CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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June 26, 2013 Start: 10:37 a.m. Recess: 11:10 a.m.

HELD AT: Council Chambers

City Hall

B E F O R E:

DOMENIC M. RECCHIA, JR.

Chairperson

COUNCIL MEMBERS:

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

Fernando Cabrera Julissa Ferreras Karen Koslowitz

APPEARANCES

COUNCIL MEMBERS:

James G. Van Bramer Vincent M. Ignizio James S. Oddo A P P E A R A N C E S (CONTINUED)

2	CHAIRPERSON RECCHIA: Welcome to
3	today's Finance hearing. My name is Domenic M.
4	Recchia, Jr. I am the chair of this wonderful
5	committee, and I welcome you. At this time, I
6	would like to recognize those members who are here
7	tonight; from the Bronx, Fernando Cabrera;
8	Brooklyn, Council Member Al Vann; from the Bronx,
9	Council Member Joel Rivera; from Brooklyn, Diana
10	Reyna; from Queens, Julissa Ferreras; from
11	Manhattan, Gale Brewer; from Queens, Jimmy Van
12	Bramer; from Manhattan, Robert Jackson; from
13	Staten Island, Vincent Ignizio; from Staten
14	Island, James Oddo, from Brooklyn, Lewis Fidler;
15	from Queens, Karen Koslowitz; from the Bronx,
16	Oliver Koppell. Today this Committee will take
17	the necessary actions to allow the City Council to
18	adopt FY 2014 budget. We will adopt an expense,
19	revenue, and contract budget otherwise known as
20	the budget, which includes appropriations for
21	schedule C. We will fix the property tax rates,
22	adopt the Banking Commission recommendations on
23	the late payment interest rates for non-payment of
24	property taxes and water and sewer charges, and
25	the discount rate for the early payment of

property taxes and take action on other budget related resolutions. We will also vote on items not related to FY 2014 budget. We will vote on four Land Use items, transparency reso, and intro related to the income expense statements filed by owners of income producing property. Before we start, I would like to take a second to thank our talented and hardworking finance staff--

[applause]

CHAIRPERSON RECCHIA: --under the leadership of our director, Preston Niblack; first deputy, Jeff Rodus. They deserve recognition for their round the clock work to make sure that the budget runs smoothly. I also want to take a minute to thank the entire staff of the finance division individually because all of them work heard, and many work behind the scenes to ensure that the Council adopts an on time and responsible budget. So I am just going to read off all of their names. I'd like to thank the administrative support staff Nicole Anderson and Maria Pagan.

[applause]

CHAIRPERSON RECCHIA: The education and public safety unit, Regina Ryan, Eisha Wright,

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Christina Perrotti and Lionel Francois; the health
and human services and government operations unit,
Latonia McKinney, John Russell, Tony , Laura -
- and Francisco; the infrastructure, Nathan
Toth, Chima Obichere, Kate Seely-Kirk, Amy Stokes
and Ralph Hernandez; the budget support staff, the
state and federal unit, Scott Crowley and we want
to thank Scott, Jimmy Reyes, and Jessica
Jimenez; the revenue unit, Ray Majewski, Paul
Sturm, , Jonathan , and Alex I also
want to give recognition to our general counsel's
office under the leadership of Liz Fine. We want
to thank all of our wonderful staff members from
the general counsel and the attorneys for the
great work. I want to justthey did a great job
working extremely hard. I also want to thank
Ramon Martinez and Chuck Nora [phonetic].

[applause]

CHAIRPERSON RECCHIA: I also want to thank my attorneys who I hear all the time, and I want to Juliana Han [phonetic], who came back to us, but I especially want to thank my right hand young lady Tanisha Edwards. Thank you.

[applause]

2	CHAIRPERSON RECCHIA: I also want
3	to thank my staff. First I want to start off by
4	thanking the man who has been by my side for the
5	last month. He is always there. He is always
6	staying late, works until the wee hours of the
7	morning, up at 8 o'clock the next day, and I want
8	to give a round of applause for Kenny Grays
9	[phonetic].

