it--

13 DAVID FRANKEL: What it is, no what  
14 it is--

15 COUNCIL MEMBER BREWER: Just your  
16 cell phone has to work.

17 DAVID FRANKEL: So, well, your cell  
18 phone has to work so you can pay.

19 COUNCIL MEMBER BREWER: That's  
20 wireless.

21 DAVID FRANKEL: Well, or you can go  
22 in your house. Or you can go somewhere else.

23 COUNCIL MEMBER BREWER: That's why  
24 I wanted to be sure, can you use a--

25 DAVID FRANKEL: Sure.

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COUNCIL MEMBER BREWER: Not everybody only, not everybody has a cell, I'm trying to think of just--

DAVID FRANKEL: Sure.

COUNCIL MEMBER BREWER: --minor digital divide, not everybody has a cell phone. So you can go to your house, and you can call or you could use the payphone, if it works.

DAVID FRANKEL: You can come to a business center and still pay, and we'll give you--

COUNCIL MEMBER BREWER: Okay, just--

DAVID FRANKEL: Look, the good news about this program is what happens when your car is towed? Right, you come out and there's an empty space. Right?

COUNCIL MEMBER BREWER: Yeah, we all know about that.

DAVID FRANKEL: Okay, so here you get his code, right, I mean, here, your car's still there.

COUNCIL MEMBER BREWER: No, I think it's a great idea.

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DAVID FRANKEL: And--well.

COUNCIL MEMBER BREWER: It just has to work. I just want to be sure.

DAVID FRANKEL: Well, we hope-- well, that's why we're piloting the program.

COUNCIL MEMBER BREWER: Right. Thank you very much.

DAVID FRANKEL: Thank you.

COUNCIL MEMBER JACKSON: Thank you, Council Member. Commissioner, let me just ask a couple of questions, if I may. I was listening to you and when you were giving your remarks this afternoon, and first, overall, let me compliment you and your staff in reducing outside consultants. And you had indicated that you have reduced consultants down from 71 to 16. But you also indicated that we eliminated \$11.5 million in outside consultant expenses and brought the work in-house. And I think that's a good thing. How much in savings did you save? Was it \$11.5 million or is the savings like a million or two million?

DAVID FRANKEL: No, no, the net savings is \$11.5 million.



COUNCIL MEMBER JACKSON: Right.

Well, I'm very proud of you and your staff, about that. In fact, in speaking to other Commissioners and in the preliminary budget hearings this year, I mention the fact that I believe it was last year, if I'm not mistaken, or the year before, you had said you had eliminated some contracts and saved some money. And I was basically using you as an example for the other agencies and the thousands of contracts, and if in fact they took the same position you took, that we could save literally over a billion dollars, or more. So, I applaud you and your staff for doing that, and especially when you said that, in your statement, we've hired new staff with specialized skill sets, including tax auditors, assessors, IT professionals, so forth and so on. And I remember going back, where I guess under your previous Commissioner or Commissioners, that tax assessors were laid off, some of them. So, I would assume that there is no layoff list where there are any people that were laid off, in tax assessors, and tax auditors, that are still out there waiting to be rehired. I make that assumption. Am I

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correct?

DAVID FRANKEL: I can't answer that question. We've hired a few assessors, but I don't even know if there's a list. There's no list that we have right now--

COUNCIL MEMBER JACKSON: Okay.

DAVID FRANKEL: --so I don't know. We have hired certain number of assessors, I honestly don't know exactly where they came from.

COUNCIL MEMBER JACKSON: Well, I mean, you have all of your staff here, I would assume that there is no people that are waiting to be rehired, am I right or wrong? You can ask them, Commissioner, it's okay.

DAVID FRANKEL: I'm telling you, you're right.

COUNCIL MEMBER JACKSON: Okay.  
That's - -

DAVID FRANKEL: And by the way, I thank you for, I thank you for the compliment, I can't wait to meet with my fellow Commissioner who were telling me that you've held me up as an example to them. [laughter]

COUNCIL MEMBER JACKSON: And you

1  
2 know one thing, if they're not doing that, then  
3 they're not doing their job as well as you are.

4 DAVID FRANKEL: Well, in fairness--

5 COUNCIL MEMBER JACKSON: Let me say  
6 that loud and clear, let me say it again. If  
7 they're not looking at what you're doing to save  
8 the City of New York taxpayers millions of  
9 dollars, then they're not paying as close  
10 attention as they should be, and in fact, you need  
11 to be complimented. In fact, Dennis Walcott and  
12 saying to us in the Executive Budget Hearing, that  
13 he was going to be reviewing every contract as the  
14 Chancellor, above \$100,000. And as you know, I  
15 had indicated that they contract out over \$4.5  
16 billion every single year. That's a lot of money.  
17 And we have asked, I have said publicly, that the  
18 amount of contracts, we need, if in fact we're  
19 laying off employees, closing daycare centers,  
20 afterschool programs, summer youth employment  
21 jobs, and all of the works, you know, ATI,  
22 alternative to incarceration, legal services--  
23 we're cutting back there, then we need to cut back  
24 on contracts. We need to tell these outside  
25 contractors that we don't have as much money as we

1  
2 did before, and so we want to cut you ten percent  
3 or five percent. We would literally save hundreds  
4 of millions of dollars in order to put back into  
5 good programs that will, you know, help our young  
6 people and our seniors, so forth and so on. So,  
7 I'm glad to hear that. But you had also said, you  
8 had also said that regarding audits, you said  
9 Finance will increase tax revenue recovered  
10 through auditing personnel, personal and business  
11 tax returns, approximately \$350 million between  
12 Fiscal Year '12 and '14. Now, as you know, this  
13 is the Executive Budget for '13. How much of that  
14 do you expect to receive, and '12 is literally  
15 over, how much do you expect to receive of that  
16 \$350 million in Fiscal Year '13?

17 DAVID FRANKEL: It's about even,  
18 it's \$120 million or so, \$131 million is our  
19 number.

20 COUNCIL MEMBER JACKSON: Okay.

21 DAVID FRANKEL: It's all built into  
22 the budget already.

23 COUNCIL MEMBER JACKSON: It's all  
24 built in to the budget.

25 DAVID FRANKEL: Oh, yeah, this is

1  
2 not new money that OMB will just discover, this is  
3 all built in to the budget.

4 COUNCIL MEMBER JACKSON: Excellent,  
5 or excellent. Okay, now, Overall, you had talked  
6 about, I looked at and read some of your  
7 initiatives, and let me just say that your  
8 initiatives, as far as SCRIE and DRIE, that sounds  
9 real good, and I'm going to check with Community  
10 Affairs people to see, and to see whether or not  
11 anyone have gone into your new centers that you  
12 opened up. But I think that that's a step in the  
13 right direction overall. Because of, I remember  
14 my colleagues questioning you, and even maybe  
15 myself, about the, when D--what is it, DFTA, DFTA,  
16 as far as the process, that we felt that our  
17 constituents were not being processed as timely as  
18 they could be, so forth and so on. So, overall, I  
19 like what I hear. Let me just say that, I like  
20 what I hear. It seems as though that you're  
21 listening to some of the comments and issues or  
22 concerns that we have, as members of the City  
23 Council. But I wanted to ask about this booting  
24 on parking tickets. Obviously, this is a new  
25 initiative that you said that you want to do a

1 pilot program in Brooklyn. Have you looked at  
2 what other cities or municipalities have the same  
3 type of situation? And if so, where has it worked  
4 at?  
5

6 DAVID FRANKEL: Yes. There are  
7 many cities around the country, I can provide you  
8 with a list. I think--let me give you the list  
9 right now.

10 COUNCIL MEMBER JACKSON: With the  
11 same contractor - -

12 DAVID FRANKEL: [interposing] I  
13 think we've already provided the list to the  
14 Council staff, already, but I'm happy to--

15 CHAIRPERSON RECCHIA: Yeah, we have  
16 a copy of the list, we can share that with you,  
17 Council Member.

18 COUNCIL MEMBER JACKSON: That's  
19 okay. But I know that we do, but this is a public  
20 hearing, I want the public to hear it, too, if you  
21 don't mind.

22 DAVID FRANKEL: Sure, I'm happy:  
23 Baltimore, Maryland; Berkeley, California;  
24 Florida; Atlantic University; Fredericksburg,  
25 Virginia; Hoboken, New Jersey; Montgomery - -

1 Maryland--

2  
3 COUNCIL MEMBER JACKSON: And all of  
4 these are the same venues where, for example, you  
5 know, if a car is booted, and then they pay their  
6 fine, then electronically you can release the  
7 boot, and then they take it into a service center  
8 or wherever you drop off center?

9 DAVID FRANKEL: I believe so. I  
10 don't know whether they're the exact program we'll  
11 have, but most of these are done through the same  
12 company that we're working with on this.

13 COUNCIL MEMBER JACKSON: Now, is it  
14 one contractor that has that, or there are various  
15 contracts, you put out an RFP, in order to get  
16 the, you know, obviously the lowest bidder?

17 DAVID FRANKEL: Well, it wasn't  
18 really an issue of the lowest bidder. There was  
19 only really one contractor that could actually do  
20 what we needed them to do. So--

21 COUNCIL MEMBER JACKSON: So this is  
22 a sole source contract?

23 DAVID FRANKEL: Yes.

24 COUNCIL MEMBER JACKSON: Is that  
25 what they call it?

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DAVID FRANKEL: Yes.

COUNCIL MEMBER JACKSON: Mm-hmm.

So, let me just ask as far as contracts with MWBE.  
How are you doing on that as far as your agency?  
Because I think I was in front of one  
commissioner, and I'm trying to remember which  
one, and he said that they won the award as far as  
agencies, as far as MWBE. I don't believe that  
was your agency, was it?

DAVID FRANKEL: No.

COUNCIL MEMBER JACKSON: DOITT. I  
think it was DOITT, that they said that--

DAVID FRANKEL: The did it.

COUNCIL MEMBER JACKSON: Huh?

[laughter]

DAVID FRANKEL: DOITT did it.

COUNCIL MEMBER JACKSON: Yeah, but  
where do you stand as far as your agency? Since  
I've read, you know, I'm complimenting you about  
other stuff, I want to be able to say that you're  
number one as far as MWBE.

DAVID FRANKEL: I would love to be  
able to say that, also, we are not.

COUNCIL MEMBER JACKSON: Okay.



1  
2                   DAVID FRANKEL: And I will get back  
3 to you--

4                   COUNCIL MEMBER JACKSON: Are you  
5 striving for it, though, just like you're striving  
6 to do a lot of other things?

7                   DAVID FRANKEL: Yes, sir.

8                   COUNCIL MEMBER JACKSON: You are?

9                   DAVID FRANKEL: And I will get back  
10 to you on where we are on that.

11                  COUNCIL MEMBER JACKSON: I'd  
12 appreciate that very much.

13                  DAVID FRANKEL: Sure.

14                  COUNCIL MEMBER JACKSON: So, that's  
15 it, thank you very much.

16                  CHAIRPERSON RECCHIA: Okay.  
17 Commissioner, on the booting, you said you're  
18 having a pilot program. I know we have a meeting  
19 coming up to discuss that further, but how long is  
20 that program going to be for?

21                  DAVID FRANKEL: Really depends  
22 until we get a good sense of whether it works or  
23 not. We haven't put an timeframe on it.

24                  CHAIRPERSON RECCHIA: Is it going  
25 to be six months or a year?

1  
2                   DAVID FRANKEL: It'll probably be  
3 for six--whatever we contracted for. How many  
4 months?

5                   [background comment]

6                   CHAIRPERSON RECCHIA: All right.

7                   DAVID FRANKEL: Okay, it's a three  
8 to six month pilot that we're looking to do, and  
9 if we figure that it's really working, maybe we'll  
10 start it citywide. But it's going to go through  
11 Brooklyn, Queens, Staten Island, then event--I  
12 mean, yeah, and then eventually to The Bronx and  
13 Manhattan.

14                  CHAIRPERSON RECCHIA: All right.

15 And as far as the property tax, personal property  
16 exemption, I know you're, with that new law that's  
17 going to be implementing, and that you're going to  
18 follow up to ask to renew the exemption for SCRIE  
19 and DRIE, and you know, the main goal, the reason  
20 why we're going it is so people could prove that  
21 they are entitled to this exemption every year.  
22 You know. And our goal is to not to want to take  
23 it away, but is to help people get us the  
24 information. 'Cause we found that with the non-  
25 for-profits, you know, as we got closer to the

1 date that they were due by, you know, all of the  
2 sudden some not-for-profits woke up. And even  
3 after that, once it got further down, not-for-  
4 profits were just waking up and, as we got closer  
5 to the lien sale, not-for-profits realized the  
6 situation that they were in. You know. And to  
7 get some of those not-for-profits off the lien  
8 sale list a nightmare. You know, and so I just  
9 want to keep that in the back that our job is not  
10 to try to take the exemption away, but to show  
11 people how to renew the process, and how to show  
12 them, you know what I mean? And I want--I think  
13 we should keep that in our, in the back of our  
14 mind. You know what I mean? 'Cause I will go  
15 here, it's not take away people's tax exemption,  
16 but for them to prove to us that they're entitled  
17 to it.

18  
19 DAVID FRANKEL: Yeah, I mean, we  
20 agree with that. We'd like anybody who's eligible  
21 for an exemption--

22 CHAIRPERSON RECCHIA: You know,  
23 well, I just want to know, because when we--

24 DAVID FRANKEL: --to get to it--

25 CHAIRPERSON RECCHIA: --try to get

1  
2 some things corrected and it was very, very hard  
3 for us to get it done.

4 DAVID FRANKEL: But let me just try  
5 to understand what you mean. The not-for-profit  
6 exemption renewal, those not-for-profits have  
7 these exemptions. They shouldn't have been on the  
8 lien sale list.

9 CHAIRPERSON RECCHIA: Well--

10 DAVID FRANKEL: So, there would've  
11 been other issues that might've--

12 CHAIRPERSON RECCHIA: There was a  
13 few not-for-profits.

14 DAVID FRANKEL: I mean, you have to  
15 have two years worth of, two or three, two years  
16 worth of property tax delinquency before you get  
17 on the lien sale list--

18 CHAIRPERSON RECCHIA: Well, there  
19 were enough--

20 DAVID FRANKEL: --so if you have a  
21 not-for-profit exemption--

22 CHAIRPERSON RECCHIA: There was  
23 not-for-profits that had exemption, that winded up  
24 on there, and it was very, it was a problem.

25 DAVID FRANKEL: They may have had

1  
2 taxes from five or six years ago that they still  
3 owed. Anyway, I hear what you're saying.

4 CHAIRPERSON RECCHIA: Well, it's--

5 DAVID FRANKEL: I appreciate what  
6 you're saying.

7 CHAIRPERSON RECCHIA: They thought  
8 they always had this tax exemption, so and they  
9 always thought that it was the Department of  
10 Finance, ever, that's why they never addressed it.  
11 Okay, but--

12 DAVID FRANKEL: You know, I'm  
13 probably going to get in trouble for saying this,  
14 but I'm going to say it anyway. Everybody wants  
15 to make government cheaper, and we will do  
16 anything we can to help the taxpayer. But at some  
17 point, the taxpayer has to help themselves, as  
18 well. And so for instance, when we need  
19 addresses, people have to have the right  
20 addresses; when you need to apply for something,  
21 we'll send you three or four letters; we will try  
22 to reach out to you. But at some point, it's got  
23 to be the citizen's responsibility to help the  
24 government.

25 CHAIRPERSON RECCHIA: And I agree

1  
2 with you, and there were a few not-for-profits  
3 that corrected it, and sent the stuff in, but  
4 Department of Finance never made the changes.

5 DAVID FRANKEL: IF we screwed up,  
6 then we screwed up.

7 CHAIRPERSON RECCHIA: And so, I'm  
8 just saying, but, you know, I just want to keep  
9 the back of my mind, is to, not to take it away,  
10 but to renew it and let them renew it, so I think  
11 we have to just keep that at the back of our mind.  
12 If there's any other Council Member? Cabrera has  
13 a quick question.

14 COUNCIL MEMBER CABRERA: Mr. Chair?  
15 Okay, here we go. Okay, my question is in regards  
16 to the mental healthcare services that are  
17 collocating in public school sites. Can you share  
18 with us what are the plans? We do know that we  
19 have an increased need of mental health services.  
20 And yet, the nonprofits are telling me, and I had  
21 one big one the other day who told me, they had to  
22 pull out of ten sites. And that's a concern to  
23 me. So, I'm just curious as to what's the plan  
24 for the future?

25 DAVID FRANKEL: Council Member,

1  
2 honestly, it's not my field, and I just don't know  
3 the answer to your question.

4 COUNCIL MEMBER CABRERA: Okay.

5 DAVID FRANKEL: But we can  
6 certainly find out who would and have them get  
7 back to you.

8 COUNCIL MEMBER CABRERA: Okay,  
9 thank you so much. If you could get back to us  
10 with that information, I think it's very, very  
11 important. The other question was in regards to  
12 the overtime, the Police Department. Does it make  
13 sense to have civilians take some of the desk  
14 jobs, so we don't have so much of the overtime?

15 DAVID FRANKEL: Council Member, I  
16 think, I may be wrong, but most of these questions  
17 would've been for the Office of Management and  
18 Budget from this morning. So, I apologize for not  
19 having the answers for you, but again we'll see if  
20 we can get them.

21 COUNCIL MEMBER CABRERA: I got you.  
22 I--

23 DAVID FRANKEL: No problem.

24 COUNCIL MEMBER CABRERA: Let me  
25 correct myself.

DAVID FRANKEL: No problem.

COUNCIL MEMBER CABRERA: Okay.

That's it for my questions. And I want to thank you and your office for their patience and the work they're doing with Love Gospel Assembly Church, that went on fire. They're doing a tremendous job. Thank you, thank you, thank you again from the bottom of the heart of the people who went through a traumatic time. And I really appreciate your patience. Thank you.

CHAIRPERSON RECCHIA: All right, does any other Council Member have any questions? Without seeing that, Commissioner, we are complete.

DAVID FRANKEL: As always, it's a pleasure. I appreciate the opportunity.

CHAIRPERSON RECCHIA: Okay, we'll take a recess, until 3:30. [pause, background noise] Okay. We're going to hear testimony from the Comptroller. After the Comptroller, we have Independent Budget Office. After the Independent Budget Office, we will start taking testimony from the public. [pause, background noise] Okay. Are we ready to go? [background comment] Okay. We



1 will now resume the Mayor's Executive Budget  
2 Hearing for 2013. I welcome everyone to the City  
3 Council Chamber. We will now hear from the  
4 Comptroller of the City of New York, John Liu.  
5 And before we do that, Mr. Comptroller, I just  
6 want to recognize we've been joined by Council  
7 Member Jackson and Council Member Al Vann. Mr.  
8 Comptroller, welcome back home. I'm glad to see  
9 you brought Mr. Simcha Felder--  
10

11 JOHN LIU: Thank you.

12 CHAIRPERSON RECCHIA: --another  
13 former member. And Jonathan Rosenberg, a former  
14 staff for Finance.

15 JOHN LIU: Well, let me say on  
16 behalf of my colleagues here, it's good to be  
17 home. [laughter] Thank you, Chairman Recchia,  
18 and members of the City Council's Finance  
19 Committee, for providing us with the opportunity  
20 to present testimony today, on the Executive  
21 Budget for Fiscal Year 2013. I'm proud to be  
22 joined by Deputy Comptroller for Budget and  
23 Accountancy, our friend, Simcha Felder, and our  
24 Executive Director for Budget, Jonathan Rosenberg.  
25 Before we get into the details of the Mayor's

Budget, I'd like to give a very brief overview of some economic issues that are facing the City. The City's Fiscal Year 2013 Executive Budget and Financial Plan for FYs 2013 through 2016, illustrate the irregular pattern of the local economic recovery that the City has experienced over the last couple of years. While in 2011 there were some promising signs that an economic recovery might be accelerating, in general New York City's economy over the last year has been erratic and somewhat disappointing. Embedded in my office's analysis of the City's economy are some external pressures that could negatively influence the City's financial wellbeing. The uncertainty resulting from the European debt crisis is an ongoing drag on many key industries. A possible breakup of the Euro Zone is a primary threat to both the United States and local economies. In addition, the uncertainty surrounding this year's Presidential and Congressional elections adds further instability. The likelihood of further partisan stalemates in Washington threatens to impede agreement upon many pieces of critical economic policy. Failure to

1  
2 act on key legislation would be disastrous, likely  
3 stalling any national economic recovery. In  
4 nearly all likely scenarios, nearly all likely  
5 scenarios for events in Europe and Washington,  
6 entail adverse economic consequences for both the  
7 country and the City of New York, in the coming  
8 year. Mayor Bloomberg has presented you with a  
9 \$68.72 billion Executive Budget for Fiscal '13.  
10 This budget represents very nominal growth over  
11 the plan he presented to you in February. While  
12 the changes that have occurred since the  
13 Preliminary Budget release are minimal, they  
14 highlight a disturbing trend that has been  
15 overlooked in recent years. The first change to  
16 this budget is the realization that the City's  
17 Fiscal '12 revenues will be \$263 million lower  
18 than it planned. While this represents a fairly  
19 small portion of the City's overall revenues, it  
20 signifies that the City's reliance on the  
21 materialization of unanticipated revenues to fund  
22 budget gaps and restore critical services may be  
23 coming to an end. Neither my office, nor the  
24 Office of Management and Budget foresee a growth  
25 in revenues that in any way mirrors the pre-

1 recession experience. My office estimates that  
2 the City's tax revenues grew by approximately 5.7  
3 percent annually in the 20 year period between  
4 1987 and 2007. But in the succeeding five years,  
5 the average annual revenue growth did not even  
6 reach two percent. If revenue growth had  
7 continued at the pre-2007 rates, we'd be sitting  
8 here debating how to efficiently use the ever  
9 growing budget surplus, as opposed to wringing our  
10 hands over the potential for further necessary  
11 budget cuts. The second disturbing trend is  
12 related to how the City managed to make up for  
13 decreased revenue in this Executive Budget. The  
14 Executive Budget includes a one-time infusion of  
15 \$466 million resulting from the settlement with  
16 SAIC, the lead contractor on the scandal ridden  
17 CityTime Project. While this settlement was  
18 wholly justified and necessary, utilizing the  
19 funds to plug a budget gap is another symptom of  
20 the City's budgetary weakness. In Fiscals 2012  
21 and 2013 alone, the City is relying on more than  
22 \$3.1 billion of one-time revenue sources to  
23 essentially balance the budget. This practice,  
24 however, is far from new. In fact, since Fiscal  
25

Year 2006, a net total of nearly \$8 billion in one shot, stopgap maneuvers, have been used to balance the City's budgets. The City's reliance on one time sources of revenues, such as the taxi medallion sale, or the retiree health benefit trust withdrawals, mask a large structural imbalance in the financial plan. In fact, while the Mayor has presented you with a balanced budget, my office has identified substantial risks to the plan, that if realized could open up a total deficit of more than \$3.6 billion in the next fiscal year. The largest single risk to the Mayor's current budget is the exclusion of funding for potential wage increases corresponding to the 2008 to 2010 round of collective bargaining with the United Federation of Teachers and the Council of School Supervisors and Administrators, based on the precedent set by previous labor agreements, the potential cost to the City of retroactive UFT and CSA agreements as \$2.5 billion in Fiscal '13, and \$900 million in each subsequent year. It should also be noted that there are currently roughly 200,000 City employees working without contracts. Another major risk to the City, the

1 Mayor's plan, is the reliance on \$1 billion from  
2 the sale of 2,000 taxi medallions as part of a  
3 five borough taxi plan. While we do not take  
4 issue with the per-medallion--while we do not take  
5 issue with the pre-medallion sale price estimate,  
6 we feel that the timing of the sale could be in  
7 jeopardy due to multiple pending litigation. Just  
8 last week, a temporary restraining order was  
9 issued that will prevent the City from selling any  
10 of the 2,000 medallions. Now we can't be certain  
11 of the outcome of this litigation, but the longer  
12 it takes, the more drag it will have on any  
13 medallions that could be sold and thus any revenue  
14 accrued in 2013, in Fiscal 2013. We now believe  
15 that the entire \$1 billion should be viewed as a  
16 weakness in the upcoming budget. One additional  
17 thing I want to note, regarding the current  
18 financial plan, is the fact that pension spending  
19 remains relatively flat across the next four  
20 fiscal years. However, as I noted in my testimony  
21 on the Preliminary Budget a couple of months ago,  
22 recent changes in the methodology for calculating  
23 pension liabilities effectively defers the  
24 recognition of these costs, which means that City  
25

Hall is essentially kicking the can down the road for future generations to deal with that pension cost. Given the serious issues with the budget, as well as the fact that a host of threats largely outside our control could damage our City's economy, we must proactively implement economic policies that boost employment, increase revenues, and reduce expenses. So speeding up the City's capital plan is one way to address the City's stubbornly high unemployment, which by the way disproportionately affects communities of color. As you finalize your budget, I'm urging the Council to consider the capital acceleration plan proposed by my office, which will help speed up capital funded projects, take advantage of low, of historically low interest rates, and relatively low construction costs, and most importantly create as many as 15,000 much needed jobs in the next couple of years. The plan would push forward projects in the City's capital plan that have already been approved, such as building schools, fixing roads and bridges, and we would propose that the City evaluate these long term pipelines and identify projects that would result in \$2

1 billion of accelerated spending in Fiscal Years  
2 2013 and '14. Now, this would not be new spending  
3 in any way, but simply a frontloading of capital  
4 budget commitments. Two-thirds of the jobs  
5 created will be construction jobs. The others  
6 would be spread throughout the economy, including  
7 infrastructure engineers and other professionals.  
8 At the same time, the capital acceleration plan  
9 would help address pressing infrastructure  
10 challenges facing the City right now, such as  
11 school overcrowding, more jobs, better  
12 infrastructure, low construction costs, and lower  
13 borrowing costs. This is a plan that makes good  
14 economic sense, and I urge you to consider passing  
15 it as part of the adoption of the Fiscal 2013  
16 budget. Revenues could also be increased by  
17 making sure that we use our City's tax incentives  
18 more judiciously. Too often, we see incentives go  
19 to big corporations that over promise and under  
20 deliver. For instance, my audit staff recently  
21 took a look at the Economic Development  
22 Corporation and the performance of companies that  
23 have received industrial development agency  
24 approved tax breaks for various projects. Of the  
25



\$497 million in tax breaks granted by the IDA in 2009, \$318 million of that, more than 60 percent of that money, went to companies who failed to create the jobs that they promised to. These types of programs, undertaken I granted you--these types of programs, which were undertaken with the best of intentions, offer false hopes in place of well paid jobs, to many of our City's most underserved communities. Moreover, from a budgetary perspective, these tax incentives deplete our revenues. One way to reduce expenses is to hold companies that do business with the City more accountable for their performance. Contractors must know that when they fail to deliver, or worse, attempt to defraud taxpayers, the City will do everything in its power to aggressively recoup every possible dollar. Last week, we announced the results of a 15 month audit, that found that due to the City's poor management and oversight, Hewlett Packard was able to cheat taxpayers out of as many, as much as \$163 million for work on the City's 911 system upgrade. The findings were so egregious that we have turned them over to the D.A.'s office for further review.

1 And we hope to recover at least some of those  
2 funds. But we encourage, we implore the  
3 Administration, to work diligently to achieve  
4 restitution for the taxpayers. Finally, let me  
5 close out my testimony with some good news. As  
6 you are aware, my Bureau of Public Finance, along  
7 with the Mayor's Office of Management and Budget,  
8 manages the City's debt portfolio. Tomorrow, the  
9 City will finalize a refunding of \$997 million in  
10 the City's General Obligation Bonds. This  
11 refunding had been announced in late May. Well,  
12 the tally is in, and due to the extraordinary  
13 efforts of our team, this refunding will enable  
14 the City to realize \$67.8 million in actual  
15 budgetary savings for Fiscal '13; \$68.9 million  
16 for Fiscal '14; and a total of \$138.6 million over  
17 the term of the bonds. In addition, due to the  
18 lower than planned interest rates, \$33.6 million  
19 in extra debt service savings will be realized in  
20 the current fiscal year, 2012, which will then be  
21 available to roll over for Fiscal 2013. This  
22 effectively means that these savings provide an  
23 additional \$101.4 million of budget relief for  
24 Fiscal 2013. That's something that I think could  
25

1  
2 help with a lot of things that you're considering  
3 right now. I hope that we were able to provide  
4 you with some topics to consider, as you continue  
5 negotiations with the Administration. We're happy  
6 to, more than happy to answer any questions that  
7 you may have. Thank you, Mr. Chairman.

8 CHAIRPERSON RECCHIA: Thank you,  
9 Mr. Comptroller. I know my colleagues have  
10 questions, and I'm just going to start off by  
11 asking you a few a questions. We'll start off  
12 with the, with the CityTime funding, all right,  
13 what do you think we should do with, how that  
14 money should be used? How do you think it could  
15 be best be used?

16 JOHN LIU: The \$466 million is a  
17 huge amount. It is historic by any proportion,  
18 within the City of New York or anywhere in the  
19 country. It's a huge amount that has been  
20 returned, rightfully so, from a contractor that  
21 considered our City to be a cash cow. Back to the  
22 City, so that we can make sure.

23 CHAIRPERSON RECCHIA: I know, we  
24 have that money, and the Mayor's using it to fill  
25 a budget gap. Do you agree with that? According

1 to your testimony, you don't agree with that.

2 How--

3  
4 JOHN LIU: I didn't say that. I  
5 didn't say that I didn't agree with it, what I say  
6 is that that is some, that is one of a number of  
7 items that are one-shots that are being used to  
8 plug, to balance the current budget.

9 CHAIRPERSON RECCHIA: Right.

10 JOHN LIU: Now, and the point there  
11 is that, we've got, even though the Fiscal 2013  
12 budget looks balanced, there's a large structural  
13 imbalance that we're going to have to deal with,  
14 perhaps not in 2013, because we had these one-  
15 shots. But what about Fiscal '14 when you're  
16 facing a multi-billion dollar budget deficit. So  
17 the point here is that, we can't rest on our  
18 laurels, there are projected out year budget  
19 deficits.

20 CHAIRPERSON RECCHIA: Right, we,  
21 and that's why we're addressing, by using the  
22 money to fill the budget gap, so we don't have to  
23 take, use those funds we have in the healthcare  
24 trust fund. Okay? So, we're being, you know,  
25 that's, I just--so I'm not clear on how you think

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the--

JOHN LIU: Well--

CHAIRPERSON RECCHIA: --the  
CityTime money should be used.

JOHN LIU: In fact, I believe that  
the Administration as part of its budget plan, is  
depleting the entire remainder of the healthcare  
trust fund.

CHAIRPERSON RECCHIA: No. It's  
not.

JOHN LIU: Well, it's taking a  
billion dollars out of that.

CHAIRPERSON RECCHIA: Right, for  
this year. Right.

JOHN LIU: A billion dollars.

CHAIRPERSON RECCHIA: But we're  
planning for next year. We'll have this \$2.1  
billion left. So we'll have \$1.1 left in the  
health trust fund. [background noise] All I'm  
just trying to bring to the point is, is with this  
CityTime money, you know, some have argued that we  
should've put it back into the capital money, and  
paid down debt, the bonds. Okay? Others have  
said we should use it for as expense money. And I

1  
2 wasn't clear what you were saying, which way,  
3 where we should use it.

4 JOHN LIU: I mean, the, how to use  
5 money is left to the City Council. This body has  
6 the power of the purse. The point that we're  
7 making here in the testimony is that you have the  
8 CityTime thing, which is a one-shot, it's not  
9 coming back next year.

10 CHAIRPERSON RECCHIA: We agree--

11 JOHN LIU: You have a billion  
12 dollars of the healthcare retiree tru--retiree  
13 healthcare fund, and then another billion dollars  
14 of taxi medallion sales, which actually may not  
15 even materialize in this coming fiscal year.

16 CHAIRPERSON RECCHIA: Right, that's  
17 another issue that Mr. Page was here earlier, he  
18 spoke about that. And we are looking at our  
19 alternatives right now, to see what we, how we're  
20 going to handle that. And who knows, by next year  
21 this Hewlett Packard issue might be resolved and  
22 we might get back another half a million, because  
23 of your audit.

24 JOHN LIU: We hope, we hope the  
25 Mayor and the Administration will look at the

1  
2 report carefully.

3 CHAIRPERSON RECCHIA: So we'll see  
4 what happens there. But I want to get back to--  
5 the actuary made a recommendation on the  
6 assumption, and recommended seven percent. Four  
7 of the five pension boards approved it; one has  
8 not. What's your, does your office have a, do you  
9 agree with the actuary assumption of seven  
10 percent? Do you disagree? Which--?

11 JOHN LIU: We defer to the City's  
12 actuary on that. The City's actuary is the office  
13 that has expertise to determine what's an  
14 appropriate discount rate to value the liabilities  
15 of our pension funds. Now, having said that, the  
16 actuary has agree--has recommended these new  
17 assumptions. Along with those new assumptions,  
18 have adopted a certain methodology that in my  
19 opinion, and according to the testimony that I  
20 just presented to you, it does significantly defer  
21 significant costs to future years. So, while  
22 some, including people in this Administration,  
23 claim that the City is doing the right thing by  
24 adopting a more appropriate discount rate, it's  
25 not fully doing the right thing because it's

literally deferring the recognition of significant liabilities to future years.

CHAIRPERSON RECCHIA: Right. And those future payments over the period of time, it's at much lower than it would be in a one-shot. So, that's the reason why he is doing it.

JOHN LIU: No, the reason why that's being done is so that those costs would not have to be paid for in the current fiscal years and that they could be deferred. For example, the original reserve was, it was like a billion dollars, right? It was, the original reserve was a billion dollars a year in increased pension cost. Now, a reduction in the discount rate from eight to seven percent would have, that was what it was supposed to cost. But instead, we wound up recognizing something like a \$600 million gain. \$600? \$625? \$575 million gain. So, that was the benefit, the short term benefit of deferring significant liabilities to future years.

CHAIRPERSON RECCHIA: I'm just thinking about what you said. So, would you recommend a more accelerated way of doing this, than the way the actuary did, is recommending?



JOHN LIU: The actuary has already-

---

CHAIRPERSON RECCHIA: That wouldn't

kick the can down the road?

JOHN LIU: The actuary is charged with coming up with the discount rate, and you know, that office has gotten significant, shall we say, advice or suggestions from City Hall and OMB, and they've adopted this mechanism by which the deferred, the costs are being deferred. So that the current fiscal year's budget can be balanced. We don't second guess exactly what they did there. We simply point out that there are costs that are being deferred to future years.

CHAIRPERSON RECCHIA: Right. And we agree with you on that issue. Okay. I just want to talk about your recommendation about the interest rates are low, that we should increase our capital. Okay? Mark Page testified earlier today that the issue with that is that this would not accelerate jobs immediately, that once you put the money into the budget, that it takes a number of years to get these jobs up and running. Okay? And I know in your testimony you said that money

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1 individual workers that have to be hired to do  
2 that work, those people can hire pretty quickly.  
3 I mean, there's a huge level of unemployment and  
4 unused capacity in the construction industry right  
5 now. So, the question isn't how quickly the  
6 people could be hired to do the jobs, the question  
7 is how quickly the jobs, meaning the contracts,  
8 could be put out there by the City agencies? And  
9 this is a, this is something that the  
10 Administration did tell us, because prior to us  
11 proposing our capital acceleration plan, we did  
12 speak with members of the Administration and  
13 people from OMB, about this plan that we think  
14 makes sense. I do think it makes sense, if we can  
15 break out of the mold of business as usual with  
16 the City of New York. What our plan, our plan is  
17 a win-win-win situation: it's lower interest  
18 rates, lower construction costs, we get badly  
19 needed infrastructure projects up online quicker.  
20 And we can create jobs along the way, badly needed  
21 jobs.  
22

23 CHAIRPERSON RECCHIA: So how many,  
24 how long--

25 JOHN LIU: What--but the cost--I'm

sorry, Mr. Chairman, let me just finish this thought. That the only drawback to the plan is that the key agencies involved, specifically the Department of Education, maybe the DOT, maybe the DEP, or DDC, that combines both of those agencies, they have to get their projects identified and put the contract, or let the RFPs out quicker. They've got to their work faster. That is the only drawback to this plan. Now, if they're saying, if the Administration, and I think this is what they're saying, that they don't really have enough capacity to get these contracts, or the RFPs out quicker, because there is already, I think this morning, Mr. Page said, there's already this usual 25 percent that never gets completed within the same timeframe. What we're saying is, there's no excuse for that. They actually can and they should get these projects done, according to the timeframes, and according to our plan, accelerate some of them. Two out of a \$28 billion multiyear plan. Two out of \$28 billion, accelerate just a little bit of that earlier so we can achieve the win-win all around. Now, they say that they don't have the capacity. And, Mr.

1 Chairman, I got to say this, my response would be  
2 this: this City spends hundreds of millions of  
3 dollars of taxpayer funds, public subsidies, to  
4 create jobs. It won't take a fraction of that for  
5 some of these key agencies to ramp up their own  
6 internal operations so that they can get these  
7 projects out there a little quicker.

8  
9 CHAIRPERSON RECCHIA: As you know,  
10 a majority of these construction jobs are in the  
11 DOE. And they, under State law, it has to be in  
12 the five year capital plan. Our capital plan ends  
13 in 2014. So, how could we get all these jobs up  
14 and running like you're saying, when we have, it  
15 has to be in a five year capital plan under State  
16 law? So, even what you're saying is, we have to  
17 deal with the State law, that we don't have  
18 projects in line that we can make this work,  
19 because there's only a certain number, our plan  
20 only goes up to 2014. So therefore, in order for  
21 us to do what you want us to do, with the DOE, we  
22 would have to go to Albany to try to get this law  
23 changed, 'cause that law prevents us from the five  
24 year capital plan.

25 JOHN LIU: Well, let me make it

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clear, I'm not--

CHAIRPERSON RECCHIA: How do we get around that?

JOHN LIU: I'm not asking that the City Council to identify the projects, I'm asking the City Council to light a fire under these agencies that this body has oversight over--

CHAIRPERSON RECCHIA: No, no, I just want to - - that there's a five year capital plan on the DOE, there's a, there's one until 2014, right, and just by State law it has to be the five year capital plan, in order for us to fund it. And right now, the capital plan only goes to 2014.

JOHN LIU: Well, number one, it's a \$28 billion, \$28.8 billion, multiyear capital plan that's out there, and the Department of Education, while it's a big piece, it is not the only piece, it's not even a majority of the amounts.

CHAIRPERSON RECCHIA: Right.

JOHN LIU: So there are other agencies that, you know, I had mentioned a couple of them, where they are heavy in infrastructure projects, and you can, and not you, but they can

1 identify projects--

2 CHAIRPERSON RECCHIA: No, I just  
3 want to talk about another one of those agencies,  
4 'cause you mentioned the DEP.  
5

6 JOHN LIU: Yes.

7 CHAIRPERSON RECCHIA: Okay? On the  
8 law, with the DEP, they have, you know, they fund  
9 all of their projects through the rates, and the  
10 rate hikes. So, if they're going to spend this  
11 capital money, okay, again, we would have to go  
12 get a change of the law, in order to use this  
13 money, without raising the rate hikes, you know,  
14 the water rate's going up. So, with DEP, you're  
15 dealing with certain issues; with DOE, you're  
16 dealing with certain issues; so, and I think that  
17 that has to be explained.

18 JOHN LIU: Sure. In the case of  
19 the DEP, we understand that water rates go, water  
20 rates are increased in many cases to fund capital  
21 projects. Nonetheless, I don't think anybody  
22 would argue about the need for the DEP projects  
23 that are already in the pipeline. The fact is  
24 that the DEP spends a lot of money fixing water  
25 main breaks, having people's homes flooded because

1 the infrastructure was not upgraded. So, in all  
2 of these cases, these are not projects that we're  
3 saying should be added to the plan, we're simply  
4 saying that there are \$28.8 billion of projects  
5 that are already in the pipeline, that the various  
6 agencies have specifically identified the items  
7 that the capital plan should go fund, meaning that  
8 we have to go out in the capital markets, borrow  
9 the money through the sale of our City bonds, and  
10 then use the proceeds of the sale, the bond sales,  
11 to pay for these specifically itemized capital  
12 budget, projects. What we're simply saying, is  
13 City agencies, especially the key ones, should  
14 work a little faster so that they can accelerate  
15 just \$2 billion of this into the next couple of  
16 cap--into the next fiscal year and the following.

18 CHAIRPERSON RECCHIA: Okay. We  
19 have Council Members that would like to ask  
20 questions. We've been joined by Council Member  
21 Brewer, Koppell, Reyna and Koslowitz and Jackson.  
22 Council Member Jackson has a question, Council  
23 Member Reyna has a question. If any Council  
24 Member would like to ask a question, please give  
25 your name to Tanisha Edwards, my attorney sitting



1 to my right. Council Member Jackson.

3 COUNCIL MEMBER JACKSON: Thank you,  
4 Mr. Chair. I have more than one question, I have  
5 questions, plural. But within my, I don't mind,  
6 have five minutes, but let me first thank our  
7 Comptroller, our former colleague John Liu for  
8 being the type of Comptroller that many people  
9 applaud, and I applaud, as far as shedding light  
10 on the situations as far as contracts are  
11 concerned, and especially my former colleagues are  
12 now in his Deputy Director, Deputy Comptrollers.  
13 I think you're doing a good job. Obviously, when  
14 you're bringing to light a lot of issues the  
15 Administration does not particularly care about.  
16 So, I wanted to ask you about really an issue that  
17 we've been talking about for all of this  
18 particular year. And that is if you have any  
19 insight, or whether or not you've done an audit,  
20 on the fact that the Department of Education is  
21 failing to recoup hundreds of millions of dollars  
22 in Medicaid reimbursement, and we've raised that  
23 even today with the Mark Page, the Director of  
24 Management, Office of Management and Budget,  
25 because as you know, there are cut to daycares,

1  
2       afterschools, summer youth employment, Beacon  
3       programs, ATIs, fire companies--you name it, there  
4       are cuts. And these hundreds of millions of  
5       dollars could basically replace, and these cuts  
6       can be avoided. So, do you have any insight into  
7       why aren't we getting the type of money that we  
8       rightfully deserve from Medicaid reimbursement  
9       from the Department of Education?

10                       JOHN LIU: That, that's a very good  
11       question. And it's, it is an issue that my office  
12       has looked at. A few years ago, there was a  
13       problem where the federal government came in and  
14       just disallowed certain things that the City was  
15       claiming. So, the City had to fix the way it was  
16       claiming some of those reimbursements. We, our  
17       office did feel that they were low-balling the  
18       number, and that in fact the City could, and the  
19       Department of Education specifically, could have  
20       been more robust in their efforts to claim those  
21       reimbursements. And it is my recollection, and  
22       Jonathan, correct me if I'm wrong here, it is my  
23       recollection that they have increased the amount  
24       of, the amounts that they believe can be  
25       reimbursable by the federal government. If you're

1 question is, should they be even higher than the  
2 amount that they've already increased to, that's a  
3 very real possibility. But for our office, for my  
4 office, in the Comptroller's office, to see  
5 whether the amounts could be even higher, it  
6 requires us to get a little bit of experience and  
7 so far there's not that much experience under our  
8 belt yet, under this new system.

10 COUNCIL MEMBER JACKSON: Sure. And  
11 what I've said--

12 JOHN LIU: And when I say  
13 experience, I'm sorry, when I say experience, I  
14 mean the actual reimbursements that we've  
15 collected from the federal government.

