

CITY COUNCIL
CITY OF NEW YORK

-----X

TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON GOVERNMENTAL OPERATIONS

-----X

March 15, 2010

Start: 10:00am

Recess: 3:23pm

HELD AT: Council Chambers
City Hall

B E F O R E:

GALE A. BREWER
Chairperson

COUNCIL MEMBERS:

Council Member Erik Martin Dilan

Council Member Inez E. Dickens

Council Member Domenic M. Recchia, Jr.

Council Member Peter F. Vallone, Jr.

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

Amy Loprest
Executive Director
New York City Campaign Finance Board

George Gonzales
Deputy Executive Director
NYC Board of Elections

Pamela Perkins
Administrative Manager
NYC Board of Elections

Steven H. Richman
General Counsel
NYC Board of Elections

John Ward
Finance Officer
NYC Board of Elections

Michael Cardozo
Corporation Council
New York City Law Department, Office of the
Corporation Council

Lawrence S. Kahn
Chief Litigating Assistant
New York City Law Department, Office of the
Corporation Council

Foster Mills
Managing Attorney
New York City Law Department, Office of the
Corporation Council

Martha Hirst
Commissioner
Department of Citywide Administrative Services

Ariella Maron
Deputy Commissioner for Energy Management
Department of Citywide Administrative Services

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

Brian Andersson
Commissioner
Department of Records and Information Services

Eileen Flannelly
Deputy Commissioner
Department of Records and Information Services

Mel Wymore
Chair
Community Board Seven

Frank Gulluscio
District Manager
Queens Community Board Six

Wally Rubin
District Manager
Manhattan Community Board Five

Kenneth Kearns
District Manager
Bronx Community Board Ten

Father Gorman
Chair
Bronx Community Board Twelve

Viola Green Walker
District Manager
Brooklyn Community Board Sixteen

Diana Foster
Member
Brooklyn Community Board Eight

Charlene Phillips
District Manager
Brooklyn Community Board Three

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

Rosemarie Perry
Chairperson for the Public Safety Committee
Brooklyn Community Board Nine

Mary Ann Carey
District Manager
Queens Community Board Nine

Gary Giordano
District Manager
Queens Community Board Five

Lawrence McClean
District Manager
Queens Community Board Thirteen

Bob Gormley
District Manager
Manhattan Community Board Two

Susan Stetzer
District Manager
Manhattan Community Board Three

Noah Pfefferlit
District Manager
Manhattan Community Board One

Richard Eggers
Chair of the Budget and Governmental Affairs Committee
Manhattan Community Board Six

Dr. Pam Pelanque-North
Chair
Manhattan Community Board Twelve

Andrea Senteno
Program Associate
Citizens Union

CHAIRPERSON BREWER: Good morning, I'm Gale Brewer, and I Chair the Governmental Operations Committee, and this is our budget hearing for Fiscal Year 2011. Thank you very much for being here. We are welcoming you here today for the preliminary budget. This is obviously preliminary. And we're going to hear from the Campaign Finance Board, the Board of Elections, the Law Department, Department of Citywide Administrative Services, also known DCAS, the Department of Records and Information Services, known DORIS, and from the Community Boards. And we'll talk about the CFB's experience during the run up to last year's elections, the amount of matching fund payments that will likely be paid out from the citywide election cycle, and its budget situation for Fiscal 2011. And you have, CFB has a slightly different schedule in which it has to submit, and we'll hear about that. We'll ask the Board of Elections to describe the extent to which its budgetary resources were sufficient for last year's elections, and very importantly whether its budget as proposed by the Mayor will allow the agency to properly implement the biggest

change in New York City Election in decades, the switchover from lever machines, known as Shoup lever machines, to optical scanned ballots, necessitated by the federal Help America Vote Act, also known as HAVA. We'll also find out about the many tasks that need to be completed before the fall elections and the timeline for completing each of them. The Law Department has announced recently a plan to compensate individuals whose health was impaired at Ground Zero. We'll ask the Corporation Council about this proposed payout, as well as the funding of and payouts from the City's Judgment and Claims budget. DCAS will be asked about its various roles in helping City agencies to be more efficient, a responsibility that takes on added significance in these tough economic times. We'll particularly ask about savings which might be created in areas as diverse as space costs, product procurement, personnel management and the one that the public is most interested in, I think, energy consumption. DORIS's work as an archiving and municipal reference entity will be explored, something that again the public is interested in, for our future history. And we'll

hear how proposed budget cuts to our Community Boards will prevent them from accomplishing their many responsibilities. So with this ambitious agenda before us, we'll now turn to our first agency, the Campaign Finance Board, and its executive directors Amy Loprest for her written testimony. And so why don't you come join us at the podium? We look forward to hearing from you. Thank you very much.

