

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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January 7, 2015
Start: 10:06 a.m.
Recess: 10:36 a.m.

HELD AT: Committee Room - City Hall

B E F O R E: Julissa Ferreras
Chairperson

COUNCIL MEMBERS:

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

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

Department of Finance Representative

Larian Angelo

OMB

Charles Brisky

OMB

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2 CHAIRPERSON FERRERAS: Good morning
3 and welcome to today's Finance Committee
4 hearing. I'm Council Member Julissa Ferreras
5 and I am the Committee Chair. We've been
6 joined by Council Members Kallos, Cornegy,
7 Majority Leader Van Bramer, Council Member
8 Rosenthal, Mendez, Miller, Treyger, Gentile,
9 Gibson, and Johnson. Today, we are meeting to
10 consider four items, Proposed Intro 489B, a
11 transparency resolution and expense budget
12 modification and a revenue budget modification.
13 Proposed Intro 489B sponsored by myself and
14 Council Member Kallos--I actually want to thank
15 Council Member Kallos for your leadership and
16 assistance with this issue. This bill relates
17 to notice of violations adjudicated by the
18 Environmental Control Board. The ECB is an
19 administrative tribunal that adjudicates
20 hearings and notices of violation issued by
21 other agencies for various quality of life
22 infractions. The quality of life infractions
23 for which a notice of violation can be issued
24 include dirty or obstructed sidewalks,
25 unleashed dogs, loitering, noise, public

1 indecency, rodent and pest control, and
2 defacement of property. If an individual or a
3 business who receives a notice of violation is
4 found guilty by ECB, then ECB will impose a
5 fine. Similarly, if the individual or business
6 did not respond to the notice of violation or
7 appear at ECB for a scheduled hearing, they
8 will be found in default and ECB will impose a
9 fine. Outstanding ECB judgments result when
10 those individuals and businesses do not pay the
11 fines imposed by ECB in a timely manner.
12 Pursuant to a memorandum of understanding
13 entered into by the Department of Finance at
14 ECB in 2002, DOF is responsible for collecting
15 outstanding ECB judgments. To date, there are
16 1.49 billion dollars in outstanding ECB
17 judgments, most of which originate from the
18 Department of Buildings and the Department of
19 Sanitation. Of this amount, 350 million
20 dollars is interest and 83 percent of this debt
21 is more than two years old. Proposed Intro 489
22 B would require an annual report from DOF to
23 the Council and made publicly available on
24 DOF's website, detailing the amount of
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2 outstanding ECB judgments at DOF, the
3 enforcement tools used by DOF and the success
4 of DOF's collection efforts. This legislation
5 will vastly improve the Council's ability to
6 understand the amount of debt owed to the city
7 by ECB judgments and to monitor and oversee
8 DOF's collection efforts with respect to this
9 debt. If you remember, the Council held a
10 hearing on this legislation in October where we
11 heard testimony from the Department of Finance
12 and the Office of Administrative Trials and
13 Hearings. At the hearing, we learned that
14 while sheriffs and marshals are authorized to
15 enforce ECB debt, DOF has not used them in
16 recent years to collect such debt. We also
17 learned that a provision in the charter
18 prohibits the marshals from collecting debt
19 owed to ECB for judgments relating to notices
20 of violation issued by the Department of
21 Sanitation. So Proposed Intro 489B amends the
22 legislation considered by the Committee in
23 October to allow Marshals to enforce ECB
24 notices of violation issued by the Department
25 of Sanitation, which would ultimately enhance