16 COUNCIL MEMBER JACKSON: And what  
17 I, I pleaded with the, Mark Page, the Director of  
18 Office of Management and Budget, that we,  
19 collectively, you has the Comptroller, the City  
20 Council, the Mayor, we had to, we must put more  
21 pressure because DOE, for Fiscal Year 2012, was  
22 supposed to recoup about \$117 million, and all  
23 they're recouping is about \$25-\$30 million.  
24 They're falling way, way short. And their  
25 projected recoupment, as far as hundreds of

1 millions of dollars, for Fiscal Year 2013, is only  
2 \$167 million. And if their 2012 record is any  
3 indication on what's going to happen in 2013,  
4 they're going to fall short. But also, it came up  
5 during the Preliminary Budget Hearing, they're  
6 only submitting reimbursements for twelve, four  
7 out of ten areas in which they could seek  
8 reimbursement. And the one major one, is with  
9 transportation. And what we received today was  
10 that it's very complicated, this, that and the  
11 other, blah-blah-blah-blah-blah. And the bottom  
12 line is that we're not recouping money for  
13 transportation. And I said, and the March 12  
14 Coalition, which this is their flyer, says that  
15 New York City should bill Medicaid for covered  
16 services, just like Rochester and Syracuse do.  
17 Experts say the money is there, DOE just needs to  
18 submit the bills. So, I'm asking you as the  
19 Comptroller, to please take a closer look at that,  
20 I'm going to be asking the same thing of the  
21 Office, the Independent Budget Office when they  
22 come in front of us. But let me just go to, let  
23 me just go to reform of the New York City  
24 unincorporated business tax. Because the May 12th

1 Coalition says if that is reformed, we can bring  
2 in \$235 million in revenue. And do you have any  
3 insight on that? And the only reason I'm asking  
4 these questions, is because there's such a hole in  
5 2013, where 28,000 children from DYCD are going to  
6 be negatively impacted. And ACS is going to lose  
7 6,500 child slots, and thousands of workers,  
8 thousands of workers, are going to be let go if we  
9 don't solve this problem. And majority of those  
10 workers, Comptroller Liu, they don't earn \$70,000-  
11 \$80,000, \$100,000-\$150,000, \$90,000, \$80,000,  
12 \$70,000, no, they earn \$22, \$25, \$28, \$37, you  
13 know, that's the type of money that they earn for  
14 an entire family. And many of them are going to  
15 fall on the system itself, and the system is going  
16 to pick it up and have to pay more in the long  
17 run. So, I'm pleading to you and everyone else  
18 for help. Any insight there?

19  
20 JOHN LIU: We'll be happy to take a  
21 look at the unincorporated business income tax  
22 issue, and to see what, what changes or better  
23 procedures could result in more revenue without  
24 unduly, without creating undue hardships for some  
25 of the small businesses that are subject to that

1 tax. In the case of the Medicaid reimbursements,  
2 we--there's like two levels of issues here.

3 Number one, our office has identified that as a  
4 possible risk in the City's budget, because the  
5 Department of Education has not been able to even  
6 collect the amounts that they themselves estimate  
7 they will be able to collect. So, because on that  
8 basis we've identified that as a risk in the  
9 City's budget. Your point is that their estimate  
10 should be even higher than what they're currently  
11 estimating. So, number one, we have an issue with  
12 the fact that they, the Department has not even  
13 been able to collect what you would consider a  
14 lowball amount to begin with. But that, that  
15 perhaps now that we gained, as the City gains more  
16 experience and more records in terms of collecting  
17 this reimbursement from the federal government, we  
18 can then put this through our audit process to see  
19 exactly what the Department did and did not do.  
20 For example, you mention that they should've  
21 claimed reimbursement for more services than they  
22 currently are, and maybe there's no reason that  
23 they're not doing that. And that's something that  
24 can be uncovered through our audit process.  
25

1  
2 COUNCIL MEMBER JACKSON: Well,  
3 thank you, Comptroller Liu. I just, I beg you and  
4 plead you to keep the pressure on the agencies in  
5 order to, in this 2013 budget, because the bottom  
6 line is, the people out there that I represent,  
7 are suffering, and they need help.

8 JOHN LIU: Well--

9 CHAIRPERSON RECCHIA: Okay, thank  
10 you, Council Member Jackson.

11 COUNCIL MEMBER JACKSON: Thank you.

12 CHAIRPERSON RECCHIA: Council  
13 Member Diana Reyna. If any other Council Member  
14 asked, wish to ask questions, please submit your  
15 name to Tanisha Edwards. We've been joined by  
16 Margaret Chin. And it'd be Diana Reyna followed  
17 by Gale Brewer.

18 COUNCIL MEMBER REYNA: Thank you  
19 very much, Mr. Chair. I just wanted to get an  
20 opportunity to, if I heard you correctly,  
21 Comptroller, this is the first time I'm hearing  
22 that there's going to be this savings that hasn't  
23 been recognized publicly, unless you put it out  
24 there, no one else would've, regarding this debt  
25 service. Is that accurate?

1  
2 JOHN LIU: That's--I mean, I don't  
3 know if nobody would ever find it, they are in  
4 public documents, they are part of this bond re--  
5 this bond refinancing that is going to be fully  
6 completed by tomorrow. But we do know that there  
7 are a little more than \$100 million that can be  
8 used in the Fiscal '13 budget that has not, up  
9 until now, been recognized in any of the budget  
10 documents.

11 COUNCIL MEMBER REYNA: And I can  
12 agree with that statement. I wanted to  
13 understand, you know, the IBO report that came out  
14 has a projected surplus of \$570 million. Is that  
15 accurate?

16 JOHN LIU: I haven't seen--

17 COUNCIL MEMBER REYNA: For Fiscal  
18 Year '13.

19 JOHN LIU: I haven't seen the IBO  
20 report, I'd be happy to look at it. But if it is  
21 the projected surplus at the end of Fiscal '13,  
22 right now the Mayor has a projected, essentially a  
23 projected surplus at the end of Fiscal '13 of  
24 \$124. If the IBO says \$500 something, it's  
25 probably not far off, you know, it's still within



the range of what the Mayor's estimates are.

COUNCIL MEMBER REYNA: And your debt service savings is not recognized in the IBO report. As of this moment.

JOHN LIU: I don't, I don't believe so. Again, I hadn't seen the IBO.

COUNCIL MEMBER REYNA: I confirmed it's not.

JOHN LIU: Okay.

COUNCIL MEMBER REYNA: And so, I want to just ask you, as far as the guiding principles to this refinance, if you can just walk, us through this, that would be helpful. As to what leads to this refinance, what's the goal?

JOHN LIU: Sure. We--just as, as I stated before, for our capital acceleration plan proposal, we are currently facing historically low interest rates. And in fact, interest rates have amazingly continued to decline over the last couple of years, as well.

COUNCIL MEMBER REYNA: Mm-hmm.

JOHN LIU: So, for these last couple of years, one of my priorities as Comptroller, in the issuance of our City's debt,

1  
2 has been to refinance our outstanding debt. We  
3 have refinanced billions and billions of dollars  
4 of City debt.

5 COUNCIL MEMBER REYNA: To your  
6 credit, absolutely.

7 JOHN LIU: And so the reason why we  
8 have done this, we, and we will continue to do  
9 this, is to lower the debt service for the City of  
10 New York, and in this particular transaction, this  
11 is yet another \$100 million, \$101.4 million of  
12 savings that has been achieved. And every penny  
13 of that can go towards budgetary relief for Fiscal  
14 2013.

15 COUNCIL MEMBER REYNA: So, I want  
16 to understand, as far as your role is concerned,  
17 because I can clearly tell you that as the City  
18 Council, we have, we play no role in issuance  
19 actions during the Fiscal Year, when budget  
20 modifications are occurring. And so, this  
21 projected surplus wouldn't be influenced with the  
22 check and balance as far as the City Council's and  
23 the Mayor working together on. And so, what role  
24 do you play in perhaps understanding what the  
25 executive is going to do with this projected

surplus?

JOHN LIU: Well, that's a very good question, Council Member Reyna. Throughout the year, my office does engage, along with OMB, in refinancing outstanding debt. In fact, this latest \$100 million is on top of over \$700 million of actual debt service savings that we've achieved over the last couple of years. And these don't always end, these don't always get completed right around budget time. They do happen throughout the year, as well.

COUNCIL MEMBER REYNA: Correct.

JOHN LIU: And OMB has those numbers, and they factored them into their interim budgets, their budget modifications in November and I think in February. To the extent that you or other Council Members would like to get a preview of some of these budgetary savings, my office is more than happy to provide them to you as opposed to you waiting for OMB to tell you what those are in the budget modifications.

COUNCIL MEMBER REYNA: I very much appreciate that. And as of this moment, there hasn't been any dialogue between your office and

OMB, in asking OMB when this particular projected surplus happens, where is it being spent? Is that question asked at the table?

JOHN LIU: We, we have ongoing dialogue, we work closely with OMB on these bond refinancings. I'm very careful not to step in areas that my office or my responsibilities do not include. How to spend that money is solely the purview of the City Council. I'm here to say that there's another \$100 million you can u-that's for you to decide what to do with it, whether it be to restore certain services, whether it be to reduce out year deficits, that's your purview.

COUNCIL MEMBER REYNA: And - -

JOHN LIU: I have my opinions.

COUNCIL MEMBER REYNA: Right.

JOHN LIU: But this is your power.

COUNCIL MEMBER REYNA: And correct me if I'm wrong, that particular savings has to be recognized before July 1st, when we pass the budget, so that it's an action that recognizes the City Council's priorities, not just the Executive. Because if it passes and it's not recognized as part of the budget, when we vote, then after July

1st the Executive is the only one making that decision.

JOHN LIU: Well, you're absolutely right. And I would assume that the Executive would recognize the \$100 million as part of the current budget, and not wait until after the budget is passed to then inform the Council that the \$100 million is available. [laughs]

COUNCIL MEMBER REYNA: Thank you very much.

JOHN LIU: Thank you.

CHAIRPERSON RECCHIA: Thank you. Mr. Comptroller, isn't it a fact that in this year's budget, there is no, there is not a surplus. It's a deficit in this year's budget.

JOHN LIU: You have to, you have to define your words--

CHAIRPERSON RECCHIA: Yes or no.

JOHN LIU: --Mr. Chairman, you know there's not a yes or no. If you define the surplus as money that is unused by the end of the fiscal year--

CHAIRPERSON RECCHIA: In this year's budget, in the Mayor's Executive Budget, is

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there a deficit or is there a surplus?

JOHN LIU: There is a structural deficit--

CHAIRPERSON RECCHIA: That's all I want--

JOHN LIU: --meaning--

CHAIRPERSON RECCHIA: That's all I wanted to know, there's a deficit. Thank you. Council Member Brewer.

COUNCIL MEMBER BREWER: Do you want to finish answering that question?

JOHN LIU: Sure. The structural deficit means that the City is going to spend more money than it will take in, in the following year. But the question of is there a surplus, there's a surplus at the end of this Fiscal Year because there's a certain amount of funds in the budget stabilization account that's going to be rolled over into next year's budget. That's why we can have, that's why the plan is to spend more than to take in, than we're taking in.

COUNCIL MEMBER BREWER: Don't talk too much, because you're running, you cut into my time.

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JOHN LIU: All right.

COUNCIL MEMBER BREWER: Okay.

[laughter] My question, first of all I love NYC Checkbook, you know that, and everything that goes with it. Everybody in the audience should check out NYC Checkbook, if you haven't. The question is, we talked earlier about the issue of uncollected fines and fees, which is done by the Department of Finance. So, my question is, do you audit, this might be a double entendre, but do you audit how we are collecting fees and fines and so on? Because, you know, the public hears that we're not, people don't pay them, and it's really hard to say, "You have to pay your fines and fees and you don't get your childcare program, because, you know, so many uncollected dollars." I'm just wondering, you know, if that's something that gets audited, there's always the issue of "We can collect this, we can't collect that," etc., etc. That whole issue of do you audit--

JOHN LIU: Yes.

COUNCIL MEMBER BREWER: Go ahead.

JOHN LIU: The answer is yes, we have, we haven't, we haven't audited the

Department of Finance in terms of whether they're collecting on parking violations--

COUNCIL MEMBER BREWER: Or whatever, yeah.

JOHN LIU: Or fines against individual homeowners. The consensus in the public out there is that they're doing a pretty good job of that.

COUNCIL MEMBER BREWER: Okay.

JOHN LIU: That's not something we've audited, but what we--

COUNCIL MEMBER BREWER: It's the fines and fees that are--

JOHN LIU: What we have audited is how well the Department of Finance is going after, for example, some of the large developers, and large hotel owners. And we have found that there are significant amounts of both fees and outstanding fines that the Department of Finance, for whatever reason, has been lax in collecting. And I think the last such audit that we released on one of these Department of Finance actions, or lack thereof, was about eight months ago. There's been a few of them, so I'll get you a copy of all



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of those.

COUNCIL MEMBER BREWER: Okay, I have 'em, I just wanted to know, it's something that is of concern to me, and I just wanted to know that we're on every single aspect of what could be collected.

JOHN LIU: And if you have suggestions, we're more, we're all ears.

COUNCIL MEMBER BREWER: Okay. The other issue was just broader. I know that there's a, I would say changing employment landscape in the City, a shift towards lower skilled, lower paid jobs. We hear often that, you know, sometimes the jobs are growing in the business sector, and not Wall Street. Often that means some lower paid, lower skilled jobs. I'm just wondering, looking at that, how do you see, in general, the landscape for the future of the City's revenue, given this change in how the economy seems to be proceeding?

JOHN LIU: So, it's going to be difficult for me to answer that within a couple of minutes. Just so everybody knows, my office did issue an income inequality report just a couple of

1 weeks ago that highlights the differences between  
2 the jobs that are being created and the incomes  
3 that they provide to the people of New York City.  
4 And I think the lesson here is that if we look at  
5 the past boom period, which occurred in the '04 to  
6 '07 range, 99 percent of the earners in New York  
7 City saw a very nominal increase in their income;  
8 whereas the top one percent saw something like a  
9 65 percent increase in their incomes. Moving  
10 forward, if the light at the end of the tunnel  
11 does materialize, as we hope it will, we want to  
12 make sure that this kind of economic, the  
13 restoration of prosperity, is a share, is a shared  
14 prosperity. Meaning, everybody has a chance to  
15 increase their income levels and not just the top  
16 one percent. And that means that the jobs that  
17 are being created should be decent jobs, they  
18 shouldn't be all low skilled jobs, they should be  
19 very high skilled jobs, they should be some low  
20 skilled jobs, they should be every, every job  
21 along the spectrum should be part of the plan to,  
22 for economic development.

24 COUNCIL MEMBER BREWER: Council  
25 Member Fidler talked earlier about the issue of

1 the underground economy. It's hard to audit  
2 something that's hard to get your hands around.  
3 But is that something that, down the line, you're  
4 thinking should have more attention? Obviously,  
5 if you have an underground economy, you're not  
6 collecting taxes. We could go on and on and on as  
7 to what is in that underground economy. But is  
8 that something that you think about, 'cause we're  
9 also challenged to leave nothing on the table, to  
10 collect every penny so we can obviously pay for  
11 the things we care about. There's the whole issue  
12 of the underground economy. Is that something  
13 that comes up as an issue in your office?

14 JOHN LIU: It's something that we  
15 talk about, although as you alluded to, it's hard  
16 to look at something where we don't have hard  
17 data. Maybe we'll take, we'll try to put our  
18 brains together and figure out how we can measure  
19 that. But I will say that there are plenty of  
20 things that are above ground--

21 COUNCIL MEMBER BREWER: Right.

22 JOHN LIU: --where there's a huge  
23 amount of waste. Again, those taxpayer subsidies  
24 going only to the biggest companies, that then  
25

1 don't turn, don't create the jobs that they  
2 promised to create. That's a source of waste that  
3 has to either be reallocated or more focusly  
4 channeled so that those jobs are actually created.  
5

6 COUNCIL MEMBER BREWER: Thank you,  
7 Mr. Chair.

8 CHAIRPERSON RECCHIA: Thank you  
9 very much, Council Member Brewer. Thank you, Mr.  
10 Comptroller, that's it.

11 JOHN LIU: I thought there were  
12 more.

13 CHAIRPERSON RECCHIA: That's it.

14 JOHN LIU: [laughs]

15 CHAIRPERSON RECCHIA: You've  
16 answered all the questions, we're running behind  
17 schedule. I have the, I have a house full of  
18 people waiting to testify. But before that, we  
19 have the Independent Budget Office. So I want to  
20 thank you for coming, thank Mr. Simcha Felder,  
21 thank Jonathan Rosenberg and your entire staff in  
22 the Comptroller's Office. We now invite the  
23 Independent Budget Office to please be seated. If  
24 anyone wished to testify from the public, you have  
25 to ask one of the Sergeant-at-Arms to fill out a

1 form. If you wish to testify, at the public  
2 session, you have to ask the Sergeant-at-Arms.  
3 Everyone who is standing up, please there are  
4 seats up in the balcony. For everyone that is  
5 standing up, you must sit up in the balcony. We  
6 cannot have people standing in the Chamber. Okay?  
7 Thank you, Mr. Comptroller. Now we have  
8 Independent Budget Office. [pause] They are  
9 handing out the testimony. [pause, background  
10 noise] Okay. We will now resume the Mayor's  
11 Executive Budget for Fiscal Year 2013. At this  
12 time, we have the Independent Budget Office.  
13 Welcome. State your name for the record.

14  
15 RONNIE LOWENSTEIN: I'm Ronnie  
16 Lowenstein, Director of the City's Independent  
17 Budget Office, and next to me is George Sweeting,  
18 IBO's Deputy Director. Thank you very much for  
19 the opportunity to testify. Given the lateness of  
20 the hour, and all the people who are hoping to  
21 testify tonight, I will spare you a reading of our  
22 testimony, but I'll just start with a few broad  
23 points about our economic and tax revenue  
24 forecasts, and include with a few words on the use  
25 of nonrecurring revenues. On the economics front,

1 IBO expects local job growth for the current year  
2 to remain just about as strong as it was last  
3 year. In fact, so far this calendar year, we've  
4 put on almost as many jobs as OMB is forecasting  
5 for the year as a whole. So we've got a fairly  
6 optimistic forecast for job growth, well above  
7 OMB's and Council Finance's, but I think it's  
8 reasonable, as well. However, having said that,  
9 this is really different job growth than we've had  
10 in the past. We're not anticipating that this job  
11 growth is being spurred in any way by a rebounding  
12 financial sector, which has traditionally been the  
13 engine that has driven the City economy in recent  
14 years. Instead, we're adding jobs in things like  
15 professional and business services, trade, leader  
16 hospitality, health and social services. They're  
17 good jobs, but they're not the same sort of super-  
18 sized compensation jobs that Finance enjoys. And  
19 for that reason, even though we're anticipating  
20 significant local job growth, we're not going to  
21 get the same bang for the buck, and the same oomph  
22 to our tax revenues, as we would have had the  
23 financial sector been robust. So for us, this is  
24 a different kind of economic forecast. It's,

1  
2 yeah, we're definitely growing jobs, we grew great  
3 jobs last year, we're going to do it again this  
4 year, and probably next year. But we're not going  
5 to get the same bounce in tax revenues as we would  
6 have otherwise. Our economic forecast is  
7 definitely less pessimistic than either OMB's or  
8 Council Finance's, and that of course means that  
9 our forecast for tax revenues is correspondingly  
10 higher. For this year, the differences in the tax  
11 revenue forecasts are pretty small. We are \$86  
12 million above OMB, and about \$46 million, if I  
13 read it correctly, above Council Finance. And  
14 most of that difference is within the general  
15 corporation tax. However, next year, the  
16 differences get much bigger. And we're  
17 anticipating that tax revenues at the end of the  
18 day will be \$600 million more than OMB forecasts,  
19 and about \$550 million more than Council Finance  
20 forecasts. And the difference is that our  
21 forecast for business income taxes and real  
22 property transfer taxes, are higher. The  
23 differences grow after that. We're anticipating  
24 \$900 million more than OMB, and about \$450 million  
25 more than Council Finance, for '14. And there,

1 the differences are pretty much in every major  
2 revenue source. Finally, I have to say something  
3 about nonrecurring revenues. I'd like to add my  
4 concerns to the folks who have voiced concerns  
5 about the use of nonrecurring, the large use of  
6 nonrecurring revenues in the Mayor's Executive  
7 Budget. But unlike other, some other observers,  
8 there are uses for nonrecurring revenues. For one  
9 thing, you know, if you can match nonrecurring  
10 revenues with nonrecurring spending, that works.  
11 It doesn't leave you with a hole in subsequent  
12 years. Moreover, if you're anticipating, if for  
13 example, the economy is in the doldrums, or  
14 actually in recession, and you're expecting tax  
15 revenues to slow or even decline, that's the time  
16 to tap into nonrecurring resources, to tide you  
17 over until you expect revenue growth to  
18 accelerate. Now that's not our current forecast.  
19 We're anticipating that tax revenues this year are  
20 going to go pretty much, roughly the same ballpark  
21 as they're growing next year. So what that means  
22 from where we sit is the use of \$2.5 billion in  
23 nonrecurring revenues this year, for the coming  
24 year, basically just postpones the problem one  
25



1  
2 year out. It pushes the problem out. And the  
3 problem that the city is faced with one year out,  
4 is significant, it's \$2.5 billion. I know that's  
5 about half a billion dollars less than OMB  
6 forecasts, but it's still big. Still something  
7 the City will have to confront. And so to sum up,  
8 I would say that our viewpoint on the City's  
9 Budget for next year, and thereafter, is we still  
10 have significant fiscal challenges. So with that,  
11 I'd be delighted to take your questions.

12 CHAIRPERSON RECCHIA: Thank you,  
13 Ms. Lowenstein, for your testimony, and you know,  
14 with the taxi medallions in question, this year is  
15 now becoming even more challenging, is that  
16 correct?

17 RONNIE LOWENSTEIN: Yeah,  
18 absolutely. That doesn't have to be resolved by  
19 the end of this fiscal year. But still, it  
20 certainly looks far less probable than it did just  
21 a few weeks ago.

22 CHAIRPERSON RECCHIA: Right. So  
23 that's \$1 billion that we'll be short, that we're  
24 going to have to figure out how we're going to  
25 make that up.

1  
2 RONNIE LOWENSTEIN: Yes.

3 CHAIRPERSON RECCHIA: All right.

4 Council Member Jackson has a question. If any  
5 Council Member wish to ask a question, please give  
6 your name to Tanisha Edwards, my attorney. Let's  
7 recognize Council Member Jackson.

8 COUNCIL MEMBER JACKSON: Thank you,  
9 Chair Recchia, and Director Lowenstein, and Deputy  
10 Director, let me thank you for always coming in,  
11 because obviously as you indicated, it depends on  
12 who's evaluating the numbers who we listen to.  
13 And in fact, I've been in the City Council eleven  
14 years, and you have always come in front of us,  
15 and I've always asked you questions. Because as a  
16 member of the City Council, I'm listening to our  
17 Finance staff give us their assessment; I'm  
18 listening to the Office of Management and Budget;  
19 I'm listening to the City Comptroller; I'm  
20 listening to the State Comptroller; I'm listening  
21 to everyone. But bottom line is, the constituents  
22 that I represent are saying loud and clear that  
23 these cuts are totally unacceptable. That's what  
24 I'm hearing in the community, that's what I'm  
25 hearing in my offices, as far as phone calls; and

1 the hundreds and hundreds of letters, as far as  
2 cuts to libraries, daycares, childcare,  
3 afterschool programs, summer youth employment  
4 jobs, Beacon programs, and you know, it's not  
5 acceptable to them, and if it's not acceptable to  
6 them, it's not acceptable to me. Now, I do  
7 understand from a fiscal point of view, but I ask  
8 you, with your estimates as far as Fiscal Year  
9 2013, '14 and the out years, and the Mayor, as  
10 meaning the Office of Management and Budget, in  
11 your opinion, has their estimates over the, from a  
12 historical perspective, they have always said that  
13 we're going to be in the red, in the red, and  
14 every year we wind up being not only in the red,  
15 we'd be in the black by millions, if not millions,  
16 billions of dollars. Is that true of what I just  
17 said?  
18

19 RONNIE LOWENSTEIN: If you're  
20 asking about forecast accuracy--

21 COUNCIL MEMBER JACKSON: Yes.

22 RONNIE LOWENSTEIN: --something we  
23 take very, very seriously. Can I--? In recent  
24 years, certainly in the last few years, our  
25 forecasts for total revenues have exceeded that of

1 OMB, by and large. And by and large they've come  
2 in closer to IBO than to OMB. That doesn't mean  
3 that next year's forecast, what do they say about  
4 prospectuses, you know, past results don't  
5 guarantee future performance.  
6

7 COUNCIL MEMBER JACKSON: Sure.

8 RONNIE LOWENSTEIN: But yes.

9 COUNCIL MEMBER JACKSON: Yeah. I  
10 would agree with that. But also, Comptroller John  
11 Liu, you were here, when he gave his testimony.  
12 And he said that a big issue is the fact that the  
13 unions have not had a contract and that they  
14 estimate that \$2.5 billion is needed up, for now,  
15 and then about another \$900 million. Have you  
16 looked at that? And is that a true assessment,  
17 assuming the fact that if in fact a union's  
18 agreements are reached and they receive some  
19 raises?

20 RONNIE LOWENSTEIN: Certainly the  
21 Comptroller is correct in saying that there are  
22 unions out there that have not settled. Most  
23 unions have not settled. And if you look back at  
24 the UFT, their contract expired in October '09,  
25 and--

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COUNCIL MEMBER JACKSON: '09, and  
this is--

RONNIE LOWENSTEIN: '09.

COUNCIL MEMBER JACKSON: This is  
'012.

RONNIE LOWENSTEIN: Yes, this is  
'12.

COUNCIL MEMBER JACKSON: Okay.

RONNIE LOWENSTEIN: And moreover,  
it was for a round of increases that at the time,  
unions were getting four percent a year increases.  
So the Comptroller has gone through in some of his  
reports and estimated, you know, calculated  
actually, how much it would cost to give them four  
percent raises, retroactively, without any  
increases in productivity or give backs to offset  
those increases.

COUNCIL MEMBER JACKSON: That's,  
that's his assessment, is that correct?

RONNIE LOWENSTEIN: Yes.

COUNCIL MEMBER JACKSON: Now, you  
may have heard, when I said that there are  
projected to be 6,500 childcare slots cut, DYCD  
are 28,000 youth, hundreds of thousands of youths

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2 are going to be on the street, with no place to  
3 go. And I asked the question of the ACS  
4 Commissioner, in response to what are parents  
5 supposed to do when daycare centers are closed?  
6 And his response to me, I thought was very  
7 sensitive and not bureaucratic. And I appreciated  
8 his sensitivity in responding that they would do  
9 everything they can for all the parents that come  
10 and try to find a swap. But the bottom line is,  
11 he didn't really know what would they, what, you  
12 know, what would they do, if in fact they can't  
13 find a place. And he said that very sensitively.  
14 So, I appreciated that. Whereas, Jeannie  
15 Mulgrave, the Commissioner, had basically said  
16 that, you know, they will help parents find a  
17 place for their children, but the bottom line is  
18 that even they could stay home with other  
19 siblings. I said, "What if they don't have other  
20 siblings?" "What are parents supposed to do?"  
21 And so, I had said, and this is what I want to ask  
22 you your opinion about, that since a majority of  
23 these workers, you may have heard me, earn \$22,  
24 \$24, \$26, \$28,000, and the average family that I  
25 represent earns under \$34,000 a year, I'm talking

1 about a family, not one, many of them are going to  
2 fall back on, you know, the social services  
3 system, Medicaid and what have you, and so forth,  
4 and the City's going to spend more money in the  
5 long run. And so I ask you, if in fact those  
6 thousands of employees depend on the system, will  
7 it cost New York City overall more money to give  
8 them, you know, money so they can pay their rent,  
9 so they're not evicted, and put their kids in  
10 childcare, Medicaid, another cost, but it costs  
11 more money in your opinion to do that, than to  
12 keep them employed?

14 RONNIE LOWENSTEIN: At the risk of  
15 sounding insensitive, what we do is provide hard  
16 numbers. We can make estimates, if you wish, but  
17 I can't sit here and tell you that we've done so.  
18 Do I think that there are many, many families who  
19 are going to be severely disadvantaged if all of  
20 these childcare cuts go through, absolutely. I  
21 just can't give you numbers saying that the City's  
22 fiscal impact will be positive or negative.

23 COUNCIL MEMBER JACKSON: I'm going  
24 to put in a formal request, then, for you to  
25 assess that, because quite frankly, if with the

1 billion dollars that's up in the air as far as the  
2 taxis based on the litigation, they're saying that  
3 if this lawsuit is not resolved, or the temporary  
4 restraining order is not lifted, by January of  
5 next year, meaning 2013, when the Mayor must come  
6 out with his Preliminary Budget, that means as you  
7 indicated, and Comptroller John Liu had indicated,  
8 there's going to be another billion dollars that  
9 they're going to have to address within the  
10 Preliminary Budget. So, I'm going to put in a  
11 formal request for you to do an assessment as to  
12 whether or not, by laying off these employees,  
13 it's going to cost the City more. Because in my  
14 opinion, that should not happen.

16 RONNIE LOWENSTEIN: If it's at all  
17 helpful, we have been doing work recently on the  
18 early learn initiative, and have been quantifying  
19 how much exactly it would cost to restore the  
20 vouchers, and restore the contract slots, and what  
21 would be needed to do that. And we'd be delighted  
22 to share that information with you, if you wish.

23 COUNCIL MEMBER JACKSON: Sure,  
24 please share that with me.

25 RONNIE LOWENSTEIN: Actually, it's



on our website. It's on our website.

COUNCIL MEMBER JACKSON: Do you have actual numbers?

RONNIE LOWENSTEIN: Yeah, restoring 7,700 vouchers will cost roughly \$21 million.

COUNCIL MEMBER JACKSON: Can you give me that figure again, please?

RONNIE LOWENSTEIN: Restoring 7,700 vouchers will cost roughly \$21 million.

COUNCIL MEMBER JACKSON: You said 7,700.

RONNIE LOWENSTEIN: Yeah.

COUNCIL MEMBER JACKSON: Seven thousand, seven hundred.

RONNIE LOWENSTEIN: Yeah.

COUNCIL MEMBER JACKSON: \$21 million.

RONNIE LOWENSTEIN: Yeah.

COUNCIL MEMBER JACKSON: Okay.

RONNIE LOWENSTEIN: And restoring 6,500 of the contracted slots at the rates for the new Early Learn Program, would cost \$71 million.

COUNCIL MEMBER JACKSON: Yeah, the Commissioner had said \$71.5, so it's in the same

1 ballpark.

2  
3 RONNIE LOWENSTEIN: Same thing,  
4 yeah. For a grand total of \$93 million.

5 COUNCIL MEMBER JACKSON: About \$93  
6 million.

7 RONNIE LOWENSTEIN: Yeah.

8 COUNCIL MEMBER JACKSON: And how  
9 much is the City's expense budget? [background  
10 comments] \$68.7 billion.

11 RONNIE LOWENSTEIN: \$68, thank you.

12 COUNCIL MEMBER JACKSON: I mean,  
13 not million, billion, right?

14 RONNIE LOWENSTEIN: Billion,  
15 billion.

16 COUNCIL MEMBER JACKSON: All right.

17 GEORGE SWEETING: That's--

18 RONNIE LOWENSTEIN: Go ahead.

19 COUNCIL MEMBER JACKSON: Sorry.  
20 Just identify yourself, please.

21 GEORGE SWEETING: George Sweeting.  
22 That of course is, that's with all funds counted,  
23 if you're--

24 COUNCIL MEMBER JACKSON: That's  
25 what?

1  
2                   GEORGE SWEETING: That's, that's  
3 counting federal and State dollars being spent in  
4 City programs. The \$68 billion.

5                   COUNCIL MEMBER JACKSON: Okay. So  
6 it's \$68.7 billion is the expense budget, and  
7 we're talking about \$93 million, is that correct?

8                   RONNIE LOWENSTEIN: Yes.

9                   COUNCIL MEMBER JACKSON: Thank you.  
10 Thank you, Mr. Chair.

11                   CHAIRPERSON RECCHIA: Thank you  
12 very much. Council Member Chin.

13                   COUNCIL MEMBER CHIN: Thank you.  
14 So, based on the number you just told us, in terms  
15 of saving the daycare and afterschool programs, is  
16 about \$93 million. And we just heard the  
17 Comptrollers that there's \$104 million saving from  
18 the refinancing of our debt service, so that's  
19 enough to cover, Chair. At least for that part.  
20 I was looking at your testimony, so you're saying  
21 that your estimate from the tax revenue for next  
22 year, which is Fiscal '13, which is, right now  
23 we're dealing with that budget next year, and  
24 you're saying that, you estimate that we will  
25 collect \$600 million more in taxes than what the

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Mayor is projecting.

RONNIE LOWENSTEIN: Yes.

COUNCIL MEMBER CHIN: So, my understanding that, that's \$600 million can actually save a lot of the program that's being cut now for next year. Right?

RONNIE LOWENSTEIN: It could, but it's the Mayor's, the Mayor is the sole arbiter of the revenue forecast. We put out a forecast that's advisory, as I might add, does the Council and the Comptroller and the State Comptroller. But at the end of the day, much of the Mayor's power over the budget is because he gets to set the size of the pie.

COUNCIL MEMBER CHIN: Yeah, but he got to--like he can't just make up his own numbers, right? [laughs]

RONNIE LOWENSTEIN: I would never accuse him [laughs] He has a--

COUNCIL MEMBER CHIN: But that's a big--

RONNIE LOWENSTEIN: --he has an OMB staff that makes a forecast.

COUNCIL MEMBER CHIN: I mean,

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they're usually--

RONNIE LOWENSTEIN: --right now  
they're forecast is--

COUNCIL MEMBER CHIN: --they're  
usually more conservative. I mean, they're doing,  
I mean, this is my third budget, I know that every  
time so far they sort of project at a much lower  
number, and then all of the sudden they found some  
extra money. And they're able to save program  
that they want to save. So, I think we need to  
really figure out what is the amount, because  
that's a big difference, of \$600 million. I mean,  
that saves a lot of programs, that right now are  
on the chopping block.

RONNIE LOWENSTEIN: I agree. And  
you know, our forecast is out there, and if you  
read the charter language creating IBO, much of  
the logic behind creating the agency was to have  
an independent voice out there, to provide the  
public and the City's other elected officials with  
an alternative view on what revenues were going to  
be.

COUNCIL MEMBER CHIN: No, I mean,  
definitely, I mean, your role is really, really

1  
2 important, and I appreciate that. And also, right  
3 now, in terms of projection, I mean, we just read  
4 that Wall Street actually the profits, they've  
5 gotten greater profits. I mean, what they project  
6 in the whole year, they got most of it in the  
7 first quarter. So, that is probably related to  
8 the \$600 million that you're talking about. So,  
9 they're still generating a lot of profit, and the  
10 City still can collect the tax revenues, even from  
11 them.

12 RONNIE LOWENSTEIN: There are lots  
13 of moving parts to any forecast. So, since the  
14 Mayor's Executive Budget and the attending, and  
15 its corresponding tax revenue forecast was issued,  
16 you know, there's been some good news and some bad  
17 news. The bad news is that U.S. employment growth  
18 has fallen far short of what anyone had  
19 anticipated. I guess the other piece of bad news  
20 is that the situation in Europe looks a whole lot  
21 worse than it did a month or two ago.

22 COUNCIL MEMBER CHIN: But New York  
23 City, I think we're doing much better--

24 RONNIE LOWENSTEIN: That affects--

25 COUNCIL MEMBER CHIN: --than a lot

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of places, right?

RONNIE LOWENSTEIN: Absolutely.

COUNCIL MEMBER CHIN: We're regaining a lot of jobs, as you were saying in your testimony. I mean, this might not be financial services jobs, but these jobs, these new businesses, are creating jobs, and they're good paying jobs.

RONNIE LOWENSTEIN: Yeah, and that's the good news. And in fact, the much higher than expected New York Stock Exchange member firm profits number that was just released, is really good news, and really good news for the City of New York. We'll see if it keeps up, without being too discouraging. Last year, it started off very high, and the last two quarters of the year were quite negative. Like major losses.

COUNCIL MEMBER CHIN: But right now I think we really need to definitely take a closer look at the Mayor's revenue estimate, and really make sure that there are going to--the money is there, and he's not hiding it. So, we definitely need to do that. And one last question I want to

ask you is that, also in your testimony, and I know you raised it before, in terms of how we can save some of the money, because the Mayor keeps on starting these new charter school. And from your testimony, I mean, if we just stop opening up new schools, or new charter schools, in a year, how much money will be, will we be able to save?

RONNIE LOWENSTEIN: We have--every year we put out an options volume, that talks about lots of different ways to save money or increase tax revenues. That was one of the options we put out this year. George, do you recall what the number was? If you don't, we can send you that number, and a reference to that.

COUNCIL MEMBER CHIN: Yeah, because you were saying that by opening up more charter schools, they are going to have to spend more money, because they did not budget in the funding for these schools, right?

RONNIE LOWENSTEIN: Oh, I'm sorry, that's a somewhat different issue.

COUNCIL MEMBER CHIN: Oh.

RONNIE LOWENSTEIN: In the out years of the financial plan, there are charter



1 schools that are slated to open, that the  
2 Administration hasn't put funding for in its  
3 budget for like 2015 and 2016. And in fact, what  
4 that means is, they're going to be spending more  
5 on charter schools in 2015 and 2016 than is  
6 currently reflected in the Mayor's Executive  
7 Budget plan.

8  
9 COUNCIL MEMBER CHIN: But I  
10 remember in your report, that if we put a freeze  
11 on one year--

12 RONNIE LOWENSTEIN: Yes.

13 COUNCIL MEMBER CHIN: --we  
14 definitely can save--

15 RONNIE LOWENSTEIN: That will save  
16 money.

17 COUNCIL MEMBER CHIN: --quite a,  
18 you know, many, many millions of dollars, I don't  
19 remember the exact number, and that could be put  
20 back into the afterschool programs and daycares  
21 and all the meter [phonetic] service that we have.

22 RONNIE LOWENSTEIN: And I will send  
23 you, if--I'll send you a link to the page.

24 COUNCIL MEMBER CHIN: Thank you.

25 RONNIE LOWENSTEIN: And get you the

number.

CHAIRPERSON RECCHIA: Okay.

COUNCIL MEMBER CHIN: Thank you,  
Chair.

CHAIRPERSON RECCHIA: Thank you,  
Councilwoman Chin. Council Member Oliver Koppell.

COUNCIL MEMBER KOPPELL: [off mic]  
- - [on mic] Yes, okay. I asked Mark Page  
earlier, I said, "How much of the, at the end of  
Fiscal '13, the year we're coming into, how much  
are you putting into Fiscal '14. And he said, "I  
believe it was \$124 million." And you say in your  
statement that you see a surplus of \$570 million.

RONNIE LOWENSTEIN: Yes.

COUNCIL MEMBER KOPPELL: Is that,  
so are those two numbers basically the--looking at  
the same issues?

RONNIE LOWENSTEIN: Yes, those are  
the comparable numbers.

COUNCIL MEMBER KOPPELL: So, your  
estimate is that we would have, if we accept your  
estimate, we would have approximately an extra  
\$400 some odd million dollars that we could in  
fact spend in this fiscal year, and still have a

1 balanced budget.

2  
3 RONNIE LOWENSTEIN: That's correct,  
4 and it's a product of two things. We're  
5 anticipating about \$600 million more in tax  
6 revenues, but we also have a few places where we  
7 think spending is going to be greater than the  
8 Administration is expected. And when you net the  
9 two out, the difference is \$570.

10 COUNCIL MEMBER KOPPELL: And that  
11 number that you came up with, already contemplates  
12 that we will be prepaying some of Fiscal '14's  
13 obligations in '13? Or no?

14 RONNIE LOWENSTEIN: That money  
15 would be available to prepay some of Fiscal '14.

16 COUNCIL MEMBER KOPPELL: But in the  
17 budget that the Mayor proposed, he already is  
18 prepaying some expenses, is he not?

19 [background comment]

20 GEORGE SWEETING: For the, the  
21 surplus, the use of surplus in 2013 to roll into  
22 2014--

23 CHAIRPERSON RECCHIA: Please speak  
24 into the microphone, please.

25 GEORGE SWEETING: For the use of

the--

CHAIRPERSON RECCHIA: Is it on?

GEORGE SWEETING: The red light is on. For the surplus that'll result at the end of 2013, that will be available to spend in 2014, we followed, and this is just a convention that we've always followed, we accept that, we take whatever assumption the Mayor has in terms of how much he's going to roll forward in that year. We do adjust what we, what the Mayor would roll forward in 2013, because by City rules that has to be a balanced budget, when you adopt it. And so, we--

COUNCIL MEMBER KOPPELL: But does the fifth, does your, does the Mayor's Executive Budget, which projected basically \$124 million of surplus if you want to call it that, already contemplates some prepayments of '14--

GEORGE SWEETING: Yes, right.

COUNCIL MEMBER KOPPELL: --some other prepayments--

GEORGE SWEETING: We're assuming the same \$124 million out of '13 into '14.

COUNCIL MEMBER KOPPELL: But no other prepayments?

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2                   GEORGE SWEETING: We do, we just  
3 leave it as a surplus at the end of 2013.

4                   COUNCIL MEMBER KOPPELL: No, but  
5 I'm talking about aside from that. Are there  
6 prepayments of '14 obligations in the '13 budget  
7 aside from moving that \$124 million, or perhaps  
8 more, into '14? Is there anything else that we're  
9 prepaying under the Mayor's plan?

10                  GEORGE SWEETING: I don't believe  
11 there is, but I'm not certain.

12                  COUNCIL MEMBER KOPPELL: Okay.  
13 Thank you.

14                  CHAIRPERSON RECCHIA: Okay.  
15 Without seeing any further Council Members have  
16 any more questions, we want to thank you for  
17 coming to testify. Want to thank IBO. We'll be  
18 in touch with you. We look forward to working  
19 with you in the future. Okay. Now, we'll begin  
20 the public portion of the session. If there is  
21 anyone that would like to testify, you had to fill  
22 out a form. The Sergeant-at-Arms has the forms.  
23 Okay? In addition to that, there are hundreds of  
24 people waiting outside to come into the Council  
25 Chamber. We ask that after you testify, that you

1  
2 please exit the Chamber so we can have more people  
3 come in who wish to testify. If you would like to  
4 submit your testimony for the record, and not wait  
5 around to testify, you could do that, also. And  
6 you could give your testimony to the Sergeant-at-  
7 Arms at the end of this session. We will read,  
8 not the whole statement, we will read every one  
9 into the record who wish to testify, but just  
10 submitted the testimony. Okay? Okay. [pause]  
11 Okay, call the first panel, please.