AMY LOPREST: [off mic] Thank you.

CHAIRPERSON BREWER: I want to thank also the many people who've helped put this hearing together: Matthew Gewolb who was the attorney, Joshua Gerber, Andy Grossman, Lionel Francois, John Russell and Kanai Mahacha [phonetic] from our office. Thank you very much. Go ahead, CFB, why don't you introduce yourselves.

AMY LOPREST: Hello? Is that on? Okay. Okay. Good morning, Chair, Council Member Gale Brewer, and the Committee Members. I'm Amy Loprest, Executive Director of the New York City Campaign Finance Board. With me are General Counsel Sue Ellen Dodell and Deputy Executive Director Shauna Tarshis Denkensohn. First and

foremost, we would like to thank the Committee for the opportunity to testify today. We would like to congratulate the new Chair, Council Member Brewer, and thank her for her testimony at our post-election hearings, as well as Council Member Dickens for the testimony she submitted.

CHAIRPERSON BREWER: She has just joined us, thank you very much, Council Member Inez Dickens.

AMY LOPREST: Alright, I didn't plan that, but [laughs] As you know, the Board is mandated by law to evaluate the success of the campaign finance program after each election. We appreciate your participation in our review process and look forward to working with you to further improve the program for the candidates and the public we serve. I know Matt was at all the hearings, so he got the full experience. [laughs]

CHAIRPERSON BREWER: Matt is everywhere.

AMY LOPREST: Yeah. As we--part of our effort to collect feedback on the program in December 2009, we invited candidates, treasurers and campaign liaisons from the 2009 elections to

participate in an online survey. 94 responses were received by the closing date of the survey, February 1, 2010. Many of the results were very encouraging. A few key findings: 78 percent of respondents either agreed or strongly agreed that "The Campaign Finance Board is fair"; over 95 percent of the respondents agreed that CFB staff members are professional, courteous and knowledgeable. We did learn that we have a few areas where we can do better. Based on the feedback we received from campaigns, we are working to improve both the consistency and clarity of our written materials. The CFB appreciates hearing from candidates and campaign staff, and will incorporate their feedback into our plans for the next election cycle. Our review of the Campaign Finance Program for the 2009 election will culminate with our post-election report which will be submitted to the Mayor and the City Council by September 1, 2010. Our staff is already hard at work at preparing the report, which will include our post-election analysis of the program, as well as the mandated review of the impact to the Doing Business legislation. As the

law requires, the report will also include a list of legislative recommendations for improvements to the Campaign Finance Act. With our analysis underway, we're happy to report some of our initial observations. We are very encouraged that participation in the program for the 2009 election increased considerably from the previous citywide election cycle in 2005. Of the 231 candidates on the ballot for City office in 2009, 84 percent, or 195 candidates, were program participants. This is a significant increase from the 2005 election cycle, where participation was 73 percent. The CFB distributed \$27.3 million in public funds to candidates during the 2009 elections. Candidates in the primary elections received \$20.4 million; another \$1.4 million was distributed in the runoff elections for Public Advocate and Comptroller; and \$5.5 million was distributed for the general elections. As is the case after every election, unused funds are returned to the City fund. The CFB has already returned \$20 million to the City's general fund from the 2009 election cycle. The CFB also published the citywide voter guide for the 2009 election cycle. To reduce mailing costs

for the general election voter guide, we mailed the required Chinese and/or Korean guide, together with the English edition, for households who receive both, resulting in substantial savings on postage. To increase outreach to limited English proficiency voters, we created pages for the voter guide on our website in Spanish, Chinese and Korean, and posted translated editions of the guide, along with links to other translate content there. We are researching ways we can better identify limited English proficiency households to ensure these resources are properly targeted to the voters who need them. The CFB is also working with candidates in the March 23rd special election in the 44th Council District. The campaigns have filed two disclosure statements with us, and the Board distributed the first round of public funds payments to candidates on March 3rd, totaling \$165,000. The next payment, the last one before the election, is scheduled for Thursday, March 18th. The Board is also preparing for any additional special elections that may arise in the coming fiscal year. Looking further ahead, we are preparing to publish a citywide voter guide in the

fall of 2010, if the recently announced Charter Revision Commission places proposals on this year's ballot, as has been reported in the press. The CFB started planning for the 2013 election cycle as well. The first disclosure filing for candidates in the 2013 election cycle is due July 15, 2010. We believe the 2013 elections will be competitive and expect an influx of candidates will file for City office in July. In response to the feedback we have received from candidates, we are reviewing and revising all of our communications with candidates in an effort to clarify and improve them for the 2013 elections. Focus groups we conducted with campaigns to evaluate our See Smart filing software and See Access information portal, have provided us with additional feedback that will help us continue utilizing new technologies to meet candidates' needs. Pursuant to New York City Charter, Section 1052(c), the Board will submit its estimated budget for Fiscal Year 2011 to the