[applause]

CHAIRPERSON RECCHIA: I want to thank my communications director, who did a great job, Ashley Owens, for always being there. I also want to thank - - . - - .

[applause]

CHAIRPERSON RECCHIA: Of course, I want to thank our wonderful speaker, Chris Quinn.

It is under her leadership that we are able to adopt an on time, balanced and responsible budget that reflects the real prerogatives of New Yorkers. With that said, let's get down to business. Finance Committee members should have a budget packet that contains all budget related legislation that must be voted on by the Committee, and again by the full Council. The

2	packet also includes supporting schedules that are
3	not voting on, but filed with the Committee.
4	Additionally, the packet also contains item not
5	related to FY '14 budget, but we will vote on them
6	today, including transparency reso and four Land
7	Use items. Before I provide a brief description
8	of the items to be voted on today during the
9	Finance Committee, I would strongly emphasize that
10	Finance Committee members will be given only one
11	budget packet, so after you vote on the packet
12	items, you must bring the packet and all of your
13	contents to the stated meeting to vote on it
14	again. Non-Finance Committee members will be
15	given their budget packet at the stated meeting.
16	Let's start with the four Land Use items, which
17	are all HDFCs that will receive property tax
18	exemptions through HPD. The first Land Use item
19	is the property located in Council Member Erik
20	Dilan's district in Brooklyn. This property
21	contains one building with three units of rental
22	housing for low income families. The property
23	will receive a full property tax exemption for 40
24	years. The next Land Use item is Lowland
25	[phonetic] Plaza located in Council Member Robert

Jackson's district in Manhattan. This property
consists of one building with 130 units, provides
rental housing for low income families. This
property will receive a partial property tax
exemption for 30 years. The next Land Use item is
Promenade Apartments located in Council Member
Ydanis Rodriguez's district in Manhattan. This
property which consists of one building with 318
units provides rental housing for low income and
middle income families. The property will receive
a property tax exemption for 40 years. The last
Land Use item is 11380 University Avenue located
in Council Member Helen Diane Foster's district in
the Bronx. This property, which consists of one
building with 144 units, provides rental housing
for low income families. This property will
receive a full property tax exemption for 33
years. Those are all of our Land Use items, and
all four respective Council Members support these
projects. Our next item is a transparency reso.
This reso sets forth new designation or changes in
the designation of certain organizations receiving
local aging and youth discretionary funding as
well as new designations or changes in the

designation of certain organizations to receive
funding pursuant to certain initiatives in the
expense budget. For clarification purposes it is
to be noted that organizations appearing in the
reso that have not yet completed the pre-
qualification process conducted by the Mayor's
Office of Contract Services, the Council or
another entity are identified in the attached
charts with an asterisk. Additionally, as with
all transparency reso, Council Members will have
to sign a disclosure form indicating whether or
not a conflict exists with any groups attached on
the list. If any Council Member has a potential
conflict of interest with any organization listed
or any proposed subcontractor, he or she must
disclose the conflict at the time of their vote.
Our next item is proposed Intro 906-A. Last year
the Council introduced this legislation at the
request of the mayor. The original bill presented
by the administration contained enforcement
provisions designed to compel compliance with RPIE
filing requirement [phonetic] and contained
accuracy provisions designed to allow the
Department of Finance to gain a better