12 COUNSEL: Lillian Roberts.

13 CHAIRPERSON RECCHIA: Okay, who  
14 next?

15 COUNSEL: Eddie Boles, Santos  
16 Crespo, Ralph Palladino and Tammy Walker. Tammy  
17 Miller.

18 [pause, background noise]

19 CHAIRPERSON RECCHIA: All right.  
20 [pause, background noise] Okay, please state your  
21 name for the record.

22 EDDIE BOLES: Good afternoon. My  
23 name is Lieutenant Eddie Boles, I'm the Treasurer  
24 of the Uniformed Fire Officers Association,  
25 testing [phonetic] on behalf of our UFOA

1 President, Captain Al Hagen, and 2,500 active fire  
2 officers who proudly serve the 8.2 million people  
3 of New York City. Once again we're here to thank  
4 the City Council, especially Speaker Quinn,  
5 Finance Chair Recchia, and Fire and Criminal  
6 Justice Chair Crowley, and all their staffs for  
7 defending FDNY from the constant attempts to  
8 downsize the Fire Department, to the point where  
9 public safety is severely compromised. Last week,  
10 the Fire Commissioner in his testimony before you,  
11 made no effort to gloss over the worst; in fact,  
12 that there will be an operational impact to every  
13 neighborhood if fire companies are closed. And  
14 once again, we are here to bolster the case for  
15 adequate funding for the critical work we do to  
16 keep the people safe. The mission of the Fire  
17 Department now is, is now, always was, and always  
18 will be, saving lives and property, even at the  
19 risk of our own lives. Usually, our testimony  
20 focuses on saving lives of properties and fires,  
21 and we bring hard statistical evidence to make the  
22 case that closing 25 companies is civic insanity.  
23 But today, I want to use our time to speak on  
24 another important aspect of our job that gets  
25

1 little attention, but is nevertheless critical to  
2 understanding how much more the Fire Department  
3 does now than we did 20 years ago. That would be  
4 the 216,000 medical emergencies our fire officers  
5 and firefighters responded to last year. We have  
6 attached a recent research on FDNY fire based EMS  
7 medical run preliminary run analysis, which will  
8 be later published with other fire service  
9 research, in Fire Engineering Magazine. This  
10 research, done by a Columbia doctoral student,  
11 using FDNY data, will assist you in understanding  
12 the greater scope of service being provided by the  
13 FDNY and the impact closing fire companies will  
14 have on the delivery of service to our citizens.  
15 Since 1993--thanks [pause] Since 1993, when the  
16 program began with 1,900 runs to medical  
17 emergency, that category of our daily efforts has  
18 increased virtually every year, until now, it's  
19 almost half our total incidents. While structural  
20 fires remained relatively constant, medical  
21 emergencies have broken the 200,000 mark every  
22 year since 2005. And show every inclination of  
23 continuing to rise. What is the medical  
24 emergency? Firefighters at fire engine companies



are certified first responder defibrillator or CFRD, and they respond to critical emergencies, medical emergencies, such as heart attacks, strokes and asthma and choking incidents, and in 2011 we got there on average over four minutes faster than the first arriving ambulance. Fire units average response time in 2011 to medical runs was 4:20, versus EMS which was 8:46. And that has absolutely no reflection on EMS, EMS is understaffed, they have, don't have enough ambulances, and the Fire Department has done an excellent job in trying to get the needed service there in a timely fashion, to, for civilians to survive. The Mayor and the Fire Department understandably boast about the incredible reduction in civilian deaths in fires. In each of the last four years, civilian deaths fell from 96 in 2007 to 62 last year. This is a testament to the commitment of our members in saving lives, but it doesn't reveal the whole story. Another vital statistic that receives little attention is pre-hospital saves by our engine companies. Our pre-hospital saves occurs when our units provide medical attention to a patient that is not

breathing, and has no pulse, and we revive that patient. An incredible feat. In 2010, our 197 engine companies recorded to 284 pre-hospital. Last year, the number grew to 344, a 21 percent increase. Since July 1, 2007, with pre-hospital saves, were first recognized by the Fire Department, there have been more than 1,000 people brought back to life by the dedicated work of our fire units. Does the City really want to put the brakes on all of this improvement to public safety? The 15 companies slated to be eliminated last year have won 45 pre-hospital commendations; five of those companies have four more pre-hospital saves since 2011. If these 15 companies were eliminated, the people in those mostly poor and working class neighborhoods would have to wait a little longer for help to arrive, and the delay will, may well prove deadly. If the City loses 20 companies, including 15 engine companies and five ladder companies, in Fiscal Year 2013, the UFA has no hesitation in warning that response times will surely increase, that civilian deaths will increase, pre-hospital saves will decrease, fire injuries will continue to rise, and there'll be

greater loss of property and the risk of injury and even death for our firefighters and fire officers will increase, as well. As for the fourth, and for the fourth consecutive year, that is what is on the table for the City Council in the last month of Fiscal Year 2012. The UFOA is talking about life and death, the Bloomberg Administration is once again talking about dollars and cents, and we have witnessed the Administration has wasted hundreds of millions of dollars over the last several years on projects like CityTime, and the 911 communication system that still does not work, and we're way over, and way over budget. Wouldn't New Yorkers rather see their hard earned money being invested in programs that work, like the Fire Department that continue to save lives in record numbers. Let's be wise, let's be wise investors and fund these 25 companies so the Fire Department can perform its job of assisting any civilian in need and respond quickly enough to save their life, if need be. That's what we do. We continue to do our part in serving the citizens. The City has an obligation to do its part and provide our Department the

resources to ensure the public safety. I am confident in your Speaker and the Members of the City Council in setting your priorities and fighting to keep every fire company open. We appreciate your efforts in the past, and we are hopeful that you will come through once again for your constituents. Thank you again for all your support, for the Fire Department, and the citizens that you serve, and for allowing me to testify today, I'm available for any questions.

CHAIRPERSON RECCHIA: Thank you.

EDDIE BOLES: Thank you.

CHAIRPERSON RECCHIA: Okay. Mr. Palladino. We're giving everybody three minutes, to testify, so--I'll--

RALPH PALLADINO: Ralph Palladino, Clerical Local 1549, District Council 37, representing 16,000 clerical administrative employees working for the City of New York, NYPD and HHC. I'm abridging, and I'm just pointing out on the document I'm giving you, there are issues in there dealing with the 311 DOITT system, and the problems of the private contract, the waste of money, and the impact on the system of short

1 staffing. We also have the 911 PCT, SPCT overtime  
2 problems, and the impact on the workers there, and  
3 the finances in the NYPD, with some solutions.  
4 Also, there is, in ACS, there are severe clerical  
5 shortages, that have impact on the professional  
6 staff, and that's documented in there, as well.  
7 We'd like to thank the HRA for hiring, in terms of  
8 the food stamp program next year, proposing that,  
9 because it's about time, and it'll help improve  
10 the service next year. We commend City Council  
11 Speakers Quinn, Finance Chair Recchia, City  
12 Councilman Vallone, and the entire City Council  
13 for making civilianization of the NYPD a budgetary  
14 priority this year. It's good public policy. The  
15 City lost three arbitration cases in the last  
16 decade, because of assigning uniform employees  
17 routine clerical tasks. Civilianization of 500  
18 positions this coming year, as the Council has  
19 proposed, would save the City \$45 million every  
20 year. Additional savings will occur by lowering  
21 overtime costs since police officers working  
22 overtime performing clerical duties, cuts costs  
23 much more than the clerical administrative  
24 employees. The savings in overtime can help pay  
25

1 for the first year of the program, hiring more  
2 clericals and using officers assigned to desk duty  
3 to backfill retired uniform personnel will mean  
4 more savings, as the City Council has already  
5 pointed out. It makes no budgetary sense for the  
6 NYPD to backfill clerical positions with police  
7 officers this year, as Commissioner Kelly has  
8 planned to do. Higher paid police officers  
9 performing clerical duties fulltime, is a waste of  
10 tax dollars. Traffic enforcement agents  
11 performing fulltime clerical duties cannot be out  
12 collecting revenue, and monitoring traffic safety.  
13 Safety school agents performing fulltime clerical  
14 duties cannot keep our children safe at school.  
15 Putting these employees back to jobs that they are  
16 being paid for, and hiring 500 clerical,  
17 clericals, would be saving tax dollars, tax  
18 dollars that can go to stop childcare cuts, which  
19 are outrageous, to stop public health cuts, and  
20 other budget cuts. It will create jobs for New  
21 Yorkers that will help increase tax revenue. It  
22 also means more uniform officers can be placed in  
23 high crime areas, to do community policing. As  
24 well, the final thing I just want to say is that  
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1  
2 this budget is not fair, because once again the  
3 richest people in this City, the billionaires, do  
4 not pay their fair share of taxes, and have not  
5 been part of this budget process, and that's a  
6 shame. Thank you very much. [applause]

7 CHAIRPERSON RECCHIA: Let's keep,  
8 let's keep [gavel] let's keep it down. Let me  
9 please make this announcement. This is not a  
10 venue to grandstand or clap or applause. This is  
11 a venue to come and voice your opinion about this  
12 budget. We will not tolerate any clapping, any  
13 screaming, any shouting, it's unacceptable.  
14 Everyone who is standing up, you must find a seat.  
15 Up in the balcony, there's more seats, you cannot  
16 stand around this chamber. It's a fire hazard. I  
17 will say this again, anyone who's standing up must  
18 find a seat. All seats must be filled. If you  
19 have books or a pocketbook or a jacket on a seat,  
20 please take it off the seat so someone can sit  
21 down. Thank you very much. Next.

22 Thank you. Good evening, Chairman  
23 Recchia, and Honorable Members of the Committee on  
24 Finance. Thank you so much for the opportunity to  
25 address you. My name is Tammy Miller, and I am

1 the Chair of the United Federation of Teachers,  
2 Family Childcare Providers. We represent 22,000  
3 home based family childcare providers that are  
4 located in the five boroughs of our great City.  
5 So, any parent that utilizes government subsidized  
6 childcare and sends their child to a home based  
7 setting is cared for by a UFT member. The  
8 subsidized childcare system serves more than  
9 300,000 children, and allows tens of thousands of  
10 hardworking parents, low income New Yorkers,  
11 predominately people of color, to maintain and  
12 find employment. Quality affordable childcare is  
13 essential for early childhood development, and  
14 creates a longstanding foundation in a child's  
15 academic successes. I am saddened that I have to  
16 come again, before the Council, for a second time,  
17 to testify about the same proposed cuts, yet  
18 again, to childcare. But sadly enough, Mayor  
19 Bloomberg is continuing to propose significant  
20 cuts to the very childcare programs that thousands  
21 of New Yorkers rely on every single day. In the  
22 Mayor's Executive Budget, he did not restore the  
23 childcare cuts that were included in his  
24 preliminary budget, so I'm here today, again, on  
25



1  
2 behalf of the 22,000 providers we represent, the  
3 tens of thousands of working parents, and all of  
4 the children in New York City, that are afforded  
5 quality, accessible childcare. I want to say  
6 this: the Mayor's cuts includes \$21.3 million to  
7 childcare vouchers, and that means 7,700 children  
8 that depend on that, which is the childcare method  
9 that most parents choose that will afford them the  
10 opportunity to select childcare that best suits  
11 their need. And the underfunding of the Early  
12 Learn redesign, which threatens an additional  
13 6,500 childcare slots. And I want to talk really  
14 briefly about the early learn. The Mayor's  
15 redesign of the childcare is nothing short of a  
16 disaster. In addition to being grossly  
17 underfunded, early learn also does the following:  
18 it deprioritizes certain zip codes, and ignores  
19 the pockets of low income communities that exist  
20 in wealthier neighborhoods. It ages down home  
21 based childcare and makes it under, children three  
22 years of age. This will result in parents who  
23 have more than one child with a child age three,  
24 and a child that's under the age of three, to have  
25 to juggle between multiple places to take their

1  
2 children. So in a word, for a parent, it is a  
3 logistical nightmare. In Staten Island, in  
4 particular, since there is no family childcare  
5 network that was awarded a contract, we are  
6 looking at 224 children without care, 26 providers  
7 without childcare, and thousands of parents  
8 citywide that are in dire straits because of the  
9 underfunding of Early Learn. So, I strongly urge  
10 this Council to, again we thank you for your  
11 support, and I strongly urge you to make sure that  
12 this funding is reappropriated and that it is  
13 baselined so we don't have to suffer this  
14 consequence yet again in the upcoming year. I  
15 thank you for your attention. [applause]

16 CHAIRPERSON RECCHIA: Again, keep  
17 your applause down. Okay, Council Member Jackson  
18 has a question.

19 COUNCIL MEMBER JACKSON: Thank you,  
20 Chair Recchia. First, let me thank the unions for  
21 stepping up, representing their members. In fact,  
22 New York City is a union town, believe me when I  
23 tell you. And I'm so happy that we have union  
24 representatives that's going to stand up for the  
25 working men and women of New York City, and let me

1 just first go to Lieutenant Boles of the Fire  
2 Officer's Association. Now under the Mayor's  
3 Executive Plan, 25 companies are scheduled to  
4 close. In your opinion as someone that has come  
5 up through the ranks, what type of impact would  
6 that have on the people of New York City as far as  
7 response time and possibly deaths to citizens of  
8 New York City considering the fact that you gave  
9 us statistics as far as medical and non-fire  
10 emergency responses?  
11

12 LIEUTENANT BOLES: Yeah, in my  
13 preliminary budget hearing, I testified and I  
14 talked about the fire - - and the fire service end  
15 of it, and I thought I would address the medical  
16 side because I want to start-I tried to expand the  
17 paradigm of the fire department and what we do.  
18 We just don't do fires. Any time there is an  
19 emergency in this city, we respond. Citizens call  
20 us up. They need our assistance. We show up. We  
21 say, how can we help? That's what we do. We're  
22 there within four minutes. We're there within  
23 four minutes because we have enough units in order  
24 to serve the citizens of New York. The  
25 Commissioner in his testimony said there will be a

1  
2 severe operational impact if fire companies are  
3 closed. What does that mean? That means there  
4 will be a delay in fire responses, and it doesn't  
5 mean that just because a fire house in one  
6 neighborhood is closed, it won't have an impact on  
7 the next neighborhood. It will because they'll  
8 have to use—if they close a fire house in one  
9 neighborhood, they'll have to take it from another  
10 neighborhood to cover that area; in doing so that  
11 will expand the response time. And there's two  
12 critical things that would expand our response  
13 time; one, fires. Fires grow exponentially per  
14 minute—exponentially. Within three minutes a fire  
15 can go from a fire in a couch to a full apartment,  
16 a fully involved apartment within three minutes,  
17 especially with today's combustibles. In regards  
18 to medical emergencies if you do not get there  
19 within five to six minutes, the chance of that  
20 person surviving a heart attack or stroke goes  
21 down dramatically. The reason why the fire  
22 department was put online in 1995 to do medical  
23 emergencies was because New York City had the  
24 lowest survival rate of strokes and heart attacks  
25 in the city, and it's when the fire units came in

1  
2 to assist the EMS units—'cause as I said earlier,  
3 our EMS units are understaffed. They don't have  
4 enough units in order to respond. They do an  
5 incredible job, but they just don't have the  
6 resources. Because we now bolstered that, the  
7 medical service, we have saved—and I'm talking  
8 about people who were essentially dead, are now  
9 alive today because of the heroic efforts of our  
10 members coupled with EMS and paramedics coming in  
11 behind us. So yes, there will be lives that will  
12 be lost because of fire house closings.

13 COUNCIL MEMBER JACKSON: Thank you,  
14 and as far as the UFT Representative, you say you  
15 proudly represents 22,000 home based family  
16 childcare providers located in all five boroughs.  
17 Please explain to me in layman's terms, not  
18 bureaucratic gobbled good. What will be the  
19 impact if in fact the monies are not restored in  
20 the budget for this particular program?

21 FEMALE VOICE: So in layman's terms  
22 the impact is detrimental. I will tell you the  
23 homeless population will increase, you will have  
24 children who will go hungry because they're not  
25 being fed nutritious meals, you will have parents

1  
2 who will not leave their children alone, so those  
3 parents will be forced to suffer unemployment and  
4 go back on public assistance. The providers that  
5 we represent mostly women of color are in some  
6 cases the only caregivers for their own homes and  
7 families, so they too could possibly suffer  
8 homelessness. Again, I'm pretty certain many of  
9 them will go on public assistance again, so the  
10 economy in itself will be on a downward spiral  
11 because of the effects of these cuts to childcare.

12 COUNCIL MEMBER JACKSON: So  
13 basically you're telling me that the city is going  
14 to be from a social point of view as far as  
15 families going to be much better—not better—much  
16 worse off and that there may be as a result of  
17 that more cases called into ACS on child neglect  
18 and stuff like that.

19 FEMALE VOICE: Absolutely.

20 COUNCIL MEMBER JACKSON: There will  
21 be more people on the street and homeless.

22 FEMALE VOICE: There will be more  
23 homeless people. Children will be put in harm's  
24 way. Children will be left in unsafe conditions,  
25 and leaving the notion of a sibling being left

1 with the responsibility of caring for a child  
2 knowing that a sibling is not going to properly  
3 educate a child in and of itself is a problem.  
4 Again, safety is a big issue. Before children  
5 enter the educational system, childcare providers  
6 are mandated reporters, so they are first line of  
7 defense—

8  
9 COUNCIL MEMBER JACKSON: What does  
10 mandated reporting mean?

11 FEMALE VOICE: That means that they  
12 are the sole caregivers that are making sure child  
13 abuse is not happening because they are required  
14 by law to pronounce that and to actually notify  
15 authorities in cases where there is child neglect  
16 and child abuse, so we know for a fact when  
17 parents are struggling, they are more tense, they  
18 are more stressed. Children are in a greater  
19 situation for being placed in bad situations.  
20 Providers are their first line of defense.

21 COUNCIL MEMBER JACKSON: Thank you.

22 FEMALE VOICE: You're welcome.

23 CHAIRPERSON RECCHIA: Okay. Thank  
24 you. I want to thank you all for coming to  
25 testify. Gale Brewer, do you have a quick

question?

COUNCIL MEMBER BREWER: A very quick question about the 9/11 report from a budget perspective. The issue is the Mayor issued this report--there are a lot of issues regarding it, mostly police I would say, but within the fire aspects of it, do you think that there are ways that the large 9/11 system which was fire and police and EMS could be done different, either generally from a capital or expense money that would save money and not cost the great amount that it is costing--just generally 'cause I know time is of the essence.

LIEUTENANT BOLES: The system was working fine before they tried to implement the unified call taking system, and now it's been to be very frank, a nightmare to our members because they are not being provided with the accurate information in order to respond to an incident, so there has been a lot of wasted money on this system, and we have not seen any improvements at all in regards to our response to emergencies.

COUNCIL MEMBER BREWER: Ralph, do



1  
2 you want to...?

3 MALE VOICE: - - .

4 COUNCIL MEMBER BREWER: Thank you  
5 very much.

6 CHAIRPERSON RECCHIA: Thank you  
7 very much for coming to testify. Lillian Roberts  
8 [phonetic] is next to testify.

9 COUNCIL MEMBER JACKSON: Mr. Chair,  
10 I understand that there's how many people outside  
11 waiting to get in?

12 CHAIRPERSON RECCHIA: Approximately  
13 150 to 200 more people waiting outside.

14 COUNCIL MEMBER JACKSON: Okay.  
15 Thank you.

16 CHAIRPERSON RECCHIA: Okay, go  
17 ahead.

18 COUNCIL MEMBER JACKSON: --15,000  
19 did you say?

20 CHAIRPERSON RECCHIA: There should  
21 be 15,000. Okay. Ms. Roberts, welcome to City  
22 Hall. Welcome to the City Council chamber.

23 LILLIAN ROBERTS: Thank you. In  
24 the interest of time, I have my associate with me  
25 because we want to be--

1  
2 MALE VOICE: I'm sorry. I can't  
3 hear you. I'm sorry. Can we turn up the volume  
4 or something like that? Sergeant at Arms, please?

5 LILLIAN ROBERTS: My name is  
6 Lillian Roberts. I'm the executive director of  
7 District Council 37, representing 120,000 public  
8 employees, 50,000 retirees and 1,000 entitles  
9 [phonetic]. In the interest of time, I'm asking  
10 my associate to join me because I'm going to be  
11 asking for some very bold action on your part.  
12 The last time that I testified about the school  
13 aides, it was apparent that the city council did  
14 not know that they were going to be laid off, and  
15 following their layoff, there were monies found  
16 that could have kept them working. It was 642 I  
17 think at that particular time, so I want to talk  
18 about what has happened since then. We did not  
19 know at that time that the City Time resources  
20 would be forthcoming, and that the City Council  
21 has the power to take control of that particular  
22 money and decide how it would be used, so I'm  
23 going to be asking today that he City Council  
24 exercise its power to stop every layoff—I don't  
25 care whose layoff it is—because it's totally

unnecessary, and I would like to see that... I want you to hear me.

COUNCIL MEMBER JACKSON: Just a second. He'll hear you in a second. We hear you loud and clear. Say it again, Ms. Roberts, please.

LILLIAN ROBERTS: I'm asking that the City Council exercise its power to stop every single layoff as we have had a briefing with the Congressional delegation and they're asking that the comptroller general examine the books to find out where the money that is being funneled back to the city for the purpose of education, health and welfare where that money is going. And just recently last week Comptroller Lou [phonetic] outlined \$163 million that should be coming back. Now it is outright ridiculous that we have a balanced budget and we are laying people off, and one of the things that bothers me most is that in reality what is happening everywhere else is happening here, and one of the reasons that I say that is because this is taxpayer's money coming back, we're being robbed, and its being given to corporations who are misusing that money and that

1 money is being returned back to the same person  
2 who gave it to them in the first place. I think  
3 that is a disgrace and I think that parties who  
4 are responsible for looking at the budget is the  
5 City Council, and we're asking you to hold - -  
6 until such a time that we have a responsible  
7 budget that deals with those who were laid off and  
8 who now becomes in the safety net at the cost of  
9 approximately \$80,000 per person, so they're not  
10 saving anything. They're punishing our women and  
11 our children and I think it's a disgrace, so I'm  
12 asking that the City Council, our last hope here  
13 in the city, that they call for a halt to any  
14 layoffs - - we're not talking budget now. We've  
15 got money. We have plenty of money. It's just  
16 being misused. If you want the details of where  
17 the money is coming from as a result of the fraud  
18 that was perpetuated on the citizens here in New  
19 York I have Henry here who will give you the  
20 outline of that, how much money it is. It's far  
21 more money than you realize, and it's happening  
22 every day.

24 HENRY GARRIDO: Good afternoon.

25 I'm Henry Garrido, associate director, DC 37. I'd

1 like to add to what Ms. Roberts said that in  
2 addition to the City Time money, the union has  
3 identified an additional \$111 million in contract  
4 fraud that has been recouped thus far associated  
5 with other city contracts, and we believe more of  
6 that is to come based on what we heard with 911.  
7 I want to indicate that although the Mayor has  
8 outlined this budget to be kind of like a get by  
9 budget that doesn't see a lot of layoffs, the  
10 union has in fact we notified last night that the  
11 Department of Education is seeking to reduce the  
12 number of school aide positions between 450 and  
13 500. This was last night. We know we heard from  
14 Chancellor Walcott last week indicating that it  
15 was 225 school aides that are being considered and  
16 they're looking for DC to make concessions in  
17 order to save the positions. We went through this  
18 process last year. We are willing to sit with the  
19 Administration to talk about some things and work  
20 rules that can make sense just as we did last  
21 year, but we want to be very clear. This is a  
22 budget that not only is carrying close to \$2  
23 billion surplus. The Mayor continues to say that  
24 there is no money for services for childcare, for  
25

1  
2 school aides, for the people that we represent; he  
3 is also putting money away not only for next year,  
4 but the year after that. That is something that  
5 is unprecedented and we believe that the Council,  
6 it is time for this Council to take the power and  
7 to exercise what - - under the City Charter to  
8 make sure that the appropriations are there for  
9 personnel services and that if the Mayor does not  
10 approve those appropriations, then it's time for  
11 the Council to take an override of the Mayor's  
12 budget. Thank you.

13 CHAIRPERSON RECCHIA: Council  
14 Member Jackson has a question.

15 COUNCIL MEMBER JACKSON: Well,  
16 thank you. First, let me thank Lillian Roberts  
17 and Henry for standing up for the men and women of  
18 DC 37 and obviously from a historical perspective  
19 you have said loud and clear through your white  
20 papers meaning evaluating all of the contracts  
21 that the city of New York that they have been  
22 cheating us, and in fact, City Time and other  
23 things that have come forward indicated that you  
24 were right and the system was wrong, and that  
25 we've been cheated and stolen hundreds of millions

1 of dollars that could go in order to support the  
2 workers of our great city, so I applaud you going  
3 way back, for taking a position when people  
4 questioned you know whether or not that was going  
5 to be true. You have proven that it was true and  
6 it is true even as of today. I think the entire  
7 City Council applauds you in that respect, but now  
8 you indicated, Henry or Ms. Roberts, that you've  
9 been communicated by the Department of Education  
10 that there may be proposed hundreds of more  
11 layoffs of school aides, family workers and parent  
12 coordinators? I mean, there was about 650 last  
13 year that happened in July or August. Are you  
14 telling me that they're saying there is going to  
15 be more layoffs?  
16

17 HENRY GARRIDO: Well, what the  
18 Board has communicated to us is it's their intent  
19 to reduce the headcount by that amount, and  
20 they're looking as I said concessions from the  
21 unions. If they cannot be in agreement, then they  
22 will be looking for layoffs as a result of it,  
23 similar to what happened last year, so they have  
24 identified between 450 and 500, so we are now  
25 beginning the process of discussion. As you know,

1  
2 last time it was very late in the process. We're  
3 trying to do this early in the process. We  
4 entered into this process with good faith. We're  
5 hoping that the Administration does the same, but  
6 yes, they notified us of an additional amount that  
7 are not included on this budget.

8 COUNCIL MEMBER JACKSON: Well, IO  
9 just—I ask you 'cause I've asked a question  
10 earlier that we, all of us, union leaders,  
11 constituents, mayors, commissioners and everyone,  
12 we have to come together to make sure that we look  
13 after the most vulnerable people of our city, our  
14 youth and our elderly. Obviously the impact of  
15 that is that if there's layoffs, many of the  
16 employees I read in your report, Ms. Roberts, that  
17 the average salary of our workers laid off over  
18 the last three years, the average salary is about  
19 \$25,000, and I truly believe and you may have been  
20 here when I asked the Independent Budget Office  
21 can they do an analysis because I think most of  
22 those people are going to fall back on the system  
23 and it's going to cost us more money in the long  
24 run, so I ask you to continue doing the type of  
25 analysis and research you're doing, but also gear



1  
2 up your legal departments if necessary to file a  
3 lawsuit against the city of New York, and wherever  
4 you feel necessary in order to protect your  
5 workers, and we will be there standing with you.

6 CHAIRPERSON RECCHIA: Thank you,  
7 Council Member.

8 COUNCIL MEMBER JACKSON: Thank you.

9 CHAIRPERSON RECCHIA: Council  
10 Member Brewer, do you have a question? Okay. Ms.  
11 Roberts, as you know, we've been talking with you.  
12 The other day we just found out about the school  
13 aides. We put a phone call into the Chancellor,  
14 and our position is very clear that we are not  
15 happy with that situation. Tomorrow we start our  
16 negotiations with the Administration. We will  
17 definitely bring this up to them. As I told you,  
18 we do not want to see anyone lose their job in the  
19 city. We do not want to see people being laid  
20 off. This is a priority for this City Council. I  
21 just want to make that very, very clear to you.  
22 As you know, last year, they laid off 600 plus  
23 school aides, which is devastating. By the end,  
24 they hired back many of them, and—

25 [background conversation]

CHAIRPERSON RECCHIA: They hired back a few hundred of them, and there's about another 250 or 300 left that I wish we could get back, but I think that we have to find another mechanism to get these people—prevent those from being laid off and trying to get back those other 300 that were laid off.

LILLIAN ROBERTS: I think that we have to start thinking differently. You know, when we have money, we shouldn't be doing any of these things. I am not for any concessions that means that we pay for healthcare. I'm not for any of that, and I'll take my licks on that if I have to, but let me tell you something, we have to start thinking differently. Our money is coming back to us, and we're giving it to the same person who is insane running around looking to hang us again, and he's punishing us because we're finding out that he's a cheat and that he's really robbed New Yorkers. It's the truth, and so we have to start thinking differently about trying to please him. What about devastating our children, our libraries and things like that? They'll never learn anything because it's not stable and - - all

1 the support services are gone by the wayside.  
2 When you cut the childcare - - , that impacts on  
3 us because our people can't work, so it's all  
4 underhanded to crush the person that they think  
5 they will not hear from. Well, they will hear  
6 from us.  
7

8 CHAIRPERSON RECCHIA: Okay, thank  
9 you very much. Call the next panel, please.

10 MALE VOICE: The next panel will be  
11 Deborah Allman [phonetic], Gelene Scarborough  
12 [phonetic], Judy Wessler [phonetic] and Pat  
13 Flannigan [phonetic].

14 [background conversation]

15 CHAIRPERSON RECCHIA: Okay.  
16 Alright. Please state your name for the record  
17 and you have three minutes.

18 DEBORAH ALLMAN: Good day,  
19 distinguished members of the City Council. My  
20 name is Deborah Allman, and I am the vice  
21 president for the Librarians. I'm here today on  
22 behalf of Valentine Colon, president of the New  
23 York Public Library Local 1930, DC 37. We both  
24 represent over 1200 members that make up the New  
25 York Public Library. Allow me first and foremost

1 to thank you for not only the opportunity to  
2 address you today, but for your continual support  
3 for the members of the library and the community  
4 and our workers. My purpose in addressing you  
5 today is to voice my concern for the members of  
6 Local 1930 who are being forced to do more for our  
7 communities and our patrons for fewer resources at  
8 a time when everyone is forced to make hard  
9 decisions, yourself included. Libraries have  
10 continued to become an oasis for many who wish to  
11 and need to escape from the stress of today's day  
12 in the city. During the past couple of years, the  
13 members of Local 1930 who work tirelessly to make  
14 the libraries mission, which is "to inspire  
15 lifelong learning, advanced knowledge and  
16 strengthen our community" a reality have been  
17 reduced by over 30% of our membership. These  
18 reductions in staffing are a direct result of  
19 library underfunding and this situation will  
20 continue as long as library fundings [phonetic]  
21 continue to be slashed. This reduction in  
22 staffing has led to the reduction in service  
23 excellence as there are fewer staff members to  
24 help the ever increasing members of library users.  
25

1 Fewer staff members lead to longer waiting time  
2 for getting the much needed information that we  
3 need. Libraries now have more unemployed  
4 individuals to get much needed information and  
5 resources which allow them to become employable.  
6 The information and resources that are made  
7 available for free increase the wealth of our  
8 city. Library workers are the lifeblood of the  
9 libraries and without them being accessible to our  
10 patrons our - - the - - of knowledge will  
11 deteriorate. The concept of a safe and friendly  
12 environment will come to an end and the reason for  
13 learning will cease to exist. With these  
14 continuing attacks on library funding, we will see  
15 a wave of forced actions that will not add to the  
16 population of shuttered and abandoned structures  
17 that stands as a testimony of the falling of bad  
18 government. Read to success. Thank you.

19 CHAIRPERSON RECCHIA: Alright.

20 Thank you.

21 DEBORAH ALLMAN: Mm-hmm.

22 CHAIRPERSON RECCHIA: Next?

23 PAT FLANNIGAN: Okay.

24 CHAIRPERSON RECCHIA: You have to

1  
2 turn the microphone on. You have to move it  
3 closer to you.

4 PAT FLANNIGAN: Okay.

5 CHAIRPERSON RECCHIA: Okay. Go  
6 ahead.

7 PAT FLANNIGAN: Yeah, I would be  
8 going to my Bronx - - branch of the library. It's  
9 open until 7 o'clock tonight, but I'm here so I  
10 won't be there. The executive from DC 37 referred  
11 to this as a get by budget. I think that  
12 summarizes very easily, but there's something  
13 looming over all of our heads and that is that  
14 Governor Walker is getting older. He's in office,  
15 and the political war in Wisconsin began in  
16 February '11 and his attempt to cut benefits and  
17 collective bargaining rights--in other words, the  
18 money is backing the conservative politicians and  
19 every one of them, every Councilman who is running  
20 for reelection is going to face the same  
21 potentially heavy pockets of money that is going  
22 to try to push liberal republicans---okay, to get  
23 down to it, I believe every one of you got the  
24 Parkside Press for June. Did every one of you  
25 have a presentation back in April or May from

1 members of senior centers? Okay, and you got the  
2 petitions that were signed? Okay. If we—and I'm  
3 thinking basically of the people over 85, the  
4 growing population—they are survivors of the real  
5 depression back in the '30s, they would stand on  
6 one foot and keep Parkside Senior Center alive.  
7 31 of them are volunteers. Our director is on a  
8 maternity leave. We all pitch in. It's a  
9 neighborhood project. The other thing is as  
10 you're well aware that those over 60—let me jump  
11 to this in the remaining seconds. We are a  
12 disease preventing center. Senior centers prevent  
13 disease. As you look at that front page of the  
14 Parkside Press, you see that everything on that  
15 sheet is health related—health information, health  
16 presentations, health discussions, health  
17 exercises. The only thing that is not is the trip  
18 to Atlantic City, but I think Governor Cuomo is  
19 going to take care of that and keep us broke.

20  
21 CHAIRPERSON RECCHIA: Okay, thank  
22 you very much. Next.

23 GELENE SCARBOROUGH: Thank you,  
24 Chairman Recchia and the members of the City  
25 Council for listening to our testimony today. I

1 am Gillian Scarborough of Local 374, DC 37, AFL  
2 CIO. I'm the chapter chair at Wave Hill, the  
3 garden and cultural center in Riverdale, the  
4 Bronx. I've worked at Wave Hill since 1997. Two  
5 of my coworkers are here in the audience - -  
6 Wallace and - - Singh [phonetic]. Local 374  
7 represents gardeners, maintainers and support  
8 staff at this beautiful gem of a garden. We have  
9 over 28 acres of trees, nurseries and specialty  
10 gardens to cultivate and maintain. We maintain  
11 ten separate areas with distinct features and  
12 requirements including the shade [phonetic]  
13 garden, the water garden, the herb garden, the  
14 conservatory and the woodlands. I urge you to  
15 come and visit since the flowers are in full bloom  
16 right now. We have only six gardeners and three  
17 maintainers to cover all of the areas seven days  
18 per week. Over the last several years, we have  
19 not filled one of the gardener lines and have had  
20 turnover of staff and some of whom who have gone  
21 on to other sister institutions. Our salaries are  
22 not at parity with the other representative - -  
23 gardens and the cultural institutions group.  
24 We've been represented by the union since 2005,



1 but at the time, our salaries were much lower than  
2 the other units. We've made productivity gains as  
3 a result of the reduced staffing, but it's  
4 literally physically hard on all of us. If you do  
5 any weekend gardening you must know how  
6 backbreaking the work can be. Due to our concerns  
7 related to recruitment and retention of qualified  
8 staff and equity, labor and management are jointly  
9 seeking funding to bring these titles up to parity  
10 with the other institutions. The one year cost  
11 for this adjustment would be \$115,000. We stand  
12 with our brothers and sisters in opposition to any  
13 cuts to our cultural institutions. An institution  
14 like Wave Hill is so small that a cut of the  
15 amount the Mayor has proposed, nearly half a  
16 million dollars has a disproportionate and drastic  
17 effect on our budget. \$496,000 represents half of  
18 our city funding. We realize that we're asking  
19 you not only to restore, but to add. We feel that  
20 the city budget has room within it due to recovery  
21 of money through settlements and due to continued  
22 productivity of our members. These cuts are  
23 inconceivable. We know that you as City Council  
24 representatives are not responsible for the  
25

1  
2 magnitude of the cuts, but we come here to humbly  
3 ask you to do your best to restore the funding and  
4 in particular for the case of Wave Hill to support  
5 and fund an additional amount to bring us in line  
6 with our other institutions. On behalf of my  
7 members and the garden lovers of New York City,  
8 thank you.

9 CHAIRPERSON RECCHIA: Thank you  
10 very much. Next?

11 JUDY WESSLER: Thank you for the  
12 opportunity to testify. I'm Judy Wessler,  
13 Commission on the Public's Health System and the  
14 People's Budget Coalition for Public Health, which  
15 just held a wonderful rally on the steps of City  
16 Hall, and I see some people here that were out on  
17 the steps with us. We understand and appreciate  
18 the critical role that the City Council plays in  
19 funding public health programs every year by  
20 restoring funding to critical programs. We are  
21 here to thank you and to ask you to do it again.  
22 We keep reading about all of the excess funds  
23 going to contractors who do or do not complete the  
24 work they were hired to do. The amount of public  
25 dollars that make their way into corporate private

1  
2 pockets is astounding and could certainly fund all  
3 the health, education and social support programs  
4 and services that many of us are here today to  
5 request funding for. The Mayor's executive budget  
6 has a disparate impact on children, on low income  
7 communities, on immigrants and people of color.  
8 This is clearly unacceptable. At the same time,  
9 there are some corporations companies that are  
10 getting richer with public funds. Two years ago,  
11 the Mayor decided to close children's dental  
12 clinics. The Council tried to save them and the  
13 Mayor wouldn't allow them to, and now they're  
14 looking for some health care providers to provide  
15 those services, but children have been without  
16 them for two years. Our requests for restoration  
17 are not very large, and I just want to quickly run  
18 through them and also just to say that we believe  
19 in props and if this weren't so small, I'd be  
20 wearing it, so in support of child health clinics  
21 and we have little coffins and other—we believe a  
22 picture tells a lot.

23 MALE VOICE: Boy, does it.

24 CHAIRPERSON RECCHIA: Let's keep  
25 your comments down.

JEDY WESSLER: So we're asking for \$3 million - - , 429 for the East Harlem Center of Excellence for Asthma--and there is so little funding for asthma in the city budget and so many people have asthma, and yet they want to eliminate this funding--1.25 million for the Children Under Five Mental Health Initiative to fund community based services for young children, \$5 million for the child's health clinics to continue providing preventive and primary care services, 806,000 for development disability services for children in clinics located at HHC facilities, 2 million for rapid HIV testing, 3 million for unrestricted operating funds to offset the HCC deficit. - - just on the Department of Health and Mental Hygiene--the two seconds I have left--there is such a serious need for a review of how they're spending their money and their priorities. I listened on Monday when they were in front of the city Council testifying, and found some of what was being said quite - - was pleased to see that the Council said, - - gymnasiums, and how about some exercise for children instead of the kind of nanny state that we're seeing. So a review of

what the programs are and what their funding would be really, really helpful. There's \$1.4 million needed for restoration and HIV prevention contracts. The - - is receiving federal funds from the Center for Disease Control-

CHAIRPERSON RECCHIA: [Interposing]  
Could you sum up, please? The time is way up.

JUDY WESSLER: I'm doing it.

CHAIRPERSON RECCHIA: Just sum up.

JUDY WESSLER: You might remember that the former Commissioner Frieden is the head of the CDC and he is giving federal money for HIV prevention, but telling the city how they supposedly have to spend it, which will hurt communities. Thank you and hope to work with you for restoration of these programs.

CHAIRPERSON RECCHIA: Okay, we want to thank you all for coming to testify today. Thank you very much. Call the next panel please.

MALE VOICE: Next panel will be Dr. Joan Pastore [phonetic], Etty Friedman [phonetic], Roseanne DeGennaro [phonetic] and Grace Brandi [phonetic].

[background conversation]

CHAIRPERSON RECCHIA: - - people,  
we can start with Dr. Pastore.

DR. JOAN PASTORE: Good afternoon  
and thank you for the opportunity to speak with  
you. I'm here on behalf of the community based  
organization called AMICO. It's located in  
Brooklyn. It runs a senior center, a daycare  
center and an extended service program. Over the  
years, we have undergone many, many cuts and we've  
always been told to do more with less, which we  
have done. We have managed. This year though has  
been particularly difficult, and there is one  
issue that I really wanted to focus in on that  
affects all senior centers, daycare centers,  
extended service programs. I'm sure you're aware—  
and this is the first time that it's happened—that  
we are being asked to assume the cost for our own  
healthcare insurance as well as non-healthcare  
insurances. We were told that we needed to use  
the money that had been allocated in our budgets  
to pay for all insurances. Now on the surface  
that doesn't sound bad, but in reality, what it  
means is that we have to pay market rate when we  
do not have the amount of dollars on our budget,

1 so for example, I have \$64,000 and when you got to  
2 market rate, it's closer to \$200,000. Now as you  
3 have mentioned before, daycare centers staff,  
4 senior centers staff, they don't make a lot of  
5 money to begin with. If they're going to lose  
6 their health insurance, they're going to wind up  
7 either quitting or they're going to wind up  
8 getting health insurance from a different place  
9 which is health first, which is what we have been  
10 counseled to do with staff. I think it's a shame  
11 after 25, 35 years of service that people are put  
12 in this position. I for one on a personal note, I  
13 have other options. I'll be the first one out the  
14 door. I have stayed all of these years because of  
15 my devotion to the population. I can get another  
16 job. A lot of staff members cannot. I don't  
17 think it's fair that we are put in this position.  
18 More so than that, I don't know how we're going to  
19 fill the positions with quality people. I've had  
20 staff who have told me it's bad enough we have not  
21 had raises in years and years, but now health  
22 insurance, that's a deal breaker. So far because  
23 we do have to get this settled by July 1, so far,  
24 I have had to tell staff members that their family  
25

1 members can no longer be covered. I have had  
2 staff tell me they are leaving. I have had staff  
3 tell me they're going on disability. It breaks my  
4 heart personally to be put in this position. I am  
5 also more so concerned of what is going to happen  
6 to the senior population when you cannot attract  
7 and keep quality people in senior centers and in  
8 daycare centers and extended service programs.  
9 Thank you.

10  
11 CHAIRPERSON RECCHIA: Thank you.

12 Next?

13 ROSEANNE DEGENNARO: My name is  
14 Roseanne DeGennaro and I'm the director at the  
15 Marlboro Senior Center. I've worked for over 25  
16 years at the Jewish Community Council of Greater  
17 Coney Island. Over those years, I and my family  
18 have been able to benefit from the high quality  
19 health insurance of Blue Cross Blue Shield at no  
20 cost through the central insurance program. Our  
21 agency was able to give us this benefit because of  
22 the 28% salary cost in our budget. This not only  
23 covered our health insurance, but also worker's  
24 compensation, disability, life insurance for each  
25 full time employee and liability and property



1 insurance. Since the actual cost of these  
2 insurances are higher than 28%, DFTA [phonetic]  
3 subsidized the difference. I am coming to you  
4 today to implore you not to let our health  
5 insurance be taken from us. We work at very low  
6 salary levels. We do not have a pension, and the  
7 insurance was our one benefit. We have full time  
8 staff making as low as \$16,000 a year. Without  
9 the CIP health insurance, their families will be  
10 left with no health insurance. Not only have we  
11 not received a raise in many years, but when we  
12 did, it came to about \$45 a year for that worker.  
13 No win order to keep himself and family healthy,  
14 he must pay for health insurance, which in essence  
15 is a pay cut. I am afraid that even though these  
16 workers are dedicated to the frail elderly that we  
17 service, they would have better benefits for their  
18 families if they quit and went on public  
19 assistance. If this happens, how will we be able  
20 to run the centers? Who will work at such low  
21 salaries and without health insurance? You can  
22 just add them to the already high unemployment  
23 statistics. Instead of thanking senior citizen  
24 staff for their services, they are being told that

1 dedication and devotion means nothing. If you  
2 really care about the senior citizens in our city,  
3 you will continue to give your workers who  
4 unselfishly serve them the health insurance that  
5 they and their families need and deserve. Thank  
6 you.  
7

8 CHAIRPERSON RECCHIA: Thank you.

9 Next please.

10 GRACE BRANDI: My name is Grace  
11 Brandi. I serve as supervising senior center  
12 director at Jewish Community Council in Greater  
13 Coney Island and director of Surf Solomon Senior  
14 Center. I as well as many of my colleagues and  
15 staff members have worked in senior center  
16 programs for the past 20 years. I would like to  
17 express my concern with DFTA's notification that  
18 the central insurance program, which includes  
19 health insurance, life insurance, worker's  
20 compensation, disability, general liability and  
21 fidelity coverage will not be available through  
22 DFTA contracts starting July 1<sup>st</sup>, 2012. For  
23 upwards of three decades, staff employed under  
24 DFTA contracts have been blessed with the option  
25 of central insurance plan, CIP coverage. CIP

provides high quality relatively low cost health insurance benefits to employees paid through DFTA contracts. Also provides life insurance, worker's compensation, disability, general liability and fidelity. DFTA has informed its contractors of its decision that CIP will not be available starting July 1<sup>st</sup>. We have been researching alternative options for the coming fiscal year, but we are concerned for the following reasons: due to budget limitations, salary levels of most staff paid under DFTA contracts is relatively low. Many employees earn less than \$20,000 per year. Staff does not have pension plans to secure their futures. The last - - increase was in fiscal year 2009. The availability of CIP health insurance coverage without any employee contribution has been a critical source of compensation for many staff. There are staff that are remaining in their low paying positions only because of the value of CIP health insurance coverage to their families. Discontinuation of CIP is resulting in lower quality benefits at higher premiums and is necessitating an employee contribution as well as high copays towards health insurance costs. Staff

1 is actually realizing a tremendous cut in salary.  
2 This radical change in compensation packages may  
3 drive many experienced and dedicated lower paid  
4 staff under DFTA contracts to seek employment  
5 elsewhere. At minimum, it is negatively impacting  
6 on staff morale. It is unlikely that DFTA  
7 contractors have identified alternatives for CIP  
8 coverage that cost no more than 28% of personnel  
9 costs as does CIP. Spending more on employee  
10 benefits and other insurances to replace CIP will  
11 force DFTA contractors to reduce other costs,  
12 direct services to our clients. During this time  
13 of insurance and health care crisis, it was hoped  
14 that New York City would expand CIP, rather than  
15 discontinue it. Expanding CIP to other city  
16 agencies, as an example, in the past DYCD  
17 [phonetic] contractors used to have a CIP option,  
18 would add hundreds or thousands of additional  
19 enrollees; thus, bringing down the premium costs  
20 for everyone and benefitting everyone. Any help  
21 that can be offered to senior center staff at this  
22 time would really be greatly appreciated.  
23 Everyone is so frightened about what the future  
24 holds and no one knows how they're going to be  
25

able to make ends meet. Thank you for this opportunity.