Mayor at the end of March. This estimate will be included in the Mayor's Executive Budget. The Budget will be significantly less than last year, as it is not a citywide election year. As noted, it will contain funds to administer the program for potential special elections, and for a potential citywide voter guide. As always, the CFB looks forward to continuing to work with the Council to make the program more effective and efficient. Going forward, we hope to place a greater emphasis on outreach and collaboration with the Council. As part of this effort, we have appointed a Director of External Affairs, Eric Friedman, who is sitting there, on that side of the pole, who will be our point person for working with you and your colleagues during the legislative process. Thank you for your time and we look forward to answering any questions you may have.

CHAIRPERSON BREWER: Thank you very much. I have one question, maybe Council Member has others. My, with the \$20 million return, would there be more money returned perhaps after

the audits or done, or is that still to be decided?

AMY LOPREST: We're in the process of doing the audits for the 2009--

CHAIRPERSON BREWER: I think we all know that.

AMY LOPREST: [laughs] And so there will be additional public funds paid out, you know, on those audits. At the end of the Fiscal Year, obviously, we return the balance of the fund. Part of our budget for next year will include budget and money for potential special elections, and also potential payments to people as the course of the 2009 audits are completed.

CHAIRPERSON BREWER: Okay. Nobody has any sense yet of what the, that might be in terms of returns, because you haven't done the audits?

AMY LOPREST: Yes, I mean, there's, we've, you know, we paid out about \$27 million and we've given back \$20 million out of the \$51 million, so it's not, you know, there's about, you know, \$3 million less, left. So, you know, I don't, it won't be more than that, you know.

CHAIRPERSON BREWER: Somewhere in that, somewhere in that range.

AMY LOPREST: We have to file, we have another payment for this special election, there might be another special election before the end of this fiscal year, and certainly, you know, some audit payments will be made because we have a number of outstanding election cycles. We have special elections from 2007, 2008, 2009, so you know, we're making public funds payments on those audits, too.

CHAIRPERSON BREWER: Okay. And do you think, how much would it cost if the Charter, I think the Charter revision's not going to happen until 2011. That's my guess. Even though other things are said in the press. But if one does have to put items on the ballot for 2010, how much does a voter guide cost, approximately?

AMY LOPREST: For the, for the, you know, two primary and general citywide vote elect guide, like in 2009, it cost \$5.2 million. It's, I mean, I think a rough estimate is about half of that, probably about \$2 million to send a citywide voter guide for the general election.

CHAIRPERSON BREWER: Okay. And then, finally, and then Council Member Dickens has many questions.

AMY LOPREST: Okay.

CHAIRPERSON BREWER: The question I have is, regarding the listing that was done by contracts of the Doing Business, that created a lot of issues. It's not a budget issue so much. Does that come on a--any issues regarding that, or any policy changes are done by contracts, or done by CFB?

AMY LOPREST: If I understand your question, I mean, one of--part of the law that was passed in 2007 required the CFB to do a full, a comprehensive review of how the Doing Business legislation worked. And that will be rolled into our post-election report that will be issued in September. You know, for administrative issues, you know, that don't require legislative changes, you know, we generally work very, very closely with the Mayor's Office of Contracts to work on those, you know, computer issues and, you know, update issues that, as they arise, legislative changes obviously would have to be worked out with

the Council.

CHAIRPERSON BREWER: Okay. Council Member Dickens.

COUNCIL MEMBER DICKENS: Thank you so much, Madam Chair. This is not so much a budget question as it is a question about how campaign finance--one, it's good seeing you, thank you for coming.

AMY LOPREST: Thank you.

COUNCIL MEMBER DICKENS: What is the criteria that you, that is utilized by CFB, for determining whether a race is competitive or not?

AMY LOPREST: You know, this is an eternally difficult question. And actually, for many years, the Campaign Finance Board didn't want to be involved in making these kind of determination, obviously because it's very, very hard to know until after an election is run whether or not it was competitive. And, but we have to make obviously the public funds payments beforehand. Starting I think with legislation, I think it was passed initially in 2004, for the 2005 elections, the Council passed legislation

that limited everyone's, you know, every council, every person running for office, their public funds payments to 25 percent of the maximum, unless certain criteria were met. And that law worked, you know, pretty well in the 2005 elections. It was revised again by the City Council after, in 2007, as part of that omnibus change. And added, in addition to, you know, certain circumstances, if there's an open seat, it added a list of I think it's about seven criteria that, you know, a person could write and say, "I shouldn't be limited to the 25 percent because my opponent has--" any one of these number of factors. You know, they have name recognition, I mean, they're both mainly to get at name recognition. We are aware that there, it was some concern that, that that 25 percent issue didn't work, I mean, the way it worked out was not exactly perfect. So, and there was some frustration among people about the timing of payments running against opponents who the Act deemed nominal of opposition before these letters came in. And so, you know, we understand, as we discuss the legislative recommendations that

1
2 accompany our post-election report, this is
3 certainly going to be, we're going to take a close
4 look at how that worked, whether there's a better
5 way to treat candidates facing nominal opposition,
6 along with other provisions of the Act that were
7 modified as part of the 2007 law.