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2 DOF's collection efforts of ECB debt. I urge
3 all my colleagues to vote yes in favor of this
4 bill. I want to thank my Chief Counsel, Tenisha
5 Edward [sp?] who is not here today because
6 she's busy preparing for tomorrow's hearing on
7 lien sale reauthorization legislation, and my
8 Assistant Counsel Rebecca Chason who worked so
9 hard with DOF to get this bill drafted. I
10 really appreciate all your efforts.
11 Representatives from the Department of Finance
12 are here to answer any questions that members
13 may have on this bill. Next, is the
14 transparency resolution set forth new changes
15 in the designation of certain organizations
16 receiving local aging and youth discretionary
17 funding as well as new changes in the
18 designation of certain organizations receiving
19 funding pursuant to certain initiatives in the
20 budget. Organizations appearing in the
21 resolution that have not completed the
22 prequalification process conducted by the
23 Mayor's Office of Contract Services, the
24 Council or any other entity are identified in
25 the attached chart with an asterisk. As with

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2 all transparency resolutions, Council Members
3 will have to sign a disclosure form indicating
4 whether or not a conflict exists with any of
5 the groups on the attached list. If a Council
6 Member has a potential conflict of interest
7 with any organizations listed, he or she has
8 the opportunity to disclose at the time of
9 their vote. Remember, as a reminder, please
10 disclose any conflicts you may have with
11 proposed subcontractors that are used by
12 organizations sponsored by discretionary
13 funding. These disclosures must be made before
14 the subcontractor can be approved. Jeremy
15 Plafker [sp?] of the General Counsel's Office
16 can assist you with any questions or concerns
17 regarding disclosure. Lastly, we have two
18 budget modifications. This past Friday, the
19 Council received a revenue budget modification
20 and an expense budget modification from the
21 administration for consideration. Yesterday,
22 the Committee held a hearing on two mods to sum
23 up their revenue budget modification
24 represented in recognition of 284.5 million
25 dollars in revenue and the expense budget

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2 modification represents movement of
3 approximately 822.2 million dollars of funding
4 between and within city agencies to implement
5 changes in the expense budget and reallocates
6 appropriations to fund City Council local
7 initiatives as well as other discretionary
8 program. The net fiscal impact of this
9 modification is zero. Representatives from the
10 Office of Management and Budget are here to
11 answer any questions that members may have
12 about the modification. Before I open the
13 floor to questions, on Proposed Intro 489B, the
14 transparency resolution and the two budget
15 modifications, I will turn the mic over to the
16 cosponsor of the ECB legislation, Council
17 Member Ben Kallos, for a statement.

18 COUNCIL MEMBER KALLOS: I'd like to
19 thank the Finance Chair, Julissa Ferreras, for
20 her leadership on this issue. It's a pleasure
21 to work with you as Chair of Governmental
22 Operations to focus on this issue that came up
23 during a preliminary budget hearing and then
24 again in our final budget hearing where with
25 your leadership and your tenacity were able to

1 really get to the bottom of that, and then we
2 actually had a strong partner in the
3 administration and Department of Finance that
4 put together a strong report explaining a lot
5 of what was going on, and really getting to the
6 bottom of what was going on with some clear
7 recommendations. According to their report,
8 there are currently 1.48 billion dollars in
9 uncollected debt, and this legislation,
10 Introduction 489B, would require DOF to produce
11 a yearly report outlining among other
12 statistics the total number of judgments
13 referred from ECB to DOF for collections and
14 the dollar amount as well as which tools DOF is
15 using to collect that debt, and there's also a
16 key piece of the legislation which I think is
17 also key. A lot of our reporting bills are
18 focused on reporting to the Council and in this
19 bill, we're requiring reporting to the 8.4
20 million New Yorkers whose money this belongs to
21 as well. So, I think that this is a great
22 trend which I hope to see in the rest of our
23 reporting bills. Every dollar of uncollected
24 ECB debt could be a dollar that goes towards
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2 school lunches, senior centers, city services
3 that everybody needs. Having such a report and
4 being able to measure the effectiveness of the
5 collections tools used will help the city
6 collect money it's owed and use those dollars
7 for important services. Again, thank you to
8 all the members of this Committee, and I urge
9 that you vote aye. And again, thank you to the
10 Finance staff who worked so hard to make this
11 legislation a reality, and have a happy new
12 year.

