

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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April 11, 2018
Start: 11:10 a.m.
Recess: 11:26 a.m.

HELD AT: Committee Room - City Hall

B E F O R E: DANIEL DROMM
Chairperson

COUNCIL MEMBERS:

ADRIENNE E. ADAMS
ANDREW COHEN
VANESSA L. GIBSON
BARRY S. GRODENCHIK
ROBERT E. CORNEGY, JR.
LAURIE A. CUMBO
RORY I. LANCMAN
STEVE MATTEO
FRANCISCO P. MOYA
KEITH POWERS
HELEN K. ROSENTHAL
JAMES G. VAN BRAMER

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

[gavel]

CHAIRPERSON DROMM: Okay, good morning and welcome to today's Finance Committee meeting. My name Council Member Daniel Dromm and I'm Chair of the committee. We've been joined by Council Member Adrienne Adams, Council Member Keith Powers, Council Member Francisco Moya, Council Member Barry Grodenchik, Council Member Rory Lancman, Council Member Andy Cohen, Council Member Steve Matteo and Council Member Jimmy Van Bramer. Today the committee will be voting on three items and Council Member Robert Cornegy just joined us. Today the committee will be voting on three items; the transparency resolution, an expense budget modification and a revenue budget modification. Let's start with the transparency resolution which sets forth the new designation and changes in the designation of certain organizations receiving local, aging and youth discretionary funding and funding pursuant to certain initiatives in the budget. Organizations appearing in the resolution that have not yet completed the prequalification process conducted by the Mayor's Office of Contract Services, the council or another entity are identified in the attached charts with an

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2 asterisk. As with all transparency resolutions,
3 Council Members will have to disclose a disclosure
4 form... will have to sign a disclosure form indicating
5 whether or not a conflict exists with any of the
6 groups on the attached list. If any Council Member
7 has a potential conflict of interest with any of the
8 organizations listed, he or she has the opportunity
9 to disclose the conflict at the time of their vote.
10 As a reminder please disclose any conflicts you, you
11 may have... [clears throat] excuse me... with proposed
12 subcontractors used by organizations sponsored by
13 discretionary funding. These disclosures must be made
14 before the subcontractor can be approved. Marly
15 Marcellus from the General Counsel's Office is here
16 and can assist you with any questions or concerns
17 regarding disclosures. Also, regarding the
18 transparency resolution I'd like to call to member's
19 attention that since the email you received last
20 night containing the charts attached to this
21 resolution there have been two additions. First there
22 was an addition of 400,000 dollars to Man Up
23 Incorporated as indicated in chart four and second
24 there were changes to the Dove Initiative as
25 indicated in chart ten. Next, we have two budget

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2 modifications, briefly the expense budget
3 modification, MN-6 would transfer 970.3 million
4 dollars between various units of appropriation in
5 fiscal 2018. The net effect of these transfers on the
6 budget will be zero. The revenue budget modification,
7 MN-7 would recognize 783.8 million dollars in new
8 revenues for fiscal 2018. These new revenues combined
9 with a 400-million-dollar reduction in prior year
10 payables and a 1.4-billion-dollar reduction of the
11 general reserve for a total of 2.58 billion dollars
12 will be added to the budget stabilization account to
13 prepay debt service for fiscal 2019. Yesterday this
14 committee held a hearing so that Council Members
15 could ask questions of the Office of Management and
16 Budget and obtain additional details about the
17 actions in the modifications. As I stated yesterday,
18 that hearing was not business as usual, but it was
19 necessary given that the modifications contained
20 large transfers of funding that had they been
21 included at budget adoption would have received more
22 public scrutiny and oversight than has historically
23 been given to budget modification actions. After the
24 hearing there was some outstanding issues that
25 required follow up with the agency, the Finance

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2 Division sent OMB a list of questions and I
3 appreciate and thank OMB for the speed in which they
4 responded. A list of the questions and answers were
5 emailed to you earlier this morning by council and
6 copies are also on the desks before you. OMB also
7 provided a hard copy and I'm showing you right here,
8 a hard copy because it was not available by email of
9 the school service... support services contract which I
10 have here. In addition to the follow up information
11 OMB provided the administration has agreed to a new
12 process which will allow for increased information
13 sharing and collaboration with OMB prior to the
14 submission of budget modifications to the council for
15 approval. Broadly OMB has agreed to provide pre-
16 modification briefings for Council Members, new
17 reports and data regarding requested modifications
18 and significantly changed programs, more time for
19 discussion and negotiation on modification items and
20 to testify at hearings regarding budget modifications
21 at the discretion of the council. These new
22 procedures will certainly lead to a more cooperative
23 process where members have the necessary information
24 to make considered determinations to hold the
25 administration accountable for it's spending. I thank