understanding of the characteristics of a property
which would in turn allow DOF to more accurately
determine a property's value and setting
assessments. This bill is being voted on tonight
of Eric Munsen. We had a hearing on this bill
April 23 rd . The version remains the same today.
My counsel, Tanisha Edwards, sent a description of
the bill this morning, so I won't go into details.
I will just say that sense the bill introduction
2012 by the administration the legislation has
been amended with an eye towards compliance and
accuracy as well as greater transparency and more
responsiveness to the needs of taxpayers. Now
let's get to the 2014 budget related items that
the Finance Committee will vote on. A description
of all the items were mailed to you this morning
by my counsel, Tanisha Edwards, so I will simply
list the items that are on our agenda today that
require a vote. These items are all contained in
the budget packet that members have in front of
them. The budget packet contains supporting
documents, schedules and items that are not voted
on by members. The first item is reso A capital.
The second is the reso B capital budget, which is

the capital budget as amended by reso A. The
third item is the reso adopting the contract
budget. The fourth item is the reso adopting the
expense revenue and contract budget. The fifth
item is a resolution to approve the amendment of
the five-year educational capital plan. The sixth
item is the resolution approving the 40 th year of
the community development program and the 39 th year
reallocations. The seventh, eighth, and ninth
items are three property tax resos. The tenth
item is a resolution approving an expense budget
modification. The eleventh item is the resolution
approving a revenue budget modification and
finally the twelfth, thirteenth, fourteenth,
fifteenth and sixteenth items are the five Banking
Commission recommendations. For properties with
assessed value of less than 250,000 the Banking
Commission recommended nine percent interest rate
for property taxes and water rate changes that are
paid late. For properties with assessed value of
250,000 or more, the Banking Commission
recommended an eighteen percent interest rate.
The Commission also recommended a one percent
discount rate for individuals who pay their

property tax early. The discount will save most
property owners approximately 31 dollars on their
annual tax bill. Higher value properties will
save a little more than 2,200 dollars. The
interest rates and discount rates are proposed
every year by the Banking Commission and the
Council adopts the recommendations, which have
remained constant over the years. Representatives
from the Banking Commission are here to answer any
questions on the Banking Commission's
recommendation. As a reminder to members schedule
C is a schedule of the expense revenue and
contract budget. We do not vote on schedule C
separately. Disclosures must be made for the
schedule C and reso A capital items. Liz, Jim and
Nadir have copies of the forms and they are all
here to answer any questions. Preston Niblack and
representatives of OMB are here to answer any
questions you may have on these items. Before we
take any questions, I want to briefly speak about
this year's budget and the budget process, which
will be the last for many of us including myself.
The adoption of the FY 2014 budget reflects the
culmination of hard work and dedication of my

colleagues, especially Speaker Quinn, whose
leadership brought order and civility to an
otherwise stressful and tense process. To get
here today we had to go through two rounds of
budget hearings where we heard from over 40 city
agencies and the public in over 100 hours of
testimony. We want through many hours of
delegation meetings, budget negotiating team
meetings, negotiations with the administration.
Even though I would not consider those
negotiations to be in the top ten of my list of
fun things to do in the future, I can honestly say
that if I had to do it over again, I would do it
again with the same group of people who after 12
years in the Council now feel like family. This
is my twelfth budget as a City Council Member and
my fourth as the Finance Chairman. Like many of
this, this will be our last city budget in my
current capacity. As chairman, I have seen the
firsthand tremendous amount of work and dedication
by the Speaker, the City Council and the Mayor to
balance the city's priorities. I feel honored to
have been able to serve the residents of the $47^{\rm th}$
District in Brooklyn, and I am truly proud to have

served as a Council Member under the leadership of
Speaker Christine Quinn. Now let's talk about the
details of this year's budget, which totals
approximately 70 billion dollars. Although this
budget originally was viewed as somewhat painless
as compared to prior budgets. We did get a few
last minute surprises that required the Council to
work closely and collaboratively with each other
and City Hall. We made many accomplishments in
this budget. We were able to provide 106 million
dollars to the library system to ensure that all
libraries remain open five days a week and they
are able to continue to provide important
services. The Council has also restored 143.6
million dollars for early childhood education and
after school programs, which will bring funding to
levels at or above the FY 2013 levels. This means
that not one child will lose access to his or her
care. In the FY 2014 budget, nearly 30,000 out of
school time slots for school aged children are
restored and more than 160,000 children will be
able to participate in other after school programs
funded by the Council. The Council also
successfully prevented the closure of fire