8 COUNCIL MEMBER DICKENS: Alright, I
9 asked that because those that were incumbents,
10 that were running for reelection, and you
11 determined that they should only receive the 25
12 percent, then by the time they found out they were
13 getting short funded, and then they had to write
14 to request the reconsideration because of
15 whatever. And it meant that many campaigns were
16 owing, had outstanding debts. It wasn't fair, and
17 I just, you know, want to put that on the record,
18 that it wasn't fair how it was done, because I
19 don't, we really could not understand how you
20 determined that a race was competitive. How many
21 of those who review the records and make the
22 determination that a candidate should only receive
23 25 percent, how many have been candidates in prior
24 City Council elections?

25 AMY LOPREST: Well, we don't make a

determination, I mean, the law sets the criteria about--

COUNCIL MEMBER DICKENS: I--

AMY LOPREST: --of how people get paid. I don't, I mean I'd have to, I'll get back to you on the exact numbers, but the law presumes that everyone gets the 25 percent, unless certain, certain factors are met. One thing we did do is we did try to reach out to every campaign who was going to be limited to the 25 percent, and we realized it was some short notice because there was a timing issue. But we did reach out with our candidate services union to everyone who was going to be limited to the 25 percent, to inform that there was this other provision of the law that they could invoke, to write a letter, you know, with evidence based on the criterion and the law.

COUNCIL MEMBER DICKENS: Would you be willing to work with the Chair and this Committee to revise that? Because many candidates of both incumbents and those that were not incumbents, felt it was unfair. Because frequently what happened, those who were running against incumbents got the maximum, and the

incumbents got the 25 percent. And then they had to stand up and fight about that the race was actually competitive, regardless of name recognition, that is not, that's just one criteria that could be utilized for whether a race is competitive. But a race can be competitive for many other reasons.

AMY LOPREST: Yeah, I mean, one of the other factors in the law, in addition to these name recognition factors, is whether or not the opponent has raised, or, and spent a certain percentage of the expenditure limit. So, and we realize that obviously people get the money and they, that it's only contributions and expenditures that were included in that financial total, and, but they had gotten the public funds, obviously they hadn't had the time to spend it yet. So, I mean, we definitely, this is definitely an area that we are looking at, and are happy to work with the Council to try and figure out. I mean, again, as I started my statement, it is, it's one of the hardest issues to reach out, because you don't want to give large sums of money to non-competitive races, but also you don't want

to hamper races that are going to be competitive by limiting the public funds available. So it is, it's a very, very hard issue to reach. And I think we've gone through an iterative process trying to improve this section of the law. You know, in 2005, it was new; 2007 there was some, you know, refinement to it, and it will continue, and that's one of the great things about the campaign finance law, is because, is that it's written into the law that we look at these provisions every, after every election, and see what's wrong, and what didn't work, and you know, we're mandated to do that, and so we're--But, in this particular case, I'm well aware of this issue. And we are going to work with the Council to work on that issue.

COUNCIL MEMBER DICKENS: I'm very happy to hear that, because that was a serious issue last year in the City Council races.

AMY LOPREST: Yes.

COUNCIL MEMBER DICKENS: And forgive me, how many did you say were working at CFB that have actually been candidates and understand a race?

AMY LOPREST: We have actually a fair number of people on our staff who are--I mean, I would have to, I mean, I, to get the exact number, but we have, you know, definitely, I mean, this is again and again brought to our attention, and we have really reached out to try and get people who are, you know, have worked on campaigns who, you know, maybe not on City campaigns, but on campaigns in general, and have, you know, a lot of experience. And we have, you know, I think we have a significant improvement in the number of people who are on the staff or who have worked on a political campaign one way or the other at some point.

COUNCIL MEMBER DICKENS: Because I'm an elected, and I just, this'll be my last statement, I'm an elected, and I would not, in any way, think that I could determine whether a race is competitive, say in a Brooklyn race, or another Council race. And so, you know, that, that raises the question about whether you're able to really determine whether, based upon what's written, whether it's really a competitive race. Because sometimes it becomes competitive once you get into

the middle of it.