13 CHAIRPERSON FERRERAS: We've been
14 joined by Council Members Reynoso and Levine
15 and Rosenthal. I acknowledged you earlier.
16 And I'm going to call up DOF for questions on
17 489B. So if anybody has questions on the 489B,
18 we'll have those questions and then we'll open
19 up for the transparency questions and questions
20 to OMB. Good morning. You came a little
21 lighter today. My Counsel will swear you in.

22 COMMITTEE COUNSEL: Do you affirm
23 that your testimony will be truthful to the
24 best of your knowledge, information and belief?

25 DEPARTMENT OF FINANCE: I do.

COMMITTEE COUNSEL: Thank you.

CHAIRPERSON FERRERAS: So we're just going to open it up to questions, and I have two. In October 14th's hearing, the Committee asked a series of questions relating to enforcement of ECB debt. Some of the questions focused on enforcement of the ECB debt by sheriffs and marshals. At the hearing we learned that in recent DOF has not used sheriffs and marshals to enforce ECB debt. However, you stated to the Committee that DOF would begin a process. What type of debt does DOF envision referring to marshals and sheriffs, and what would the criteria for such referrals be?

DEPARTMENT OF FINANCE: Yes, so we are primarily focusing now on two types of cases. One would be higher dollar cases where we do more research on the debtor and potential assets, and when we find assets, we would refer those cases for execution to either the marshals or the sheriff. The other type of case would be defaulted payment plan where a debtor signs an agreement to make payments to

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2 us, stops making the payments, and we would
3 proceed after trying to get the debtor to
4 reinstate the agreement to make an execution to
5 the marshals or the sheriff.

6 CHAIRPERSON FERRERAS: Proposed
7 Intro 489B has amended to remove the
8 restrictions of sanitation ECB debt, which
9 would allow marshals to collect such debt.
10 After passage of the Local Law, how soon do you
11 expect marshals to begin enforcement of
12 Sanitation ECB debt?

13 DEPARTMENT OF FINANCE: We would
14 expect to be issuing executions within a couple
15 of months of the passage of the law, and I do
16 also want to add that right now we are
17 evaluating other cases, non-sanitation debt for
18 execution to marshals prior to the passage of
19 the law.

20 CHAIRPERSON FERRERAS: Okay, thank
21 you. Does any Council Member have additional
22 questions? Thank you very much.

23 DEPARTMENT OF FINANCE: Thank you.

24 CHAIRPERSON FERRERAS: Do we have
25 questions on the transparency or questions for

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2 OMB? No? Yes, yes. OMB, if you can come up?
3 I'm sorry, what members have--so we can get you
4 in the cue for questions for OMB? And Council
5 Member Cumbo has joined us. We will have
6 questions from Council Member--Good morning.
7 Thank you for being here with us today. We
8 will have Council Member Gibson followed by
9 Council Member Johnson.

10 COUNCIL MEMBER GIBSON: Good morning
11 everyone.

12 CHAIRPERSON FERRERAS: I'm sorry, we
13 have to swear you in.

14 COMMITTEE CLERK: Do you affirm that
15 your testimony will be truthful to the best of
16 your knowledge, information and belief?

17 LARIAN ANGELO: I do.

18 COUNCIL MEMBER GIBSON: Thank you,
19 and good morning everyone, my colleagues and
20 everyone here. Happy New Year. I hope you had
21 a wonderful and blessed holiday season. I'm
22 looking forward to working with all of my
23 colleagues on the Finance Committee to do great
24 work this year. And thank you to OMB for being
25 here this morning. I have a quick question in

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2 reference to the Police Department and the
3 enhanced training. In the November plan, there
4 is a modification of 28.87 million dollars that
5 would cover the overtime cost associated with
6 the administering of a three day and two day
7 training for 20,000 uniformed personnel. I
8 understand that does not include any special
9 units, but it would focus on 16,000 police
10 officers, 2,500 sergeants and 900 lieutenants.
11 My question is, is that the entire population
12 that we're looking to train with the 28
13 million, or are we going to stretch to the
14 entire 35,000 force? So, is this part one and
15 there will be a subsequent part two, or is this
16 the total training?

