

**THE COUNCIL**

**THE CITY OF NEW YORK**

**FINANCE DIVISION**

**250 BROADWAY, 15TH FLOOR**

**NEW YORK, N.Y. 10007-2594
(212) 788-6921**

TO: Honorable Corey Johnson

Speaker

Honorable Daniel Dromm

Chair, Finance Committee

FROM: Latonia McKinney, Director, Finance Division

 Regina Poreda Ryan, Deputy Director, Finance Division

Nathan Toth, Deputy Director, Finance Division

Paul Scimone, Deputy Director, Finance Division

Rebecca Chasan, Senior Counsel, Finance Division

Stephanie Ruiz, Assistant Counsel, Finance Division

DATE: June 30, 2020

SUBJECT: A budget modification (MN-5) for Fiscal Year 2020 to implement changes in the City’s expense budget.

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INITIATION: By letter dated June 30, 2020, the Director of the Office of Management and Budget submitted to the Council, pursuant to section 107(b) of the New York City Charter, a request for approval to modify units of appropriation and transfer funds from various agencies in the amount of $4,047,650,829 and to various agencies in the amount of $1,822,001,859 to implement changes in the City’s expense budget.

BACKGROUND: MN-5 implements expense budget changes which were reflected in the City’s Executive and Adopted Financial Plans and reallocates appropriations that were included in the Fiscal 2020 Adopted Budget to fund City Council local initiatives.

FISCAL IMPACT: MN-5 represents the reallocation of appropriations and reduces overall expenditures by $2.2 billion in Fiscal 2020.

Preconsidered Res. No. 1353

RESOLUTION APPROVING THE MODIFICATION (MN-5) OF UNITS OF APPROPRIATION AND THE TRANSFER OF CITY FUNDS BETWEEN AGENCIES PROPOSED BY THE MAYOR PURSUANT TO SECTION 107(b) OF THE NEW YORK CITY CHARTER

By Council Member Dromm

 **WHEREAS**, At a meeting of the Committee on Finance of the City Council of the City of New York (the “City Council”) on June 30, 2020, the Committee on Finance considered a communication, dated June 30, 2020, from the Office of Management and Budget of the Mayor of the City of New York (the “Mayor”), of a proposed request, attached hereto as Exhibit “1” (the “Modification”), to modify units of appropriation and transfer city funds from various agencies in the amount of $4,047,650,829 and to various agencies in the amount of $1,822,001,859 in the Fiscal Year 2020 expense budget as adopted by the Council on June 19, 2019, pursuant to Section 107(b) of the Charter of the City of New York (the “Charter”); and

 **WHEREAS**, pursuant to Section 107(b) of the Charter, the City Council has thirty (30) days after the first stated meeting of the City Council following such receipt within which to act upon the Modification;

 **NOW, THEREFORE,** The Council of The City of New York hereby resolves as follows:

**1. Approval of Modification.** The City Council hereby approves, pursuant to Section 107(b) of the Charter, the actions proposed by the Mayor as set forth in the Modification.

 **2. Effective Date.** This resolution shall take effect as of the date hereof.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by The Council of The City of New York on June 30, 2020 file in this office.

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**Clerk of the Council of the City of New York**

# T H E C O U N C I L

**REPORT OF THE COMMITTEE ON FINANCE**

**RESOLUTION APPROVING THE MODIFICATION (MN-5) OF UNITS OF APPROPRIATION AND THE TRANSFER OF CITY FUNDS BETWEEN AGENCIES PROPOSED BY THE MAYOR PURSUANT TO SECTION 107(b) OF THE NEW YORK CITY CHARTER**

The Committee on Finance, to which was referred the above-captioned resolution, respectfully submits to The Council of the City of New York the following

 **R E P O R T**

Introduction. At a meeting of the Committee on Finance of the City Council of the City of New York (the “City Council”) on June 30, 2020, the Committee on Finance considered a communication, dated June 30, 2020, from the Office of Management and Budget of the Mayor of the City of New York (the “Mayor”), of a proposed request, attached hereto as Exhibit “1” (the “Modification”), to modify units of appropriation and transfer city funds from various agencies in the amount of $4,047,650,829 and to various agencies in the amount of $1,822,001,859 in the Fiscal Year 2020 expense budget as adopted by the Council on June 19, 2019, pursuant to Section 107(b) of the Charter of the City of New York (the “Charter”).

Analysis. The Council annually adopts the City’s budget covering expenditures other than for capital projects (the “expense budget”) pursuant to Section 254 of the Charter. On June 19, 2019, the Council adopted the expense budget for Fiscal Year 2020 (the “Fiscal 2020 Expense Budget”). This modification implements expense budget changes which were reflected in the City’s Executive and Adopted Financial Plans and reallocates appropriations that were included in the Fiscal 2020 Adopted Budget to fund City Council local initiatives. MN-5 represents the reallocation of appropriations and reduces overall expenditures by $2.2 billion in Fiscal 2020.

For more detail on the funding transfer between agencies, see Appendix A of the Modification attached hereto as Exhibit “1.”

 Procedure. If the Mayor wishes to transfer part or all of any unit of appropriation to another unit of appropriation from one agency to another; or when a transfer from one unit of appropriation to the another, and such transfer results in any unit of appropriation being increased or decreased by the greater of five percent or $50,000, section 107(b) of the Charter requires that the Mayor must first notify the Council of the proposed action. Within 30 days after the first stated meeting of the Council following receipt of such notice, the Council may disapprove such proposed action. If the Council fails to approve or disapprove such proposed action within such 30-day period, the proposed action becomes effective and the Mayor has the authority to make such transfer.

 Description of Above-captioned Resolution. In the above-captioned resolution, the Council would approve the Modification pursuant to Section 107(b) of the Charter. Such resolution would take effect as of the date of adoption.