AMY LOPREST: Yeah, I mean, and that's why as I said, it's a very, it's a major challenge, and to try and come up with very, I mean, objective, and sort of subjective criteria, to try and, you know, a combination, so that the Board is not really the position of deciding, "You're competitive, you're not competitive." We would like to have the legislation be very clear so it's not our responsibility to decide whether or not a race is competitive, because you're right, there are a lot of things that go into deciding.

COUNCIL MEMBER DICKENS: Thank you.

CHAIRPERSON BREWER: What impact, if any, will the Supreme Court decision on campaign finance, which has gotten a lot of press, have on your efforts, either financially, budget wise or policy wise?

AMY LOPREST: Well, the law that was at issue in the Citizens United case, dealt primarily with limiting corporate spending, independent corporate, independent spending, you know, close to the election. And New York City

and New York State don't have any kind of similar law. We have laws restricting direct contributions from corporations, but the law that was at issue in the Supreme Court case only dealt with independent spending by corporations. And New York State has always allowed independent spending by corporations, and the Campaign Finance Board doesn't regulate that. So, you know, one issue that might arise is, and that one thing that we're looking at, is that if there is a significant increase in independent spending of all types, it might be an improvement to the City's law to have disclosure of those independent expenditures. I mean, again, this goes to, you know, the questions of competitive races. If there's a lot of independent spending going on, independent of the campaigns, of the candidates, it could skew the independents, you know, the competitiveness of a race. And so one thing that we're looking at is maybe working on recommendations to require some kinds of disclosure on the City level by people who are making, doing these independent spending.

CHAIRPERSON BREWER: Okay. Also,

do you, in that you have fewer elections, potentially, in the next few years, do you have the same staff numbers? Are they, do they increase when there are elections, like in 2013? How do you deal with the staff issues?

AMY LOPREST: We have, since the vast majority of our staff works on, I mean, the largest unit is the audit unit, which, you know, is engaged full time all, you know--

CHAIRPERSON BREWER: I wonder why.

AMY LOPREST: --all four years of the election cycle, that, you know, so we don't envision a, you know, a huge decrease in the staff. I mean, obviously there is some attrition on, you know, in some of the staffs. We try, you know, we're trying to have a more level staff, and you know, have the appropriate staff, and the election cycles start earlier and earlier now. I mean, people are going to, even July 15th, which is the first disclosure statement for the 2013 election cycle, we anticipate a fairly higher number of people disclosing in that filing than we have in previous first disclosure statements for an election cycle. So, you know, it's one of

those things that since most of the staff is working on things that are, you know, four years election cycle, the system's unit, you know, is working on improvements to the software, and our computer systems all during the four year election cycle, the audit staff is working on the audits during the whole four year election cycle. And there seem to be more and more special elections, you know, I don't see the big, you know, up and down cycle of work. I mean, I've been, you know, I had worked with the board a long, early in my career, but I've been back with the board for eleven years, and I said, "I'm still waiting for that mythic, you know, down time that, you know, there's nothing going on," in, you know, in the four year election cycle, I have yet to see it.

CHAIRPERSON BREWER: It's good news, I think, that more candidates are participating in the program. Do you attribute that, and I think you could say that, because of the better efforts, and of the CFB, or do you think there are other reasons why the program participants are up? 'Causes there's quite a big jump.

AMY LOPREST: Well, I mean, I like to say that it's all because of us. [laughs] You know, I think that it, you know, we do, I have been doing a much, we've tried a lot to improve the services to the candidates, and improve and streamline the process. And so I would hope that that would attribute to some of the increase in the participation. Also, you know, every election is different in the level of, you know, how many people are really running and, you know, what kind of races there are. I mean, there were very competitive races at, you know, citywide levels this year, you know, there weren't those same kind in 2005, so that contributed to part of the increase, and there are a lot of factors that go into it. But I would like to say that, you know, we try very hard to encourage participation, we think it's very important. And, you know, we try everything to make the process as easy as possible for the candidates.

CHAIRPERSON BREWER: Are there any suggestions that you're going to have for the Charter Revision Commission, kind of picking up on Council Member Dickens, it's not directly a budget

issue, but are there some that you're going to have for the Charter Revision Commission.

AMY LOPREST: I mean, some aspects of our law are governed by the Charter, so there are some, you know, we have some smaller, some larger, I mean, there is the, the Charter section that deals with mass mailings that we have jurisdiction over, that, you know, I think that could use some revisions and clarity in it. And that's again a section of the Charter that's been revised, an iterative process over the years, so I think that there are some suggestions to improve that section of the Charter.

CHAIRPERSON BREWER: Okay. Go ahead, Council Member Dickens.