CHAIRPERSON RECCHIA: Thank you.  
Next please.

ETTY FRIEDMAN: Hi, my name is Etty Friedman. I'm the director of the Haber House Senior Center. Most staff of New York City's senior centers and other social service agencies have very low salary levels. The CIP health insurance helped compensate for the low salaries and enabled low paid staff a - - quality health services for their families. Between the added health care costs employees will incur, the employees will be contributing to the cost of the premiums. The termination of CIP brings a drastic reduction in salary to our dedicated, highly trained, long term staff, many who have been here with our agency for over 20 years. Many may not be able to afford to continue their current jobs. Please do not discontinue helping with the cost. We need the insurance badly. Thank you.

CHAIRPERSON RECCHIA: Thank you very much. I just want to address this issue. So you haven't had a raise since 2009 and now they

want you to pay for your own health insurance, and the Commissioner testified the other day that they were trying to get health insurance access—

FEMALE VOICE: - -

CHAIRPERSON RECCHIA: - - Right.

What happened with that?

FEMALE VOICE: Well, it's a group purchasing agency and basically the rates are—what they're offering, and each agency is different, I can't speak for everyone throughout the city 'cause everyone's agency is different, but in our particular case basically we're being offered HIP [phonetic], and the lowest plan we have to contribute to, the deductibles and the copays are very, very high. We're also being offered an Empire HMO, but it's something like the lowest plan is about \$532 a month out of pocket per employee. The HIP is less money, but you have different, you know...

CHAIRPERSON RECCHIA: And you haven't had a raise since 2009?

FEMALE VOICE: No, we have not had a raise.

CHAIRPERSON RECCHIA: And they're

not giving you enough money to cover this?

FEMALE VOICE: No, they are not.

CHAIRPERSON RECCHIA: Alright.

Okay. Robert Jackson, do you have a question?

COUNCIL MEMBER JACKSON: Sure.

Chair Recchia, I appreciate what these constituents are communicating loud and clear to us, but in listening to them, it's not us, it's the Mayor. They put out this RFP. The RFP - - they're given the award It takes effect October 1<sup>st</sup> and that is the problem. You're clearly communicating and I hope everyone is hearing, including all of the Mayor's people. Unless they withdraw the award and then redo it right, that's what it is. That's not part of the-

CHAIRPERSON RECCHIA: [Interposing]

But these are also the senior centers they're doing this to.

COUNCIL MEMBER JACKSON: Sure.

It's absolutely crazy, but everyone should be communicating with the Mayor and the commissioners by e-mailing and writing and calling, and even though you're complaining to us, that is where it should go.

1  
2 FEMALE VOICE: do you know what  
3 happened? I'm going to say it. We had started to  
4 hear about this in late fall, and when we heard  
5 about it, we were told it was a done deal, that  
6 there was nothing we could do about it, and that's  
7 why we haven't come to you before. We were also  
8 told that the Council Senior Centers was going to  
9 have some kind of a group look into insurance  
10 where all those senior centers could go together  
11 and we would be able to get affordable rates. It  
12 wasn't until the end of April, maybe the beginning  
13 of May all of a sudden, they said, "Couldn't find  
14 anything." And we were now left to fend for  
15 ourselves.

16 CHAIRPERSON RECCHIA: To fend for  
17 yourself and there's no one out there. Is it a  
18 fact that the Council Senior Centers that they got  
19 money to look into this? A grant? Someone said  
20 that.

21 FEMALE VOICE: We don't know.  
22 We're not privy to that information.

23 CHAIRPERSON RECCHIA: but they left  
24 you out there hanging dry? Okay.

25 FEMALE VOICE: So to speak. Yes.



CHAIRPERSON RECCHIA: No so to  
speak, they did or they didn't.

FEMALE VOICE: At the last minute...

CHAIRPERSON RECCHIA: And you're  
out there fending for yourself.

MULTIPLE VOICES: Right.

CHAIRPERSON RECCHIA: Okay. Thank  
you very much. Call the next panel.

MALE VOICE: Okay, the next panel  
is Raglan George, Jr. [phonetic], Eileen Muller  
[phonetic], Peter Realent [phonetic] and Mary  
Brown [phonetic].

COUNCIL MEMBER JACKSON: Can we get  
the next panel, please, Chair Recchia? Sorry.

MALE VOICE: And Santos Crespo  
[phonetic].

CHAIRPERSON RECCHIA: Santos, you  
don't have to walk all around, Santos. You come  
straight up this way. Okay. Alright. We're  
going to call an on deck panel. The next panel  
can line up.

COUNCIL MEMBER JACKSON: Let's save  
the four seats in the front for the next panel,  
please.

CHAIRPERSON RECCHIA: Go ahead.

Testify. Go ahead.

EILEEN MULLER: - - .

CHAIRPERSON RECCHIA: You have to  
turn the mic on.

EILEEN MULLER: I turned it off.  
I'm sorry. Good afternoon, Councilman Recchia and  
all the City Council members that are here today.  
Thank you for allowing me to testify today on  
behalf of the Brooklyn Library Guild, Local 1482,  
which I represent about 875 employees at the  
Brooklyn Public Library. My employer, the  
Brooklyn Public Library and the system faces a  
severe financial crisis. When the city budget was  
adapted for the current fiscal year, the Brooklyn  
Public Library budget was \$84.5 million. The  
Mayor's executive budget for fiscal year 2013 cuts  
Brooklyn Public Library's funding to \$59.4  
million, a cut of about \$25 million or one in  
three dollars. These cuts would have a great  
magnitude effect and would cripple the system and  
result in the loss of hundreds of jobs, reducing  
hours of service or operation and closing  
branches. I have testified before the City

1 Council before many times as you may be aware and  
2 at the Brooklyn Public Library, we have been  
3 operating for years following very tight cost  
4 controls and watching every dollar. Working with  
5 management, meaning the union who has worked with  
6 management, the library has been able to avoid  
7 layoffs despite substantial cuts in funding. Our  
8 funding peaked at \$100 million in the year 2009,  
9 fell to 84.5 million for the current fiscal year,  
10 and is now budgeted again at 59 million. The  
11 Brooklyn Public Library has tapped all its  
12 financial resources. It has economized its  
13 operations, but there are no more resources to  
14 tap. Right now all of the fat has been cut from  
15 our library budget and we are now cutting deep  
16 into the bone the services that we are going to be  
17 able to offer to the public, and as the funding  
18 for fiscal year 2013 was not bad enough, the  
19 Mayor's budget also includes the gap or the pegs  
20 cuts [phonetics] of nearly \$4 million every year  
21 for the next four years. In a \$68 billion budget,  
22 which is what the Mayor's budget is, the proposed  
23 cut of \$25 million to the Brooklyn Public Library  
24 represents less than 4/100<sup>th</sup> of a percent of the  
25

1 Mayor's proposed budget, yet this cut will  
2 devastate the library system in Brooklyn as well  
3 as the other four boroughs in the city of New  
4 York. With unemployment in the city hovering at  
5 about 9%, it is actually higher than the  
6 national average. Out of work New Yorkers risk  
7 losing the only access that they have for free  
8 Internet connection, a vital essential link that  
9 they need in search of jobs. The Brooklyn Public  
10 Library and its dedicated staff help people look  
11 for jobs, transition into new careers and provide  
12 a safe and friendly environment for all of our  
13 customers. Just think for example, of the number  
14 of children who could come to the libraries after  
15 school to do their homework and to have a safe  
16 environment while their parents are at work. If  
17 this budget goes into effect that would be greatly  
18 cut. I'll close it up real quick. - - I've told  
19 you many times before this budget that the Mayor  
20 has proposed will greatly, greatly affect the  
21 library, so please do all that you can in your  
22 power and thank you for all you've done in the  
23 past to get us to where we need to be. Thank you.

25 CHAIRPERSON RECCHIA: thank you

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RAGLAN GEORGE, JR.: Good afternoon. My name is Raglan George, Jr., executive director of District Council 1707 AFSCME, and I'm pleased to be here before you, Councilman Recchia. Again, I thank you for allowing me to appear before you with a serious subject--the future of our children. A lot of my remarks may seem redundant because I have been here year after year. I believe this long battle is necessary to build our children to become solid citizens and not statistics for the justice system or worse. District Council 1707 through its daycare, Local 205 and its head start, Local 95 represents more than 6,000 professional and dedicated childcare professionals who ask for little in return for the fine services they have achieved for more than a generation. - - distinguished efforts, up to 2,000 of them could face elimination from their careers through the Mayor's severe budget, his efforts to rush through a childcare program, which diminished the quality and comprehensive childcare this city has enjoyed for 40 years. The Mayor's budget cuts are

1 disruptive, backward and dangerous. This - -  
2 program is not - - or generational, but disruptive  
3 to the safe, affordable and quality childcare that  
4 poor working New Yorkers have depended on to work  
5 without fear that their children's safety and  
6 education are at risk. One of the things that  
7 they discussed earlier - - risks of children left  
8 in the care of others and what would they do if  
9 they didn't have childcare. There is only two  
10 things that they can do, either not work or go to  
11 work and risk their children left at home alone or  
12 in unsafe conditions. We ask the City Council to  
13 reverse the backward childcare cuts the Mayor has  
14 proposed to restore funding to all the centers he  
15 wants to cut and restore the slots so that our  
16 children can have the training and socialization  
17 they need to be successful in the 21<sup>st</sup> Century.  
18 Restore the cuts and begin looking at the many  
19 flaws of the untested early learning program and  
20 that's what we want to say, that early learning  
21 program is untested, which in the end will be  
22 scandalous as other questionable initiatives that  
23 the Mayor has proposed during his three year term.  
24 Our children need us to act responsibly for them -  
25

1  
2 - our leadership as elected officials to guide  
3 this process to a successful conclusion for our  
4 children. - - parents and community based  
5 organizations which have served them and the  
6 employees that are necessary to allow New York to  
7 prosper. Thank you.

8 CHAIRPERSON RECCHIA: thank you  
9 very much, Mr. George. We will first take  
10 everybody's testimony, and then we'll ask  
11 questions. Go ahead, Mr. Crespo.

12 SANTOS CRESPO: Yes, thank you,  
13 Chairman Recchia and members of the City Council.  
14 My name is Santos Crespo, and I am the president  
15 of Local 372, AFSCME District Council 37. You  
16 have copies of my testimony, and I just want to  
17 just sort of expand verbally on some of the  
18 elements in that testimony. I was hoping that I  
19 would be here this afternoon to discuss and plead  
20 with you [phonetic] as partners in this to bring  
21 back over 2,000 of our members that we have lost  
22 since 2009. In fact, these members would help to  
23 add those vital services that both the Mayor and  
24 the Chancellor talk about that our children need  
25 so desperately, but yet again, they're looking at

laying off the lowest paid employees down at the Department of Ed—anywhere between four to five hundred. Yesterday's discussion—because we're open to negotiate and to discuss to avert these layoffs—I asked a simple question. I asked, "How much is the windfall on the budget for the DOE?" And you would think I was asking for the definition of  $E=MC^2$  because they looked at me and said, "Well, who said anything about a windfall?" I said, "I clearly remember reading the Chancellor in his testimony to the City Council said he had a \$600 million windfall, so where is the money going?" Where is the money going that you're talking about laying off again four to five hundred lowest paid members of the Board of Ed or as you call it the Department of Education? Now anytime someone says to me, "Well, we're not looking for any financial arrangement here in terms of averting the layoffs," all kinds of lights go off, and I figure, well, let me just ask the next following question: "What is the price tag on averting these layoffs?" I was told somewhere between \$20 to 25 million. Now \$20 to 25 million only keeps those that we currently have



1 from being put out into the street to prevent the  
2 Mayor again from putting the lowest paid workers  
3 out into the street, into shelters, on the welfare  
4 rows, costing the City a lot more money. This  
5 does not make any sense to us, none whatsoever,  
6 and the question I think that the City Council  
7 needs to ask is, "What are you doing with the \$600  
8 million that you have as a windfall" because there  
9 is no need for any of these layoffs. My members  
10 give those services that keep the system going in  
11 terms of the children motivated to continue their  
12 studies and become the future leaders of the city  
13 of New York. The city of New York deserves better  
14 than what it's getting from the Department of  
15 Education, and most definitely, our children  
16 deserve better than what they've been getting.  
17 Thank you.

18  
19 PETER VREELAND: Good afternoon.  
20 Thanks for the opportunity. I've been coming here  
21 quite a bit. My name is Peter Vreeland and I'm--

22 CHAIRPERSON RECCHIA: [interposing]  
23 Museum of Natural History.

24 PETER VREELAND: Exactly.

25 CHAIRPERSON RECCHIA: I knew

1 exactly who you were.

2 PETER VREELAND: And I was here  
3 when there was paint peeling off the ceiling and  
4 stuff like that, so this is looking good.

5 What I would like to say is that  
6 when you guys are talking about numbers and you're  
7 kicking this stuff around--

8 CHAIRPERSON RECCHIA: [interposing]  
9 Just state your name for the record.

10 PETER VREELAND: Sure. Peter  
11 Vreeland. I'm the president of Local 1559. Sorry  
12 about that.

13 The reality check is there's a 24  
14 percent cut to the Museum of Natural History  
15 that's being proposed. My members, who are all  
16 your constituents, okay, are going to be shown the  
17 door if that goes down. Not the people who live  
18 in Cherry Hill, not the people who live in  
19 Princeton, New Jersey, okay, that take the train  
20 in every day. My members who vote for you all.  
21 And I really appreciate the opportunity to get  
22 this point across because we are shooting  
23 ourselves in the heard here in New York City.

24 I grew up in New York City. I went  
25

1  
2 to school at Aviation High School, grew up on the  
3 West Side of Manhattan, went to Hunter College and  
4 I went upstate to get my master's degree in Troy,  
5 New York. I came back to New York City because  
6 New York City is a great city.

7 If we allow our libraries to close  
8 down, we allow museums to close down, we're no  
9 longer a great city. What we are is basically a  
10 place for billionaires to have fun, and that's  
11 wrong.

12 So what I would like to see, I  
13 would like to see you guys look at the numbers  
14 that are being kicked around, look at the faces  
15 they represent, look at the fact that like  
16 yesterday I taught 25 teachers because partly  
17 because the Mayor has gotten involved in becoming  
18 an educator, which he's not. And tomorrow, I  
19 participate in 165 teachers coming to the museum  
20 that I work at to work on Chancellor's Day so that  
21 we can help the teachers actually work against the  
22 problems that are happening at DOE. And on  
23 Saturday, partly because of you guys, Urban  
24 Advantage is having a major, major science fair at  
25 the museum I work at: 2,500 individuals are

1  
2 expected to come there.

3           So any money you give use, we give  
4 back ten-fold, twenty-fold. We do not sit on our  
5 hands. People come to New York City to see the  
6 American Museum of Natural History. They don't  
7 come in to look at the nice ceiling that you guys  
8 all fixed, okay. They come to come to places like  
9 we represent. And the botanical gardens, the  
10 zoos, you cut money back, nobody is going to want  
11 to come to New York anymore.

12           So, along with the problems that  
13 exist, and there are some serious problems I  
14 heard, and you know I kind of feel like I got two  
15 left feet, talking about stuff, when you guys are  
16 talking about cutting down firehouses and the  
17 whole bit. The reality check is billionaires and  
18 millionaires have to pay their part and they're  
19 not, okay. And you all have the power to do  
20 something about it, so please do that.

21           [Applause]

22           CHAIRPERSON RECCHIA: Okay.

23           PETER VREELAND: I got ten more  
24 seconds. But I want to thank--I like seeing you  
25 guys. You're the hardest workers New Yorkers that

1  
2 I know about. Ms. Brewer, I see you everywhere,  
3 okay, and you're a hard working person, Ms. Chin,  
4 Ms. James and Mr. Recchia and Mr. Jackson, thank  
5 you.

6 CHAIRPERSON RECCHIA: Okay. You'll  
7 see Gale Brewer on Saturday, I'm sure.

8 PETER VREELAND: Okay.

9 CHAIRPERSON RECCHIA: Okay. Who's  
10 next?

11 MARCY BROWN: Everything that he  
12 said, that's what I'd like to say.

13 CHAIRPERSON RECCHIA: State your  
14 name for the record.

15 MARCY BROWN: Good afternoon, Chair  
16 Recchia.

17 CHAIRPERSON RECCHIA: Get closer to  
18 the microphone.

19 MARCY BROWN: I'm sorry. Good  
20 afternoon, Chair Recchia and fellow members of the  
21 City Council. My name is Marcy Brown and I am the  
22 treasurer of Local 1501, New York Zoological  
23 Society employees. My local represents all of the  
24 unionized workers employed by the Wildlife  
25 Conservation Society at the Bronx Zoo, the

aquarium, at all three of the city zoos.

As a result of the budget cuts in 2010, Local 1501 lost 50 of our members, who were laid off as a direct result of those budget cuts. Our membership has been reduced and it has resulted in the closure of a number of buildings and exhibits and the public can no longer enjoy-- that the public no longer can enjoy at the Bronx Zoo. The services provided by our members have been stretched really to the breaking point. We can't really do anymore.

The proposed cuts for this year coming, 2013, will most likely lead to the additional layoffs of our members, resulting in additional closure of more buildings and exhibits. In addition, these cuts will most likely restrict the ability of the Wildlife Conservation Society to hire seasonal workers for the summer months. These seasonal workers usually are residents from the five boroughs of the City of New York. The inability to hire these New York residents will have negative impact on their families, which really depend on that income from these seasonal workers.

1  
2 A large percentage of these  
3 workers, along with their families reside in the  
4 city and its five boroughs. The members of Local  
5 1501 are hard working members, men and women who  
6 send their children to city schools, pay taxes,  
7 spend their hard earned dollars at both city and  
8 private owned businesses.

9 The Mayor's preliminary budget for  
10 Fiscal Year 2013 calls for an additional 18  
11 percent or \$2.7 million reduction in city support.  
12 Clearly, you can see that these reductions in  
13 support are allowed to go forth, the results will  
14 be devastating layoffs for my members, reduced  
15 hours of service, additional closure of exhibits.

16 The Bronx Zoo is, as stated, a  
17 world renowned institution known for having  
18 diverse exhibits and unique creatures. Like the  
19 City of New York, the Bronx Zoo is a collective  
20 group of diverse beings. These reductions in  
21 support would clearly negatively affect the  
22 diversity and make the Bronx Zoo and the Wildlife  
23 Conservation Society a less attractive option to  
24 surrounding communities and international  
25 tourists.

These are the things we must address. We must find a way to not only stop these proposed reductions but to increase funding to the city's cultural, all the culture institutions. I'm sure you are aware that New York City is not only the financial capitol of the world but also the cultural capitol.

Let me close by saying the Wildlife Conservation Society has society-wide attendance of approximately 4.1 million visitors. These visitors also spend monies within the surrounding communities and include many school groups, providing our children with a priceless educational experience.

I want to just say that as a zookeeper, which is what I do, I have these kids come up to me. They have no way to see animals that are in our zoos. They learn a respect for animals, they learn a respect for life, that they really have no opportunity to have. Thank you for the opportunity to allow me to testify before you today. I'll answer any questions you may have.

CHAIRPERSON RECCHIA: Thank you. I want to thank you all for testifying. I want to



1 just say something, Mr. George, to the 1707  
2 workers and with Early Learn. I don't think  
3 there's one Council Member that supports that  
4 Early Learn RFP. I think it's devastating what  
5 happened. I think it's a disgrace that you have  
6 daycare centers that have been open for 30, 40  
7 years and they got zeroed out in this RFP. I  
8 think it's wrong about the way they went about it  
9 with the zip codes. This City Council is not  
10 sitting back lightly on this issue.

12 When you have the NAACP Senior  
13 Center up in the Bronx and the Shirley Chisholm  
14 Daycare Center in Bed-Stuy that has been open for  
15 30 plus years, they got zeroed out and they can't  
16 tell you why. Then you have a group from Glen  
17 Cove Long Island that got awarded hundreds of  
18 seats and another group that got awarded 2,700  
19 seats. One group got awarded--and they don't even  
20 have centers. They don't even have centers in the  
21 communities that they got awarded.

22 COUNCIL MEMBER: [off mic] They got  
23 warehouses.

24 CHAIRPERSON RECCHIA: They got  
25 warehouses. I just want you to know we are not

1  
2 sitting back lightly with that. We are trying  
3 everything in our power to correct that. Mr.  
4 Crespo, as far as the school aides, listen, I have  
5 been a supporter of your local since my first  
6 being elected, you know my days as a school board  
7 president.

8 We already reached out to Dennis  
9 Walcott to tell him we're not happy with this cut.  
10 We're going to try everything possibly that we  
11 could possibly do in addressing these issues with  
12 the cuts with the school aides. I mean, what  
13 happened before was not right. We got back a few  
14 hundred of your school aides by putting pressure  
15 on them. We're going to try to figure this one  
16 out. Like I said, we're glad you came here to  
17 testify. Does any other Council Member want to  
18 say something? Ms. James?

19 COUNCIL MEMBER JAMES: I think  
20 everyone here knows my position. Early Learn,  
21 this is an early warning sign to the Mayor of the  
22 City of New York, Early Learn is an early  
23 disaster. So I suspect that it will not go  
24 forward.

25 I have inspected a number of these

1 sites and most of these sites where they want to  
2 put my children--I call every child in my district  
3 my child--are not licensed. They do not have a  
4 relationship with ACS and do not have a  
5 relationship with the local community and are not  
6 culturally sensitive. So if politics doesn't  
7 work, I am sure litigation will work because it's  
8 unconstitutional, unfair and it creates a two-  
9 tiered system. As I've said before, I'll see  
10 Mayor Bloomberg in court.  
11

12 CHAIRPERSON RECCHIA: Gale Brewer?

13 COUNCIL MEMBER BREWER: Just a  
14 question about the libraries. I feel very  
15 strongly, as I think we all do. How many from  
16 your past experience, I know what the future could  
17 hold if we're not able to restore, and I hope to  
18 goodness that we can. How many librarians have  
19 been laid off or what's it like just in terms of  
20 the fact that there haven't been new librarians  
21 hired?

22 EILEEN MULLER: Very true. We have  
23 not hired new librarians for quite a long time, or  
24 library workers. And that's what makes a library  
25 work is the different types of people that are

1  
2 working in the library. We have not suffered  
3 layoffs at the Brooklyn Public Library. But just  
4 because we haven't suffered layoffs it doesn't  
5 mean we don't have less people, which we do.

6 I represented over 1,000 people. I  
7 now represent about 875 people. That's a great  
8 amount of people that have been lost.

9 COUNCIL MEMBER BREWER: And what  
10 does that mean for the individuals who are  
11 customers of the library, just in terms of  
12 information and people need jobs and the computer  
13 help and all that. What does that mean?

14 EILEEN MULLER: Well what I did say  
15 in my--I think I said it, was that we're doing  
16 more with less. We have cut to the bone. There  
17 is really no more cutting that we can do. What  
18 does it mean to the person coming in? We  
19 certainly try to provide the best service that we  
20 possibly can. The one thing about a library  
21 worker is they love their job. They love working  
22 in the library. That's why they're working there.  
23 They're not getting paid a terrific salary, but  
24 they love their job. They love working in their  
25 communities.

But if this cut goes through, it will greatly affect the services that the library can provide, as well as we were told at the last hearing, where the three directors of the libraries came and testified in front of you, it was a shock to me, the director of Brooklyn Public Library said that we're looking at about 300 layoffs. Well, if we have 875 employees and we're laying off 300 of them, you know I could--

CHAIRPERSON RECCHIA: [interposing]

I'm going to tell you--

EILEEN MULLER: --only ask everybody to decide what it is, you know, what will happen. We'll be closing branches.

CHAIRPERSON RECCHIA: This City Council is not going to see that happen. I'm going to tell you that right now.

EILEEN MULLER: I appreciate it very much what you said, Council Member Recchia.

CHAIRPERSON RECCHIA: Because  
that's devastating. I'm sure Ms. Brewer, Ms.  
James and Council Member Jackson, we're all here  
listening and that is devastating. You know what,  
it can't happen.

EILEEN MULLER: What will happen is we'll close branches.

CHAIRPERSON RECCHIA: Three hundred is unbelievable.

EILEEN MULLER: It's great, the services are there, but the people aren't able to get in, so we'll close door and a closed library is a horrible thing for us to face.

COUNCIL MEMBER BREWER: Thank you. I'd ask more but Chairman Recchia would kill me. Thank you.

CHAIRPERSON RECCHIA: Okay.

EILEEN MULLER: Thank you.

CHAIRPERSON RECCHIA: All right. We have a lot more people here. We have more people outside. Thank you all for coming.

EILEEN MULLER: Thank you.

CHAIRPERSON RECCHIA: All right, call the next panel please.

STAFF: Yehudit Moch, Mary Carroll, Abigail Goldberg and Precious Edwards.

COUNCIL MEMBER JAMES: And as this panel assembles the next panel will be, please get ready.

STAFF: And the next panel will be Adriene Holder, Steven Banks, Deborah Wright and Lillie Carino.

COUNCIL MEMBER JAMES: Those individuals please come forward and sit in the front row. This panel, we're missing two other individuals. Who are we missing from this panel? What is your names?

ABIGAIL GOLDBERG: Abigail Goldberg.

COUNCIL MEMBER JAMES: Abigail Goldberg is here.

MARY CARROLL: Mary Carroll.

COUNCIL MEMBER JAMES: And Mary Carroll is here.

STAFF: Precious Edwards, Yehudit Moch.

COUNCIL MEMBER JAMES: Going once, going twice.

STAFF: Lillie Carino, Deborah Wright, please come up.

COUNCIL MEMBER JAMES: Please come forward. Ms. Wright and Carino? Okay. Begin your testimony.

1  
2 ABIGAIL GOLDBERG: My name is  
3 Abigail Goldberg and I'm a public librarian. If  
4 the Mayor's budget cuts stands, I'll be laid off.  
5 Before I was a librarian, I was a 911 rescue  
6 worker with the Red Cross at Ground Zero. All  
7 I've ever done with my life is serve my city and  
8 my country. And now it's breaking my heart to  
9 have to plead for my job.

10 A librarian at my branch was laid  
11 off in 2010, directly because of the budget cuts.  
12 She's still unemployed because no one is hiring  
13 librarians in the city.

14 I'm going to tell you something  
15 that even my boss doesn't know about. On my lunch  
16 hour, I deliver library books to a homebound  
17 patron. She just had surgery for Stage IV ovarian  
18 cancer. The chemo makes her weak but that doesn't  
19 stop her from needing something light to read. I  
20 worry about having to tell this dear lady I can't  
21 help her anymore because I've lost my job.

22 I've been on the layoff list for  
23 three years. For three years, I've reached out to  
24 my representative, Council Member Nelson, and he  
25 came through for me. Councilman Nelson and the



1 City Council always come through for me. I've  
2 shaken so many of your hands at so many pro-  
3 library rallies. But I'm here today because I  
4 will never take that support for granted. I need  
5 you to keep fighting for us. We can't survive the  
6 budget cuts without you. Thank you, City Council  
7 Members for allowing me to testify.

8 COUNCIL MEMBER JAMES: Thank you.

9 MARY CARROLL: Good evening. My  
10 name is Mary Carroll. I'm a librarian is the  
11 Business and Career Library of the Brooklyn Public  
12 Library. I have been at the Brooklyn Public  
13 Library 18 years and I've been at the Business and  
14 Career Library over 11 years. Tonight, I would  
15 like to share with you the impact the budget cuts  
16 will have on the Business and Career Library.

17 A program we have is STEP, scales  
18 training and employment project. I run this  
19 program. We help job seekers. We critique  
20 resumes and through our career database, we  
21 provide actual job listings. We have investing  
22 materials in the Business and Career Library.  
23 Here is a list of our financial newsletters. If  
24 the budget cuts go through, this list will be cut  
25

1  
2 in half.

3 Another program we have is Power  
4 Up. This is a competition for business plan  
5 writers who will set up a business in Brooklyn.  
6 The librarians have to help these contestants with  
7 research to do their business plans. If there are  
8 cuts, there will be cuts with librarians and there  
9 will be a cut in hours and we'll have less help  
10 for the contestants.

11 In addition to Power Up, the  
12 library has many business and career related  
13 programs throughout the year. We would have to  
14 cut back on these programs. The Business and  
15 Career Library also has computers. We are lucky  
16 enough to have 20 public computers in the Business  
17 and Career Library. If there are cuts, this would  
18 cut down on the hours that the users would have.  
19 The users in the Business and Career Library like  
20 their computers.

21 The Business and Career Library  
22 also has business databases. Now, some of those  
23 databases you can only use in the Business  
24 Library. So if there are cuts, down goes the use  
25 of the business databases. Thank you.

COUNCIL MEMBER JAMES: Thank you.  
Ms. Carino and Ms. Wright, please step forward.

STAFF: Also, Julie Wickware.

COUNCIL MEMBER JAMES: Thank you  
for your testimony. We recognize that libraries  
are very important to all of us and part of our  
social contract. I can tell you the libraries is  
a major priority for the Speaker of the City of  
New York as well as for the chair of this Finance  
Committee, Council Member Recchia and all of the  
members who are here today. Please begin your  
testimony, Ms. Carino.

LILLIE CARINO HIGGINS: Good  
afternoon, and thank you, Speaker Quinn, Council  
Member Recchia, members of the Finance Committee  
for providing us an opportunity to discuss funding  
for the Legal Aid Society's civil programs. My  
name is Lillie Carino Higgins and I speak on  
behalf of 1199. We represent the support staff at  
this agency, including social workers and  
paralegals. We work closely with Local 2325 UAW  
that represents the attorneys.

The Legal Aid Society provides  
services in every neighborhood. At a time when

1  
2 the economic recession increased their demand for  
3 services, their funding has dramatically  
4 decreased. It has seriously diminished their  
5 capacity to serve every person that seeks their  
6 assistance. One out of every nine potential  
7 clients, including constituents referred to them  
8 by your offices, are being turned away.

9           The Citywide Civil Legal Services  
10 Program has been cut by 59 percent since 2008.  
11 These funds are typically used to serve low income  
12 individuals and families with no other recourse.  
13 Another program, the HPD Anti-Eviction Program,  
14 has been cut by 33 percent. We are talking about  
15 families who would otherwise be able to retain  
16 their homes, ending up in the more costly shelter  
17 system.

18           The unemployment insurance SSI  
19 advocacy program which provides legal  
20 representation to those individuals denied  
21 disability and unemployment insurance saw a  
22 reduction of 60 percent since 2008. The  
23 alternative for them becomes public assistance.  
24 When combined, these cuts to vital programs end up  
25 costing the City of New York millions of dollars

more each year.

Despite these cuts, 1199 members continue to provide crucial services every day. They, too, have been adversely impacted by the decreased funding. They have been working without a contract and have not had a salary increase since 2008. They remain with this agency solely because of their commitment to help low income New Yorkers. They certainly have other options, they're very talented. We feel that they deserve a raise, and we know that you can make that happen.

For these reasons, 1199 respectfully requests that the City Council restore funding to these vital programs. Thank you.

COUNCIL MEMBER JAMES: Thank you.

Next?

JULIE WICKWARE: Good afternoon. My name is Julie Wickware. I'm a member of Community Voices Heard, a member led organization.

COUNCIL MEMBER JAMES: Thank you, Sergeant.

JULIE WICKWARE: Fighting for the

1  
2 rights of our low income communities. I live in  
3 the North Bronx with my husband and my 5-year-old  
4 daughter. I'm here to speak about Mayor  
5 Bloomberg's proposed cuts to the Parks Opportunity  
6 Program, which to date is the most successful  
7 transitional jobs program, leading to permanent  
8 employment for public assistance recipients in New  
9 York City.

10 In New York, 17,000 people, cash  
11 assistance recipients are participating in  
12 Workfare or WEP programs and Job Search Back to  
13 Work, at a cost of about \$200 million per year.  
14 Mayor Bloomberg and HRA Commissioner Doar have  
15 been very vocal in touting the benefits of WEP,  
16 bragging about the thousands they put back to  
17 work.

18 But let's consider what it really  
19 does. WEP forces people into providing their own  
20 family's most basic needs through mandated work  
21 for which we receive our minimum benefits but no  
22 paycheck. While we are grateful to have them,  
23 accessing \$80 in benefits every two weeks on an  
24 EBT card is not the same as earning a paycheck.  
25 We receive no sick or personal time off, no social

1 security work credit, no training, education or  
2 hope for advancement. It also means we pay no  
3 income tax, aren't eligible for the earned income  
4 tax credit and certainly aren't stimulating the  
5 economic through disposable income spending. We  
6 even have to wear a tag or vest that IDs us as  
7 non-employees.  
8

9 WEP workers are looked down and  
10 stigmatized by many of the paid workers, yet are  
11 expected to do jobs that are actually the  
12 responsibility of those workers. This often  
13 creates and "us versus them" mentality, once paid  
14 workers realize that their jobs could actually be  
15 exchanged for a WEP position.

16 The reason why Mayor Bloomberg is  
17 so pro-Workfare is that it creates a guaranteed  
18 free labor pool for the city as hiring freezes  
19 increase and layoffs and paid positions are  
20 eliminated. As more and more families have come  
21 to rely on public assistance, they face the choice  
22 of having to accept any type of treatment in order  
23 to prevent loss of basic necessities like food and  
24 shelter for one's self and one's family. Working  
25 conditions such as these are usually referred to

as modern day slavery or indentured servitude.

We at CVH believe that a consistent and comprehensive transitional jobs program is the best way for PA recipients to access the opportunities and means to support ourselves and families. If a position exists for WEP, then presumably it is a job that needs doing and should be paid accordingly.

Transitional jobs is direct job creation for the lowest income New Yorkers. CVH has fought hard to help implement the POP program, which has had thousands of participants, called JTPs, since 2000. Many went on to permanent employment within the Parks Department. Many more would have if not for the current hiring freeze.

Bemoaning problems with the costs and logistics of maintaining quality and safety in New York City parks while at the same time eliminating the very workers who could do the jobs efficiently is short-sighted at best. At worst, it makes us question the integrity of anyone who would support such a plan and deserves thorough investigation.

If this budget passes, Commissioner



1  
2 Doar of HRA said 2,200 JTP positions will be  
3 eliminated and conversely the number of WEP  
4 positions will continue increasing at least  
5 proportionate to the decreases in JTP positions.

6 COUNCIL MEMBER JAMES: Can you get  
7 to the last paragraph?

8 JULIE WICKWARE: Sure. In these  
9 difficult economic times, felt most acutely by  
10 families on PA, the city should be expanding  
11 programs such as POP and using it as a model of  
12 success. The mayor and city commissioners  
13 continue to justify the WEP program by falsely  
14 asserting it is the only method to satisfy federal  
15 welfare TANF work requirements. In truth, there  
16 are several ways to comply with TANF law,  
17 including education, vocational training and  
18 transitional jobs like POP. Thank you.

19 COUNCIL MEMBER JAMES: Mr. Banks?

20 STEVEN BANKS: Thank you. We  
21 appreciate the support of the Council this year  
22 and in prior years, and we need it more than ever  
23 this year. As my colleague Ms. Carino pointed  
24 out, we are only able to help one out of every  
25 nine New Yorkers that come to us. She laid out

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2 Even more troubling, in recent  
3 months, we've seen even further increases on top  
4 of these increases. So, for example, there has  
5 now been an additional 54 percent increase in  
6 request for help with low wage workers trying to  
7 collect wages or unemployment related matters, an  
8 additional 18 percent increase in eviction and  
9 housing problems, an additional 12 percent  
10 increase in domestic violence problems, an  
11 additional 23 percent increase in public benefits  
12 and income support problems, and an additional 11  
13 percent increase in healthcare problems.

14 Our frontline staff has to do one  
15 of the hardest things, which is turn away people  
16 who we know we could help that have come to us  
17 with these problems. If we suffer these cuts in  
18 the three critical programs: Citywide Civil Legal  
19 Services, HPD Anti-Eviction Services, the UISSI  
20 Program, all of which we operate jointly with  
21 Legal Services NYC, the situation will become even  
22 more dire.

23 As Ms. Carino also highlighted,  
24 given the budget challenges and the cuts that  
25 we've sustained, it is very difficult for our

workers, who are 1199 members and UAW members.

It's only through their Herculean efforts that we're able to provide the services that we're able to the clients.

COUNCIL MEMBER JAMES: We thank you. We all recognize, I know the Council Members who are here today, the amount of work that you do. We all have made referrals to your office. We thank you for your assistance. We recognize that you have saved the city millions of dollars as a result of preserving the homes of our constituents as well as the fact that you have been able to achieve federal disability awards and a number of other awards, including earned income tax credits. So we continue to thank you. I know you're a priority of this Council Member, as a former Legal Aid attorney.

As for the other individuals who testified, we obviously support transitional jobs and we recognize that we do not want to create an it versus them kind of condition in the City of New York. We recognize and support the work that WEP workers do. We also have the POP program as a priority of the members of the City Council. Any

1  
2 other testimony?

3 DEBORAH WRIGHT: Good afternoon.

4 My name is Deborah Wright and I'm president of UAW  
5 Local 2325, which is the Association of Legal Aid  
6 Attorneys. In the interest of time, I'll just  
7 make a few points. Obviously, I agree with  
8 everything that my colleagues have already stated.

9 I just want to stress that, you  
10 know, right now we represent approximately 860  
11 members, which are the attorneys basically at  
12 Legal Aid. We are the social first responders for  
13 your constituents basically. We stand basically  
14 in between your, you know, constituents, our  
15 clients and losing their homes, losing their  
16 unemployment and disability benefits, their food  
17 stamps, being able to support their families and  
18 in cases of domestic violence having no choice but  
19 to return sometimes to the hands of their  
20 batterers, which is unacceptable. Without us,  
21 people really have nowhere to turn.

22 One of the things that I do want to  
23 stress is that the most disturbing thing I think  
24 that we're experiencing every day is the number of  
25 people that are coming to our doors that we're not

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1  
2 This City Council, we're going to try everything  
3 we possibly can. Okay, thank you very much. Call  
4 the next panel please.

5 STAFF: Cornell Dukes and Shirlene  
6 Cooper, Christie Hodgkins, Adriene Holder, Yehudit  
7 Moch and Mary Barron.

8 COUNCIL MEMBER JAMES: And a shout  
9 out to all the Legal Aid attorneys who are here.

10 CHAIRPERSON RECCHIA: And to the  
11 former Legal Aid attorneys who are here.

12 [Pause]

13 STAFF: This panel will be followed  
14 by Lynn Kelley, Eco Francis and Alexandria  
15 Hamilton, Michael De Zoyas, John Vandergrift, and  
16 Precious Edwards.

17 CHAIRPERSON RECCHIA: That's going  
18 to be the next panel. All right, next, go ahead  
19 and begin. State your name for the record.

20 CORNELL DUKES: Hello, my name is  
21 Cornell Dukes and I'm here to talk about the  
22 broker's fee. I would like to know what you all  
23 are doing about the broker's fee, because I have  
24 no income of paying the broker's fee. The  
25 voucher, right, the voucher for the broker's fee.

I need to find out is they doing anything about that.

CHAIRPERSON RECCHIA: Okay.

COUNCIL MEMBER JAMES: Is that the voucher for the broker's fee, did you say?

CORNELL DUKES: Yes, I did.

CHAIRPERSON RECCHIA: That has to do with the HASA broker's fees. That's the budget part of the budget.

CORNELL DUKES: Yes.

CHAIRPERSON RECCHIA: Right. And you say it shouldn't be eliminated.

CORNELL DUKES: Exactly.

CHAIRPERSON RECCHIA: Okay. You want to say something?

SHIRLENE COOPER: Yes. Good afternoon. My name is Shirlene Cooper. I sit on the City Council HIV/AIDS Service Administrations Advisory Board.

In March of 2011, HASA's Commissioner, Robert Doar, announced a policy change to the broker's fee and the security deposit. As he stated to you in the last hearing that he informed the advisory board, he did not



1 inform us. We found out from the community.

2 HASA will only pay half of the  
3 broker's fee and landlords will now receive  
4 vouchers instead of checks and will be reimbursed  
5 after tenants move out. HASA serves 46,000 New  
6 Yorkers living with HIV and AIDS, many who are in  
7 independent living or supportive housing or  
8 emergency placement housing.  
9

10 Low income people living with HIV  
11 and AIDS cannot afford to pay half of a broker's  
12 fee. I'm sure you guys know that. When we went  
13 into the HASA centers we were broke and when we  
14 came out we were broke. Unless they provided  
15 rental assistance and allowance in transportation  
16 for us. We do not have another half of anything  
17 and I don't have any rich uncle either.

18 We know that housing is a  
19 prevention tool. This policy change can only  
20 result in an increase of homelessness and more  
21 importantly, an increase in the death rates to all  
22 New Yorkers living with HIV and AIDS. We request  
23 that these funds be restored. Thank you.

24 CHAIRPERSON RECCHIA: Thank you  
25 very much. Next?

CHRISTIE HODGKINS: Good evening.

My name is Christie Hodgkins. I'm the Director of Youth Development at CAMBA and I'm here today to testify on behalf of our agency. CAMBA was founded in 1977 and now serves 45,000 individuals and families each year in six program areas including education and youth development.

I'm speaking to you today to urge the restoration of funding for essential CAMBA programs and services that will disappear if the New York City 2013 Preliminary Budget is approved. Square on this year's chopping block are CAMBA's DYCD funded youth services, particularly our Out of School Time programs.

We recently learned that two of our OST programs at PS 139 and PS 249 in City Council District 40 in Brooklyn will be cut outright. We have run these programs since 2005 and they serve to enrich and productively engage over 400 elementary age children during after school hours and school breaks. And the value goes far beyond that.

These programs provide a most basic need: a safe place for children to stay while

1  
2 their parents are out earning the necessary living  
3 to support their families. You must restore  
4 funding to these programs.