17 LARIAN ANGELO: Good morning. I
18 believe that in this particular modification
19 that is the sum total.

20 CHAIRPERSON FERRERAS: I'm sorry,
21 you have to state your name for the record.

22 LARIAN ANGELO: I'm sorry, Larian
23 Angelo of OMB. In this particular November
24 modification, that is the total being allocated
25 to police training. Now, we would be doing a

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2 preliminary financial plan in February and a
3 broader issue. So, you know, we'll be taking
4 up in a broader context at that time.

5 COUNCIL MEMBER GIBSON: Okay. Does
6 that also include the staffing at the academy,
7 in terms of does that also include the cost
8 associated for academy staff at the training
9 academy?

10 LARIAN ANGELO: I will have to get
11 back to you on that. I believe it does, but I
12 want to make sure, so we'll get back to you.

13 COUNCIL MEMBER GIBSON: Okay. And
14 then my second question relates to the summer
15 initiative that we focused on, Summer All Out,
16 that extended the community center hours at
17 NYCHA developments, the 70. Some of that has
18 been base lined, 2.9 million dollars has been
19 base lined for the overtime costs associated
20 with the police officers that were assigned to
21 work at those community centers. So I guess my
22 question is looking to this year with that base
23 line, are we looking to extend at all any
24 additional hours or would there be any
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2 potential cost that would further come down for
3 Summer All Out?

4 LARIAN ANGELO: For part two of your
5 question, in terms of extending the hours, once
6 again, it will be a conversation for the
7 preliminary budget which will be coming out in
8 February. In terms of police overtime, the
9 assumption is that the money allocated will
10 cover the cost. However, if for some reason it
11 does not, obviously overtime will be paid.

12 COUNCIL MEMBER GIBSON: Okay, thank
13 you very much. Thank you. Thank you, Madam
14 Chair.

15 CHAIRPERSON FERRERAS: Thank you very
16 much. Council Member Johnson?

17 COUNCIL MEMBER JOHNSON: I thank
18 you, Madam Chair. Good morning to my
19 colleagues. Thank you for being here again
20 today. I had a question specifically on one of
21 the items listed under the Department for
22 Homeless Services. It's the last item listed
23 under shelter security. It says that this
24 budget modification would add 1.1 million
25 dollars to DHS's fiscal 2015 OTPS budget for

1 additional security guards at the Bowery
2 Residence Committee's Chelsea Adult Homeless
3 Shelter as well as other security needs that
4 arise. The funds will support contracting out
5 to hire 28 peace officers in fiscal year 2015.
6 This is in my district. It's been a very, very
7 problematic situation. Thankfully to the Chair
8 of this Committee and the Speaker we were able
9 to get some money in last year's budget, and
10 what ended up happening was at the end of the
11 day the money wasn't put in and DHS decided to
12 self-fund which created some issues. And so,
13 since the budget was adopted, DHS was self-
14 funding those services. I met with them before
15 the holidays and they were wanting some more
16 assurity [sic] that the money was going to be
17 there moving forward. So I have asked our
18 finance division staff who I know is going to
19 be looking into this to get some further
20 details about this, but I was wondering if you
21 had any more specifics besides what's listed
22 right here for this item.

24 LARIAN ANGELO: Councilman, I'm not
25 quite sure what additional specifics it is you

1
2 would like. Can you be a little bit more
3 specific with us so we can help out?

4 COUNCIL MEMBER JOHNSON: Sure. So,
5 since DHS was self-funding the money up until
6 now, up until this modification, is this money
7 1.1 million dollars, is that going to be paying
8 DHS back for some of the money they self-
9 funded? Is it 1.1 million dollars for the
10 additional part of the fiscal year, and does
11 this then mean that there would be a
12 presumption that this would be base lined into
13 the budget for next year's budget?