COUNCIL MEMBER DICKENS: One additional question that just came to mind. In the Council races, and I'm asking if this is the same for Mayoral as well as Comptroller and Public Advocate, the citywide races, regardless of whether a City Council candidate actually files to get CFB funds, if they don't, they still have to adhere to certain criteria, is that right, for filing.

AMY LOPREST: That is correct. All people who are non-participants are required to make the same exact disclosure that participants are, they're bound by the same contribution limits and prohibitions, or most of the same contribution limits and prohibitions, as people who are participating in the program. The primary difference between candidates who are participating in the program and not participating, aside from getting public funds, is the participants agree to the spending limits.

CHAIRPERSON BREWER: So, now, if, but that's so on the City Council; is that true on the Mayoral?

AMY LOPREST: Yes, that's true on all levels.

COUNCIL MEMBER DICKENS: Unless a candidate is putting in their own funds?

AMY LOPREST: Yes, I mean, under New York State election law, your own personal funds that are spent on your campaign are not considered contributions the same as a contribution from someone else, so they're--and the Constitution and the Supreme Court has,

interpretation of the Constitution, has said that you cannot limit and individual spending on their own campaign.

COUNCIL MEMBER DICKENS: So, in the City Council, a City Council candidate can spend as much as they want.

AMY LOPREST: Yes--

COUNCIL MEMBER DICKENS: Of their own funds, that's what I mean, their own funds.

AMY LOPREST: --of their personal money, yes, they could. A City, yeah, so it could happen on the Mayoral level, it could happen on the City Council level, too.

COUNCIL MEMBER DICKENS: Alright, thank you, I just wanted to clarify. Thank you.

CHAIRPERSON BREWER: What percentage of your budget, and maybe I should know this, goes towards the technology? 'Cause your technology is extremely good, I think, I know you put a lot of effort into it. So what percentage goes towards technology? And do you think that'll change over time? And is there any, maybe it's not appropriate, but is there any way that you work or could work more efficiently, technology

1
2 wise, with either the City, with the State Board
3 of Elections or the City Board of Election, which
4 I know is the same agency.

5 AMY LOPREST: We, you know, I don't
6 have an exact number for you, the percentage of
7 our budget, but I will say that our second largest
8 unit in our agency is the systems administration
9 unit. We do take very seriously a commitment to
10 improve our technological innovations every
11 election cycle. For the 2009 election cycle, we
12 rolled out a new information portal called See
13 Access, I don't know if you had an opportunity to
14 work with it, to, you know, to give information
15 over a secure connection to candidates in real
16 time. And we're working to improve that, you
17 know, hopefully, you know, make it more of a two-
18 way street. We always take a lot of suggestions
19 and improve our See Smart program between each
20 election cycle. One of the things we're looking
21 at is making it a web-based system for the 2013
22 election cycle. And so we, you know, we take that
23 very seriously and we are in the process of really
24 reevaluating all the way we communicate, you know,
25 to all the way we use technologies to communicate

with the candidates, to communicate with the voters, in trying to look at all sorts of improvements using the most recent, most up-to-date technology. You know, both to improve our work with the candidates, but also to improve our work with the voters.

CHAIRPERSON BREWER: What about with BOE on any level, 'cause--

AMY LOPREST: Ooh, I'm sorry I forgot--

CHAIRPERSON BREWER: That's okay.

AMY LOPREST: --that part of the question.

CHAIRPERSON BREWER: That's alright.

AMY LOPREST: We, you know, as you know, the law changed so now candidates are only required to file, they don't have to file paper filings with the City Board of Elections starting in the fall. And now, and our software does produce the filings that you file with the State. And we have started a process of talking with the State Board of Election staff to make that process even more streamlined. You know, perhaps, you

1
2 know, improve the way that those, what works, I
3 mean, now, as you may know, you have to email your
4 statement to the State Board of Elections--

5 CHAIRPERSON BREWER: We, we had a
6 little problem with it - -

7 AMY LOPREST: And I mean, so there
8 are, you know, there are some glitches and we are
9 working very closely with the State Board of
10 Election staff to try and work out some of those.
11 We have, you know, I, you know, being me, I think
12 that our disclosure is better than the State's
13 disclosure, so but--

14 CHAIRPERSON BREWER: I agree with
15 you on that.

16 AMY LOPREST: But because of that
17 being better, there are some differences in the
18 way the information is disclosed. So, you know,
19 it's, our staffs have to work to, you know, work
20 out those kinks and make sure that they run
21 smoothly, so that they get the disclosure in the
22 format they would like, and--but we have our
23 disclosure in the way that we think is best for
24 the voters.

25 CHAIRPERSON BREWER: Thank you very

much for your testimony.

AMY LOPREST: Okay.