5 Also in jeopardy is the efficacy of  
6 two more of CAMBA's OST programs. These programs,  
7 in City Council Districts 40 and 43 indeed made it  
8 into the preliminary budget, but will next year  
9 face severely reduced capacity. We ask that  
10 funding be restored for these programs as well.  
11 Lest children who once enjoyed social and  
12 enriching activities find themselves separated  
13 from their friends, home alone in front of the TV.

14 So now we have children without  
15 programs, parents giving up income, but there's  
16 another population that will share the brunt of  
17 the OST cuts, our after school workforce. If OST  
18 funding isn't restored and the proposed cuts are  
19 realized, a full half of our after school staff  
20 will lose their jobs. That's 125 people,  
21 including so many college students from these  
22 communities who will be removed from the local  
23 economic and derailed from their studies, careers  
24 and paths to success. They and their communities  
25 need this funding to be restored.

1  
2                   Lastly, we can't forget about  
3 Beacons, also so vital for their communities as  
4 the comprehensive resources for children, teens  
5 and families they are. At two of our Beacon  
6 centers, including one we've run since 1993, we  
7 will be forced to cut services under the proposed  
8 budgets, and seven Beacons around the city will be  
9 forced to close altogether. We urge the  
10 restoration of full funding to these long  
11 established resources.

12                   In order to support New Yorkers who  
13 are struggling across our communities, to prevent  
14 more costly and serious problems, including  
15 poverty, homelessness, and increase unemployment  
16 and to preserve the health of our city as a whole,  
17 we ask that you fully restore all requested cuts  
18 to these invaluable programs and services. Thank  
19 you for the opportunity to testify.

20                   CHAIRPERSON RECCHIA: Okay. Thank  
21 you very much. Any Council Members have any  
22 questions? Not seeing that, we want to thank you  
23 all very much. The HASA issue, we are right on  
24 top of that one.

25                   CORNELL DUKES: Thank you.

CHAIRPERSON RECCHIA: Next panel.

STAFF: Eco Francis and Alexandria Hamilton, Lynn Kelley, Michael De Zoyas, John Vandergrift and Precious Edwards.

CHAIRPERSON RECCHIA: Okay. Now call the next panel, on deck. The next panel he's calling is on deck. There are seats over there where they could sit, the on deck panel. Go ahead.

STAFF: On deck panel: Annette Boykins, Eileen Ebertz, Mary Diab, Ed Gelfand and Ruth Gelfand.

CHAIRPERSON RECCHIA: That's the on deck circle. You're up to testify.

LYNN KELLEY: Good afternoon, Chairman Recchia and to the other members of the Finance Committee. In the interest of time, I will summarize my testimony, which I've just submitted.

My name is Lynn Kelley, and I am the President and CEO of Snug Harbor Cultural Center in Staten Island New York. But I'm here today proudly representing the 33 Cultural Institutions Groups in the City of New York.

1  
2 Before I speak to this year's  
3 budget, I'd like to thank you personally on behalf  
4 of all the CIGs for your past support. We do not  
5 underestimate the difficult choices that you have  
6 to make each and every year in the budget cycle.  
7 We thank you for the support that you've given us  
8 in the past and the opportunity today to testify.

9 As stewards of these important city  
10 assets, the CIGs collectively serve 19 million New  
11 York families, schools and tourists. It's a  
12 remarkable number, in all five boroughs.  
13 Typically, the CIGs, as you would expect, are  
14 known for providing cultural programming, the  
15 arts, et cetera, to the public. But we also  
16 support education and social service  
17 organizations. All of this is true and well  
18 known, except there's a much more important story  
19 to tell as it relates to the economic vitality and  
20 growth of New York City as a whole.

21 CIGs are economic engines for New  
22 York City. Did you know that the CIGs generate \$8  
23 for every dollar of city support. So in return  
24 for what's a comparatively modest annual  
25 investment by the City of New York, and that's

1  
2 actually less than one-quarter of one percent of  
3 the city's budget for the CIGs, we return hundreds  
4 of millions of dollars in economic activity and  
5 actually employ over 9,000 people.

6 CIGs are a catalyst to New York  
7 City's economic recovery. This year, New York  
8 City reached a milestone. We had our 50 millionth  
9 tourist to the City of New York. It's quite  
10 incredible. And this industry alone employs  
11 14,000 people. In no small part, as we know,  
12 these tourists are coming to visit many of our  
13 wonderful cultural institutions. Simply put,  
14 culture attracts tourists and tourists spend money  
15 in the City of New York.

16 CIGs also spend money locally. Did  
17 you know that CIGs spend over \$500 million on  
18 contractual services with over 12,000 New York  
19 City based vendors? This is just contractors that  
20 you would expect: print shops, mailing houses,  
21 caterers. It doesn't even take into account the  
22 secondary spending for visitors coming to our  
23 institutions in local restaurants or other  
24 services in the neighborhood. You don't have to  
25 take my word for it, there will be others

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2 Next please? We'll hear from everybody and then  
3 we'll see if any Council Member has a question.  
4 Go ahead.

5 ALEXANDRIA HAMILTON: Hi, good  
6 evening. My name is Alexandria Hamilton. I would  
7 like to thank you for the opportunity to voice my  
8 opinion today. The Wildlife Conservation Society  
9 brings to New York City very important cultural  
10 institutions such as the Bronx Zoo, the Prospect  
11 Park Zoo, Queens Zoo and the New York Aquarium.  
12 However, the effect of this newly proposed budget  
13 cut for the Bronx Zoo and New York Aquarium could  
14 seriously hurt these institutions and in the long  
15 run hurt the organization as a whole.

16 Where do I fit in? Well, I work  
17 for the organization and have benefited from the  
18 organization through seasonal employment and the  
19 future leaders program. I would like to verify to  
20 the City Council the importance of the Bronx Zoo  
21 and the New York Aquarium based on my experiences  
22 and knowledge of the institutions.

23 With employment at the Bronx Zoo, I  
24 was able to discover and attend the exceptional  
25 Future Leaders Program. I have attended this

1  
2 program for two years and each year I reach one  
3 step closer to becoming an naturopathic doctor.  
4 If it weren't for the Bronx Zoo and the Future  
5 Leaders program at this institution, I would have  
6 never truly discovered my career. The staff  
7 provided me with ideas, training and mentoring I  
8 needed to achieve my goals.

9           The New York Aquarium provides a  
10 substantial area for the youth to learn about  
11 aquatic wildlife. This is the only aquarium for  
12 miles for New York City youth to visit. The newly  
13 proposed budget cut could hinder sustaining this  
14 institution and keeping it accessible for the  
15 youth. The New York Aquarium's maintenance and  
16 accessibility also allows an important aspect to  
17 the Coney Island area.

18           This institution also provides free  
19 Friday after 3:00, which is an important took for  
20 hard working people who don't have proper funding,  
21 a chance to learn about aquatic wildlife. I  
22 believe the more we learn, the better our  
23 understanding is and more likely we would take  
24 initiative to make better choices for our  
25 environment.



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MICHAEL DE ZOYAS: Yes.

CHAIRPERSON RECCHIA: I think he's the first one the whole night. God bless. Go ahead, let's hear it.

MICHAEL DE ZOYAS: Thank you. Though it's tempered by the seriousness and the urgency of the petitions before me and after me. I bring news from Brooklyn and Crown Heights specifically, where I own a small business called Little Zelda. My name is Michael De Zoyas and I'm here to urge full support of the cultural institutions, full funding.

Specifically, as a face of Brooklyn business here today, I want to say that these institutions, specifically for me nearby, the Brooklyn Museum and the Brooklyn Botanic Garden bring me a lot of money. They do it also for the businesses along my avenue which is Franklin Avenue between Eastern Parkway and Atlantic Avenue. I don't know if any of the Council Members here today have been there or--

CHAIRPERSON RECCHIA: [interposing]  
Yes, I was there last night.

MICHAEL DE ZOYAS: Last night,

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where were you?

CHAIRPERSON RECCHIA: I was on  
President Street.

MICHAEL DE ZOYAS: Great. In  
particular block, between Park and Sterling, on  
Franklin Avenue, there are 14 storefronts and 13  
have opened in the last 12 months. Many like mine  
were shuttered for many years. One of the reasons  
so many people are opening businesses has to do  
with the Brooklyn Museum and the Brooklyn Botanic  
Garden and their forward thinking, proactive,  
exciting events that are engaging the residents of  
Brooklyn.

For instance, this past Saturday,  
the Brooklyn Museum had the first Saturday event  
and the Botanic Garden did something new called  
Amble, which brought in 10,000 people. The museum  
I think brings in another 10,000 or 20,000. There  
are so many people there that it can't help but  
spill over. People are hearing about the new  
businesses on Franklin Avenue.

My wine bar and café was busy all  
day and up until 2 a.m., we were totally packed,  
before I had to close the doors. It was true also

1  
2 for the other businesses on my block and I know up  
3 and down Franklin Avenue, just a great number of  
4 people.

5 So I just want to say that the  
6 attendance at the cultural institutions directly  
7 impacts my revenue and the business owners  
8 throughout the city. That of course means sales  
9 tax and income tax for the city. So I urge full  
10 funding for the cultural institutions of New York  
11 City. Thank you.

12 COUNCIL MEMBER JACKSON: Next  
13 please.

14 CHAIRPERSON RECCHIA: Anybody else?  
15 Nobody. I want to thank you. Do you want to say  
16 something Council Member Chin?

17 COUNCIL MEMBER CHIN: I mean I  
18 think it's great that the businesses are here, and  
19 I really urge you to reach out to the Mayor, you  
20 know, with other business owner who are benefiting  
21 from the cultural institutions. I guess the Mayor  
22 needs to hear that.

23 And I think sooner or later we  
24 really need to sort of like track the amount of  
25 income or revenues that are generated by cultural

1  
2 institutions so that we can really show that you  
3 are such a valuable asset for the city. Because  
4 Mayor touts, oh, you know, we welcome 50 million  
5 tourists and they forget to, like, acknowledge all  
6 the good work the cultural institution, the Bronx  
7 Zoo, the Aquarium and at the same time all the  
8 work that you do for our school. So the funding  
9 needs to come and support these institutions.

10 LYNN KELLEY: Thank you for that.  
11 We actually do track. For Snug Harbor, my  
12 purchasing power locally in one fiscal year alone  
13 was over \$250,000 and for an operating budget of  
14 only \$3 million, that's significant. Of that  
15 \$250,000, more than 45 percent was spent on Staten  
16 Island. It's that localized. So we actually do  
17 track and we submit that to the Department of  
18 Cultural Affairs every year.

19 COUNCIL MEMBER CHIN: I think we  
20 need to publicize it so that everyone in the city  
21 knows about the value that you guys are  
22 generating.

23 LYNN KELLEY: Thank you.

24 COUNCIL MEMBER CHIN: Thank you for  
25 all your good work and thank you for being here.

CHAIRPERSON RECCHIA: Okay. Mr. Jackson, do you have a question? I want to thank you all for coming to testify. We have the on deck. They're ready to step in.

STAFF: Following this panel, on deck will be Precious Edwards, Johnetta Goodlowe and Camelia Robinson.

CHAIRPERSON RECCHIA: All right. This is the biggest panel we've had. Let's go. We love to see all these people. Could someone please help her? Could we have the sergeant-at-arms--

PATRICIA BURLACE: [interposing]  
Can you hear me now?

CHAIRPERSON RECCHIA: Now we hear you.

PATRICIA BURLACE: Good evening. My name is Patricia Burlace. I'm the Executive Director of the Sister Annunciata Bethel Bedford Park Senior Center in the Bronx.

I came here this evening to offer my testimony and hopefully you'll be able to hear, feel and act on what I'm about to tell you. We do not have written testimony. We're speaking from



1  
2 our hearts. We found out about this meeting at  
3 about 2:30 this afternoon.

4 But actually, I don't need written  
5 testimony to tell you what's going on. As you've  
6 heard earlier by colleagues, the Central Insurance  
7 Program is kicking us out of their program.

8 Basically what has happened is they're taking away  
9 our health insurance for senior citizen staff.

10 And we haven't had raises since 2009. We  
11 certainly haven't had the support of the city in  
12 the budget that we need to do to maintain and even  
13 grow our senior centers.

14 But I just want to say this to  
15 everybody. Today, I sat with our staff, there's  
16 only eight of us. And I told them that when the  
17 RFP for funding for new senior centers came out,  
18 instead of taking the money and putting it for  
19 health insurance, I put it in our rent line. I  
20 made a decision to allocate our Central Insurance  
21 money to the rent. I had a choice to either take  
22 that money and get insurance or put it in the rent  
23 line.

24 So I put it in the rent line and  
25 the staff challenged me today, through a lot of

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Quinn is here to help you.

PATRICIA BURLACE: Good.

CHAIRPERSON RECCHIA: We are having this public session to hear from the New Yorkers to hear how it affects them. That's why we are here. Because when we sit down to make decisions, it's people like you that we need to help and we need to hear from and there were other panels before you. This is a serious, serious issue. This City Council didn't cut it.

PATRICIA BURLACE: I know.

CHAIRPERSON RECCHIA: We are trying to help you to find a mechanism. Yes, it's unfortunate the way the city's budget is that discretionary funding you never know if you're getting it or if you're not getting it until the budget is passed. I agree with you. We try very hard to baseline all this money. But unfortunately, this is the process.

This whole issue, okay, is very dear to my heart. My mother worked in a senior center for 25 years. Never got a pay raise. Never got a pension. I feel for you. I know what you're going through. I know what your workers

1  
2 are going through.

3 As the Finance Chairman, I will do  
4 everything in my power to see how we could correct  
5 this. But you have to remember something, the  
6 other side has to hear you. The commissioner sat  
7 right here you sat and said, oh, there's another  
8 company that they could get coverage from. I know  
9 it's not the coverage you get, it's nowhere near  
10 the coverage. The money that they gave you to run  
11 your center to buy health insurance, you can't  
12 even pay the rent. Is that correct?

13 PATRICIA BURLACE: Right.

14 CHAIRPERSON RECCHIA: All right.  
15 This whole new mechanism is problematic. We know  
16 what the senior centers are going through. We are  
17 trying to address it. But you have to make your  
18 voices heard to the commissioner, to the deputy  
19 mayor, and to the mayor himself. You have to let  
20 your voices be heard.

21 We are here tonight. We are  
22 hearing you loud and clear. But the commissioner  
23 needs to hear it louder. And the Council of  
24 Senior Centers, okay, they left you out to hang  
25 and dry. They are nowhere to be found tonight.

1  
2 They are not here to stick up for you. I have a  
3 problem with that.

4 PATRICIA BURLACE: So do I.

5 CHAIRPERSON RECCHIA: I have a  
6 problem. Your seniors are here tonight because  
7 they care about their center. I want to thank  
8 every one of you for showing up here tonight.  
9 Because it's people like you that make a  
10 difference, by coming here from the Bronx, it  
11 means a lot to me. Would any other Council Member  
12 like to say something?

13 COUNCIL MEMBER CHIN: I also want  
14 to thank the seniors for coming to support you.  
15 We're hearing this from every single senior  
16 center. In my district, they're all talking about  
17 the same thing with the insurance. So I agree  
18 with Council Member Recchia, the other side needs  
19 to hear it. I mean the commissioner, she's very  
20 good but she needs to hear from you. And she  
21 needs to hear from every single center that that  
22 program is not working, that you need the  
23 insurance back. So we will work with you but we  
24 also want to make sure that you also raise your  
25 voices to her so she hears it too.

PATRICIA BURLACE: With all due respect though, they know. They don't want to hear what we have to say. They do not care.

CHAIRPERSON RECCHIA: Well, you know what, let me tell you something about that. You have to make them hear. You have to go out there and protest. You have to bring thousands of seniors, like Occupy Wall Street did. The Mayor heard them. Okay? They got their point across.

If all these centers would get across and thousands of seniors would be outside, they would hear you. If that's what needs to be done then that's what needs to be done. You have to make them hear you.

The commissioner sat there and made it sound like it--and you know, it's only \$5 million. We're talking about \$5 million. That's what we're talking about. In a budget of \$68.7 billion.

PATRICIA BURLACE: And what are they doing with all the savings? Where is it going?

CHAIRPERSON RECCHIA: Go online and you could see. Go to DRecchia.com. That's my



website. You'll see all about it.

[Laughter]

CHAIRPERSON RECCHIA: Listen, you got to believe. You have to have hope. And you got to just say a prayer that we the City Council could help you and bring this back. We are working hard. Oliver Koppell, your Council Member, is at the forefront. Does anybody else want to say anything?

PATRICIA BURLACE: I just want to say we can't register our contract for Fiscal Year July 1, 2012 if we don't have--if we don't give DFTA the general liability proof of the insurances that we've obtained them--

CHAIRPERSON RECCHIA: [interposing]  
By when?

PATRICIA BURLACE: --we can't sign a new contract.

CHAIRPERSON RECCHIA: By when?  
When do they want it?

PATRICIA BURLACE: Well our contract ends on June 30th. Our insurance ends on June 30th.

CHAIRPERSON RECCHIA: But when do

they want it?

PATRICIA BURLACE: They wanted it yesterday. So we can't even continue--

CHAIRPERSON RECCHIA: [interposing]  
Did they send you a letter stating that?

PATRICIA BURLACE: They sent us a letter. Well, yeah, we've gotten emails and everything. We're waiting. You can't get your contract. In order to register your contract you have to produce insurance.

CHAIRPERSON RECCHIA: Now they said health insurance?

PATRICIA BURLACE: Not health,  
general liability, workman's comp--

CHAIRPERSON RECCHIA: [interposing]  
General liability and workman's comp.

PATRICIA BURLACE: --disability.

That's the law. So yeah, I can find the money to obtain that. I can scrape that together. But if I let our staff's insurance lapse, god forbid.

CHAIRPERSON RECCHIA: Okay.

PATRICIA BURLACE: Unless I tell them all come to work, we have workman's comp, and all fall down at the job.

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CHAIRPERSON RECCHIA: All right.

Okay. Before you leave, where is Liz? We'll take your name and phone number and we'll call you tomorrow and follow up on this.

PATRICIA BURLACE: Good.

CHAIRPERSON RECCHIA: Liz from my office will take your information. Thank you very much.

PATRICIA BURLACE: Thank you all.

CHAIRPERSON RECCHIA: Thank you everyone. Do you want to say something?

EILEEN EBERTZ: Can I just add to that, really quickly? Eileen Ebertz. I'm on the staff. I'm also a senior. So I have two hats. I've been at the senior center for over 35 years. And I am shocked and dismayed and everything I echo what Patricia has said and--

CHAIRPERSON RECCHIA: [interposing]  
Hold on, hold on, you've got to speak into the microphone. State your name for the record.

EILEEN EBERTZ: Eileen Ebertz, Bedford Park Senior Center staff for over 35 years. I want to echo everything Patricia said. But I would like to end with what's above your

heads on the ceiling, a quote from Abraham Lincoln: this is a government of the people, by the people and for the people. That means all the people, the people in the higher ups helping the people in the lower downs.

Thank you all. I appreciate you listening. God bless us all. Don't give up and hang up--I mean hang in there.

CHAIRPERSON RECCHIA: Believe in God. Have hope and faith. You got to have faith.

EILEEN EBERTZ: It's up in the ceiling.

CHAIRPERSON RECCHIA: It's up on the ceiling. All right. Call the next panel. Thank you very much. Could we have the next panel?

STAFF: The next panel, Precious Edwards, Johnetta Goodlowe, Camelia Robinson and we're going to add Jacqueline McDuffie.

[Pause]

STAFF: Following this panel on deck will be the group from RAPP. I think there are ten--

CHAIRPERSON RECCHIA: [interposing]

The RAPP is on deck. RAPP get on deck.

[Pause]

CHAIRPERSON RECCHIA: State your name for the record.

JOHNETTA GOODLOWE: My name is Johnetta Goodlowe. I'm with Community Voices Heard. I'd like to thank the Council Members for allowing us to testify. Thank you very much.

Now we're going to get into what defines a slave, okay. Webster's defines a slave as number one, the state of being bound in servitude as the property of a slave holder or a household. Number two: a condition of hard work and subjugation. Both these definitions are applicable to the situation that we poor in New York City find ourselves in. We are stuck between a rock and a hard place.

[Background noise]

JOHNETTA GOODLOWE: What's going on?

[Pause]

JOHNETTA GOODLOWE: Both these definitions are applicable to the situation that we poor in New York City find ourselves in. We

1  
2 are stuck between a rock and a hard place. We are  
3 the slaves and HRA is the proverbial slave master  
4 in question. Through the implementation of the  
5 WEP program which forces us to work without the  
6 benefit of earning a living wage, we are unable to  
7 support ourselves or our families. Instead, we  
8 are working solely for welfare benefits, which may  
9 be as little as \$27.50 every two weeks. Where is  
10 the humanity in this?

11 I want to try to appeal to our City  
12 Council today. You are the people who supposedly  
13 work for the best interests of the people. You  
14 solicit our votes during election time. I want to  
15 ask you to imagine yourselves working for nothing  
16 more than food stamps. Can you imagine yourselves  
17 in a position such as this? How would you feel?  
18 How would you survive? How would you feed your  
19 children?

20 We're not asking for a handout  
21 here. All we want is to be able to stand on our  
22 own two feet. We're having a problem  
23 understanding why these WEP positions can be made  
24 available for people to work for nothing but they  
25 cannot be made available for permanent employment.

I would like to make a plea to those in power to be in favor of transitional jobs for the betterment of New York City and its people.

The Park Opportunity Program is a transitional jobs program which pays its participants a living wage while they learn on the job. Once the program ends, hundreds have moved into permanent positions. Training that leads to definite permanent employment would implement the revolving door--would eliminate the revolving door of welfare that the poor are forced to swing through again and again.

The mayor is proposing to cut the Parks Opportunity Program and replace its paid positions with unpaid WEP workers. We're not asking for much, just our dignity. Every worker deserves a paycheck. I implore those in power to abolish the WEP program which is tantamount to modern day slavery, and institute the Transitional Jobs Program in its place. Break the shackles from around our wrists. Set us free so that we can support ourselves and our families.

We want those who make over a

1 million dollars a year to pay their fair share of  
2 taxes. This will relieve some of the tax debt  
3 from the poor and middle class and make up for any  
4 deficits in the city budget.  
5

6 In closing, I will leave you with  
7 the old Chinese proverb: give a man a fish, and he  
8 will eat for a day; but teach a man to fish and he  
9 will eat for a lifetime. Thank you very much.

10 CHAIRPERSON RECCHIA: Thank you  
11 very much. Next?

12 CAMELIA ROBINSON: Good evening.

13 CHAIRPERSON RECCHIA: State your  
14 name for the record.

15 CAMELIA ROBINSON: My name is  
16 Camelia Robinson. And I am currently working in  
17 the Parks Opportunity Program as a JTP known as a  
18 Job Training Participant.

19 I am assigned to one of the Parks  
20 and Recreation's parks. I wanted to come to the  
21 budget hearing to make sure that you realize how  
22 important it is to restore the \$25 million for  
23 funding that POP positions.

24 Every one of the 17,000 WEP workers  
25 deserve an opportunity for paid work, like POP,



1 instead of the forced unpaid labor of WEP. Me,  
2 personally, I have been in WEP. When I did WEP I  
3 was at One Police Plaza in the license there. So  
4 I've experienced WEP and I know am experiencing  
5 the JTP program, which is much better. Because it  
6 makes me feel like I'm a citizen of New York, it  
7 makes me feel independent. To have that taken  
8 away from me would be horrible.  
9

10 In the past, like I said, I went  
11 through multiple trainings by HRA and they were,  
12 like what you said, a revolving door. In a way,  
13 POP could be a revolving door also, in a way.  
14 Because if they don't find me something permanent,  
15 then I have to get unemployment, then when the  
16 unemployment run out, then I'm back at HRA. Then  
17 they send me to another WEP and it goes on and on  
18 and on.

19 Some of this is... Like a revolving  
20 door. I just want a job that pays enough to live  
21 on. I have had training. I received a  
22 certificate from the State of New York certifying  
23 me as a trainee and I would like to be able to do  
24 an apprentice while getting paid, an  
25 apprenticeship.

1                                   The work in the parks is definitely  
2  
3 manual labor and hard work. But it feels good  
4 earning the paycheck. I am paying into social  
5 security and at my age I know that is important.  
6 Once a week, I go to the POP training class.  
7 That's the class that's supposed to help me, you  
8 know, get a permanent job. And have a job  
9 developer to help me obtain permanent employment.  
10 When the POP position is finished in six months--I  
11 told you that--then unemployment comes.

12                               As a JTP, I am a union member of DC  
13 37. That makes me feel proud too because I have  
14 attended some of DC 37 functions and I went with  
15 them to Washington back in October, sometime back.

16                           CHAIRPERSON RECCHIA: Thank you  
17 very much. Your time is up.

18                           CAMELIA ROBINSON: Oh, I didn't  
19 know.

20                           CHAIRPERSON RECCHIA: Okay, your  
21 time is up. Okay, the next person. Anything else  
22 you want to say?

23                           CAMELIA ROBINSON: Huh?

24                           CHAIRPERSON RECCHIA: Anything else  
25 you want to say? We have your testimony.

CAMELIA ROBINSON: Yes, please  
restore that \$25 million because--

CHAIRPERSON RECCHIA: [interposing]  
We hear you loud and clear.

CAMELIA ROBINSON: You would make a  
lot of independent people. Some people never had  
a chance to even feel that. You know what I'm  
saying?

CHAIRPERSON RECCHIA: We hear you.  
Okay, next?

PRECIOUS EDWARDS: Hello, good  
evening. My name is Precious Edwards. I know  
you've been calling my name multiple times today,  
but due to the budget cuts, you know, at the  
library, I was the last one to close up.

CHAIRPERSON RECCHIA: You work at  
the library?

PRECIOUS EDWARDS: Yes, I work for  
the Queens Library in Long Island City. This is  
my first time coming to a City Council meeting.  
This is really, really extreme. Oh man. I can  
relate to all of the organizations and everyone  
who stands before me. I've been employed at the  
library since I was 14. That makes ten years in.

I need my job. I have seven siblings at home and a sick mother.

Working for the Queens Library, when I started when I was 14-years-old, I truly, truly appreciate it. I worked my way up. I've gotten two promotions and also finished school with a bachelor's of management.

I'm asking today to restore the budget on the behalf of my other coworkers. We really work hard. Due to the unemployment rate, the library is flustered with so many people and so many children. So you cannot close the library down and you cannot lay off the people that work there. So I'm asking today to restore the budget and just to be mindful of the resources and everything that the Queens Library has to offer. Thank you so much.

CHAIRPERSON RECCHIA: Okay. Next?

JACQUELINE MCDUFFIE: Good evening. Thank you very, very much, Council Members for allowing me this privilege.

CHAIRPERSON RECCHIA: State your name for the record.

JACQUELINE MCDUFFIE: I am. I will

get to that. My name is--

COUNCIL MEMBER JACKSON:

[interposing] Down to your mouth for the mike.

JACQUELINE MCDUFFIE: My name is Jacqueline McDuffie. I'm a mother, grandmother and an advocate for seniors and children. I'm here representing Early Learn Bedford-Stuyvesant Head Start.

CHAIRPERSON RECCHIA: Which center in Bed-Stuy?

JACQUELINE MCDUFFIE: Early Learn.

CHAIRPERSON RECCHIA: Yeah, but which center?

JACQUELINE MCDUFFIE: 214 Stuyvesant. Okay, Early Learn Bedford-Stuyvesant Head Start. They're slotting us a lot of seats which we're in need of. We really do need those seats. I understand that that money that they do have that's going back that they--for me sitting here hearing about the money that you do have available, I don't see why we cannot still have those seats available and afforded to us. They are much needed.

The majority of the children in our

1  
2 area, in the Bedford-Stuyvesant area are, most of  
3 them are--they have learning disabilities a lot of  
4 them. Bad enough that we don't have the decent  
5 parks in the projects in which I reside or in a  
6 lot of the areas in which we reside or after  
7 school program funding.

8 I'm asking, I'm here, I'm pleading,  
9 I'm begging, whatever funds that is available be  
10 back, be rerouted back into that net that's needed  
11 for these children in the Bedford-Stuyvesant area.

12 CHAIRPERSON RECCHIA: Okay. Your  
13 Early Learn, you weren't wiped out. You didn't  
14 get zeroed out. You got cut seats.

15 JACQUELINE MCDUFFIE: Got cut  
16 seats, but they were much needed seats though,  
17 every last one of them.

18 CHAIRPERSON RECCHIA: I know.  
19 Listen, we are working on this. You know, there  
20 are other centers in your community that got  
21 zeroed out and it got hit hard.

22 JACQUELINE MCDUFFIE: And I feel  
23 sorry for them too. I'm here for all of them.

24 CHAIRPERSON RECCHIA: And what's  
25 even worse is that they awarded, some of those

daycare centers, they awarded them to a contractor from Glen Cove Long Island. Are you aware of that?

JACQUELINE MCDUFFIE: No. Well, I was--

CHAIRPERSON RECCHIA: [interposing]  
I know, I'm just saying.

JACQUELINE MCDUFFIE: I heard about the warehouses and stuff--

CHAIRPERSON RECCHIA: [interposing]  
I know. I'm just telling you how bad it is.

JACQUELINE MCDUFFIE: So how do we turn that around?

CHAIRPERSON RECCHIA: We are working on it right now.

JACQUELINE MCDUFFIE: Since we all aware of how bad it is.

CHAIRPERSON RECCHIA: We are trying to, but you have to make your voices heard. You have to make the other side hear you loud and clear.

JACQUELINE MCDUFFIE: Okay.

CHAIRPERSON RECCHIA: Okay.

JACQUELINE MCDUFFIE: Well, if you

need my assistance, I can talk very, very loud.

CHAIRPERSON RECCHIA: Okay.

JACQUELINE MCDUFFIE: I can be very, very boisterous.

[Laughter]

CHAIRPERSON RECCHIA: All right. Sit down, sit down. Council Member Jackson has a question.

COUNCIL MEMBER JACKSON: Thank you. Chair Recchia is right. Even though I'm glad that all of you are here giving testimony on the record, which is on Access TV so everyone that's home can see it also. But I think that we need to, we collectively, make our voices heard to the Mayor, to the commissioners, to our other elected officials that are not here in the City Council, to our other elected officials that represent us at the state level, they need to put pressure on all of us and the mayor to try to do the right thing.

So I have a question also for the workers. You work at Parks.

CAMELIA ROBINSON: That's right.

COUNCIL MEMBER JACKSON: And you



work at libraries. Now you said try to restore the money so you and your fellow workers can continue to be employed. Is that correct?

CAMELIA ROBINSON: Yes.

CHAIRPERSON RECCHIA: My question is how much do you earn? The reason why I ask that question is because I understand that if many of those employees are laid off then you're going to fall back on the system. So how much do you earn?

CAMELIA ROBINSON: When I was receiving public assistance, I was getting \$58.80.

COUNCIL MEMBER JACKSON: \$58.80 a what?

CAMELIA ROBINSON: Every two weeks.

COUNCIL MEMBER JACKSON: An hour?

CAMELIA ROBINSON: No, every two weeks.

CHAIRPERSON RECCHIA: Every two weeks.

CAMELIA ROBINSON: Yes. And I have a Boost phone that's \$50 a month.

COUNCIL MEMBER JACKSON: And so now?

1  
2 CAMELIA ROBINSON: Now is a much  
3 different picture, much better picture. I can pay  
4 my own partial rent. I make enough to pay my own  
5 light bill. I make enough to pay my own phone. I  
6 can even buy the computer phone now if I want to.

7 COUNCIL MEMBER JACKSON: So if  
8 you're laid off, what are you going to do?

9 CAMELIA ROBINSON: I'm looking for  
10 a job. I'm looking for a job while I'm making  
11 this money. I'm still looking for a job.

12 COUNCIL MEMBER JACKSON: I hear  
13 you. But if you don't find a job, where are you  
14 going to go? What are you going to do if you  
15 don't find a job?

16 PRECIOUS EDWARDS: Can I interject?

17 COUNCIL MEMBER JACKSON: Sure. I  
18 want somebody to answer for me.

19 PRECIOUS EDWARDS: Okay, if she get  
20 laid off and you will--if they don't close the  
21 library then you can come to the library and get  
22 resources for employment, for child care and--

23 COUNCIL MEMBER JACKSON:  
24 [interposing] Wait, what kind of resources? Are  
25 you going to pay her bills?

1  
2           PRECIOUS EDWARDS: No, I won't be  
3 able to help her pay her bills, but I do teach  
4 resume classes.

5           COUNCIL MEMBER JACKSON: Okay. But  
6 is that going to pay her bills though.

7           PRECIOUS EDWARDS: I can help her--  
8 if I'm able to keep my job then I'm able to help  
9 her look for a job because this is what I do every  
10 day.

11          COUNCIL MEMBER JACKSON: I hear  
12 you.

13          PRECIOUS EDWARDS: Every day.

14          CHAIRPERSON RECCHIA: All right,  
15 that's what this is all about.

16          JOHNETTA GOODLOWE: But she also,  
17 like she indicated before, going back on public  
18 assistance which she's trying to avoid.

19          COUNCIL MEMBER JACKSON: Trying to  
20 avoid.

21          JOHNETTA GOODLOWE: She's just  
22 becoming an independent individual but she's  
23 starting to appreciate and acknowledge herself,  
24 you know making the progress through employment  
25 and it's being ready to be stripped away from

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here. That's what she's trying to avoid.

COUNCIL MEMBER JACKSON: I understand. I agree with you wholeheartedly. What I was trying to get at, I wanted to know if in fact--I expect everyone who may be negatively impacted in this budget to look for a job. But if you can't find one, the bottom line is what are you going to do? You're going to go back and get back on social services. Am I right or wrong?

JOHNETTA GOODLOWE: That or go stealing, because we--

COUNCIL MEMBER JACKSON: [interposing] No, we're not going to steal.

JOHNETTA GOODLOWE: I'm just saying.

COUNCIL MEMBER JACKSON: We're not going to jail.

[Laughter]

JOHNETTA GOODLOWE: No, we don't want to do that.

COUNCIL MEMBER JACKSON: We're not going to jail.

JOHNETTA GOODLOWE: We don't want to do that but to provide for our children

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sometimes--

COUNCIL MEMBER JACKSON:

[interposing] I understand.

JOHNETTA GOODLOWE: --it resorts to that. I'm just making you aware. It does resort to that.

COUNCIL MEMBER JACKSON: And what I said--

JOHNETTA GOODLOWE: [interposing]  
And you should not ignore that fact.

COUNCIL MEMBER JACKSON: Madame, what I said earlier, with the Office of Management and Budget, what I said to the City Comptroller and to the Director Page is that it's better to keep--to restore the money and keep people employed--

CAMELIA ROBINSON: [interposing]  
Yes.

JOHNETTA GOODLOWE: Exactly.

COUNCIL MEMBER JACKSON: --it's going to cost the city more money as far as social services, childcare, Medicaid, all the other things.

CAMELIA ROBINSON: Yes.

PRECIOUS EDWARDS: Yes.

JOHNETTA GOODLOWE: Exactly.

COUNCIL MEMBER JACKSON: Do you  
agree or disagree?

GROUP: I agree.

COUNCIL MEMBER JACKSON: Thank you.  
Case closed.

CHAIRPERSON RECCHIA: Okay. All  
right.

[Laughter]

JOHNETTA GOODLOWE: It also costs  
us money to keep in prison, so it's ridiculous.

CHAIRPERSON RECCHIA: Okay. Thank  
you very much. Thank you all for coming to  
testify. You were very effective. We heard you  
loud and clear. Okay, now, Teen RAPP, let's go.  
Come on up. Teen RAPP, let's get all these young  
students in because they have to get home to  
study.

STAFF: Following Teen RAPP, the  
next panel--

CHAIRPERSON RECCHIA: [interposing]  
Hold on, hold on, Teen RAPP, everybody come on up.  
Teen RAPP, let's come on up. We get everybody up.

1 I have 100 more people to go. Let's go. Teen  
2 RAPP, everybody come on up. Let's go. Take a  
3 seat. Let's line up right in this first row. We  
4 have 100 more people to go. No, first row, Teen  
5 RAPP in the first row. Let's go.

6  
7 Before we go with Teen RAPP, we're  
8 going to call the next panel to sit in those  
9 chairs to the right. Go ahead.

10 STAFF: On deck panel: Jaslyn  
11 Imenez, Raul Rodriguez, Elaine Short, Angelo Ortiz  
12 and Solidad Hisiano.

13 [Pause]

14 CHAIRPERSON RECCHIA: You're on.

15 JOVAN MARTINEZ: Okay. Good  
16 evening, Chairman Recchia and City Council. My  
17 name is Jovan Martinez and I'm with the RAPP  
18 program. For those of you who don't know what the  
19 RAPP program stands for, it stands for the  
20 Relationship Abuse Prevention Program.

21 I say these words with such  
22 seriousness because of its severity. The RAPP  
23 program is more than an organization, it is a  
24 family. It is a safe haven. And moreover, it is  
25 peace of mind. Growing up in New York City, I am

1  
2 sure I am not the only person who has seen youth  
3 at risk. Turn to the streets, or worse, turn  
4 against themselves and fall apart.

5                   Unfortunately, for some of these  
6 teens, they did not get an opportunity to have a  
7 second chance. But with the RAPP program, other  
8 teens are able to get a second chance. But with  
9 the RAPP program, other teens are able to get a  
10 second chance.

11                   I am a RAPP alumni and I am proof  
12 that the RAPP program saves lives. When I entered  
13 the program, I was ready to give up. I recall  
14 riding the E trains back and forth to kill time  
15 and not go to school. Abused, lost and confused,  
16 the RAPP program found me and nurtured me back to  
17 life. If it had not been for the RAPP program,  
18 you would not see the strong, indomitable woman  
19 you see standing before you today.

20                   I am in college, working towards my  
21 Bachelor's of Social Work and have the willpower  
22 to change this world. But if you cancel this  
23 program, I can almost guarantee that you will not  
24 find as many successful stories as mine. We are  
25 at a critical time in this world where teens are



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2 Honorable Members of the City Council, my name is  
3 Maritza Villegas and I am a guidance counselor at  
4 the Manhattan Center High School for Science and  
5 Math, one of the nine high schools that  
6 collaborate with the Relationship Abuse Prevention  
7 Program under the Steps to End Family Violence  
8 umbrella.

9 I find it rather baffling that year  
10 after year a program such as RAPP has to justify  
11 their existence for keeping young people out of  
12 the prison industrial complex, out of hospital  
13 emergency rooms, out of psychiatric wards, off the  
14 streets and out of morgues.

15 Year after year, the RAPP program  
16 addresses the needs of students that face the  
17 issues of bullying, low self-esteem, depression,  
18 abandonment, substance abuse, body mutilation,  
19 violence in the home, incest, homophobia, multi  
20 complex trauma and many other socioeconomic and  
21 emotional crises.

22 Our RAPP social worker, Ms. Zumberg  
23 [phonetic], sees over 900 kids per year, running  
24 individual sessions, group sessions, and lunchtime  
25 theme groups. She presents classroom workshops,

1  
2 is available for consultation with staff members  
3 and is a crisis intervention go-to person whenever  
4 necessary.

5 Just this year, the life of one  
6 individual student in particular went from being a  
7 confrontational, hostile, aggressive bully to both  
8 her peers and adults in authority, educators, to  
9 an assertive, articulate, focused individual that  
10 just ran for student government and is now a  
11 delegate for her grade level.

12 RAPP intervenes on behalf of  
13 students, arms them with the necessary tools to  
14 become resilient, assertive, self-confident, and  
15 develop healthy creative coping and leadership  
16 skills. The empowerment of youth that RAPP  
17 successfully facilitates in keeping your  
18 constituents' children healthy and productive  
19 should not need any justification for continued  
20 funding.

21 This program ideally should be in  
22 every school. Schools now face budget  
23 constraints. I myself am responsible for the  
24 lives of 430 students in a school of almost 1,700-

25 CHAIRPERSON RECCHIA: [interposing]

1 All right, could you please sum up? Your time is  
2 up.  
3

4 MARITZA VILLEGAS: And our  
5 students' safety net should remain intact. Thank  
6 you.

7 CHAIRPERSON RECCHIA: Thank you  
8 very much. Next?

9 NAISHA SANTINI: Hi. My name is  
10 Naisha. I would first like to take some time to  
11 thank you for supporting the RAPP program  
12 throughout the years.

13 Being part of RAPP has been an  
14 amazing experience. I've learned that abuse can  
15 be many different ways, not only physically, but  
16 mentally. RAPP has improved and changed many  
17 lives in different ways. I, for one, have learned  
18 to open up to others.

19 I used to be the type to--the type  
20 of person to keep everything inside. I lived by  
21 the moment never thinking about tomorrow. That  
22 all changed three years ago, the day I became part  
23 of this RAPP family. Honestly, I had just been  
24 released from prison and had bruises all over my  
25 wrists from the handcuffs. Ellen Fields

1 [phonetic] a social worker with RAPP saw me and  
2 took the time to speak to me. She listened to my  
3 story. She showed me she cared. From that moment  
4 on I became a RAPP member. I began changing my  
5 life and seeing things from a different  
6 perspective. I can't imagine where I would have  
7 been without RAPP. The road I was heading toward  
8 was a dead end, a life of not being educated,  
9 being affiliated crime, tragedy, probably prison.  
10 RAPP has always--RAPP has also helped me realize  
11 exactly what I want to do after high school.  
12 After high school I would like to go to college  
13 and become a social worker for children just like  
14 RAPP so that I could continue to improve lives in  
15 RAPP. I feel strongly supported by my peers. At  
16 times this world could be a cruel place, and no  
17 one should have to go through it alone. I believe  
18 that everyone needs a helping hand at one point in  
19 their life. Programs like RAPP are needed so that  
20 people know they have a safe place to share their  
21 problems and be supported. We are a relationship  
22 abuse prevention program that cares about our  
23 community. We volunteer at many places and at  
24 many different events. We reach out to the  
25

1 community informing people how serious abuse is.  
2 Everyone is different, and no one should be judged  
3 or harmed in any way. The violence going on  
4 across the state keeps rising, and every day  
5 someone is being abused. Therefore programs like  
6 RAPP are needed drastically. I hope you find it  
7 in your heart to grant us the funds to keep us  
8 running so that we can continue to reach out and  
9 help our fellow New York community. Please fund  
10 this important program. It has made a real  
11 difference and can help many more teens. Thank  
12 you.  
13

14 CHAIRPERSON RECCHIA: Okay, all  
15 right, we have to keep this down to two minutes.  
16 I know you prepared statements, but you have to  
17 keep it down to two minutes. I'm trying not to  
18 cut you off, but you have to keep it down to two  
19 minutes. I have 100 more people to get through.  
20 Okay? I'm trying to do this as quickly as  
21 possible, you know. Two minutes.

22 ILENE: Hello, everyone. My name  
23 is Ilene. I am a senior at Manhattan Center for  
24 Science and Math, and next year I will attend City  
25 College, I mean in the fall. So before RAPP I had

1 very low self-esteem. I was very reserved, shy,  
2 and critical of myself, but then there was a  
3 moment in the summer peer leadership program that  
4 changed my life completely. We watched a  
5 documentary called, "America, the Beautiful," and  
6 in it was plain-looking woman without make-up or  
7 hair extensions who was then transformed into a  
8 completely looking woman who had on heavy make-up,  
9 hair extensions and photoshopped. At that moment,  
10 I realized that society makes us believe that we  
11 are ugly and that we should change our appearance  
12 into someone we are not. I noticed that I was  
13 trying to conform to Society's unrealistic  
14 expectations of beauty and that I should just be  
15 myself and love me for who I am. RAPP has taught  
16 me that abuse equals power plus control or a  
17 partner, and I know that if I love myself and  
18 accept myself I will not let anyone harm me or  
19 have control over me. Because of this program, I  
20 can now speak openly and project my voice in a  
21 room full of people without hesitation and can  
22 look into the eyes of each and every one of you,  
23 thank you.