14 CHARLES BRISKY: I'm Charles Brisky
15 from OMB. The money has been base lined for
16 the entire four year plan for the security for
17 those two facilities.

18 COUNCIL MEMBER JOHNSON: Four year
19 plan?

20 CHARLES BRISKY: Four year plan.
21 It's in our back up that we've done that. So
22 we've responded to Homeless Services to make
23 sure there is shelter at the--that there's
24 security at these particular shelters adequate
25 enough to maintain standards there.

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2 COUNCIL MEMBER JOHNSON: Thank you
3 very much. Thank you, Madam Chair. Thank you.

4 CHAIRPERSON FERRERAS: Great.
5 Yesterday Council Members William and this
6 committee asked the administration for data on
7 the demographics of students with the Carter
8 Cases. I understand that DOE has provided some
9 information which I thanked them for, but the
10 Council hopes that the remainder of the request
11 information will be provided expeditiously, as
12 I understand this information that we have been
13 trying to get for some time. So we got
14 something, which I appreciate, and I know I put
15 the deadline date for today, but we need more
16 details. We got some, but not exactly what we
17 had requested, so.

18 LARIAN ANGELO: And Madam Chair, if
19 we can see what you got so we can help you get
20 all that you need, because it's--you know, we
21 need to know. Thank you.

22 CHAIRPERSON FERRERAS: Absolutely. I
23 will show you what I got so you can give me
24 what I need. Yes, alright. Amen to that. Do
25 we have any additional questions? No? Thank

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2 you very much for your testimony. Before the
3 roll is called--we'd like you to come back at
4 10:00. No, we're kidding. Before the roll is
5 called, I would like to remind my colleagues
6 that there is a Finance Committee meeting
7 tomorrow at 10:00 a.m. in the 14th Floor
8 Committee Room where we will consider
9 legislation reauthorizing tax lien sales. The
10 Committee Report of this hearing will be
11 emailed this afternoon. Please make sure you
12 come to the hearing on time as we will be begin
13 promptly at 10. Billy Martin, the Committee
14 Clerk, will you call the roll. And before you
15 do that, I'm sorry, I just want to thank my
16 colleagues. I know we've had back to back
17 hearings in this committee, but we have a lot
18 of things that we need to get out, and I
19 appreciate you coming in, and I know that it
20 takes time away from us in the districts, but I
21 hope you understand how important tax liens and
22 everything else that we're doing in this
23 committee are. So, I appreciate you coming.
24 Billy Martin?

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2 COUNCIL CLERK: William Martin,
3 Committee Clerk, Roll Call Vote Committee on
4 Finance. All items are coupled. Chair
5 Ferreras?

6 CHAIRPERSON FERRERAS: I vote aye,
7 and I urge my colleagues to vote aye.

8 COUNCIL CLERK: Van Bramer?

9 COUNCIL MEMBER VAN BRAMER: Aye.

10 COUNCIL CLERK: Gibson?

11 COUNCIL MEMBER GIBSON: I vote aye.

12 COUNCIL CLERK: Cornegy?

13 COUNCIL MEMBER CORNEGY: I vote aye.

14 COUNCIL CLERK: Cumbo?

15 COUNCIL MEMBER CUMBO: Aye.

16 COUNCIL CLERK: Johnson?

17 CHAIRPERSON FERRERAS: I'm sorry, I
18 go to interrupt the vote. I'm really sorry.
19 This has probably never been done before, but
20 this is officially Jeff Rotas's [sic] last
21 committee vote, and we have to acknowledge
22 that.

23 [applause]

24 CHAIRPERSON FERRERAS: Thank you so
25 much, Jeff, for all that you do, all your

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2 advice, all your dedication. We really
3 appreciate and we are going to miss you tons.
4 Thank you. Sorry.