CHAIRPERSON BREWER: And we look forward to the executive budget and getting the full budget at that time.

AMY LOPREST: Okay, thank you very much.

CHAIRPERSON BREWER: Thank you very much. Alright, our next agency is the Board of Elections. And so, all those who are going to participate, please come to the podium. [pause, background noise] Whenever you're ready. So, thank you all for being here, whoever wants to begin, introduce participants, we're glad to have you here.

GEORGE GONZALEZ: Yes, good morning. I'm, my name is George Gonzales, I am the Deputy Executive Director for the Board of Elections in the City of New York. I am here today with the Administrative Manager, Pamela Perkins, the General Counsel, Steven H. Richman, and our Finance Officer, John Ward. I have a statement that I have prepared, I would like to read it into the record. Okay. Chair Brewer,

Members of the Council's Committee on Governmental Operations. First, I want to take a moment and congratulate Council Member Brewer on her appointment to Chair of this Committee. During the past years, she has been a member of this Committee diligently attending and listening to our testimony, and always being a vocal defender of the voting rights of all New Yorkers and a strong supporter of the Board of Elections in the City of New York. I want to thank you for giving me the opportunity to appear before you this morning on behalf of the Board of Elections. What I would like to do is give an overview as to what we have done since our last appearance here before you. As you all know, 2009 was a municipal election year, when the voters of the City selected a Mayor, Public Advocate, Comptroller and each member of the City Council through three elections, the September primary, the citywide runoff primary, and the November general election. The adopted fiscal year 2010 budget did not fund the runoff primary. The Board understands that just last week the Council approved a budget modification for the Board that covers the

expenses related to the citywide runoff primary.

In the current calendar year 2010, the Board has

or will conduct at least three special elections

for City Council, State Senate and State Assembly

seats. The cost of these special elections have

not been funded. In addition, the State Board of

Elections finally certified a new voting system

for use in this year's elections on December 15,

2009. Following an open and transparent

evaluation process, including public

demonstrations in all five boroughs and the

opportunity for extended public comments, the

Commissioners of Elections selected a new voting

system, a poll site optical scanning system, the

DS200 and the auto-mark ballot marking device,

manufactured by Election Systems and Software,

known as ES&S. In accordance with the

supplemental remedial order of the United States

District Court of the Northern District of New

York, and the provisions of the federal Help

America Vote Act, known as HAVA, and the New York

State Election Reform and Modernization Act, the

time tested, if not beloved, lever voting machines

will be replaced by a new voting system beginning

with September's primary election and all subsequent elections conducted here in the City of New York. To date, the City Board has submitted the first two of a series of seven requisitions to the State Board of Elections and the State Office of General Services for the Equipment, Services and Support needed to implement the new voting system. The first two requisitions which have been approved total over \$44 million, which will be paid out of the City Board's share of the federal HALA funds allocation. Included in those requisitions are 4,385 optical scanners for use at the poll sites, the election management system, as well as additional scanners for training, poll workers and educating the voting public. The five requisitions now being prepared are for digital equipment, services and support, including spare scanners, the cost of which will exceed the City's Board federal funds allocation. The Board expects to use at least \$10 to \$20 million in funds allocated by you and the Mayor to the Board for the acquisition of the new voting systems in the City's capital budget line PW340. We have had an opportunity to speak before this Committee

numerous times to outline the challenges that the introduction of a new voting system imposes, but the underlying truth is that the way we conduct elections, including almost every system, task and procedure, is going to be modified, and many instances changed entirely as we deploy the new voting system for the first time. While this would have been a challenge under any circumstance, this has been, and continues to be made considerably worse due to the lack of adequate funding for the Board's operations and obligations. At a time when everyone clearly anticipated historic changes, and when the Board's obligations were increased significantly by a federal court order, its budget was reduced by your more than \$3 million for Fiscal Year 2010. Even after you recently adopted a budget modification, the Board estimates that it will cross Fiscal Year 2010 on June 30th with a deficit of over \$21 million. It should be noted that this situation has been created as a result of the continued, chronic underfunding of the legally mandated expenses of the Board, and the failure to provide funding for special elections, which have

occurred with regularity over the last several years. The Mayor's preliminary budget for Fiscal 2011 contains a further \$19.1 million budget reduction in all TPS operating funds, and a \$10 million reduction in PS funding. This \$30 million reduction is incomprehensible. Without adequate funding and support to conduct elections, the foundation of democracy in our City is compromised. A copy of the five year summary plan is attached to this testimony. Ladies and gentlemen, I just want to take this opportunity to introduce, just was joined by the Secretary of the Board, Commissioner J.C. Polanco, The Bronx Republican for the Board. Unlike many other agencies, virtually all of the Board's duties, responsibilities and activities are prescribed by federal, state and local law. The Board does not have the discretion to delay or cancel an election based on municipal budget shortfall. The facts are clear: all Board of Elections throughout the State are under a federal court order to replace their voting systems for this year's primary elections. We are mandated to process candidate petitions and voter registrations. This year