24  
25 CHAIRPERSON RECCHIA: Next, please.

MS. TRISHA WILKERSON: My name is Trisha Wilkerson. In high school, I joined a program, Relationship Abuse Prevention Program, or RAPP. The amazing coordinator in charge was Gail Greenstein [phonetic]. Gail encouraged me to join RAPP and told me all about the activities that are done to help raise awareness about TD and violence. At that time I was a 15-year-old high school sophomore and was excited about joining a club at my school. I participated in many workshops and was trained to be a peer leader. I learned to recognize the signs of abuse and how to have a healthy relationship. This includes how to communicate, being respectful of one another and being honest with your partner. I helped lead the workshops and become a role model for other students who were in abusive relationships. I became very motivated to actually come to school every day. I also participated as a peer leader in the RAPP summer program. There I had the opportunity to meet other RAPP students from different schools. Together, I learned with my peers how to prevent teen relationship abuse. We also had a great time doing community service



1 activities and helping others. That summer  
2 absolutely changed my life. This phenomenal  
3 program has affected me in a profound way and has  
4 helped me become the woman I am today. Joining  
5 RAPP has helped me meet other adult females who  
6 are role models because they choose not to use  
7 violence to solve their problem with other people.  
8 RAPP has helped me with many of my relationships  
9 both in dating relationships and relationships  
10 with my family and friends.  
11

12 I'm now 21 and RAPP has opened many  
13 doors for me and shaped me into a strong woman. I  
14 am so devoted to RAPP, and I'm very grateful to  
15 have a program like RAPP in my life. I feel  
16 extremely lucky to have RAPP and don't know where  
17 I would be or the person I would have become if I  
18 had never walked into that colorful RAPP office  
19 where I was welcomed with open arms. RAPP is such  
20 an awesome program. I honestly feel that many of  
21 my peers would have ended up dropping out of high  
22 school or been incarcerated for committing crimes  
23 if they had not joined RAPP. RAPP is truly a home  
24 away from home. Thank you.

25 CHAIRPERSON RECCHIA: Okay, we know

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1 RAPP over the summer. They have come back  
2 confident and more open to be themselves. RAPP is  
3 about finding yourself and defining yourself,  
4 accepting yourself, not neglecting yourself.  
5

6           Entering RAPP, the group leaders I  
7 met were extremely welcoming, subsiding in a world  
8 that is usually cold and judgmental, a warm  
9 welcome was like a breath of fresh air. Cutting  
10 the funds for RAPP would be like contradicting all  
11 the values that many of us have been instilled  
12 with since birth. When I was younger, my mother  
13 would tell me, you can do anything you put your  
14 mind to. Well, that's what the RAPP program gives  
15 me the confidence to do. Taking that away would  
16 be like snatching the life vest from a drowning  
17 man. If he's already sinking shouldn't you be the  
18 one to throw him a life vest, to lend him a hand.  
19 Would you rather support something superficial or  
20 the teens of tomorrow. RAPP could save a life.  
21 The choice is yours.

22           CHAIRPERSON RECCHIA: Thank you,  
23 next.

24           EMILY CASARIAS: Good afternoon,  
25 Chairman Recchia, and New York City Council

Committee on Finance. My name is Emily Casarias.

I am a former teen RAPP peer leader at South Shore High School in Brooklyn, New York, and I just completed my first year at SUNY Delhi [phonetic]. I joined team RAPP in 2009 when a friend brought me to a teen RAPP social worker. I'm just going to go into--to make it short.

RAPP definitely helped me expand my horizons and go to school away from home. Being a peer leader for three years has really helped me express myself and be more outspoken. Last semester in team RAPP we conducted four separate three-hour workshops to educate participants in our agency summer youth employment program. This experience not only helped me at college in my course in public speaking and business communication, but it also helped me break out of my shell. I am now open about my sexual orientation as a lesbian, and I am proud to say that I have been in a healthy relationship for the past seven months. I urge you to restore full funding for the team RAPP program, which serves more than 51,000 students in New York City middle and high schools. There is so much power in the

1  
2 peer education program such as team RAPP. I know  
3 that when I was in high school and sometimes I  
4 tuned out listening to adults especially when  
5 things became boring to me. The idea of students  
6 training other students on issues such as healthy  
7 versus unhealthy relationships is so powerful  
8 because youth can be--somebody that's young can be  
9 in the audience to look at youth trainer who was  
10 just like them and say, hey, I can do that too. I  
11 feel that I have become a role model for other  
12 youth and because the future is in our hands I  
13 truly want students to benefit from the fantastic  
14 team RAPP program as much as I have. I am now 19  
15 and able to vote in elections, and testifying  
16 today before the City Council is my first major  
17 step in having my voice heard as a young adult,  
18 and my voice is one that saves lives. Please  
19 allow team RAPP to continue and help save lives by  
20 restoring full funding for the program. Thank you  
21 very much.

22 CHAIRPERSON RECCHIA: Thank you.

23 Next.

24 SUHALY RODRIGUEZ: Good evening,  
25 Chairman Recchia, and City Council Committee on

1 Finance. My name is Suhaly Rodriguez [phonetic],  
2 and I am a senior peer leader at RAPP. I have  
3 been with them since 2009 and stand in front of  
4 you still with them in 2012. I am a foster child  
5 who has been through it all, verbal abuse,  
6 emotional abuse, physical abuse, you can name it,  
7 I've been through it all. Sorry.

8  
9 CHAIRPERSON RECCHIA: Take your  
10 time.

11 MS. RODRIGUEZ: RAPP has helped  
12 save my life. If it wasn't for them, I wouldn't  
13 be here today. I am now standing in front of all  
14 of you as a college student who thanks life,  
15 thanks everything for--my peers, for my coworkers,  
16 for everyone who has helped save my life. Sorry.  
17 Awkward.

18 CHAIRPERSON RECCHIA: That's okay.  
19 Take your time. What school do you go to?

20 MS. RODRIGUEZ: Niagara University.

21 CHAIRPERSON RECCHIA: That's all  
22 the way up there. You're home from college, huh?

23 MS. RODRIGUEZ: Yes.

24 CHAIRPERSON RECCHIA: I got to tell  
25 you something. I see my friend over there crying.

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you don't save the program, it's basically saying why save my life.

CHAIRPERSON RECCHIA: What's your major in college?

MS. RODRIGUEZ: Niagara University.

CHAIRPERSON RECCHIA: No, what's your major?

MS. RODRIGUEZ: Oh, sorry, awkward. I'm a communications major with a minor in sociology and philosophy going into social work.

CHAIRPERSON RECCHIA: You should definitely be a social worker. You are very effective. You were fabulous. I have to just tell you something.

MS. RODRIGUEZ: That's the program. I represent the program.

CHAIRPERSON RECCHIA: You speak from the heart. I'll let everybody give her a round of applause. This young lady deserves it.

[applause]

CHAIRPERSON RECCHIA: Okay.

SOUSH: Hi, everyone. My name is Soush [phonetic], and I'm a peer leader for RAPP program at Lincoln High School. I'm getting ready



to graduate and will go to City College.

CHAIRPERSON RECCHIA: That's my District, Lincoln High School.

SOUSH: We'll be seeing you on Friday.

MALE VOICE: City College is in my District too.

SOUSH: I'll be going to City College next year. When I started my senior year, I heard about RAPP on an announcement in my school, and they said this is the program that prevents domestic violence and relationship abuse. So when I heard the word "domestic violence" I thought that I should definitely go and see what the program is and how it helps because domestic violence is an issue that I grew up with and I kind of still live with it at home. I could see things between my parents, how the things were affecting everyone else in the family, even my younger siblings, me. That made us fearful. That made us sad and angry, so when I would see these things happening, I felt like I had no control over things, and I felt like it was going to be the same forever. I had no hope, but when I

1 joined the peer leadership program, the first  
2 thing I got to know is that physical abuse is not  
3 the only type of abuse, and I think most of us  
4 don't know that. Like most of the teenagers, they  
5 don't know, and then I had my first experience  
6 with RAPP. We went to a field trip where I had to  
7 meet other students. I'm really bad in talking to  
8 random people, but when I started talking to  
9 people there, we played games. I felt really  
10 confident and thankful to RAPP because it builds  
11 self-confidence in me, and then I had a very  
12 important experience with RAPP in my life that we  
13 visited a domestic violence shelter. We taught  
14 other students at our school about what  
15 relationship abuse, and we sold bracelets, and we  
16 raised money for a local domestic violence  
17 shelter. We went there, and we met the staff.  
18 They told us the stories of different people, and  
19 they told us how people came there. I felt like,  
20 oh, I'm not the only one, I'm not alone. There  
21 are a lot of people out there who faces this type  
22 of situation at home. I was--they actually--when  
23 I--so when I heard the word "shelter" I thought  
24 it's going to be like a big place, all the people  
25

1 living messed up, everything, but when I visited  
2 there it was totally different. It was like home,  
3 and I felt really good that actually people are  
4 getting help and things are not staying the same  
5 as they used to think that they're not going to  
6 change, but people do actually get help and things  
7 change. During my time in RAPP, I learned that we  
8 can't stop the abuser, but we can definitely step  
9 into the situation. We can learn how to deal with  
10 it, and how to handle it and be safe in the  
11 situation and get through it, and RAPP actually  
12 helped me. In RAPP I learned the importance of my  
13 relationship with myself.

14 I have more confidence in me. I am  
15 more confident about my choices, and I am able to  
16 express myself in a way that I never could before.  
17 This is something that is going to stay with me  
18 for the rest of my life, and RAPP gave me a lot of  
19 opportunities. If I start mentioning the positive  
20 changes in me because of RAPP, the list won't end,  
21 and I don't have time.

22 CHAIRPERSON RECCHIA: Okay, all  
23 right, you were very, very good.

24 SOUSH: Now I have another view of  
25

1 the world. RAPP prepared me to step out in the  
2 world and face it with more confident and like it  
3 build my mentality and I feel like I'm able to  
4 take more responsibilities. I feel like at home I  
5 can take care of my younger brother and sisters.  
6 I feel more responsible, and I'm really thankful  
7 to RAPP.  
8

9 CHAIRPERSON RECCHIA: I have one  
10 question for you. So in Lincoln High School do  
11 you think they need this program? Should we give  
12 them money again for next year?

13 SOUSH: Yeah. Personally I love  
14 this program.

15 CHAIRPERSON RECCHIA: How many kids  
16 are in the program at Lincoln High School?

17 SOUSH: We have 12 peer leaders.

18 CHAIRPERSON RECCHIA: Twelve peer  
19 leaders, and how many other kids are you working  
20 with?

21 SOUSH: At my school, my teacher  
22 does counseling, and we do field trips, and I  
23 attended a lot of field trips where I met other  
24 peer leaders and other people related to RAPP.

25 CHAIRPERSON RECCHIA: How often do

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you see your teacher that's in charge?

SOUSH: My RAPP teacher, almost every day.

CHAIRPERSON RECCHIA: Thank you very much. Very effective.

SOUSH: Please fund RAPP. Please don't close the program.

CHAIRPERSON RECCHIA: All right, next let's hear from the young man. What school are you from?

MIGUEL RIVERA: Humanities Preparatory Academy.

CHAIRPERSON RECCHIA: You're surrounded by all these beautiful women.

MALE VOICE: Down on 18th Street. Where's it located at?

MR. RIVERA: It's in the lower east side of Manhattan. Well, this is lower east side. Is that Margaret Chen's District or Rosie Mendez' District?

MR. RIVERA: It's on 19th Street and 9th Ave.

MALE VOICE: Yeah, that's--18th Street and--okay, Chelsea area?

MR. RIVERA: I'm going to start?

Yes? I'm a little nervous, sorry. My name is Miguel Rivera. I have been in the Relationship Abuse Prevention Program, RAPP, for two years. This peer leadership program has a positive influence over today's youth. The program helps students feel more comfortable with other students. It helps kids who may have been bullied have a safe, non-judgmental place to make friends. At RAPP we learn about healthy relationships and how to recognize unhealthy relationships. RAPP is a great program. It gives teenagers many opportunities to learn and give back to the community. The RAPP summer program gave us even more opportunities to do community service. We serve food to the needy and played with children who were victims of domestic violence. I enjoyed the RAPP summer program activities so much that when my Dad asked me to go on vacation with him this summer, I told him it was more important to participate in RAPP. RAPP has helped me personally in many ways. I am now more aware of the world around me, more open-minded towards others and understand how hurtful certain words

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1  
2 thank you all. You were very effective, and we  
3 will do everything we can to save the program.  
4 You were excellent. You spoke extremely well,  
5 extremely well-prepared. Your teachers should be  
6 really proud of you. Okay? Does anybody else  
7 from RAPP want to say anything?

8 FEMALE VOICE: I just want to say  
9 thank you for letting them speak.

10 CHAIRPERSON RECCHIA: I know.  
11 Thank you.

12 FEMALE VOICE: They worked  
13 extremely hard.

14 CHAIRPERSON RECCHIA: This young  
15 lady, you were fabulous. Okay, team RAPP, half  
16 the room is going to empty out now. Okay, okay,  
17 the group that was on deck, come have a seat at  
18 the table.

19 [crosstalk]

20 MALE VOICE: First off, Mr. Ax,  
21 Soladad Hisiano [phonetic], Angelo Ortiz, Elaine  
22 Short, Raul Rodriguez and Jaslin Jimenez  
23 [phonetic].

24 CHAIRPERSON RECCHIA: Mr. Ax,  
25 you're on deck. You're on deck, Mr. Ax.



MR. AX: Soladad, you go first.

Soladad.

CHAIRPERSON RECCHIA: Okay, all right. I told you half the room was going to empty out. Okay.

MS. SOLADAD HISIANO: Good evening, and thank you so much for this opportunity. My name is Soladad Hisiano. I'm the Executive Director of Community Association of Progressive Dominican, ACPD. We are a not-for-profit organization situated in Washington Heights that serves 20,000 families in Manhattan and the Bronx. School budgets have been continuously decreasing in the past three years. This decrease has made it extremely difficult for school principals to sustain their own after-school and tutorial program, and so they have had to rely on the help of community-based organizations or CBOs and private entities. Washington Heights and Inwood in community school district 6 has 20,607 children registered, pre-K to eighth grade. Of approximately 17 OST out of school time programs that were a privileged service to this area, only six were awarded to Washington Heights and Inwood

reflecting approximately only 900 slots. We are still left with a deficit of 19,000 elementary and middle school students without the possibility of a free after-school program. ACDP lost 400 slots of the OST program. This means that an estimate amount of 200 to 300 parents may be forced to leave their job because of their inability to leave work early to provide their children with enrichment activity instead of being left home alone from 3:00 to 6:00. Furthermore, ACDP will have to lay off 70 to 100 employees in our community. This factor will increase the already high employment in Washington Heights and Inwood, which is currently at 14%, 6% higher than the national average. An issue brief put forth by the Afterschoolalliance.org in 2007 found that young people face a number of dangers during the hours of after school because there are approximately 20 to 25 hours per week that children were out of school while their parents were still working creating an after-school gap. Self-care and boredom can increase the likelihood that a young person will experience with drugs and alcohol by as much as 50%. Youth tend to develop patterns of

1 alcohol, tobacco and other drugs or non-use drugs  
2 at the age of 12 to 15. After-school programs are  
3 a powerful antidote to youth crime. They provide  
4 a safe haven that keeps kids away from violence.  
5 They provide an alternative to gangs and street  
6 life allowing kids to develop new skills and  
7 interact positive with peers. With these cuts,  
8 our fear is that we are going back to those times  
9 when crime rates including gang violence of young  
10 children were higher and it's becoming a reality,  
11 especially at the time when we have over 30,000  
12 disconnected youth in Washington Heights and  
13 Inwood on the ages of 16 to 24. We urge the City  
14 Council to please replenish 100% of the after-  
15 school and childcare funding because if you don't  
16 take care of our children today, tomorrow it will  
17 cost us double. I also urge the City Council that  
18 when they replenish these funds, they should  
19 return these funds to the community in greatest  
20 need. I greatly appreciate your time, and I would  
21 like to say that I am in awe of your presence.  
22 Councilman Jackson is my councilman so this is why  
23 I vote for him and his leadership, and to have--  
24 I've never met Councilman Chen, but for you to sit

1 here all of these hours, I am in awe of your duty  
2 and your sense of duty to the city. And  
3 especially you, Chair, everyone who has come forth  
4 you have validated, and sometimes that is why we  
5 come to you because we want to feel validated. We  
6 want to feel that we're not crazy. The kids who  
7 were here before us, that is why we are here.  
8 That is the future, and this is why we fight every  
9 single day.  
10

11 CHAIRPERSON RECCHIA: I just want  
12 to ask you one question. You have OST programs?

13 MS. HISIANO: I had four OST  
14 programs, three in Manhattan and one in the Bronx.

15 CHAIRPERSON RECCHIA: How many of  
16 them were zeroed out?

17 MS. HISIANO: All of them. I lost  
18 all of them.

19 CHAIRPERSON RECCHIA: See, you lost  
20 all of them, and you are here fighting for that.  
21 Right?

22 MS. HISIANO: That's right.

23 CHAIRPERSON RECCHIA: And I'm sure  
24 they were very good programs. How long have you  
25 had them for?

1  
2 MS. HISIANO: I had them for eight  
3 years. They were so good that two of them were  
4 model programs, and DYCD sent programs that were  
5 failing to those programs, and those programs that  
6 were failing got funded and we didn't.

7 CHAIRPERSON RECCHIA: You know you  
8 said something in your testimony that I have to  
9 tell you--I just have to say this, why this budget  
10 is one of the hardest budgets I have ever  
11 negotiated in all my years of doing this because  
12 it's not a question of just putting the money  
13 back. It's a question of making sure the funding  
14 goes back to the right places, okay. It's going  
15 back to programs like yours that got zeroed out  
16 for no reason, maybe because you're in the wrong  
17 zip code, and that is the problem that I have. I  
18 have that problem, and I have the problem of  
19 contracts being awarded to not-for-profits from  
20 Glen Cove, Long Island. That, you know, people  
21 laugh about that, but I have serious problems with  
22 that. The Shirley Chism [phonetic] Daycare  
23 Center, over 40 years, got zeroed out and was  
24 given to a program from Glen Cove, Long Island.  
25 That hurts me. What does Glen Cove, Long Island

1 know about Bedford, Stuyvesant, Brooklyn. That's  
2 why I'm glad you're here. We're going to fight,  
3 and we're trying to correct this. Like I said,  
4 it's not a question of putting money back. It's a  
5 question of making sure it goes back to the right  
6 programs. Thank you.

8 MS. HISIANO: Thank you.

9 MS. ELAINE SHORT: Good evening,  
10 councilmembers. My name is Elaine Short. I'm  
11 from the Lucille Rose Daycare Center in Far  
12 Rockaway, a forgotten area, and I applaud you all.  
13 I really appreciate the fight that you all have  
14 for us in regards to this Early Learn. And I just  
15 want you to know that Far Rockaway has been hit  
16 extremely hard in regards to the Early Learn. When  
17 the panel for Early Learn met with the people, I  
18 asked the panel, what does it mean to be in a non-  
19 targeted area because 11692 was considered a non-  
20 targeted area. I asked them should we even vote,  
21 I mean write the RFP. They stated, oh no, write  
22 the RFP because you will compete against one  
23 another. So there's four centers in that area, at  
24 least one center should have gotten it if we had  
25 to compete against one another. No one received

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2 it. The Lucille Rose Daycare Center has been in  
3 service for close to 45 years. There's six  
4 centers in the Rockaways that's going to be shut  
5 down, that is going to be closed, over 416  
6 children will be displaced from 135th Street to  
7 44th Street. There will be no city childcare  
8 business.

9                   Now, how can the Mayor say that he  
10 cares for children and that we will have quality  
11 education when he is putting over 416 children  
12 into the street with no type of education. The  
13 Mayor has no respect for the daycare system. We  
14 are the only group of people who have been without  
15 a contract for over six years, and we have been  
16 working without a contract since 2006, without a  
17 contract. The cost of living increased. Our  
18 rent, clothing, everything increased except our  
19 salaries, and the people who--the programs who  
20 received Early Learn was told that they have to  
21 take a cut in salary, and you know that daycare  
22 salary is the bottom of the totem pole. The rich  
23 get richer, and the middle, working class get  
24 eliminated to be poor. I'd like to have my three  
25 minutes because I came from Far Rockaway. I've

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got to be on the train by myself.

CHAIRPERSON RECCHIA: Go ahead,  
we'll let you, a few minutes.

MS. SHORT: I'm just asking where  
are all of the children going to go on that  
peninsula because they closed, there's only three  
centers left on the peninsula.

CHAIRPERSON RECCHIA: There's only  
three centers left in the Rockaways?

MS. SHORT: Yes.

CHAIRPERSON RECCHIA: Out of how  
many?

MS. SHORT: It was ten altogether.  
They closed down one last year, and they're  
closing six now this year. So that's leaving only  
three, and I'm asking you for the Early Learn to  
be reconsidered because it was designed to limit  
the future of our children. Any program that  
displaces thousands of children is an injustice to  
our children and it violates their civic right for  
an education. I just want to say to the council  
seat, the daycare community has tried to reach the  
Mayor. He doesn't care. We've had rallies. We  
had a rally on the 31st. It was over 3,000 people



1 in front of City Hall. The police turned away  
2 children because it was so much, but you didn't  
3 hear it on the media. I don't know, did he buy  
4 the media. I know he has a lot of money because  
5 channel 2, channel 5, channel 9, channel 11, they  
6 didn't have it on the media. All you can hear was  
7 about the 20-oz. sodas. So we need you, the City  
8 Council, we need you because the Mayor is not  
9 paying attention to our petition. He's not paying  
10 attention to our rallies, and we need your help.  
11 That's why I said I applaud you because I was here  
12 when you all met and talked with the Commissioner  
13 here and you all stopped him on so many questions,  
14 and I applaud you and I just ask you, don't forget  
15 the Rockaways and keep us.

17 CHAIRPERSON RECCHIA: Listen. I  
18 hear what you are saying, but if you are telling  
19 me out of ten centers in the Rockaways, there's  
20 only three remaining open, those other seven  
21 should get together and get buses and come down  
22 here and make your voices heard.

23 MS. SHORT: We did that. We did  
24 that on May 31st.

25 MALE VOICE: Who is your

representative? Who is your council member?

MS. SHORT: Councilman James Sanders.

MALE VOICE: Oh really.

MS. SHORT: I said the same thing two weeks ago when you all had the hearing. I called his office. I was in tears because I said where are you, you didn't represent the Rockaways. He told me. Don't worry. Behind closed doors is when it counts. That's when I'm there.

CHAIRPERSON RECCHIA: Okay, well James Sanders works extremely hard. He's out there, and I have to tell you he is an excellent Council member. He spoke to me, but we really, you know, I have to--and I tell people this, you have to be heard, you have to do whatever you have to do. I mean if all of these centers got zeroed out would get together just like Occupy Wall Street did, they were heard.

MS. SHORT: Yes.

CHAIRPERSON RECCHIA: Unfortunately, that is what it's going to take. We are fighting this battle. We hear you loud and clear. There's not a day that goes by--you know,

1  
2 my wife the other morning turned around to me and  
3 she said to me, you know, I think this daycare  
4 issue is really getting you stressed out. I said  
5 it's not getting me stressed out. I am so  
6 personally involved in this issue because I just  
7 every day I live it, I hear it, and I experience  
8 it, and I can really feel for you, okay. And  
9 thank you, Nick. I just want you to know it's  
10 just devastating. I agree with everything that  
11 you are saying. You know, if they would have went  
12 from center to center and said, you're not doing a  
13 good job or you're not performing, that's one  
14 thing.

15 MS. SHORT: Yes.

16 CHAIRPERSON RECCHIA: But for the  
17 centers that have been--how long has your center  
18 been around?

19 MS. SHORT: Forty-two years.

20 CHAIRPERSON RECCHIA: Forty-two  
21 years.

22 MALE VOICE: Forty what?

23 CHAIRPERSON RECCHIA: Forty-two  
24 years, and she's got--

25 MS. SHORT: [interposing] We give

to the community. I have given clothes, coats.

We have--

CHAIRPERSON RECCHIA: [interposing]  
What is the name of the center?

MS. SHORT: Lucille Rose Daycare  
Center. June 14th we're having a mammogram--we  
give to the community.

CHAIRPERSON RECCHIA: Before you  
leave, one of my staffers, okay, Michayla, would  
you please get this lady's name and the name of  
the center before she leaves, okay.

MS. SHORT: Thank you.

CHAIRPERSON RECCHIA: Okay, next.

MS. JASLIN JIMENEZ: Good evening.  
My name is Jaslin Jimenez, and I'm the assistant  
vice president at the Hispanic Federation. I  
would like to thank Chair Domenic Recchia and all  
of the esteemed members of the City Council's  
Finance Committee for holding this important  
hearing to discuss the impact of the proposed  
funding cuts to out of school time, OST, programs  
in New York City.

As one of the leading Latino  
organizations in the nation, the Hispanic

Federation works to promote the social, political and economic wellbeing of Latinos across our nation and City. Every day we are amazed at the incredible work our Latino community-based organizations are doing to preserve and provide critical services for the neediest families in New York City. Our organization is one of the front-line service providers for one million individuals and families and help to both create and sustain more than 7,000 jobs. The OST cuts are reflective of the dire situation faced by our agencies and the communities that depend on their services. For the last two years OST has repeatedly suffered cuts in funding, and this year the Mayor's proposed budget cuts would essentially dismantle the after-school program safety net for our city. The cuts would eliminate more than half of all after-school slots. According to the campaign for children, 47,000 children will be unable to attend after-school programs. Parents will be forced to find affordable after-school programs increasing the financial burden on working families. An alarming 50% of parents who utilize OST childcare programs would have to leave their jobs in order

1 to care for their children.

2  
3 Cuts form only six Hispanic  
4 Federation member agencies that have the largest  
5 OST contracts will amass to losses of more than  
6 1,500 after-school slots. 2.7 million in reduced  
7 funding and an estimated 225 laid off employees.  
8 These cuts will result in imminent damage to the  
9 Latino non-profit sector and to the communities  
10 that so desperately depend on its wellbeing. As a  
11 community, we already face grave challenges in the  
12 areas of youth development. Latino children and  
13 teens suffer from poor educational outcomes  
14 including the highest dropout rates in the city  
15 and high levels of contact with the criminal  
16 justice system. Latino families depend heavily  
17 upon programs such as OST to make a difference in  
18 the life of children. In difficult times,  
19 struggling children and families need more, not  
20 less. OST is an academic lifeline for kids who  
21 are struggling in school and a safe haven for  
22 youth that need an escape from the streets. For  
23 the sake of our children and families, we urge the  
24 full restoration for OST and other critical  
25 educational programs in fiscal year 2013.

Equally important, we ask the Finance Committee and City Council members to ensure that restored funds are allocated to community-based organizations that are locally rooted and have a long history of providing culturally and linguistically competent services to Latino and other high-need communities. Children all around the city are looking at you to save their future and their dreams. Thank you again.

CHAIRPERSON RECCHIA: Okay. Are you from an OST program?

MS. JIMENEZ: No, we are from the Hispanic Federation. We represent--

CHAIRPERSON RECCHIA: [interposing] I know. We met with them the other day.

MALE VOICE: You still run the after-school program though, don't you?

MS. JIMENEZ: We represent 100 member agencies - - .

CHAIRPERSON RECCHIA: No, we know who you represent. We met with this--I'm glad you're here.

MS. JIMENEZ: Thank you.

CHAIRPERSON RECCHIA: Angelo?

MS. ANGELO ORTIZ: Good evening.

I'm Angelo Ortiz. I'm the unit director for youth services at Inwood Community Services. We have two elementary school programs that are getting zeroed out, 235 of our kids are going to lose programs.

CHAIRPERSON RECCHIA: And how long have they been in existence for?

MR. ORTIZ: Four years. I also am a member of the Washington Heights and Service provider collective. We are a group of about 20 organizations who have banded together to create a safety net and to advocate around youth issues. So on behalf of this group and on behalf of our friends, City Wide, with the Campaign for Children, I came here today to ask a question about Mayor Bloomberg's executive budget. Who the heck does this guy think he is?

What he has done amounts to programmatic Armageddon. This is an attack on working-class communities, and especially communities of color that depend on these programs. These are programs that have already



1  
2 been pegged to death with cuts over the last five  
3 years, and these programs represent an economic  
4 stimulus to our communities. I want to explain a  
5 little bit what I mean by that. In Washington  
6 Heights and Inwood, 2,000 children are going to  
7 lose after-school and childcare services. Eleven  
8 OST programs are going to be lost. A thousand  
9 jobs will be lost because of layoffs or because  
10 parents have to stay home to take care of their  
11 kids. That would represent a 7% increase to our  
12 unemployment rate, an unemployment rate that  
13 Soladad mentioned earlier.

14           Three million dollars that come  
15 into our community are going to be gone, and you  
16 can't take three million dollars out of our local  
17 economy where the median income is \$35,000 and not  
18 expect drastic, drastic impact on families and  
19 local businesses. So please we are asking that  
20 you reinstate 2100% of those funds, 100%. For  
21 every percent you don't reinstate that's \$235 that  
22 will be cut. Every percent you don't reinstate,  
23 that's 475 kids without a program or childcare.  
24 I'm going to quote a line from a letter from an  
25 11-year-old in our program, Ashley Matiez

1 [phonetic]. "Where do you expect us to go when  
2 these programs close? In your office? No?  
3 Exactly. That's what I thought. This program  
4 helps us and is fun, so next time you should think  
5 before you do something. That's what a decision  
6 maker is supposed to do, help, not harm. These  
7 letters, and I have about 20 here that are a  
8 sampling of the letters that our kids did, went to  
9 the Mayor. We are trying to make them heard.  
10 Thank you very much, and props to you guys. Look  
11 what time it is. You know, you guys are warriors  
12 of the heart, just like us. We're here. We want  
13 to make our voices heard. We want to support you.  
14 Tell us where we need to push, and we're going to  
15 push.  
16

17 MALE VOICE: Let me just sale on  
18 behalf of everyone that's here, this is our job.  
19 This is what we were elected to do. There are 51  
20 members of the City Council, and you have three  
21 members here now. That speaks for itself.

22 [applause]

23 MR. RAUL RODRIGUEZ: Well, to all  
24 the members that are still here, and we are  
25 honored that you do your jobs and spend the time

1 to listen, and we thank you. Thank you for this  
2 opportunity. It's important to us. My name is  
3 Raul Rodriguez, and I'm vice president of social  
4 services and community development for the ACASIA  
5 [phonetic] Network. The ACASIA network is an  
6 amalgamation of former independent, small and  
7 large community-based not-for-profits that are now  
8 bound together under a common management  
9 structure. When we first started this, we thought  
10 this would save us. We weren't going to be those  
11 little agencies any more, and part of that reason  
12 was we were able now to maximize our resources,  
13 both financial and programmatically and each  
14 member network now benefitted from the fiscal  
15 soundness that we had, the expertise of the group,  
16 and our values began to mirror exactly who we were  
17 as individual small organizations, which were that  
18 of excellence, commitment, customer service and  
19 leadership. That is our backbone. While we agree  
20 with many of those who have testified today and  
21 maybe even later that the Early Learn initiative  
22 needs to be looked at again, prior to its  
23 implementation, for in addition to cutting the  
24 number of available slots for daycare, eliminating  
25

1 jobs, ousting unions, there is one concern, and  
2 Chairman Recchia mentioned it very clearly, and  
3 it's kind of displacing from our own community  
4 centers that have been with us for decades,  
5 generations. Generations have utilized many of  
6 our services. More so this new 6.7 match, 6.7%  
7 match. Already we don't collect an overhead rate.  
8 Already the staff is paid very little, and now  
9 you're asking us that the money we used to raise  
10 for the trips now goes to the normal operation of  
11 the center itself.  
12

13 To give us a further slap in the  
14 face, now you tell us that these larger networks  
15 are better than we are and community-based is no  
16 longer a good thing. We should be somewhere else  
17 or connected somewhere else. That's unfair. But  
18 more importantly, I did want to say that there is  
19 one center, and we got zeroed out on two centers.  
20 United Bronx Parents, who was created by the  
21 former Dr. Abilena Lopez Antonetti [phonetic] who  
22 was responsible for Latino bilingual education,  
23 services to poor, nutrition/meals to low-income  
24 people. This center has been open for 40 years.  
25 We have no issues with the center. It's being

eliminated and transferred to Lutheran Services.

What is that?

CHAIRPERSON RECCHIA: Lutheran Services I think is taking over the Bronx. I'm being honest with you.

MR. RODRIGUEZ: It seems that way, and we don't know who they are, but--

CHAIRPERSON RECCHIA: [interposing] Listen, they got awarded a lot of contracts in the Bronx.

MR. RODRIGUEZ: Close to 1,800 slots.

CHAIRPERSON RECCHIA: And are they in the Bronx right now?

MR. RODRIGUEZ: Yes, they are. I know of one particular site that they are, but I don't know them as an organization and we've been around a long time. So they don't, again, they're doing whatever they do, but they are not in contact with the rest of the community. And so that was one. Lomessa [phonetic] is being turned over to mid-Bronx. Again, these affiliations, and the fact that we have a very strong network of our own and we have the financial fortitude. We

1 understand compliance. We meet our requirements.  
2 How could we just be disregarded, and don't tell  
3 me it was points on a proposal. I'm sure our  
4 scores are just as good. It just depends who is  
5 interpreting them. So thank you for this  
6 opportunity. We left the testimony and thank you  
7 all for this evening.  
8

9 CHAIRPERSON RECCHIA: I want to  
10 thank you all for coming. It's late. Believe me,  
11 we are working on this. We hear you loud and  
12 clear.

13 MIXED VOICES: Thank you.

14 CHAIRPERSON RECCHIA: Yeah, call  
15 the next panel.

16 MALE VOICE: Next panel, Mr. Ax  
17 [phonetic].

18 CHAIRPERSON RECCHIA: Mr. Ax,  
19 you're up.

20 MALE VOICE: Mary Haviland, Barbara  
21 Harris, Robert Tobing.

22 CHAIRPERSON RECCHIA: Who wants to  
23 go first, Mr. Ax [phonetic]?

24 MR. AX: Since you called me first,  
25 and I've been waiting here forever.

CHAIRPERSON RECCHIA: I know since early this morning.

MR. AX: That's miscommunication. So, hold on. Let me wait until he's done.

CHAIRPERSON RECCHIA: Are you ready?

MR. AX: Let me wait until he's done. Okay. So the Billionaire Pimp wanting to seek re-election as Mayor in 2009. Isn't that wonderful. What has he done since he was re-elected in 2009? Sorry. What has he done since he violated the term limits law in 2009? What has he done? January 12th, he made his speech at Morris Senior High School, - - term 41, I couldn't attend that event. He gave us an e-mail letter and a number to contact information wise. I used the e-mail address. I dialed the number thrice. The first two employees I spoke to were screw-ups. The third employee I spoke to had some intelligence. I spoke to her on January 11th, said I couldn't attend the event. Hello, you gave us this contact information. You didn't say it was a private event. It was a public event. So why did you give it to us in the first place? So

1 the question is is he confused, is he stuck on  
2 stupid or is he just mentally retarded? And I'm  
3 not only going after him. I'm also going after  
4 two of his body guards who are like the legion of  
5 doom. They did another--they stopped me from  
6 attending the event at Yeshiva University on  
7 January 9th, 2011, three days before my 40th  
8 birthday. There's no excuse for that, so Michael,  
9 continue making matters worse for us until you  
10 finally resign as Mayor and until your body guards  
11 who are like the legion of doom who double-teamed  
12 me at Yeshiva University on January 9th, 2011,  
13 keep up the good work. I hope you are satisfied  
14 for that pre-birthday present you gave me. Only  
15 time will tell if I turn you over to Internal  
16 Affairs because you're not getting away with that,  
17 I'm sorry. For you to approach me and say I can't  
18 attend the event because according to someone  
19 else, I was uninvited was unacceptable. So,  
20 Michael, or shall I say Michelle, you can continue  
21 your nasty onslaught against all of us, and to  
22 your lousy body guards who double-teamed me  
23 yesteryear, you can continue your nasty onslaught  
24 against me too.  
25



CHAIRPERSON RECCHIA: Mr. Ax, this is about the budget.

MR. AX: Regarding your budget, I was here two weeks ago yesterday in which one of the Commissioners embarrassed himself, you know which one I'm referring to, he was already a billionaire before he was elected as Mayor, he was already a billionaire.

CHAIRPERSON RECCHIA: Your two minutes are up.

MR. AX: Okay, he had all this money before he was elected, before and after he was elected, and yet he can't give back to the community. That's why I call him a pimp.

CHAIRPERSON RECCHIA: Thank you, Mr. Ax.

MS. MARY HAVILAND: Good evening, hi. My name is Mary Haviland. I'm the executive director of the New York City Alliance against Sexual Assault. I want to thank the Finance Committee, and the Finance Chair Recchia for allowing me to speak tonight. I do want to commend the members who are here for sitting through all of the testimony.

CHAIRPERSON RECCHIA: I want to thank you for staying this late.

MS. HAVILAND: I'm here to respectfully request that city funds be dedicated to assisting victims of sexual assault in New York City. Over the last seven years the City Council has supported a sexual assault initiative that provides important services to victims of sexual violence. Through this initiative we are providing the only long-term treatment for sexually abused children in the Bronx, the only program to assist young victims of commercial sexual exploitation in Queens, the only sexual assault forensic training program to all emergency department and licensed medical personnel in New York City, and the only free treatment for male victims of sexual assault.

Without the New York City Council's dedication to this initiative, most of these services would not be provided to a forcibly violated group of New Yorkers who are at high risk for physical and mental health problems as a result of their victimization. I'm here to ask that you dedicate \$240,000 to four organizations

1 that provide these phenomenal services. The  
2 organizations are the New York City Alliance  
3 against sexual assault, the Mt. Sinai Sexual  
4 Assault and Violence Intervention Program, the  
5 Kingsbridge Heights Community Center Child Sexual  
6 Abuse treatment and education center, and St.  
7 Luke's Roosevelt Crime Victims Treatment Center.  
8 Sexual violence including sexual assault, child  
9 abuse and commercial sexual exploitation cuts  
10 across boundaries of culture, class, education,  
11 income, ethnicity and age. According to the  
12 Centers for Disease Control prevention survey that  
13 was done just last year and reported early in  
14 January, nearly one in five women have been raped  
15 in their life time, and one in seventy-one men  
16 have been raped in their lifetime. Children and  
17 adolescents are at particularly high risk. For  
18 women who have experienced rape in their lifetime,  
19 many experience it before the age of 18, and 28%  
20 of male victims of rape were first raped when they  
21 were ten-years-old or younger. I'm here to ask  
22 you to please consider funding the initiative.  
23 Most of it is funding that has been given out over  
24 the last seven years. Some of it is new funding,

1  
2 a very small amount about \$90,000 is new funding,  
3 but I'm asking you to please fund this initiative  
4 this year in this year's budget. Thank you for  
5 sitting here.

6 CHAIRPERSON RECCHIA: Thank you  
7 very much. I want to thank you for coming up  
8 tonight. It means a lot to us. Thank you, Mr.  
9 Ax.

10 MR. AX: Thank you.

11 CHAIRPERSON RECCHIA: Call the next  
12 panel please.

13 MALE VOICE: Next panel, Barbara  
14 Harris, Robert Tobing, John Vandergrift, Yahudid  
15 Mock [phonetic].

16 CHAIRPERSON RECCHIA: No, who is  
17 here Who wants to testify? Raise your hand. All  
18 right, sit down.

19 MALE VOICE: Jed Garfield, Jennifer  
20 Ratner, Guinevive Gazon [phonetic], Ramoon  
21 Razmusin [phonetic] and Mike Smith.

22 CHAIRPERSON RECCHIA: Why don't  
23 everybody from the upstairs balcony come down, and  
24 then I can see how many people we have left. All  
25 the people that we just called, come sit down.

Okay, is everybody up there that we called?

Anybody else with any part of your group? You want to say something?

MS. GUINEVIVE GAZON: If I might, I actually, I don't mind sitting with the folks from the - - Trash Solution, but I actually am with the Organization of Waterfront Neighborhoods, and we are actually on opposite sides of the same issue. I am very happy to stay with them, but I also have colleagues here who I can sit with the panel. It might be more cohesive for you, Chair Recchia.

CHAIRPERSON RECCHIA: It doesn't matter. I want you to be comfortable. We can put you over there, and then we'll call your group.

MS. GAZON: I'm comfortable either way, whatever works. It's late in the day, and I want to do what works.

CHAIRPERSON RECCHIA: It doesn't  
make a difference. We're here all night.

MS. GAZON: I will stay.

CHAIRPERSON RECCHIA: You're in favor of the waste transfer station.

MS. GAZON: I am in favor, correct.

Am I starting?

CHAIRPERSON RECCHIA: Yeah.

MS. GAZON: Thank you very much, Chair Recchia and esteemed council members for allowing me to speak tonight. My name is Guinevive Gazon. I'm a community organizer with New York Lawyers for the Public Interest. I work with the Organization of Waterfront Neighborhoods and the New York City Environmental Justice Alliance. Together we form a group of waterfront neighborhood environmental justice community-based organizations, and we represent low-income communities and communities of color that are over-burdened with the noxious facilities that support the infrastructure for New York City. The city's landmark 2006 solid waste management plan was passed by Mayor Bloomberg and the City Council after several years of robust public debate, and we applaud the mayor and the City Council for their continued efforts to implement the plan, which will eliminate millions of miles of diesel truck traffic in New York City each year and the plan also calls for the creation of a fair and equitable system that would distribute waste equally across all five boroughs. Currently, a

few low-income communities and communities of color are forced to handle the great majority of waste generated in New York City. And key to the success of this plan is the creation of rail and marine-based waste handling capacity throughout the city including Manhattan. The full implementation of the solid waste management plan including the creation of a marine transfer station on East 91st Street in Manhattan is essential to bringing relief to the over-burdened communities that have long-handled the great majority of waste generated in New York City, and it will also significantly improve environmental conditions related to the handling of waste, providing public health and quality of life benefits for all New Yorkers. Each marine transfer station site has undergone a full environmental review and the city has repeatedly engaged with those communities to understand and address local concerns. The marine transfer stations will be state-of-the-art. They will eliminate long haul traffic typical of existing transfer stations and all of these mitigating efforts will be done at the East 91st facility as

1  
2 well. Furthermore, I just want to add to fully and  
3 finally achieve the plan's over-arching goals of  
4 sustainability and fairness, it is critical that  
5 the council also pass legislation that reduces the  
6 amount of waste handled in the truck-based  
7 transfer stations in our over-burdened  
8 communities. We thank speaker Quinn and the  
9 council for the critical leadership you have shown  
10 on this issue and for the opportunity to testify  
11 today. Thank you very much.