companies and funding has been provided to keep
open city pools. This budget also reflects
restorations of all initiatives adopted in last
year's budget plus a few enhancements. I repeat
all initiatives in last year's budget have been
fully restored. This is extremely wonderful news
for the City Council. Enhancements to last year's
budget included additional funding to DFTA for
case management, which would decrease the workload
of case manager from 110 cases to about 80 cases
and additional funding for teacher's choice, which
would increase the amount of funding to provide
teachers who purchase supplemental school
supplies. It also increases CUNY's Black Male
Initiative and the Council's Domestic Violence
Immigrant Opportunity Initiative, known as DOVE
and IOI. Of course all of this was done in light
of NYCHA's federal funding crisis. I am happy to
report that after Council negotiations with DYCD,
DFTA and NYCHA no senior center or community
centers will be closed this year. The city has
allocated 58 million dollars for NYCHA, which
would replace some of the 205 million dollars in
federal funding lost as a result of sequestration.

In order to keep the centers up and running, DFTA
will run four senior centers and DYCD will run 45
community centers will be run by NYCHA. Our
combined 13 million dollars will provide DFTA and
NYCHA to help run these centers. Just as
important as last 225 NYCHA employees will be
saved from layoffs from this coming year, and we
should all be proud of. Like I said, many
accomplishments were made in this budget. In all,
we were able to be successful, produce an on time
balanced budget without raising taxes, and much of
what we accomplished in this budget was the result
of prudent budgeting in prior years. During the
city's boom years rather than spending surplus we
prepaid down debt service for future years. This
has allowed us to have a cushion when events occur
that are beyond the city's control just as super
storm Sandy and federal sequestration. This year
the city has realized 200 million dollars in debt
service savings by refinancing our current debt to
take advantage of the currently low interest
rates. The accomplishments in this budget were
also possible due to increase in income tax
collections and the recent court of appeals

2	decision regarding the taxi medallion. This
3	decision allows the city to move forward with the
4	medallion sales, which will generate 300 million
5	dollars in FY '14 and another 1.2 million dollars
6	in the out years. Like I said, this is a good
7	budget. I am proud that this is my last year as
8	Council Member, as Finance Chair. We have adopted
9	a budget that we can all be proud on. We will now
10	take any questions from any members. Does any
11	members have any questions? Without seeing any
12	questions, I call the roll.
13	COMMITTEE CLERK: William Martin,
14	committee clerk. Roll call vote, Committee on
15	Finance. Council Member Recchia?
16	CHAIRPERSON RECCHIA: I encourage
17	all my members to vote aye on all. I will
18	recognize the Council Member from Manhattan, Gale
19	Brewer.
20	COUNCIL MEMBER BREWER: I see a
21	tiny little mistake in here. We should still vote
22	for it, and bring it up? There is a P.S. instead
23	of an H.S.
24	CHAIRPERSON RECCHIA: We will
25	correct that. We will correct it.

1	COMMITTEE ON FINANCE 19
2	COUNCIL MEMBER BREWER: Okay.
3	Thank you.
4	CHAIRPERSON RECCHIA: Okay. Call
5	the roll, Billy.
6	COMMITTEE CLERK: Rivera?
7	COUNCIL MEMBER RIVERA: I vote aye.
8	COMMITTEE CLERK: Reyna?
9	COUNCIL MEMBER REYNA: I vote aye.
10	COMMITTEE CLERK: Brewer?
11	COUNCIL MEMBER BREWER: Aye with
12	much thanks to the staff.
13	CHAIRPERSON RECCHIA: Hold on. I
14	have to make a disclosure before I voted. I have
15	to make this disclosure. I am disclosing on the
16	record of the Council proceedings that
17	intermediate school 239, also known as Mark Twain,
18	is funded in the budget we are adopting and my
19	child goes to the school and attends this school
20	and is associated with this entity. Thank you
21	very much. If anyone has to make a disclosure,
22	please disclose before you vote. We recognize
23	Council Member from Manhattan Gale Brewer.