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2 the Speaker for his leadership in ensuring that this
3 body has the tools it needs in order to conduct
4 rigorous oversight and the administration for it's
5 willingness to work with us towards our shared goal
6 of transparency. Are there any questions now on
7 today's items? Before I ask Billy Martin, Committee
8 Clerk to call the roll I'd like to remind my
9 colleagues that the Finance Committee will meet on
10 April 18th at ten a.m. in Council Chambers to hold a
11 joint hearing with the Committee on Education and
12 Land Use to review the recent council report planning
13 to learn, the school building challenge on several
14 related pieces of legislation, hopefully everybody
15 will show up for that. And with that now I'd like to
16 ask Billy to call the roll.

17 COMMITTEE CLERK MARTIN: William Martin,
18 Committee Clerk roll call vote Committee on Finance
19 all items are coupled, Chair Dromm?

20 CHAIRPERSON DROMM: I vote aye.

21 COMMITTEE CLERK MARTIN: Cohen?

22 COUNCIL MEMBER COHEN: Mr. Chair can I
23 explain my vote for a second?

24 CHAIRPERSON DROMM: Yes, you may.

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COUNCIL MEMBER COHEN: I just want to thank you and the Speaker obviously, I think yesterday's hearing really was of value I think that focusing a little sunshine... it's a significant amount of money that is being modified here, the budget's being modified in a significant way so I just want to applaud you and the leadership here, I think that we did... our work was of value yesterday so I vote aye, thank you.

COMMITTEE CLERK MARTIN: Cornegy?

COUNCIL MEMBER CORNEGY: Aye.

COMMITTEE CLERK MARTIN: Cumbo?

COUNCIL MEMBER CUMBO: Aye.

COMMITTEE CLERK MARTIN: Lancman?

COUNCIL MEMBER LANCMAN: [off-mic] Aye.

COMMITTEE CLERK MARTIN: Van Bramer?

COUNCIL MEMBER VAN BRAMER: [off-mic]

Aye.

COMMITTEE CLERK MARTIN: Grodenchik?

COUNCIL MEMBER GRODENCHIK: [off-mic]

Aye.

COMMITTEE CLERK MARTIN: Adams?

COUNCIL MEMBER ADAMS: [off-mic] Aye.

COMMITTEE CLERK MARTIN: Moya?

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COUNCIL MEMBER MOYA: Aye.

COMMITTEE CLERK MARTIN: Powers?

COUNCIL MEMBER POWERS: Permission to explain my vote?

CHAIRPERSON DROMM: Yes.

COUNCIL MEMBER POWERS: Thank you. On MN-7 I'm voting aye and on MN-6 I'll be voting aye but I, I, I am reluctant to do so because of something I think we highlighted yesterday... in yesterday's hearing which is that A, there are I think items in this budget that we need to be able to review, I'd highlight the school bus grant program which I think has been a constant source of conversation debate and I would be... and not doing my I think my due diligence to, to make sure that the council's providing real oversight about why we continue to fund that program which I, I think my predecessor made a lot of valid points around whether the legality of it and the constitutionality of it for starters, you know second I understand that we have a long list of items in here and we have a... we have a diligence to make sure that the city is funded on our obligations and we, we estimate the items in here that would allow for the closure of a facility on Rikers Island, something I

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2 know you support and I support but the process by
3 which we are asked to vote on a billion dollar
4 readjustment with items in it that I think really
5 almost independently deserve independent oversight is
6 a... is a... is a difficult thing I think for any Council
7 Member to, to be asked to do. I, I wanted to applaud
8 you and the Finance Division and the Speaker for, for
9 I think the first time in a long time actually asking
10 questions and asking... allowing us to do that so while
11 I, I support many of the items in here there are ones
12 that I think... I, I, I wish this process were done in
13 a different way to not have us have to vote on one
14 billion dollars of, of, of changes to the budget and
15 another I think 700 or so in, in new cost estimates
16 but to allow us to have these independent items
17 brought up and, and voted on independently and to
18 have more oversight and more time truthfully to be
19 able to talk about these issues. So, thank you for
20 that work and I, I do hope a new process brings out a
21 new result and an opportunity to look at these items
22 independently, thank you.