5 COUNCIL CLERK: Council Member
6 Johnson?

7 COUNCIL MEMBER JOHNSON: With
8 congratulations to the Chair on the passage of
9 this important piece of legislation, and see ya
10 Rotas. I vote aye on all.

11 COUNCIL CLERK: Levine?

12 COUNCIL MEMBER LEVINE: Aye.

13 COUNCIL CLERK: Rosenthal?

14 COUNCIL MEMBER ROSENTHAL: I vote
15 aye on all except for the budget modification,
16 and I do so with the understanding that our
17 Chair was worked us--has done an amazing job
18 trying to get additional information and
19 transparency with the city's budget, but at the
20 end of the day, you know, people should know
21 that the reason I was voted into office was to
22 make sure that the city's budget would be
23 transparent and a meaningful document. I can
24 only vote because my colleagues are voting yes.
25 We have to pass this budget. There's

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2 collective bargaining money in there. My
3 Community Board Chair last night reminded me
4 that she's waiting for the lines in the budget
5 to unfreeze, so I know, and certainly all the
6 unions are waiting for this money, and
7 certainly, you know, this budgets funds some
8 incredibly important things. Council Member
9 Gibson, Council Member Johnson have mentioned
10 two of them yesterday. We talked about
11 Avante's [sic] Law. We talked about Peer
12 Counselors, all sorts of very incredibly
13 important things that I support and I thank the
14 City Council for its leadership on all of its
15 issues, but the budget just full out, the
16 documents that are publicly available are
17 incomprehensible, and they don't have to be.
18 And so with that, I'm voting no, just on the
19 budget modification. Thank you.

20 CHAIRPERSON FERRERAS: Is that on
21 both, the expense and revenue?

22 COUNCIL MEMBER ROSENTHAL: Yes,
23 expense and revenue. Aye on everything else.

24 COUNCIL CLERK: Ignizio?

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2 COUNCIL MEMBER IGNIZIO: Yes, just
3 wanted to wish my good friend Jeff Rotas many
4 happy roads ahead. Many, many, many years ago
5 we all had more hair, it was blacker, we were
6 skinnier. It was almost 18 years ago when I
7 came in here and Jeff Rotas and I were friends
8 then. Jeff Rotas and I are friends now, and
9 we'll be friends in the future. So,
10 congratulations to you, and I wish you and your
11 family well, and I vote aye on all.

12 COUNCIL CLERK: Rodriguez?

13 COUNCIL MEMBER RODRIGUEZ: Aye.

14 COUNCIL CLERK: By a vote of 10 in
15 the affirmative, 0 in the negative and no
16 abstentions, Introductions 489B and
17 Presconsidered Resolution are adopted, and by a
18 vote of 9 in the affirmative, 1 in the negative
19 and 0 abstentions, two Preconsidered M's,
20 budget modifications of our--are also adopted.
21 Thank you.

22 CHAIRPERSON FERRERAS: Thank you very
23 much. Thank you to my colleagues, and we will
24 leave the roll open for 15 minutes. If Council

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2 Member Miller's staff is here, please make sure
3 that he comes in to vote.

4 COUNCIL CLERK: Continuation Roll
5 Call Committee on Finance. Council Member
6 Miller?

7 COUNCIL MEMBER MILLER: I vote aye
8 on all.

9 COUNCIL CLERK: Final vote Committee
10 on Finance Introductions 489B and Preconsidered
11 Resolution in regards to transparency
12 resolution stand at 11 in the affirmative, 0 in
13 the negative and no abstentions. The budget
14 modifications MN3 and MN4 as presconsidered M's
15 are now adopted by a vote of 10 in the
16 affirmative, 1 in the negative and no
17 abstentions. Thank you.

18 COUNCIL MEMBER MILLER: With that,
19 this committee hearing is now adjourned.

20 [gavel]

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COMMITTEE ON FINANCE

C E R T I F I C A T E

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



Date January 8, 2015