COUNCIL MEMBER BREWER: Thank you very much. I am disclosing on the record that the

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2	New York Historical Society is funded in the
3	budget we are adopting and my husband is
4	associated with this entity. Thank you.
5	COMMITTEE CLERK: Comrie?
6	COUNCIL MEMBER COMRIE: I want to
7	vote aye on the budget and I want to congratulate
8	all of the Finance staff, the Speaker and the
9	budget negotiation team, and I have to disclose
10	thatI am disclosing on the record of Council
11	proceedings that I am funding York College of
12	Performing Arts Center in the budget that we are
13	adopting and that my wife works at York College,
14	but not at the performing arts center.
15	COMMITTEE CLERK: Fidler?
16	COUNCIL MEMBER FIDLER: I need to
17	disclose for the record that this budget contains
18	money for New York University. My son is a
19	student at the law school there, and it contains
20	fund for the Brooklyn District Attorney and my son
21	is employed as an assistant district attorney
22	there, and with that, I vote aye on all.
23	COMMITTEE CLERK: Foster?
24	COUNCIL MEMBER FOSTER: Yeah. He
25	is showing off So your kids are attorneys huh?

2	Exactly. I'd like to disclose for the record the
3	Council is funding new federal theater. My father
4	is a member of the board of trustees. The Council
5	is funding Saint Barnabas Hospital and my mother
6	is a member of the board of trustees and the faith
7	based HIV initiative goes to some of the funding
8	goes to Christ Church, where I am a member and my
9	father is the senior pastor. That being
10	disclosed, I vote aye.
11	COMMITTEE CLERK: Jackson?
12	COUNCIL MEMBER JACKSON: Pass.
13	COMMITTEE CLERK: Koppell?
14	COUNCIL MEMBER KOPPELL: I disclose
15	that my sister is a member of the orchestra in the
16	negotiating committee for the American Ballet
17	Theater, which I think is receiving city money.
18	In any event it is disclosed, and I vote aye on
19	the budget, Mr. Chairman. Thank you all
20	other matters on the calendar.
21	COMMITTEE CLERK: Vann?
22	COUNCIL MEMBER VANN: I am
23	disclosing on the record of the Council
24	proceedings that Medgar Evers College is funded in
25	the hudget we are adopting and I have two

	COMMITTEE ON FINANCE 2
daught	ters who are associated with this entity. I
vote a	aye on all.
	COMMITTEE CLERK: Mealy?
Ferre	cas?
	COUNCIL MEMBER FERRERAS: I vote
aye.	
	COMMITTEE CLERK: Cabrera?
	COUNCIL MEMBER CABRERA: I am
disclo	osing on the record of the Council
procee	edings that M.S. 390 is funded in the budget
we are	e adopting and my son is associated with this
entity	y as a substitute teacher, and I vote aye.
	COMMITTEE CLERK: Koslowitz?
	COUNCIL MEMBER KOSLOWITZ: I vote
aye.	No disclosures.
	COMMITTEE CLERK: Van Bramer?
	COUNCIL MEMBER VAN BRAMER: I vote
aye.	
	COMMITTEE CLERK: Ignizio?
	COUNCIL MEMBER IGNIZIO: Yes, I am
disclo	osing on the record of the Council
procee	edings that P.S. 36, Richmond is funded in

the budget that we are adopting and my five year

old daughter is a very influential member of that

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school, and she has encouraged me to fund it, and
she also graduated from kindergarten yesterday
for disclosing everything. I vote no on the
current base proportions, no against the adjusted
base proportions and no on the tax fixing
resolutions and aye on all others, and I just want
to congratulate my friend, Chairman Domenic
Recchia, who did a great job throughout this and
the staff really puts in an enormous amount of
work. When some of us can go home, others have to
stay and I really hope that those watching the
proceedings and those who are here understand
the amount of work that this finance team and the
finance staff does for the city of New York, and I
am grateful to all of you. Thank you very much.