12 CHAIRPERSON RECCHIA: Okay, thank  
13 you. Next.

14 MR. JED GARFIELD: I guess I'm on  
15 the other side of the issue. Thanks. And if we  
16 had spoken earlier, we could have given money to  
17 everybody because that's what we're here--good  
18 afternoon, Chairman Recchia, and all the members  
19 of the City Council. We appreciate your  
20 commitment to the City's budget process by  
21 attending this hearing. On behalf of my  
22 community, I thank you for your hard work and on  
23 behalf of the people as well as by the people of  
24 the City of New York. My name is Jed Garfield.  
25 I'm the president of a group known as residents



residential communities, but this is the only one

being built in a residential community. In addition, I will not testify about the fact that this facility will be located adjacent to what is in essence a New York City park, the only one between 42nd Street and East Harlem that provides recreational opportunities for the children of these neighborhoods as well as the rest of the City of New York. Like all governments across this nation, the City of New York is facing continued economic strains. Firehouses are being eliminated, after school programs are being cut, and people are suffering from the ongoing recession. Projects like the City Time Projects, projects like not pursuing Medicaid reimbursements, projects like the 911 call center infrastructure are all projects where costs are out of control and no one seems to care. The same is absolutely true of the swamp land as it pertains to 91st Street. When the City first presented this proposal in the early part of the last decade, the overall construction costs for these five facilities was less than \$200 million. At the time the swamp passed in 2006, each facility was estimated to cost \$55 million.

1  
2 Currently, the amount being budgeted for 91st  
3 Street is \$240 million for that piece alone. It  
4 is not only in the construction costs that this  
5 committee could find huge savings, but it is also  
6 in the operational costs. I respectfully call  
7 your attention to two documents that were recently  
8 issued by independent agencies in the city. On  
9 May 22nd, the IBO, Independent Budget Office  
10 issued a letter to Councilwoman Jessica Lapin  
11 highlighting the fact that the cost per ton to  
12 handle Manhattan's trash under the interim plan  
13 which currently sends the trash slated for East  
14 91st Street to a waste energy facility in New  
15 Jersey never touches a single borough other than  
16 Manhattan and Manhattan is \$90 per ton. The new  
17 projected cost if this thing is built is \$238 per  
18 ton, and that is the Independent Budget office's  
19 estimate. I know I'm over. Thank you.

20 CHAIRPERSON RECCHIA: Yeah, you  
21 have to--thank you.

22 MS. JENNIFER RATNER: I'll  
23 continue. I'm Jennifer Ratner. Thank you for  
24 staying this late. I see you at every hearing,  
25 and I'm also from Residents for Sane Trash

1 Solutions. So I'll just continue. I'm also from  
2 the Yorkville Community Waterfront Neighborhood, a  
3 waterfront community, and we'd love to ally with  
4 other waterfront communities. I'll go on about  
5 the cost since this is a budget hearing. The  
6 projected cost for processing the trash through  
7 East 91st Street is \$238 per ton as opposed to the  
8 current cost of \$90 per ton. Those are not my  
9 numbers. Those are the City's the independent  
10 budget office's own numbers. The City could  
11 easily continue the interim plan, which is a plan  
12 that has been going on now for I think about 10  
13 years, which is sending the trash from the  
14 community boards that in Manhattan that the  
15 facility is slated to handle, those are community  
16 boards 5, 6, 8, and 11. None of that trash I want  
17 to emphasize currently goes to any outer borough.  
18 It has for more than ten years gone to New Jersey,  
19 and if this plan were continued it would be  
20 cheaper and it would be frankly more  
21 environmentally sane to continue to go to New  
22 Jersey to the waste energy facility that most of  
23 it is going to. There's no tipping. There's no  
24 exchange. There's no impact on any outer borough  
25

1 from Manhattan's residential trash at this time,  
2 and the City should continue this program. As  
3 pointed out in the IBO study, the overall cost of  
4 processing trash through this 91st Street facility  
5 will be more than half a billion dollars. When I  
6 have to hear, I'm a pediatrician and a physician,  
7 and when I have to hear of agencies, like child  
8 agencies, child health agencies, sexual abuse  
9 clinics, begging for money in the six figures, I  
10 think this is pathetic, and very, very sad. We're  
11 saying that we have more than essentially half of  
12 a billion dollars to essentially given back to the  
13 City. Isn't that money that could be better used  
14 for the fire houses, the after-school programs,  
15 the daycare slots that you are all fighting to  
16 protect. Moreover, the citizens budget commission  
17 of the State of New York issued a study in May of  
18 2012, which underscores the fact that waste to  
19 energy provides a significant savings to the City  
20 of New York and that building the MTS  
21 infrastructure for years of long-distance hauling  
22 and landfilling is madness and it's going  
23 backwards. So our testimony from our group is  
24 attached, and the citizens budget commission  
25

1  
2 report is attached, and of course you have the IBO  
3 report, and thank you for your time and your  
4 dedication to all of you who are still here. I  
5 really am so impressed. I can't believe it. It  
6 blows me away.

7 CHAIRPERSON RECCHIA: Where was the  
8 group that's on the opposite side of this? How  
9 many of you want to testify? Why don't you just  
10 come up here and sit up here in the row so we can  
11 just hear the opposite side? I think that's fair.  
12 Just let them sit here.

13 MIKE SMITH: I'll make it quick so  
14 I don't get caught in the middle.

15 CHAIRPERSON RECCHIA: No, because  
16 your argument is from a budget stance, and we just  
17 want to make sure we give everyone ample  
18 opportunity to be heard since we're on this issue  
19 right now. Go ahead. Just state your name for  
20 the record.

21 MR. SMITH: My name is Mike Smith.  
22 I'm the Chief Operating Officer at Neighborhood  
23 Defender Service of Harlem. We're a community-  
24 based defender office that provides high quality  
25 legal services to residents of Northern Manhattan.

CHAIRPERSON RECCHIA:

MR. SMITH: Yes, it is.

CHAIRPERSON RECCHIA: Push it  
closer to you.

MR. SMITH: Okay. NDS created a  
model for neighborhood-based client-centered  
approach to service, and it's led to the  
improvement of defense services through New York  
State. For 15 years NDS received funding from the  
City Council to support our efforts to provide the  
highest quality of services and to foster system-  
wide improvements. We thank you for that support.  
It's because of that support that I'm glad to tell  
you for the first time in our history NDS has  
long-term financial security as a result of its  
success in the RFP process. While that is good  
news, it does come at a cost. Our cost per case  
is nearly cut in half, and the number of cases  
that we are now obligated to handle has tripled.

But I'm not here today to discuss  
our criminal defense funding. I'm here to seek  
your support for the holistic and collateral  
consequences work, which has been our hallmark and  
which as Counsel has so steadfastly supported.

Specifically I seek your support for our work in immigration, youth law, and housing defense programs. For this nationally admired work, NDS seeks \$250,000 in City Council funding for 2013.

Since 1991 our service model has enhanced the quality of in-court representation and expanded the scope of services that defenders provide to their clients. Consistent with our expanded approach NDS is engaged in initiatives to help communities address a wide range of criminal justice programs. As a closely watched model office NDS has fostered system-wide improvements, as well. NDS collateral consequences works as individuals, families, and communities throughout the City with its aggressive commitment to outreach, education, and coalition-based solutions.

Our immigration services project provides advice, counsel, and legal representation to NDS clients who are non-citizens and lends its support to coalitions addressing systematic immigration and City-wide issues. We began our project in 2008 because a significant percentage of our clients, for them, any interaction with the



1  
2 criminal justice system could result in the risk  
3 of immigration detention and deportation.

4 We also have a youth law project,  
5 which represents youth aged seven through  
6 eighteen, whether they be charged in family court,  
7 Supreme Court, or criminal court, and a housing  
8 defense practice, which will serve up to 300  
9 families this year and prevent eviction and other  
10 collateral issues that result in situations where  
11 our clients have been arrested.

12 I'll just finish up. The  
13 collateral consequence work that NDS does in  
14 immigration, youth law, and housing defense  
15 programs saves lives. Without continued support  
16 the work will eventually cease and thousands of  
17 lives will be tragically altered.

18 CHAIRPERSON RECCHIA: Did you have a  
19 copy for us? Did you submit a copy?

20 MR. SMITH: Yes, I did.

21 CHAIRPERSON RECCHIA: Okay, you  
22 want to say something else?

23 MR. SMITH: No, thanks.

24 CHAIRPERSON RECCHIA: So we have  
25 two against the - - , once criminal defense firm

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Recchia, I would just like to point out that the communities that bear the infrastructure of New York City's sort of structure for waste and other - - facilities don't actually enjoy any of its amenities. So I just need you to know that many of the communities here--

I'm going to hear from them, believe me. Unfortunately, my community suffered for years. My community is not getting any relief. No one is out there helping my community in Brooklyn. We didn't have a waste transfer station. We had an incinerator that killed people, and no one wants to hear us. No one wants to hear me. We live right next to residential. I know what people go through. I've lived it, and the building and transfer station that these people, who for year had to live by a smoke stack and inhale that for years, but yet the trucks keep on coming. I know what it goes through. No one likes it. Believe me, I know. I've lived this. I'm experiencing this from both sides. So I really understand

1 this, and I think that people should listen, and I  
2 do believe there are places--the Commissioner the  
3 other day testified, and he says, "If we don't do  
4 this now, it's going to cost more money into the  
5 future." What I really wanted to tell him was  
6 that in the years ahead there are other  
7 alternatives what we could do with the garbage  
8 that would be much cheaper, cleaner, and people  
9 wouldn't mind it close to them in proximity.

10 Every other county has alternatives where they  
11 convert garbage into energy, and that is what we  
12 should be looking at. The clean ways Germany,  
13 Japan, other countries, they're all doing it,  
14 Italy, and that's what we should be looking at.  
15 That's my personal opinion, but to pit communities  
16 against communities, I have a problem with that,  
17 but I thank you for sitting next to them. It says  
18 a lot about you, and them sitting next to you.

19 FEMALE VOICE: Civil discourse.

20 CHAIRPERSON RECCHIA: If you hang  
21 out you might get some business. Let's get the  
22 other people up here. This young lady--you can  
23 sit back up there with them if you want. This  
24 young lady, where is your laptop? You sat at the  
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laptop--

MS. SEPOVIDA: I have - - this  
time. Good evening.

CHAIRPERSON RECCHIA: See? It  
works. Believe it or not we recognize. Go ahead.

MS. SEPOVIDA: I just want to echo  
everyone. Thank you so much for hearing us, and  
Chair Recchia, as a girl born and raised in the  
South Bronx, now dedicating my career to working  
at Hunt's Point, I feel you, and I just want to  
thank you for pointing out that this is not an  
easy issue.

CHAIRPERSON RECCHIA: Just state  
your name for the record.

KELLY TERRY SEPOVIDA: I'm sorry;  
Kelly Terry Sepovida [phonetic]. I'm going to  
read, because there's stuff here I want you all  
to--so I'm here with the Point Community  
Development Corporation. We're a non-profit  
organization dedicated to youth development and  
the cultural and economic revitalization of the  
Hunt's Point section of the South Bronx. In a  
role as a community development agency we strive  
to represent the voices of our communities and

1  
2 communicate the needs and solutions that will  
3 improve the overall quality of life for our  
4 neighbors.

5 We are here again today to once  
6 again, and after years of advocacy, and believe me  
7 we--

8 CHAIRPERSON RECCHIA: [Interposing]  
9 What's your name again?

10 MS. SEPOVIDA: Kelly Terry  
11 Sepovida.

12 CHAIRPERSON RECCHIA: Did you fill  
13 out one of these forms?

14 MS. SEPOVIDA: Sharon de la Cruz  
15 was supposed to.

16 [Crosstalk]

17 CHAIRPERSON RECCHIA: We can let it  
18 go.

19 MS. SEPOVIDA: Thank you. I'm not  
20 trying to break any rules. We are here today once  
21 again and after years of advocacy to make the case  
22 for equity and justice as it pertains to our  
23 communities who are far too often overlooked and  
24 forgotten in the shadows sometimes of power and  
25 privilege. You are hearing testimony today maybe

1 about stats and data related to public and  
2 environmental health, which we didn't even, but I  
3 can give you stats, but I think you already know,  
4 and also from folks who want to over-simplify the  
5 issue by stating no garbage in residential  
6 neighborhoods. But I'm here today once again to  
7 speak on behalf of the people that have been  
8 forgotten about in simple sound bites and co-opted  
9 rallies. I'm here to offer our community's point  
10 of view by presenting the narrative and timeline  
11 of the waste industry in the South Bronx as both a  
12 testament to all that has been done to achieve  
13 equity and thank you and as a reminder of all that  
14 we have to accomplish. May I have just two  
15 minutes?  
16

17 In 1989 the city charter was  
18 amended to include language on fair share in our  
19 neighborhoods, so our hope for alleviation from  
20 many burdens that we face. But just as quickly as  
21 the Department of City Planning created a rule  
22 around required annual statement of needs by  
23 allowing the City to propose any facility, siting,  
24 or expansion whenever it chooses simply by filing  
25 an amendment to the previously approved statement

1 of needs, thus making the entire process toothless  
2 and meaningless.  
3

4 A few years later we became the  
5 unfortunate and unwilling host to NYOFCO, which  
6 you can relate to, New York Organic Fertilizing  
7 Company. It sounds great. It sounds sustainable.  
8 You know what? It did pelletize--it made  
9 fertilizer supposedly in Florida to grow oranges.  
10 That's great. It also cause high rates of asthma  
11 and noxious fumes for 16 years in our community.  
12 This happened while a DEP sewage treatment plant  
13 was already located two blocks away and is still  
14 slated to undergo an expansion, which we will  
15 have. We will have 15-story digesters in our  
16 community, right next to one of the only parks  
17 that we have.

18 CHAIRPERSON RECCHIA: So they're  
19 taking away the garbage and they're expanding the  
20 sewage.

21 MS. SEPOVIDA: They're not taking  
22 away the garbage yet, though, and so I just want  
23 to make a point. I know you know, but thank you  
24 for letting me get through it, because not  
25 everyone--I don't know if everyone knows our

1 story, and so we have very much in common, but I  
2 want to tell the whole story. I don't want to  
3 make it seem like it's us against them. We're all  
4 New Yorkers.

5  
6 A few years after NYOFCO when  
7 Freshkills was scheduled to close, we saw a  
8 proposal by American Marine Rail for a massive  
9 waste transfer station that would bring most of  
10 the displaced garbage to our waterfronts in Hunt's  
11 Point so we'd get it. The proposed location was  
12 just yards away from NYOFCO, and the community  
13 fought back, and we were able to stop that one  
14 facility. But when Freshkills did close the waste  
15 handling system was further privatized and we saw  
16 an immediate influx of 15 waste transfer stations.  
17 This is not including the NYOFCO, the fertilizing  
18 treatment facility, or the wastewater treatment  
19 facility. They found their ways to community  
20 districts one and two, where they still operate.  
21 Currently the South Bronx and neighborhoods  
22 surrounding--

23 CHAIRPERSON RECCHIA: [Interposing]  
24 Could you sum up?

25 MS. SEPOVIDA: Yes. New Town



1  
2 Creeks hosts 32 waste transfer stations, which  
3 collectively handle over 60 percent of the City's  
4 waste. We are not here today asking to shut them  
5 down. I'm not here complaining about them,  
6 although I should be, the parents and the kids  
7 with high asthma rates and everything, I should be  
8 but I'm not, but simply to ask that our fellow New  
9 Yorkers recognize us as equal citizens and share  
10 some of this load. If I may, we want to thank  
11 Speaker Quinn and the Council for your leadership  
12 and support in passing 2006 Waste Management Plan.  
13 However, communities in New York, the South Bronx,  
14 Williamsburg--

15 CHAIRPERSON RECCHIA: [Interposing]  
16 Thank you.

17 MS. SEPOVIDA: --still handle the  
18 majority of the City's waste.

19 CHAIRPERSON RECCHIA: Does anybody  
20 else want to speak? Go ahead.

21 MS. CYNTHIA DODI: Good evening.  
22 My name is Cynthia Dodi [phonetic], and I'm with  
23 the Morningside Heights/West Harlem Sanitation  
24 Coalition. We are a non-profit organization, an  
25 environmental organization that is composed of

1 neighborhood resident associations, block  
2 associations and community members. Half of our  
3 leadership are members of New York City Housing  
4 Authority, resident associations. We do a great  
5 deal of grassroots education, educating our  
6 neighbors about recycling and reducing garbage,  
7 but we've also been very active for the last ten  
8 years or so in helping the City develop a  
9 comprehensive and fair and environmentally  
10 sustainable waste management program. We're  
11 members of the New York City Environmental Justice  
12 Alliance and the Organization of Waterfront  
13 Neighborhoods, OWN.

14 We've been working on this mayor's  
15 plan for a fair program, a waste management  
16 program, for many years, and we support the plan.  
17 We believe that it's important for Manhattan,  
18 which creates a huge amount of garbage, should be  
19 dealing with its own garbage. Right at the moment  
20 the plan requires the village and the Chelsea area  
21 to have the - - Pier, which would be for  
22 recycling. Further up in the Westside area and  
23 Hell's Kitchen area, there is the commercial  
24 recycling transfer station, and it involves the  
25

1 Eastside dealing with the 91st Street transfer  
2 station. The Harlem area is inundated with many  
3 noxious municipal facilities. We've got several  
4 bus depots. We've got a natural gas pipeline, and  
5 we've got the truck routes, and we have the North  
6 River Sewage Treatment Plant. Our kids in Harlem  
7 play in the River Banks State Park, which is on  
8 top of the North River Sewage Treatment Plant. So  
9 it's important that 91st Street be opened. The  
10 trucks right now go through our area in order to  
11 get to New Jersey. It would be better if it could  
12 go by barge. One thing I'd like to say, though,  
13 about the New Jersey Waste Energy Facility, it's  
14 actually not environmentally very safe and very  
15 sustainable. It's gasification. It's burning.  
16 The areas that are--the communities that are  
17 around that New Jersey plant are very opposed to  
18 that plant, because it's impacting them.

19  
20 CHAIRPERSON RECCHIA: Okay, let me  
21 just cut you off. This is an executive budget  
22 hearing dealing with the budget. You have to  
23 relate this to the budget. The people came before  
24 you, and they testified here on how the City could  
25 save this money from not building it in the

1 budget, okay? We let you testify. This is not a  
2 hearing for the transfer station. This is a  
3 hearing on the Mayor's executive budget. I want  
4 to thank you. If anyone else has--related to the  
5 budget. If you can't relate it to the budget, the  
6 executive budget, this is for the executive  
7 budget. The people prior to you testified that we  
8 could save money and do this and do this with the  
9 money, and this is a way that we could save money.  
10

11 MS. ANGELA TOVAR: Thank you for  
12 your time. I will just cut to the chase and say  
13 that the important issue here, not only is this a  
14 matter of fiscal policy, but this is a matter of  
15 environmental justice, and--

16 CHAIRPERSON RECCHIA: [Interposing]  
17 State your name for the record.

18 MS. TOVAR: My name is Angela Tovar  
19 [phonetic]. I am a representative of the Hunt's  
20 Point community, and I am a community planner for  
21 Sustainable South Bronx. So we're here tonight  
22 not only just to speak our mind about the solid  
23 waste management plan, but we're also here to  
24 encourage its full implementation. So that is  
25 directly related to the budget, because what we're

1  
2 advocating for is the full build-out. So we're  
3 advocating for the full implementation of this  
4 solid waste management plan. We need to  
5 absolutely make sure that all marine transfer  
6 stations in the solid waste management plan,  
7 including the facility on 91st Street, come  
8 online. By relying on the proposed marine  
9 transfer stations and barging garbage, the City  
10 can reduce waste-related truck traffic and diesel  
11 admissions. So that would in turn for us improve  
12 air quality, cut carbon emissions, and improve the  
13 quality of life.

14 For our community where one in  
15 three children are suffering from asthma and a  
16 community where 15,000 trucks come in and out of  
17 our community on a daily basis, this issue is  
18 absolutely imperative. So it is related to the  
19 budget, because we're talking about the full  
20 implementation of this plan.

21 I would also like to remind the  
22 Council that one of the principles of the solid  
23 waste management plan is fair treatment of each  
24 borough. In honoring your previous commitment to  
25 support the legislation to reduce the waste

capacity of land-based transfer stations in overburdened communities, responsibility for the City's waste management systems should be allocated equitably throughout this City in all of the five boroughs. Thank you for your time.

CHAIRPERSON RECCHIA: Thank you.

Next. That's is? Okay, thank you all for testifying. Next panel.

MALE VOICE: Next panel, Martha Jindravesva [phonetic], Lisa Earnrent [phonetic], Avis Valencia, Todd Livingston, and Shirlene Cooper.

CHAIRPERSON RECCHIA: Are you with her?

FEMALE VOICE: Yes, I am.

CHAIRPERSON RECCHIA: You can testify, then.

FEMALE VOICE: I wasn't going to.

CHAIRPERSON RECCHIA: You don't have to, then. Okay, come on. Sit down, then.

MS. LIWAN WAONG: Good evening.

CHAIRPERSON RECCHIA: Before you start, is there anybody else who wants to testify about the waste transfer station from a budget

1 point of view? What? Firehouse, I know. She  
2 agrees with you. Go ahead.

3  
4 MS. LIWAN WONG: Good evening. My  
5 name is Liwan Wong [phonetic], and I'm the  
6 director of youth and education at St. Nick's  
7 Alliance, which is a community development  
8 corporation in Williamsburg and Greenpoint with  
9 our partner organization School Settlement  
10 Association, which has been a settlement house for  
11 100 years. We're really perplexed about the OST  
12 program. I'm here supporting parent Martha  
13 Jindravesva, and the OST, there's been lots of  
14 testimony on why we need it, but two things about  
15 our particular community that needs to be known is  
16 that we do in fact have a lot of high need,  
17 despite the perception of gentrification that  
18 exists. The child poverty rate in Williamsburg  
19 Greenpoint is 54 percent, which is twice New York  
20 City's rate. The school that Martha represents,  
21 PS34, in a Polish community has an English  
22 language learner rate of 18 percent, which is  
23 supposed to be one of the priorities for OST. So  
24 these decisions that are being made are not right,  
25 just not right, and are really going to affect

families in need.

CHAIRPERSON RECCHIA: Next. State your name for the record.

MARTHA JINDRAVESVA: My name is Martha Jindravesva, Matthew Jindravesva's mom, at PS34 in Greenpoint. I came here to speak and to fight for our children's future and ours. I'm here to urge everyone to save the afterschool program, including mine, run by School's - - Association. Last month our children's future was looking bright. After hearing PS34 afterschool program would no longer be funded in September because of budget cuts, the future seems to be one big dark hole. It seems to be so dark, because without afterschool programs many of us will either have to quit our jobs or change our working hours, which would result in unemployment and a decrease in our income. With a low income we will not be able to pay our rents, bills, and feed our families, and also it will not allow us to make our children happy from time to time with a little surprise from Toys R Us. I believe that all of us here are not happy that our children must spend the whole day in school, and I'm sure that we



would all love to pick them up right after school and enjoy the rest of the day with them.

Unfortunately the economic position most families face today does not allow us to do so. As a working, tax-paying citizen we only want a safe place for our children for a few hours a day, but we can't do that without your understanding and without your help. That's why we need you to urge Mayor Bloomberg to reconsider the decision previously made and restore our program's funding and let us continue to be productive citizens who want to keep their jobs that support our families and our local economy.

I can't understand why Mayor Bloomberg must do budget cuts on the backs of our children. When it comes to cutting the budget our children are always the first to get cut. Balancing the budget on the backs of our children must come to an end. It must come to an end, because these children are the future of this country. They are the ones that should get the most public accommodations. Moreover, our families aren't different from the families of programs that didn't get closed. We are all

1  
2 equal, and we all deserve the same things and  
3 should be treated equally. That's why you should  
4 keep all of the programs open and let us do our  
5 jobs as parents.

6 To summarize, I just want to say  
7 that we all believe in something. I believe in  
8 our American democracy. Please, don't shatter my  
9 belief in the American democracy and the  
10 understanding. Our elected officials are--

11 CHAIRPERSON RECCHIA: [Interposing]  
12 Excuse me, ma'am, your time is up. Next.

13 MS. ELISE ERMAN: My name is Elise  
14 Erman [phonetic]. I am the deputy director of the  
15 Sunset Park Promise neighborhood, a coalition of  
16 over 20 schools, early childhood centers, and  
17 community-based organizations in Sunset Park,  
18 Brooklyn. This initiative is led by Lutheran  
19 Family Health Center, different than Lutheran  
20 Social Services, office of community-based  
21 programs. In 2010 the federal Department of  
22 Education designated Sunset Park as a Promise  
23 Neighborhood. The goal of the Promise  
24 Neighborhood is to create a cradle-to-career  
25 continuum of services in a specific neighborhood

1  
2 of need. We were given half a million dollars to  
3 complete a comprehensive community asset and needs  
4 assessment. We dug deeply into a wide range of  
5 issues in our community. You'll not be surprised  
6 to hear that our research quickly enforced our  
7 suspicions. There are not nearly enough early  
8 childhood or afterschool services to meet the  
9 needs of our community. Seventy-four percent of  
10 our children are from low income families, yet  
11 only 17 percent of eligible children are served  
12 with ACS services. Our centers are full with  
13 waitlists totaling over 500 families. Ninety  
14 percent of the families who are being served by  
15 these programs are living at or below 185 percent  
16 of the federal poverty line. Of our families  
17 surveyed almost 20 percent said that they needed  
18 to leave Sunset Park in order to find afterschool  
19 enrichment programs.

20 The programs cut by this year's  
21 budget have immediate and long-term consequences  
22 for our neighborhood. The cuts will directly  
23 impact our youngest children in our early  
24 childhood centers. As a result of early learn and  
25 ACS budget cuts, three high quality, long-standing

1  
2 centers in our neighborhood will be closed, and an  
3 additional three centers will lose critical early  
4 childhood seats. This means that we now have only  
5 28 slots for infants, ages two months to two years  
6 in zip codes 11220 and 11232, a population of over  
7 140,000 people with nearly 11,000 between the ages  
8 of zero and five. We have also seen cuts to two  
9 of our afterschool programs.

10                   These are services that families  
11 rely on for economic stability, allowing them to  
12 keep their jobs and know children have a safe,  
13 secure second home. Compare to other  
14 neighborhoods Sunset Park could be considered one  
15 of the lucky ones, because we will not see a net  
16 decrease in our early childhood slots. Our  
17 impact, however, is even more cruel. Instead of  
18 maintaining long-standing centers with no quality  
19 and relationships spread throughout our  
20 neighborhood, three new centers will open east of  
21 Fifth Avenue and south of 50th Street, creating a  
22 dramatic geographic shift in service options. For  
23 those of you not familiar with our community, it  
24 is incredibly diverse, home to many Latino  
25 immigrants and Brooklyn's Chinatown, but it is

also fairly segregated, like many New York neighborhoods.

This redistribution unjustly favors one immigrant population over another. In a recent article one of these new providers was quoted saying they expected that nearly half of the children served under early-learn allocations will be Jewish. This will not serve the vast majority of our residents.

CHAIRPERSON RECCHIA: Okay, time's up. Anything else you want to say?

MS. ERMAN: Pardon?

CHAIRPERSON RECCHIA: That's it.

MS. ERMAN: If you're cutting me off.

[Crosstalk]

CHAIRPERSON RECCHIA: Strong Economy, you're up next.

MR. MICHAEL KING: Thank you, Mr. Chairman. Michael King, executive director for the Strong Economy for All Coalition. Thank you Council Members Chen and Jackson. I join the others in admiring your dedication to public service and your commitment to the task in front

1 of you. I just wanted to testify briefly about  
2 ways to pay for all this. The work that you've  
3 done today has been extraordinary. The work that  
4 you've been doing over the last several weeks has  
5 been extraordinary. It's clear that the structure  
6 of the City budget at this point is set up to  
7 relatively easy cut important programs used by  
8 poor, working, and middle-class New Yorkers and to  
9 make it very difficult to raise revenue from the  
10 very richest New Yorkers. I share the sentiments  
11 of others who have testified here today New York  
12 City is not broke. Bloomberg News announced  
13 yesterday that the top CEOs on Wall Street saw  
14 their pay go up by 20 percent last year. That's  
15 after a 26 percent pay raise in the prior year.

17 We've worked in a coalition with  
18 community groups, labor unions, and front-line  
19 service providers all over the City to come up  
20 with four categories of revenue recommendations  
21 that we'd encourage the finance committee to look  
22 into specifically. Bad economic development deals  
23 that cost the City hundreds of millions of  
24 dollars, contracts with the big banks that can  
25 reasonably be cut if they're brought to the table,

1 reforms for the city unincorporated business tax,  
2 and billing Medicaid for special needs services.  
3 The Medicaid stuff you've gone over 50 ways since  
4 Sunday. I won't talk about it at all. The bad  
5 economic development deals require Mark Page who  
6 sat here today and said that his office did not  
7 pay any special attention to any of the subsidies  
8 that didn't meet their job creation targets. It  
9 seemed to be extraordinary that he would say such  
10 a thing before the City Council. I think it's  
11 entirely appropriate and proper for the Council,  
12 for the Speaker, for the Mayor to sit down with  
13 those groups and ask them to come up with the jobs  
14 or to return the money.

16 Similarly, the cuts to the bank  
17 contracts are part of job owning and finding  
18 efficiencies and asking them to give back when  
19 daycare providers, aid service providers, and  
20 others have been asked to do the same thing, and  
21 on the city unincorporated business tax you know  
22 you have the authority to cap the UBT credit.  
23 There's at least 35 million dollars--

24 CHAIRPERSON RECCHIA: [Interposing]  
25 That's the capital, but that doesn't bring the

1 revenue. It's a credit. It doesn't bring in  
2 revenue. If we really need to do this, what  
3 you're saying, we need permission from Albany.

4 MR. KING: No, actually within the  
5 existing structure of the UBT you could undo a  
6 portion of what you did in 2007 and roll back that  
7 expanded credit for millionaires. Our  
8 recommendation is to cap the UBT deduction to move  
9 it from 23 percent to 15 percent and raise 35  
10 million dollars. That is within your authority to  
11 do, and it's within your existing authority for  
12 the UBT from Albany. It's not billions, but it's  
13 35 million, and I think it's real.

14 CHAIRPERSON RECCHIA: Still there's  
15 some issues with that.

16 MR. KING: The same way you had the  
17 power on your own to roll back in 2007, you have  
18 the power on your own now to cap for millionaires.

19 CHAIRPERSON RECCHIA: Right, but  
20 also it's more of a credit than actual revenue  
21 dollars.

22 MR. KING: I think at this point  
23 any oxygen into the system--

24 [Crosstalk]  
25



1  
2 FEMALE VOICE: --refund half of the  
3 early childhood programs.

4 CHAIRPERSON RECCHIA: Thank you  
5 very much.

6 MR. KING: Thank you, Mr. Chairman.

7 CHAIRPERSON RECCHIA: Okay, we're  
8 going to take these four gentlemen up in the  
9 front. Come on up. You want to testify? We're  
10 going to start moving this real quick. We're  
11 going to go around the room. We're going to get  
12 everybody in and out. We're going to go the left  
13 side of the room next. We're going to get all of  
14 these ladies right here next. Whoever would like  
15 to go first just state your name for the record.  
16 If you have written testimony, great. If not,  
17 just state your name for the record and what issue  
18 you're going to testify on.

19 MR. MITCHELL ROSENBERG: Is this  
20 working?

21 MALE VOICE: Yes, it work.

22 MR. ROSENBERG: My name is Mitchell  
23 Rosenberg, and I'm here to talk about the fire  
24 companies. I'll try to make it quick. I just  
25 want to say that the last couple of years there

1  
2 were incidents in the newspaper that everybody  
3 saw. There was the fire in the projects, Pelham  
4 Parkway houses on Pelham Parkway North where the  
5 woman was hanging out of the window with the baby  
6 in her arms, and you could see that she had  
7 inhaled smoke. You could see that she was ready  
8 to pass out. The firefighters got to her and  
9 grabbed the baby just before she succumbed to the  
10 smoke. It could have had a different outcome if  
11 they weren't there. There was a fire on Ninth  
12 Avenue in Hell's Kitchen a few years ago where  
13 many people were rescued. There was a fire in  
14 Morris Heights in the Bronx on Lauren Place South  
15 where a family was rescued by Engine 43 and Ladder  
16 59.

17                   And then recently you had in Park  
18 Slope about a year ago, the eight-month-old that  
19 was rescued in Park Slope by members of Engine  
20 220, which was slated to be closed and squad one.  
21 On the other hand, on the other hand in 1986,  
22 Mayor Koch closed Engine 85, 169 in Boston Road in  
23 the Bronx. A week later a seven-year-old died on  
24 Washington Avenue. Then Mayor Dinkins closed  
25 Engine 294 in Richmond Hill, Queens. Two elderly

1 men who were brothers died in their house and then  
2 Giuliani reopened the company. Going on and on,  
3 so Green Avenue in Brooklyn about a year and a  
4 half ago in Green Avenue in Bed-Stuy, a baby died,  
5 the picture was all over the media, a little girl  
6 with her face all burnt, but Engine Company 209  
7 was on Bedford Avenue. They were closed. That  
8 would have been the nearest company to Green  
9 Avenue. They were closed. Then you have the  
10 person, the guy that died in Wistoria [phonetic]  
11 when he was smoking in bed. He caused the fire.  
12 Engine 261 was closed. They would have been the  
13 nearest company, so the point I'm making is that  
14 you had these rescues that were widely publicized  
15 with people grabbed at the last second because  
16 those companies were there, and then you had  
17 people who died because companies had been closed.  
18 Mayor Bloomberg closed six companies in 2003 and  
19 none of them reopened, and Engine 209 in Bed-Stuy,  
20 Engine 212 in Williamsburg, Engine 261 in Long  
21 Island City, in three of those areas people died.  
22 I don't know about the other three. I had called  
23 City Hall, and I asked them if they were going to  
24 do anything now that people died. The response  
25

1 was there are no plans to reopen any fire  
2 companies and they hung up on me. I know my time  
3 is up; all I want to say is the City Council needs  
4 to override the Mayor to force him to not allow  
5 him to close companies, and if he does and anybody  
6 dies, he should be arrested for criminally  
7 negligent homicide and reckless endangerment.  
8 That's all I needed to say. They don't need to  
9 close any fire companies, and you guys should  
10 fight really hard.

12 CHAIRPERSON RECCHIA: Speak into  
13 the microphone. Thank you very much. Okay, next.

14 MR. ANDRE LAKE: Good evening  
15 everyone. Andre Lake, from the McDonna [phonetic]  
16 Head Start in Bedford Stuyvesant. I'm here as a  
17 victim of the Early Learn RFP just to say also  
18 that we--

19 CHAIRPERSON RECCHIA: [interposing]  
20 Are you losing it?

21 MR. LAKE: We lost it, all of our  
22 slots, all 175 slots.

23 CHAIRPERSON RECCHIA: What's the  
24 name of the--

25 MR. LAKE: [interposing] McDonna

Street Head Start, 45 years.

CHAIRPERSON RECCHIA: Who is taking it over?

MR. LAKE: We have no idea who the seats have been awarded to. The building is ours, 41, Meely [phonetic].

CHAIRPERSON RECCHIA: And you lost 142 slots?

MR. LAKE: 175 slots.

CHAIRPERSON RECCHIA: 175 slots.

MR. LAKE: We don't know who is getting those seats or where they are going. The information by ACS is very nebulous. We don't know where they are supposed to end up these children who have been reassigned.

CHAIRPERSON RECCHIA: After you testify, Michayla will take your name and address from my office.

MR. LAKE: The reason why I'm here is it's a unique situation where I'm actually asking you not to give ACS any money. The reason why I'm saying that is because we're not even--I have no faith in ACS in the sense that I don't know--I was here when they were testifying, and a

1 lot of the answers that they gave about the  
2 questions that you asked them in terms of the  
3 award letters, in terms of their own having to  
4 reapply, I thought they were a bit insincere and  
5 I'm a bit concerned about if the money is restored  
6 to ACS where it will go, will the seats be  
7 restored or will they be used for other purposes.  
8 I don't know where the oversight of these city  
9 agencies are or who is responsible for them, or  
10 who holds their feet to the fire, but just tell us  
11 what we need to do in order to let the other side  
12 hear. I mean we've made overtures to the Mayor's  
13 office but we don't know what else to do at this  
14 point.

16 CHAIRPERSON RECCHIA: They have  
17 been in business for 45 years you said?

18 MR. LAKE: Forty-five years.

19 CHAIRPERSON RECCHIA: Did you put  
20 in a proposal?

21 MR. LAKE: We put in a proposal for  
22 the ER fee.

23 CHAIRPERSON RECCHIA: Did you go up  
24 for the briefing yet?

25 MR. LAKE: We are scheduled to go

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next week.

CHAIRPERSON RECCHIA: All right, Michayla from my office is going to take the name, address, the name of the daycare center, and she'll give you a card and you contact us and we'll see what we can do. Okay, next.

MR. JOE PADALAYA: Thank you. You guys deserve to be blessed because of your hard work tonight and your hearing. I've sat here in amazement. My name is Joe Padalaya. I'm executive director of the Madison Square Boys and Girls Club. We have clubhouses in the Bronx, club houses in Brooklyn, we are about to build one in Harlem, and our job is to save and enhance lives. I'm not here to give you any stats. You have plenty of stats tonight. I'm not here to give you any figures. You have plenty of figures here. I'm actually here to tell you, actually to underline that which you already know, to bold what you already understand. These cuts are devastating. Has anyone given thought to these 50,000 kids from 2 to 10 in the afternoon what they are going to be doing? I'll tell you what you hear about the NBA draft and the NFL draft,

1 right now all the gangs they can't wait, they  
2 can't wait for the draft to see these 50,000 kids  
3 in their neighborhoods going I want that one, no,  
4 that one is mine. That one's mine. What about  
5 the drug dealers? Fifty thousand new customers  
6 for the drug dealers, 50,000. What about the  
7 predators? Fifty thousand new kids to prey upon.

8  
9 Now, it seems unbelievable, but I'm  
10 going to give you one short story. There was a  
11 girl who was born, her mother gave her away after  
12 two years to her grandmother who was already  
13 raising 13 kids. After about three more years  
14 when she was about five, six, the police came and  
15 took her away because of sexual and physical  
16 abuse. From the age of 5 to the age of 17, 12  
17 years, she has been in 7 foster homes. The one  
18 constant in her life has been our club. That's  
19 the one constant in her life. She became our  
20 youth of the year this past year, and she just won  
21 the regional competition in New York State.  
22 Without question, we have made a difference in her  
23 life, and what about all of the other kids? So as  
24 far as I'm concerned this is not a financial  
25 issue. This is a moral issue. I encouraged the



1 City Council to stand up, to stand up and be  
2 counted, to put this money back in, not just for  
3 us. I mean we've been around 128 years. We've  
4 been having OST, the contracts for over 25 years.  
5 We've been zeroed out after 25 years, after 118.  
6 I mean it's unbelievable, no explanation, no  
7 rationale, so here is a chance, a moral issue, not  
8 a financial issue. Put it back in for kids. You  
9 know, great cities are judged not by anything else  
10 in how they treat the poor, how they treat the  
11 elderly and how they treat the poor kids that are  
12 in the city. That is how you rate a great city,  
13 and we have made great strides in 20 years. To  
14 see it all go down in the last two or three years  
15 is unconscionable. I commend you for your work.  
16 I commend you for your hearing. I've been here  
17 since 3:30 listening to everybody talk. It's  
18 amazing, but the work has just begun.

19  
20 MR. STEVE MELTON: Steve Melton.

21 I'm with the Madison Square Boys and Girls Club as  
22 well too operating some of those sites that - -  
23 talks about. And the point that I just want to  
24 make is to really put another face to it. These  
25 are kids that--and again Madison will lose over

\$400,000. OST has been cutting our programs for the past five, six years. We've probably lost over \$1 million over the past four or five years cutting programs starting with high school programs and now totally zeroing us out in our budget. So you will have, as Joe said, for us easily 500 kids that are on the streets. These are kids who would be able to come to the Boys and Girls Club in the afternoon, not only get help with their homework, not only have some supervision, you know, good guidance and adults around them. These are kids who get meals as well too. One of the key reasons that kids come to after-school programs believe it or not are for meals, for meals. And that includes teenagers as well too. Since Joe said when you look at this is an issue with the OST cutting around the City, this is a moral issue. We're basically dumping kids on the street and saying fend for yourself. I can't tell you the countless number of calls we've gotten from parents who say what will I do with my kids. I can't afford daycare because the daycare centers are closing. I don't want to leave them at home because I'm afraid for them.

What will I do with them, Mr. Melton. We don't have an answer for them, so we are going to ask you to join with us, support us as we know you will to get those doors back open and to get those kids back in the club. It's important and we need to do it. We thank you and we praise the work that you've done here this evening.

CHAIRPERSON RECCHIA: We hear you loud and clear, okay. You have to get all those parents and mobilize them and you have to make sure the other side of the hall hears. That's what you need to do.

MR. MELTON: Yes, I want to say something about that. Seventy-five percent of our kids only have one adult in the home, and that adults guaranteed is not the dad and in most cases it's not even the mother, it's the grandparent. I know what you are saying.

CHAIRPERSON RECCHIA: I hear what  
you are saying loud and clear.

MR. PADALAY: I know what you are saying, but we are here--

CHAIRPERSON RECCHIA: [interposing]  
I represent a community, just like--

MR. PADALAYA: We are speaking on their behalf.

CHAIRPERSON RECCHIA: I know, and I am telling you I represent Coney Island. They are mobilizing. They are mobilizing by hundreds. They are out there. They are making their voices heard. You know, it's great, but you see before that team RAPP, okay, they are mobilizing. They are facing \$2.5 million cut. Three years ago that program was funded 100% by the Department of Education. They came here with 100 kids. You know what, we saved that program. Who speaks the loudest, squeaky wheel gets the oil. And you know what, you have to go down there and mobilize, you have to go down there and write letters, you have to go down there and make calls, you have to write petitions, and everywhere you have to make sure the commissioner hears you. This is not--we could only do so much. We are not going to be able to save every program that got zeroed out. I will tell you that right now. It's like you have to be heard, and you are going to have to do what you need to do. I'm going to tell you right now, those groups, those organizations that get out

1  
2 there, yes, it's tough, you know, and you know  
3 parents understand that. That's why on Saturdays  
4 and Sundays they are play--they are out there  
5 planning rallies, doing what they have to do at  
6 night, meeting with parents and organizing.

7 MR. PADALAYA: Respectfully, you--

8 CHAIRPERSON RECCHIA: [Interposing]  
9 You're hearing us.

10 MR. PADALAYA: --we've done that.  
11 We hear you loud and clear and we've done that.  
12 We've had parents out here; we've brought kids  
13 down here; we've brought teenagers down here.  
14 We're calling 311--

15 CHAIRPERSON RECCHIA: [Interposing]  
16 Well, can I be honest with you? I'm--

17 MR. PADALAYA: --we're sending  
18 rallies to the head of education because--

19 CHAIRPERSON RECCHIA: [Interposing]  
20 --here every day. I'm here every day. I've only  
21 seen one rally. We--we're part of the campaign  
22 for children and we've done it twice already,  
23 rallies out here--

24 MR. PADALAYA: [Interposing] I--I  
25 know, but I'm telling--

CHAIRPERSON RECCHIA: --and letters are coming and they're here. We're going to make sure we look for you.

MR. PADALAYA: I--I--

CHAIRPERSON RECCHIA: [Interposing] I'm going to bring some of those parents over to you and I would love to see them. Listen.

[crosstalk]

MR. PADALAYA: They're--

CHAIRPERSON RECCHIA: [Interposing] And some of those kids, too. And we had one of the kids here this evening, but she was from an enforced home and she has a deadline, you know? She has a curfew and she had to be home by 9:30, but--

MR. PADALAYA: [Interposing] Well, I hear what you're saying--

CHAIRPERSON RECCHIA: [Interposing] I wish you wouldn't say--I wish you would have told us. We would have loved--you know, we made an announcement at the beginning of the hearing. Anybody that needed to go or to, you know, we would accommodate anyone that had, you know, special arrangements. We made that announcement

1  
2 at the beginning of the hearing. We would have  
3 taken her first. Okay. Thank you very much.