23 COMMITTEE CLERK MARTIN: Matteo?

24 COUNCIL MEMBER MATTEO: Thank you, I
25 appreciate my colleague's comments, I'm going to go a

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2 step further. I'm just fundamentally opposed to the
3 bus grant program, I have been since we voted on it
4 four years ago, I questioned the legality, for those
5 reasons I'm going to vote no on M-30 and aye on the
6 rest.

7 COMMITTEE CLERK MARTIN: Gibson? Pre-
8 considered Resolution and M-31 are adopted by the
9 committee; 12 in the affirmative, zero in the
10 negative and no abstentions with M-30 being adopted
11 by the committee; 11 in the affirmative, and.. excuse
12 me.. ten in the affirmative, one in the negative and
13 no abstentions.

14 CHAIRPERSON DROMM: Okay and with that we
15 are going to hold the vote open for another ten
16 minutes or so. Thank you. Thank you to all the
17 members and we'll see you a little later today, thank
18 you.

19 COMMITTEE CLERK MARTIN: Committee on
20 Finance, Council Member Gibson?

21 COUNCIL MEMBER GIBSON: Permission to
22 briefly explain my vote?

23 CHAIRPERSON DROMM: Yes.

24 COUNCIL MEMBER GIBSON: Thank you Chair
25 Dromm and I want to commend our Chair of Finance just

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2 for holding yesterday's hearing, but I really want to
3 make sure that I go on the record in regard to the
4 budget modification regarding the city's expense
5 budget. I do continue to have extreme concerns about
6 the level of spending the DHS is providing just to
7 provide basic shelter services for individuals and
8 families, 2.4 million dollars for cluster housing
9 every month is outrageous and as we talk about
10 drawing down and phasing out cluster housing we have
11 got to put together a real plan to manage the city's
12 homeless population. While we've made incredible
13 investments we have still not come to a point where
14 anyone should be satisfied with the level of millions
15 and millions of dollars that we continue to spend to
16 house homeless families and warehouse many of them
17 and so I am just really concerned as a representative
18 from Bronx County that has a high concentration of
19 family shelters, single adult shelters, and cluster
20 housing, I really want to make sure I go on the
21 record, we have got to put together a comprehensive
22 housing plan that even meets a fraction of the amount
23 that we're spending in DHS and it is not happening.
24 While I know as a city we are obligated to house
25 homeless individuals and families we should also feel

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2 obligated to provide long term affordable housing for
3 families and individuals in this city and so while I
4 support this I really want to make sure that my
5 colleagues and I understand that we have got to
6 change this conversation. We need to whip DHS into
7 shape, they are not doing a good job where I'm
8 satisfied to the point where we can continue to look
9 at these budget mods and these huge numbers and so
10 I'm looking forward to working with my colleagues to
11 make sure that we have a considerable amount of
12 affordable housing that goes along the same process
13 if we're talking about building 90 shelters in the
14 city of New York. And so, with that I am voting aye
15 on all and I want to thank our Chair again for having
16 a hearing on the budget mods, thank you.

17 CHAIRPERSON DROMM: Thank you and may I
18 make a remark? Yep. I want to thank you also for all
19 the work that you've done in this process and I
20 really just want to say that it wouldn't have been
21 possible to do it without your help so thank you
22 very, very much.

23 COMMITTEE CLERK MARTIN: Rosenthal?

24 COUNCIL MEMBER ROSENTHAL: Aye on all,
25 thank you Chair.

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COMMITTEE CLERK MARTIN: The final vote on today's Committee on Finance; Pre-considered Resolution and M-31 are adopted by a vote of 13 in the affirmative, zero in the negative with no abstentions and M-30 being adopted by a vote of 12 in the affirmative, one in the negative and no abstentions.

CHAIRPERSON DROMM: That's it and with that this meeting is adjourned at 11:26 in the morning.

[gavel]

C E R T I F I C A T E

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



Date

April 30, 2018