COMMITTEE CLERK: Oddo?

COUNCIL MEMBER ODDO: I have to disclose on the record that I am funding the College of Staten Island where during the fall semester I am an adjunct professor of one course, and I am voting yes on all with the exception of the pre-considered resolution on the current base proportion, the pre-considered resolution on the adjusted base proportion and the pre-considered

2	resolution or	the tax	fixing. I	vote no	on those
3	Aye on all ot	hers.			

4 COMMITTEE CLERK: Mealy?

5 COUNCIL MEMBER MEALY: Aye on all.

6 COMMITTEE CLERK: Jackson?

7 COUNCIL MEMBER JACKSON: Thank you.

Mr. Chair. May I be excused to explain my vote? Thank you.

CHAIRPERSON RECCHIA: Yes.

COUNCIL MEMBER JACKSON: Well,

thank you. I wanted to speak about the five year capital budget amendment to the Department of Education. While 11.3 billion dollars may sound like a lot of money, it is clearly not meeting the needs of our New York City public school children, and I say that as the chair of the Education Committee for the past I guess five, seven years. I don't even count. Knowing that the number of children in our school system is continuously growing every single year, and class sizes are going up every single year in every grade, knowing that the five year capital plan as far as building construction is insufficient, knowing that their maintenance is totally inadequate with respects to

even the testimony that was given by the
custodian's union that New York City is like
number seven behind the major cities as far as
maintaining spending money for maintenance and
maintaining the facilities. In addition to that,
if you don't know, New York City rates the type of
issue and the concerns and problems based on the
grade of five, four, three, two, one, with five
being the worst and one being the least
problematic, and understanding that they are only
working on fives and fours mainly, but the three,
two ones are not really being dealt with, so
overall, 11.3 billion dollars sounds like a lot of
money, and it is 'cause I don't have it, but I say
to you that it is not meeting the needs of the New
York City school children, and that must be
addressed or else we are failing our children
because the primary purpose of us is to make sure
that our children have a safe place to learn that
is free of PCBs in the schools, and as you know,
recently the Department of Education said that ten
years was sufficient to remove the PCBs, and the
New York Lawyers for Public Interest sued on
behalf of the New York City Communities for

2	Change, and the courts demanded that they sit down
3	and resolve it and reduce it to five years. That
4	is the agreement, so we must continue to fight for
5	our children and I wanted to make this statement
6	about the five year capital plan because it is
7	inadequate and doesn't meet the needs of our
8	children. With that, I say that I am a board
9	member of the Malcolm X and Dr. Betty Shabaz
10	[phonetic] Education and Cultural Center in
11	Washington Heights. I am a board member there,
12	but I have not allocated any discretionary funds
13	myself. With that, I vote aye on all.
14	Understanding my objections to the five year
15	capital plan, I vote aye on all.
16	CHAIRPERSON RECCHIA: Thank you
17	very much. Without seeingBilly?
18	COMMITTEE CHAIR: All items on
19	today's Finance agenda have been adopted by a vote
20	of 17 in the affirmative, zero in the negative and
21	no abstentions with the exceptions of the
22	following two resolutions regarding base
23	proportions, adjusted base proportions are adopted
24	by a vote of 15 in the affirmative, two in the
25	negative and no abstentions and in regards to tax

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2	fixing also 15 in the affirmative, two in the
3	negative and no abstentions. Members, please sign
1	the Committee Reports Thank you

CHAIRPERSON RECCHIA: Thank you very much. This adjourns this meeting. We will start the stated meeting shortly.

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

Signature Kimbuly Campball

Date _____7/11/13