4 MR. PADALAYA: Thank you. I  
5 appreciate the time.

6 CHAIRPERSON RECCHIA: Okay. All  
7 right. We're going to take this side over here.  
8 We have like, four people over here? Yeah. Here  
9 we have this young lady right here. Come on up.  
10 Okay. All right. You're with them? Okay. Your  
11 moral support. All right.

12 How many more people on this side  
13 we need to go? All right. One--come on up. Why  
14 don't everybody who wants to testify come sit in  
15 the seats right here, all right? Right up at the  
16 front. Come sit in the first two rows right here  
17 so I know who's going to go. Okay.

18 FEMALE VOICE: I'm going to scoot  
19 down.

20 CHAIRPERSON RECCHIA: All right.  
21 Is there anybody else in the room that wants to  
22 testify? We got everybody up in the front. Okay.  
23 All right. Is there anyone else in here that  
24 wants to testify besides everyone sitting in the  
25 first row? Okay. It's on.

MS. JOSEPHINA SAN FILEIU: Okay. I wish you a good evening and thank you very much, counsel and staff. I'm Josephina San Fileiu [phonetic]. I'm the founder of Latinas against FDNY Cuts and I want to connect some dots today.

This is the FDNY 2012 Medal Daybook. The ceremony was this morning to give awards to fire fighters and EMS who had rescued at high personal risk. One of them is a lieutenant known to me from Red Hook, a lieutenant Peter Trout. He got a medal for saving someone during a fire in a commercial building.

And I was waiting during the other presentations and these 48 medals awarded. 20 of 48 are awarded in Brooklyn. That's 40% of the medals given out today were for high-risk rescues in Brooklyn. I live in Brooklyn; I own a wooden house in Brooklyn. And Brooklyn has no burn unit and if the cuts go through on the 20 fire companies from last year, 40% of the listed companies for closure are in Brooklyn, which I repeat, has no burn unit. One of them is about four blocks away from my house and my community board in 2003 lost a company.



Now, Mr. Jackson, one of the questions from last week's hearing was the expected budget economics of the 20 companies. This year's estimate was 59 million. Now, the Colombia University study from 2008 calculated that each engine company saves 15 million dollars in property per year, so--which calculates roughly on--on my phone as 300 million dollars saved property compared to closing companies to save 59 million dollars. That doesn't really balance in my head. And, Mr.--

CHAIRPERSON RECCHIA: [Interposing]  
That includes overtime.

MS. SAN FILEIU: Sorry?

CHAIRPERSON RECCHIA: That includes overtime. That 59 million is 20 fire companies plus overtime.

MS. SAN FILEIU: Which I--I'm questioning whether the--the entire discriminatory lawsuit--the delay on--of that solution actually escalated a potential lawsuit and--and hugely escalated overtime the way I'm looking at it.

CHAIRPERSON RECCHIA: There's no doubt about that. Okay. Are you almost--anything

1  
2 else you want to say?

3 MS. SAN FILEIU: I'll keep this  
4 really short. I have another book which I'm going  
5 to present to you, which is the fire marshal's  
6 analysis of 2011. And the numbers that jump out  
7 at me from that book is last year, Brooklyn and  
8 Bronx had 55% of all fires. Arsons: Brooklyn had  
9 11% of all arsons last year and I list the four  
10 worst community boards.

11 CHAIRPERSON RECCHIA: Yeah. Yeah.  
12 We have it right here. You gave us this.

13 MS. SAN FILEIU: Related to whether  
14 companies could be closed in high-incident areas  
15 is my point.

16 CHAIRPERSON RECCHIA: Okay. Your  
17 time is up.

18 MS. SAN FILEIU: Thank you very  
19 much.

20 CHAIRPERSON RECCHIA: All right. I  
21 want to thank you. This is--I've got to say  
22 something. We--I got this at the hearing the  
23 other day and it was very, very helpful. I want  
24 to thank you for giving it to us. And you gave  
25 this to my staff?

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MS. SAN FILEIU: Yeah.

CHAIRPERSON RECCHIA: Whoever gave it to my staff, it was very, very helpful. Very informative.

MS. SAN FILEIU: Thank you, and there's--and there's other notes with that.

CHAIRPERSON RECCHIA: Yeah, I know. We--we saw it. This is an excellent piece. I just want to tell you.

MS. SAN FILEIU: Thank you.

CHAIRPERSON RECCHIA: Very, very-- it was very helpful to me, my staff, and we--it was advantageous to us. Thank you.

MS. SAN FILEIU: Thank you.

CHAIRPERSON RECCHIA: Okay.

MS. SAN FILEIU: I'm submitting these.

CHAIRPERSON RECCHIA: Okay.

MS. HELEN KIMMAN: Thank you so much for giving us your time and I really want to--

CHAIRPERSON RECCHIA: [Interposing] I have nothing better to do.

[laughter]

1  
2 MS. KIMMAN: And if--honestly, if  
3 councilwoman Margaret Chen [phonetic] was going to  
4 stay, I was going to stay because I'm representing  
5 a community that I think is grossly  
6 underrepresented.

7 CHAIRPERSON RECCHIA: [Interposing]  
8 The Korean-American family?

9 MS. KIMMAN: Yes. My name is Helen  
10 Kimman. I am the community relations coordinator  
11 at the Korean-American Family Service Center and  
12 we've been around for 23 years and we're a leading  
13 non-profit organization committed to preventing  
14 and ending domestic violence and relationship  
15 abuse and creating a violence-free society.

16 The Korean-American community in  
17 Flushing is 70% foreign born and the community has  
18 a high rate of limited-English proficiency with  
19 50% of the adult population speaking English less  
20 than very well. We have an OST program that's  
21 been cut. It's been zeroed out. In New York  
22 City, 22% of the Asian children live in poverty  
23 and 50% of the Korean children in New York City,  
24 they don't have health insurance. In 2010,  
25 Koreans were one of the four largest Asian groups

1  
2 to see increases in their unemployment rates. The  
3 disparity is enormous and cannot be ignored.

4 We see enough to the model minority  
5 myth and ask that you see that we are a community  
6 in need. The entire community is struggling and  
7 decisions to cut funding to critical programs such  
8 as DYCD's OST programs disproportionately affect  
9 our community. A funding inequity to culturally  
10 and linguistically-specific programs already  
11 exists, but when we lose access to funding to  
12 provide services that are already lacking, the  
13 impact is exponential and far reaching.

14 Due to the DYCD budget cuts, 63 - -  
15 students will have nowhere to go after June 2012.  
16 And since receiving DYCD OST funds, we've served  
17 almost 800 students in our community; many of our  
18 parents have confirmed that they may have to quit  
19 their jobs to be home for their children. DYCD's  
20 funding of \$150,000 a year enabled us to run after  
21 school for first to fifth graders, low-income  
22 Korean Asian students who need help with English,  
23 math, and homework. And our program was the only  
24 free after school program in the Korean community.

25 It's not just a babysitting

1 service, but it provides quality education to  
2 those who desperately need help. I really want to  
3 thank Councilman Recchia for mentioning that it's  
4 not just about the funding that's being restored.  
5 I'm here because I'm concerned that when the  
6 funding does get restored, programs like ours will  
7 lose the focus, the target, because it's small.  
8 It's 68 students, but those are 68 students that  
9 really needed help.  
10

11 Our clients are domestic violence  
12 victims and our clients' children are embedded  
13 into that after school program, so when that  
14 funding does get restored and we know it's going  
15 to, we just want to ensure that programs like ours  
16 that are culturally and linguistically specific  
17 that are really focusing on communities that need  
18 it don't get lost in the mix. Thank you.

19 CHAIRPERSON RECCHIA: I'm going to  
20 make sure Margaret Chen and Peter Coul [phonetic]  
21 make sure that money--

22 MS. KIMMAN: [Interposing] She's  
23 been doing a lot for CPC in her constituents in  
24 the Chinatown district. Councilman Peter Coul is  
25 our councilman and he has been, but at the same

1  
2 time it's what--we're still concerned. We're  
3 always going to be worried because we are the  
4 small ones. We're not the large ones that have  
5 several hundreds.

6 CHAIRPERSON RECCHIA: Well, we like  
7 to help everybody: large, small, medium.

8 MS. KIMMAN: Thank you.

9 FEMALE: But the--but the fact that  
10 you are here, you made an impression and I think  
11 the--our chair is here. It's always important to  
12 be here.

13 MS. KIMMAN: Thank you.

14 MS. STEPHANIE GANDOWDI: Good  
15 evening. I'm Stephanie Gandowdi [phonetic],  
16 associate executive director at Citizens'  
17 Committee for Children, a multi-issue non-profit  
18 advocacy organization dedicated to ensuring every  
19 New York child is healthy, housed, educated, and  
20 safe. We want to thank the city council for their  
21 long-standing commitment to children's issues and  
22 unfortunately, we are once again here to ask you  
23 to restore funding to core services for children  
24 including mental health services for children  
25 under five, teen rap program, child health

clinics, runaway and homeless use services, asthma prevention, and obesity prevention programs.

I want to spend the rest of my minute and a half talking about child care and after school, though. We are--as you know, there are 47,000 slots at risk that would cost over 170 million dollars to restore, but in addition to their restoration, the funding must be baselined because we--the system cannot function without this money permanently in the budget for ACS and DYCD.

The voices of the children and the parents and the providers have been at the hearing and have been at rallies all throughout the city. We sang to council member Recchia this morning--

CHAIRPERSON RECCHIA: [Interposing]  
Yes, I--I--it was beautiful.

MS. GANDOWDI: --and we hope that we'll find you again, because you've been rallying all over this city.

CHAIRPERSON RECCHIA: Did you sing to Mark Page [phonetic] as you walked in?

MS. GANDOWDI: We think Mark Page may have entered through the back door, because we



missed Mark Page. I don't know if anyone else saw him. We did talk to the mayor this morning. He said that no one cares about children more than him.

[laughter]

MS. GANDOWDI: I swear--

CHAIRPERSON RECCHIA: [Interposing]  
Listen--

MS. GANDOWDI: --that's what he said.

CHAIRPERSON RECCHIA: You know, and I agree with that. I agree with him. He does care about children. He does care about these day care centers, okay? It's other people that are making these decisions. That's why I really feel he's not fully aware of the impact it's having on the everyday New Yorker.

MS. GANDOWDI: So, we are trying to--

CHAIRPERSON RECCHIA: [Interposing]  
He doesn't feel the impact on what's going on in up--up in the Bronx.

MS. GANDOWDI: --yep.

CHAIRPERSON RECCHIA: What's going

1 on in Fleshing, what's going on in Coney Island,  
2 what's going on on the North Shore of Staten  
3 Island. There's no doubt about it. The mayor  
4 cares for children. He does, and I'm not saying  
5 he doesn't. I just don't think that he fully  
6 understands the impact and there are certain  
7 people in his administration that disagree with  
8 us, okay? That feel that this is good, okay?

10 I haven't seen one person who came  
11 forward to say this new OST procedure was good. I  
12 don't know one organization that came forward to  
13 say this early learn process was good and we had  
14 public hearings advertising everything. I do not  
15 know any--I wish somebody would come forward and  
16 say that.

17 MS. GANDOWDI: Yes. I just wanted  
18 to point out a couple--

19 CHAIRPERSON RECCHIA: [Interposing]  
20 Yeah.

21 MS. GANDOWDI: --quick things. So,  
22 we've been trying hard to get the voices of  
23 parents out there and we surveyed over 4,000  
24 parents in a week to find out what they would do  
25 if they lost their child care and after school.

1 And half of the child care parents said they'd  
2 have to quit their jobs and a third of the parents  
3 with after school, another 16% of those parents  
4 with after school said they'd have to leave their  
5 children home alone.  
6

7 CHAIRPERSON RECCHIA: I hear you.  
8 You're going to have to figure out a mechanism how  
9 the mayor hears you.

10 MS. GANDOWDI: Yep. We agree and--

11 CHAIRPERSON RECCHIA: [Interposing]  
12 I'm being very honest with you.

13 MS. GANDOWDI: --we're definitely  
14 trying to get to the mayor's office. We--we  
15 appreciate the commitment of the council and we  
16 understand that you're really trying hard. We  
17 have prepared that I hope this could help you,  
18 this map for the OST programs.

19 CHAIRPERSON RECCHIA: Yes, is it--

20 MS. GANDOWDI: [Interposing] It's  
21 at the back of the testimony.

22 CHAIRPERSON RECCHIA: --is it in  
23 here?

24 MS. GANDOWDI: It's the last page  
25 of the testimony. It shows the tremendous amount

1 of closures in addition to the net loss and you  
2 can see the red--well, the Xs. They're not red on  
3 this one. But just the decimation of the program  
4 throughout the city. We are trying to create the  
5 same thing for child care, but we don't have the  
6 data--all of the data that we need from ACS to be  
7 able to create the map, but we're working on that.

8 CHAIRPERSON RECCHIA: I want to  
9 just thank you for this and I want to thank you  
10 for the work that you do, because the materials  
11 that you do give us are very, very helpful, you  
12 know? And I have to just say I'm glad you don't  
13 spend money on the fancy glossy stuff.

14 MS. GANDOWDI: No, not even color  
15 copies for the red Xs. They're red on the screen.

16 CHAIRPERSON RECCHIA: No. This is  
17 good, but you should definitely stay in touch with  
18 us, because it's very, very important and see what  
19 happens.

20 MS. THERESA FENN: Good evening,  
21 thank you. Thank you everyone for your attention  
22 and for the opportunity to provide testimony on  
23 behalf of 20 Hanneken [phonetic] and CUCS. My  
24 name is Theresa Fenn [phonetic] and I'm the  
25

1  
2 director of the CUCS shelter care center for women  
3 at 350 Lafayette Street in Manhattan.

4 Previously, the council has  
5 generously supported the shelter with \$100,000 in  
6 funding. The shelter serves homeless women with  
7 severe mental illness. We provide temporary  
8 shelter, comprehensive services, and assistance to  
9 obtain permanent housing. We've been in operation  
10 since 1988, and the program has successfully  
11 housed more than 1,300 women and over 90% of the  
12 women remain stably housed. The success of the  
13 program is in meeting the needs of the women with  
14 complex medical, psychiatric, and social problems  
15 by offering a wide array of specialty services  
16 that other shelters aren't equipped to provide.  
17 I've included a fact sheet on our services, for  
18 your reference, which is located in the red  
19 folders. Loss of \$100,000 means reducing staff by  
20 two highly skilled case managers and translates  
21 into fewer women getting out of the shelter system  
22 and into permanent housing. Perhaps the best way  
23 to express the importance and the effectiveness of  
24 the program is through a story of one of the many  
25 clients who have benefitted from it. Susan has

been street homeless for nearly 30 years. An abusive relationship and untreated schizophrenia led her to sleeping in parks and in the subway system. She cycled in and out of the emergency room when she experienced serious medical and psychiatric problems. Susan had occasional jobs and even served in the army for some time, but the majority of the last 30 years of her life have been spent living on the street. She battled schizophrenia and substance abuse and was even featured in a documentary about mole people or communities of homeless people who live in the abandoned subway tunnels. Susan eventually accepted help from a street outreach team, a decision that turned out to be transformative because the outreach team brought her to the shelter at 350 Lafayette. Since becoming a CUCS client and living at the shelter, Susan has turned her life around. Defying concerns that she would be incapable of adjusting to indoor, residential life, Susan is an engaged and self-directed resident who works closely with the site psychiatrist and physician to maintain her health. She was even recently named client of the week by

1 the fellow residents at 350. Susan has been  
2 actively involved in the process to obtain  
3 permanent housing, and after only seven months at  
4 our shelter, she's moving out next week into her  
5 own studio apartment. The staff from the shelter  
6 will be with her every step of the way, visiting  
7 her over the next several months to ensure a  
8 smooth transition into her apartment. I thank you  
9 very much, and I hope that you'll be able to  
10 restore our funding.  
11

12 CHAIRPERSON RECCHIA: Thank you  
13 very much, I appreciate it. Okay, we'll take the  
14 lady in the second row, first, and we'll take the  
15 next three ladies, and then, we'll just finish  
16 everybody off.

17 SAUNTY MATTHEWS: My name, oh, do I  
18 get my full three minutes?

19 CHAIRPERSON RECCHIA: What?

20 MS. MATTHEWS: My full three  
21 minutes?

22 CHAIRPERSON RECCHIA: No, two  
23 minutes.

24 MS. MATTHEWS: Okay, my name is  
25 Saunty Matthews, and I am an at-home mom, and I'm

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1  
2 Those three doctors got paid. So, you all talk  
3 about your budget and that the things that are  
4 being cut, if the man would go after people who  
5 are committing Medicaid fraud, you would have  
6 extra money for all these other people. Do you  
7 understand? So, I'm devastated over the things, I  
8 have six stitches in this foot, and when I told  
9 the people at the, I stayed there for two months,  
10 at this Hebrew home. These are all my receipts  
11 from staying there, and when I told them about it,  
12 they, it just went in one ear and out the other.  
13 All they want to know, is did I give them a  
14 discharge paper. They sent me back there to the  
15 same place. I had to run for my life to get away  
16 from them people. When the ambulance brought me  
17 there, I slipped out the emergency room, dodging  
18 traffic, cars, and buses, and hide out for two  
19 days, two or three days, just to come here to this  
20 meeting and testify about what's going on. You  
21 understand? I still have an IV pick line in my  
22 arm, on this side of my arm--

23 CHAIRPERSON RECCHIA: (Interposing)

24 All right, this is what we're going to do.

25 MS. MATTHEWS: --where I was given

1 antibiotics.

2  
3 CHAIRPERSON RECCHIA: We'll take  
4 your name and your phone number and we'll call you  
5 to see how we, we'll talk to you afterwards about  
6 how we can help you.

7 MS. MATTHEWS: No, but I'm saying,  
8 they'll say, Oh, I'll talk to you or I'll give you  
9 a number. I've been placed where they'll give you  
10 a number, and then they play the phone game where  
11 the switch the line, switch the line, and then  
12 hang up on you.

13 CHAIRPERSON RECCHIA: No, we will  
14 try to help you.

15 MS. MATTHEWS: I want justice. I  
16 want the people who did this to me, fired, pink  
17 slip. You understand. I want compensation. You  
18 understand? For what--

19 CHAIRPERSON RECCHIA: (Interposing)  
20 First of all, you have to file a complaint with  
21 the State Department of Health against the  
22 hospital and against the doctors. That's number  
23 one. Number two, you should consult an attorney  
24 for legal advice.

25 MS. MATTHEWS: And while I was in

1  
2 the hospital, my landlord, who - - my electric  
3 meter, and I was supposed to be in court with her,  
4 she cleared out my apartment. So, that made me  
5 homeless, on top of that.

6 CHAIRPERSON RECCHIA: Okay.

7 MS. MATTHEWS: Okay, so I don't  
8 have nowhere to go, all right. Now, I can't go  
9 back to the hospital. I have an IV line, I have  
10 stitches that need taken out, but if I go down  
11 there, I'm too scared that my phone and my purse  
12 will be shaken all over the floor, and they way,  
13 they not only bullied me, but they bullied  
14 another guy first. There was another guy, and  
15 they walked up to him and they said give me your  
16 phone and give me your cash. He said no, you  
17 can't do this. He said you can't do this. It's  
18 my phone. They snatched his phone out of his  
19 hand, they took the cash and they counted it on  
20 the bed, and then they walked off. They came over  
21 to me and they said give me your phone, and they  
22 twisted my wrist.

23 CHAIRPERSON RECCHIA: (Interposing)

24 We hear you. This is an executive budget hearing.  
25 We will talk to you--

1  
2 MS. MATTHEWS: I want the public to  
3 hear it because the public is paying for this.  
4 You understand? Everyone in here is a tax payer.

5 CHAIRPERSON RECCHIA: We are  
6 hearing you, ma'am. We will take your  
7 information, and we will try to help you.

8 MS. MATTHEWS: The thing about it  
9 is--

10 CHAIRPERSON RECCHIA: We hear you,  
11 your time is up. Everybody gets two minutes. We  
12 gave you much more than two minutes. We heard  
13 your story.

14 MS. MATTHEWS: Okay, well let me  
15 ask you this. Can they put a freeze on that  
16 Medicaid--

17 CHAIRPERSON RECCHIA: We will  
18 direct--

19 MS. MATTHEWS: Can they put a  
20 freeze on the money that went to that doctor? You  
21 talk about your budget cuts, how about putting a  
22 freeze on that money or revoke the money?

23 CHAIRPERSON RECCHIA: The Shelter  
24 Care Center for Women.

25 MS. MATTHEWS: So you don't have to

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cut all these other programs.

CHAIRPERSON RECCHIA: We will see.

FEMALE VOICE: - - Can we give you this card? I mean the women's shelter center that was just here.

CHAIRPERSON RECCHIA: They can help you.

FEMALE VOICE: So maybe they can also help you find a place to live, at least for tonight.

MS. MATTHEWS: Yeah, but the point is--

FEMALE VOICE: They have social workers there that can help you work on those issues. I know what you're talking about.

MS. MATTHEWS: Well, how about if somebody first called the hospital and find out the director of the hospital, does he know about what happened in his ER? How about that? Let's do that tonight.

CHAIRPERSON RECCHIA: No, listen. We will take your name and phone number. We will call you tomorrow.

MS. MATTHEWS: On top of that, the

1 floor, I lost my apartment. I was living with my  
2 daughter, her baby--

3 CHAIRPERSON RECCHIA: Ma'am, we  
4 gave you more than ample time. WE have to move  
5 on. Next, please. Someone take her name and  
6 number, and we'll get in touch with her.

7 MS. MATTHEWS: The next meeting I  
8 want to be able to testify that you all helped me.

9 CHAIRPERSON RECCHIA: Okay. We'd  
10 love to do that, next.

11 MS. ANISSA HAMILTON: Hello.

12 CHAIRPERSON RECCHIA: Hello. Where  
13 are you from?

14 MS. HAMILTON: I am Anissa  
15 Hamilton, and I am a community health educator  
16 with Healthy People, well Health People, Community  
17 Preventive Health Institute. Forgive me, I'm  
18 nervous. We're located at 552 Southern Boulevard  
19 in the Bronx of New York. Some of the community  
20 services that Health People offers and that I,  
21 myself, a peer community health educator, along  
22 with my fellow peers, offer is to connect and  
23 sometimes even escort residents of a community in  
24 the Bronx to receive HIV and HEP C testing and  
25

care. We also help people get connected to screening and treatment for diabetes, asthma, and heart disease. We also refer people to substance abuse services, as well as affordable housing. We also go out into the community and provide preventive education in the areas I mentioned, in the Bronx community. I come to say, if the budget cuts take place, people will no longer have access to these much needed services and care. About a year and a half ago, due to past budget cuts, I lost my job and I became homeless myself and lost everything. But because of programs like Health People and other organizations that offer community services, I'm no longer homeless. I'm now connected to safe and affordable housing. I've received training from Health People that helps me to provide for myself, and also training that educates me and helps me go out into the community and educate other people in the community on their health issues. Especially those that are very high in the Bronx area. I'm also able to eat more nutritious meals and do simple things that I never thought I'd be without, like taking a shower daily. So, I'm also now

1  
2 connected to medical and dental care. I just want  
3 to say, having community-based programs and  
4 services like Health People has improved the  
5 overall quality of my life. I would like you to  
6 please take my testimony into consideration when  
7 making these budget cuts that will affect the  
8 types of community services that are provided to  
9 the Bronx community. Thank you.

10 CHAIRPERSON RECCHIA: Thank you  
11 very much. Next, please.

12 MS. RANDI LEVINE: Thank you for  
13 the opportunity to speak with you tonight. My  
14 name is Randi Levine and I'm an attorney at  
15 Advocates for Children. For more than 40 years,  
16 Advocates for Children has worked to promote  
17 access to the best education New York can provide  
18 for all students, especially students of color and  
19 students from low-income background. Advocates  
20 for Children is also a proud member of the  
21 campaign for children, which has mobilized parents  
22 and organized events and rallies all across New  
23 York City for the past three months. As an  
24 organization working to closes the achievement gap  
25 and protect every child's right to learn, we are



1 flabbergasted by Mayor Bloomberg's proposal to cut  
2 more than 47,000 children from early childhood  
3 education and after school programs. At a time  
4 when the city and state are implementing the  
5 rigorous, common core standards and emphasizing  
6 college and career readiness, early childhood  
7 education simply is not negotiable. You have our  
8 longer, written testimony, which has more of the  
9 research about the impact that early childhood  
10 education and after school programs have on  
11 educational outcomes. But as you know, more than  
12 \$170,000,000 is needed to ensure that we can  
13 continue to serve the same number of children in  
14 early childhood and after school programs. To  
15 provide stability to families and communities,  
16 this funding needs to be base lined. We are  
17 grateful for the City Council's support of these  
18 programs, and we urge you to do all you can to  
19 continue fighting and working with the Mayor to  
20 include at least \$170,000,000 in the City budget  
21 so that we do not have to cut a single child from  
22 early childhood education or after school  
23 programs. Thank you for this opportunity to speak  
24 with you and for staying so late into the night.  
25

CHAIRPERSON RECCHIA: Okay.

MS. ALICE OWENS: Thank you,  
Chairman Recchia and members of the Council.  
Thank you very much, the opportunity to present  
the testimony to you today. I appreciate your  
time and consideration. My name is Alice Owens.  
I am the president of Colony South Brooklyn  
Houses, a social service organization founded in  
Brooklyn in 1904. We are currently under contract  
with the New York City Administration for  
Children's Services. We operate ten childcare  
centers and a family daycare program. Colony  
applied for its ten existing centers and the  
recent early learn RFP and to our consternation  
and astonishment, were not awarded any of our  
sites. Two of our centers in downtown--

CHAIRPERSON RECCHIA: (Interposing)  
You go zeroed out on all ten of them?

ALICE: Yes, all ten centers are  
gone. Two were given to another provider, the  
other eight, simply will be closed when the  
contract runs out.

CHAIRPERSON RECCHIA: How many  
years have you been in existence?

1  
2 ALICE: Well, the organization has  
3 been in existence since 1904. We've done  
4 childcare since the 1940s, and as a matter of  
5 fact--

6 CHAIRPERSON RECCHIA: (Interposing)  
7 Since 1940s--

8 ALICE: -- one of our programs goes  
9 back to 1917. The eight centers facing  
10 elimination are located in East New York,  
11 Brownsville, Williamsburg, and Sunset Park, all  
12 communities that have a high concentration of need  
13 and are in targeted areas as defined by ACS. All  
14 are neighborhoods where hard-working parents  
15 endeavoring to support and educate their children,  
16 want high-quality care for their vulnerable  
17 youngsters, and private daycare is not an option.  
18 Daycare has a very positive impact on future  
19 learning. It teaches young children not only the  
20 basic academic skills, so they are ready for a  
21 positive future school experience, but it teaches  
22 them to interact with their peers. The parents  
23 who leave their children with Colony depend on the  
24 centers who provide - - homes to keep their  
25 children safe. Many a parent has lost his job

1 because of unreliable childcare, and in this  
2 troubled economic environment, when jobs are not  
3 only hard to find but at risk, the lack of  
4 adequate childcare can easily cause a parent to  
5 become unemployed. That unemployment has a  
6 cascading effect. The unemployed not only join  
7 the jobless rolls, but also lose health benefits,  
8 they may lose their apartments or homes, they may  
9 lack money for food, and this translates to a  
10 drain on public services. The elimination of the  
11 childcare slots also means that Colony will have  
12 to lay off close to 200 people. All eight of the  
13 sites in those in family daycare, those jobs will  
14 simply be gone. At the two sites that had been  
15 awarded to another sponsor, there is no guarantee  
16 that those now employed by Colony will be hired by  
17 the new group. This is a cruel and frightening  
18 prospect for our employees, many of whom have had  
19 jobs at Colony all their working lives. Some  
20 started in low-level positions and through hard  
21 work and education, obtained group teacher and  
22 director status. Being neighborhood centers, many  
23 who work in them live in the community. They  
24 support the local businesses and help to stabilize  
25

1 and improve these neighborhoods. These  
2 hardworking, competent, and caring employees will  
3 be forced to apply for unemployment. They, too,  
4 will lose their health insurance, since COBRA will  
5 be too expensive for them. Having to lay off  
6 staff in these numbers will have a real effect.  
7 Our workforce is overwhelmingly female, many  
8 single head of household, and their families are  
9 dependent on their income for their survival.  
10 These are only some of the reasons that the early  
11 learning award should be reviewed and programs and  
12 funding restored. Thank you.

14 CHAIRPERSON RECCHIA: Your program,  
15 did you ever have any problems prior to this, with  
16 ACS or anything?

17 ALICE: No.

18 CHAIRPERSON RECCHIA: No.

19 ALICE: And as a matter of fact,  
20 ASC would come to us. There were programs that  
21 they brought people around to see because they  
22 were so well run, and as late as 2009, they asked  
23 us to take over a program when the board was  
24 replaced.

25 CHAIRPERSON RECCHIA: Did you go

1  
2 for the debriefing yet to see why you weren't  
3 selected?

4 ALICE: Our debriefing is next  
5 Tuesday at 11:00.

6 CHAIRPERSON RECCHIA: Whose council  
7 district are you in?

8 ALICE: We're in many council  
9 districts. We're in Councilman Levin, we're in  
10 Diana Reyna's council district, we're in Charles  
11 Faren's district, I think I'm forgetting one  
12 person.

13 CHAIRPERSON RECCHIA: Did you  
14 submit to my office a list of all your sites?

15 ALICE: Excuse me?

16 CHAIRPERSON RECCHIA: Did you  
17 submit a list of all your sites?

18 ALICE: I don't think we have to  
19 your office, but we certainly can.

20 CHAIRPERSON RECCHIA: Yeah, to my  
21 office. Where's Liz? Liz will talk to you after  
22 you testify, okay.

23 ALICE: Fine, be happy to do it.

24 CHAIRPERSON RECCHIA: This is just  
25 devastating.

ALICE: It is, absolutely, not only to the agency, but to the people, the parents, the employees--

CHAIRPERSON RECCHIA: Are your workers, union?

ALICE: Yes, the workers are unionized.

CHAIRPERSON RECCHIA: All right, okay. We will be in touch. Thank you very much.

ALICE: Thank you.

CHAIRPERSON RECCHIA: Liz will get your information so we can--I need a list tomorrow of all the sites.

ALICE: Sure.

CHAIRPERSON RECCHIA: Okay, this is the final group.

MS. VIDEO STARK: Thanks for staying so long. My name is Video Ragu Stark. I'm the director for early childhood services at Sunset Bay Community Services.

CHAIRPERSON RECCHIA: Another Sunset Park.

MS. STARK: Another Sunset Park.

CHAIRPERSON RECCHIA: What are you

here to complain about? OST, early learning--

MS. STARK: Actually, I would like to say that I love the early learn process and I love the OST process. I'm just kidding, but I know you wanted to hear it.

CHAIRPERSON RECCHIA: I almost passed out.

MS. STARK: Our centers were actually awarded both OST and Early Learn slots. You know, I have this script to talk about, but I'm not going to go with the script. Our big concern with Early Learn is how it is set up, and I know a lot of people have voiced concerns over budget and insurance, and loss of slots and the loss of centers. My main concern is the way Early Learn is moving forward with infants and toddlers. I have an infant, and I have a four-year-old, both who have been in the daycare center. The daycare centers I chose were purposeful. They are the centers that I also oversee. My children suffered during the transition process from home to daycare. I suffered during the transition process from home to daycare. Both of my girls cried for about two to three weeks.



CHAIRPERSON RECCHIA: Why?

MS. STARK: Because it is tough.

It is tough for a baby to go from the home maternal environment to go to a childcare setting. And then to go from one classroom to the next, and the way Early Learn is set up, it's set up with blended funding, but it now cuts every child's experience from family daycare, to center-based preschool, to UPK classroom, to kindergarten.

CHAIRPERSON RECCHIA: The idea was to get rid of the four-year-olds, send them to UPK, or send them to the DOE, let the DOE deal with it and to deal with six months to three-year-olds. That's all they want to deal with.

MS. STARK: But it is developmentally inappropriate to do that to children below the age of five. At no other experience that a child has does a child go from environment to environment in their learning process. As New York City is doing that with Early Learn between zero and four-years-old.

CHAIRPERSON RECCHIA: Is there any other city that is doing that?

MS. STARK: Yeah, there is a ton of

1 attachment. I mean the entire idea of home and  
2 attachment theory allows for an infant, and a  
3 toddler, and a pre-schooler to develop secure,  
4 loving relationships with their primary  
5 caregivers, whether it's their mother or their  
6 teacher. In our centers with Sunset Bay, we have  
7 set up primary care-giving relationships. Our  
8 centers serve two months to twelve years. It  
9 allows children to stay in one setting for the  
10 first 12 years of their life instead of going from  
11 home to family care setting, to pre-school, to  
12 UPK, and to kindergarten.

14 CHAIRPERSON RECCHIA: You mean 12  
15 months, not 12 years?

16 MS. STARK: Twelve years, two  
17 months to twelve years is what our centers  
18 represent. We go from infant/toddler pre-school,  
19 to OST, DYCD programs, and what they've done is  
20 cut our infant/toddler slots and put them into  
21 family childcare so that now our infants that we  
22 serve go from their home with their parents, to  
23 another home with family childcare to center-based  
24 pre-school, to UPKDOE and then to kindergarten,  
25 and it's insane that a child under the age of five

1  
2 has to go through so many different drastic  
3 transitions under Early Learn. And that's my main  
4 grip with Early Learn. As an Early Learn  
5 recipient I oppose Early Learn, and I just wanted  
6 to talk about what they're doing with  
7 infant/toddler slots.

8 CHAIRPERSON RECCHIA: Okay, you're  
9 the first one that came here to testify about  
10 that.

11 MS. ANN GO: Good evening. My name  
12 is Ann Go. I'm the director of Magical Years  
13 Early Childhood Center.

14 CHAIRPERSON RECCHIA: Magical Early  
15 Childhood Center. You must work miracles.

16 MS. GO: And also, which has been  
17 in Sunset Park community providing services for  
18 infants and toddlers from six months to 36 months  
19 for over 20 years. We have lost 10 out of 38  
20 slots.

21 CHAIRPERSON RECCHIA: You lost your  
22 38 slots?

23 MS. GO: Ten out of thirty-eight  
24 slots in our program as the result of the Early  
25 Learn - - .

CHAIRPERSON RECCHIA: You should feel lucky. You're lucky you didn't get wiped out.

MS. GO: But 28 slots for the entire Sunset Park Community, so yeah.

CHAIRPERSON RECCHIA: Community, I know.

MS. GO: So as the director of an infant/toddler program, I know what it looks like when parents first bring their children into unfamiliar setting to be cared for. Children are scared, anxious and frightened. They express this through screaming, crying and vocalizing. Research, study and experience shows that transitions are the primary place for young children to display vulnerable behaviors such as crying, biting, hitting, and having tantrums. These disruptions in routines and care often foster a sense of uneasiness, detachment and doubt in young children. In early care and education, large transitions and changes in settings and caregivers should be minimized in order to support optimum development for young children. At our centers, staff support children through their

1 transitions by assigning a primary caregiver who  
2 serves as a central and stable support to the  
3 child and family. We encourage a slow and  
4 intentional transition process with the parents  
5 and child and several together to familiarize the  
6 family with the new environment. Every time the  
7 child transitions to another class, a primary  
8 caregiver is able to go with them. They are  
9 secure in our center. We have systems in place to  
10 allow for a smooth transition from home to center-  
11 based care and have a neighborhood wide system set  
12 up so that children experience as few large  
13 transitions as possible. Instead, our children  
14 see familiar faces, rest in familiar environment  
15 and become so familiar with us and our center so  
16 that we are their second family. So please  
17 restore - - and centers in Sunset Park, Brooklyn.  
18 Thank you.

19  
20 CHAIRPERSON RECCHIA: Thank you  
21 very much.

22 MS. GLORIA MARTINEZ: Okay, hello,  
23 good afternoon, good night.

24 CHAIRPERSON RECCHIA: Excuse me,  
25 what is your name again?

MS. GO: Magical Years.

CHAIRPERSON RECCHIA: Your council member is Sarah Gonzalez?

MS. GO: Yes.

CHAIRPERSON RECCHIA: Did you speak to Ms. Gonzalez about your ten slots that you lost?

MS. GO: Yes, we did, and she actually came to our daycare center to visit us and to give us the support make sure that--

CHAIRPERSON RECCHIA: [interposing]  
Good. We will follow up with Ms. Gonzalez.

MS. GO: Thank you so much.

CHAIRPERSON RECCHIA: Okay, next.

MS. MARTINEZ: Hello, my name is Gloria Martinez. I am the director of the World Industry Center located in Cobble Hill.

CHAIRPERSON RECCHIA: In Cobble Hill.

MS. MARTINEZ: We are part of the same sponsor board for Magical Years and Sunset Park, but in the program we have two months to 20 years old, and they are cutting my infant - - program, 25 slots on my program.

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CHAIRPERSON RECCHIA: Did you lose anything?

MS. MARTINEZ: Twenty-five of my slots.

CHAIRPERSON RECCHIA: You lost 25 slots.

MS. MARTINEZ: My infant - - program is lost, so--

CHAIRPERSON RECCHIA: [interposing]  
And where are your infant slots going?

MS. MARTINEZ: Family child care.

CHAIRPERSON RECCHIA: Homes?  
Because they're cheaper.

MS. STARK: Cheaper, we understand, but it is on the backs of--

CHAIRPERSON RECCHIA: [interposing]  
Speak into the mic.

MS. STARK: I understand that family childcare is cheaper, but we are also asking an infant to now transition from home to home, to center, to class.

CHAIRPERSON RECCHIA: From home to home. I agree with you.

MS. STARK: It's insane.

CHAIRPERSON RECCHIA: I know.

Listen. Where are the educators or the so-called-  
-who is advising the administration? What  
philosophy? Who are the experts that are telling  
them this is educationally sound?

MS. STARK: I think honestly it is  
the bank and the budget. I don't think it's  
developmentally appropriate. It's actually  
antithetical to the early childhood practice.

CHAIRPERSON RECCHIA: This group is  
the first one that really came out and brought  
this to our attention. This is the first time we  
are hearing about this issue.

MS. STARK: I would love to provide  
research, to provide the facts. Liz Michayla from  
my staff. After they testify, let's get her name  
and address. We'll follow up. Go ahead.

MS. MARTINEZ: One thing about my  
program is that since my program is providing  
services from two months to thirty-years-old, all  
my families are coming back. All of my families  
are having my babies in my infant program, my  
preschool child is in my pre-school and my school  
age program continues, so we take care of the



whole--you know, the whole family.

CHAIRPERSON RECCHIA: Who is your councilmember?

MS. MARTINEZ: Levin.

CHAIRPERSON RECCHIA: Steve Levin, have you spoken to Mr. Levin?

MS. MARTINEZ: We have an appointment, but we had to re-schedule.

CHAIRPERSON RECCHIA: Make sure you speak to him next week. The budget is moving really fast. I need you to speak to your council members and I will follow up. Next.

MS. CAROLYN MCRORY: Hi. Thank you so much and also I just want to say the enormous amount of compassion I have seen today has been very heartening and moving from you guys, from you Domenic Recchia and others. I'm Carolyn McRory [phonetic], and I'm a community gardener in the East Village and also in Coney Island and I just--

CHAIRPERSON RECCHIA: Community gardens?

MS. MCRORY: Yep, and I wasn't sure if anyone had advocated today for the green thumb program, which oversees I think it's approximately

1  
2 600 community gardens. I know there's a lot of  
3 people sending in, who are going to send in  
4 written testimony or already have, but I wasn't  
5 able to be here all day so I don't want to repeat  
6 anything.

7 CHAIRPERSON RECCHIA: Let me tell  
8 you something. We received hundreds of e-mails  
9 and testimony to make it part of the record.  
10 Which gardens in Coney Island are you with?

11 MS. MCRORY: Primarily in Coney  
12 Island it's called the boardwalk garden. It's on  
13 21st.

14 CHAIRPERSON RECCHIA: That's the  
15 one next to the Child's Restaurant?

16 MS. MCRORY: Exactly, yeah.

17 CHAIRPERSON RECCHIA: That's the  
18 one that's going to get bulldozed.

19 MS. MCRORY: Unfortunately, unless  
20 we really put up a great fight and get it back  
21 together.

22 CHAIRPERSON RECCHIA: I tell you  
23 right now you're not going to win that fight.

24 MS. MCRORY: It's that - - I know  
25 it.

CHAIRPERSON RECCHIA: We should talk about that.

MS. MCRORY: That would be great. I would appreciate that. So probably the council already knows the great importance of the community gardens and the role they play in transforming neighborhoods and also lives with education, programming, fresh food in areas that have food deserts sometimes, and they really do transform the most dangerous neighborhoods, like actually 21st Street, which was notoriously, historically, unbelievably dangerous just in the last couple of years with our work has been really turning around. The stories I've heard you wouldn't believe, but anyway, things are looking up as far as that goes. Thanks so much. I know you guys have your work cut out for you. So good luck. We really appreciate it.

CHAIRPERSON RECCHIA: The green thumbs, we hear you loud and clear. We do.

MS. MCRORY: Thanks so much. I really appreciate it.

CHAIRPERSON RECCHIA: I want to thank you all for testifying. Does anybody else

1 want to testify? This will end the Mayor's  
2 Executive budget for the New York City Council. I  
3 want to thank Margaret Chen, Council Member  
4 Jackson, okay, for staying. And I want to thank  
5 the Sergeant at Arms who did a great job. I want  
6 to thank the men and women in blue, the police  
7 officers that remained here, and I just want to  
8 thank the staff.

9  
10 MALE VOICE: The cameramen.

11 CHAIRPERSON RECCHIA: The  
12 cameramen. Make sure you get the good side of  
13 Recchia, but I also want to thank my finance  
14 staff. They did - - , - - , - - , Ray, Paul,  
15 Michayla, Jeff, Kenny from my office. Where's  
16 Lizzy. Liz.

17 [applause]

18 CHAIRPERSON RECCHIA: I want to  
19 thank you. This will end this budget for 2013,  
20 the Mayor's Executive Budget. Tomorrow morning  
21 there's a briefing starting tomorrow at 10:00 for  
22 all council members, and then--

23 MALE VOICE: [off mic]

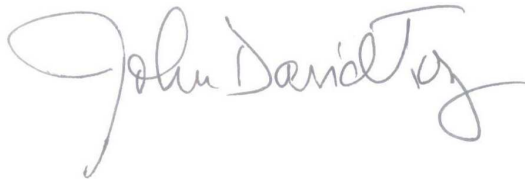
24 CHAIRPERSON RECCHIA: Everybody is  
25 watching it on TV, and then the budget will be

2 moving forward. I strongly urge you all to make  
3 sure the administration hear your concerns. Thank  
4 you very much. This concludes the 2013 Mayor's  
5 Executive Budget Hearings for the New York City.

C E R T I F I C A T E

I, JOHN DAVID TONG 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

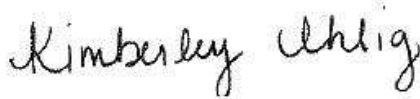
A handwritten signature in cursive script, reading "John David Tong". The signature is written in a dark ink and is positioned to the right of the printed word "Signature".

Date July 5, 2012

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

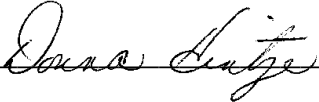


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7/3/12

C E R T I F I C A T E

I, Donna Hintze 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 

Date July 5, 2012



C E R T I F I C A T E

I, Trisha Ruckart, 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: \_\_\_\_\_

A handwritten signature in cursive script, appearing to read "Trisha Ruckart", written over a horizontal line.

Date July 5, 2012