alone, we will process petitions for, among others, all candidates for Congress, the State Senate, State Assembly, elected from within the City of New York. The budget reductions proposed by the Mayor make it impossible for the Board to conduct a primary and general election for this year while introducing a new way of voting through the City's \$4.6 billion voters, more, and more than 30,000 election day poll workers. In prior years, the Mayor and the Council demonstrated that they have collectively recognized this need by approaching, I'm sorry, by appropriating funds for HAVA implementation and previous budgets. The Board has been careful not to spend these funds until the new voting systems were certified and they previously were rolled over from one year to the next as the State Board experienced delays with certification. A clear, collective recognition of the importance of the poll worker training and public education programs and other aspects that these funds were dedicated to addressing. Now, when the City Board has to implement a new voting system for all voters, these vital funds have been eliminated entirely in

the Mayor's Preliminary Budget for Fiscal Year 2011. The Board needs for both, I'm sorry, for all unexpected funds appropriate for these uses last year, and both the expense and capital budgets to be reapportioned for Fiscal Year 2011 as, and more, as outlined below. The Mayor's Preliminary Budget for Fiscal Year 2010. Looking forward to the coming years, I would like to address the budgetary needs for the Board of Elections in the City of New York for Fiscal Year ending June 30, 2011. In order to fulfill its constitutional and statutory mission, the budget allocation for the Board cannot be reduced. In fact, to meet our obligations in this new environment, the City of New York must provide significant additional resources. I am going to take a few minutes to briefly highlight the four key areas where the Board requires additional resources. Proceeding in this manner in no way lessens the need for the maintenance of at least the current levels of funding for other Board programs, such as processing voter registration, transporting voting equipment to and from poll sites, and the ongoing maintenance/replacement of

Board equipment and/or facilities, some of which will be summarized briefly in a final category below. In addition, please let me know if you want more detailed and specific information on any of the points I discuss. Poll workers and election day. The implementation of an entirely new voting system will obviously have a tremendous impact on the administration of elections in New York City. Poll workers need extensive training to properly assist voters on election day, and the voters themselves need to be educated so that they understand the changes in voting well in advance of being confronted with an entirely new way of voting. In performing the comprehensive review of the Board's poll worker operations and having had the opportunity to compare it to other jurisdictions nationwide, the Board has also identified numerous recommendations to enhance the agency's ability to recruit and train the large number of qualified poll workers that are needed. One of the key elements in raising the pay for attending training classes from \$25 to a more realistic \$100. The current low compensation for attending the training session is reflected by

poor attendance. Based on the experiences of other Boards of Election in the State that undertook a pilot project with the new voting system, the City Board knows that a longer, expanded training class, which much greater trainee participation in the form of hands-on training with the new system, is vital to affording us the opportunity to conduct successful elections this year. This increase is merited and greatly needed. Additionally, with the change in the Board's training regimen, additional expenses will be incurred to conduct this revised and expanded training, requiring additional training staff to provide instruction and testing of all poll workers. Another area that the Board of Elections identified concerns the performance award paid to certain poll workers. Currently this award is paid as an incentive for poll workers to attend training class, pass the test, and ensure that they work two regular elections. The Board believes that this award is a helpful tool to ensure a good return for the Board's training investment, but the current amount of \$35 is very low. We believe that raising the award to

\$100 will be a better incentive for poll workers to complete all the criteria associated with the payment. Also meriting and increase is the compensation paid to poll site coordinators for attending post-election debriefing sessions with the borough staff to discuss the recent elections and any problems. Elevating the compensation to \$100, which is \$50 for the primary election and \$50 for the general election, will result in a greater rate of participation among the coordinators. In addition to these increases in compensation for our vital election day human resources, the Board knows that it will incur additional costs relating to facilities, both those used for training poll workers as well as the privately owned poll sites on each election day. With the dramatic change in the way we training poll workers, smaller class size and hands-on training with new equipment, this year the Board needs a greater number of sites with adequate space to accommodate the hands-on component. In an effort to keep costs to the minimum, the Board is working with the New York City Department of Education to utilize public

schools as poll worker training sites. However, these facilities are not cost free. The Board's borough staff reports that the Board has been losing many long time, privately owned poll sites over the last few years, and finds it increasingly difficult to secure new ones. All of the majority of the more than 1,350 poll sites used on election day are public facilities and therefore do not create a direct cost. There are 554 privately owned sites serving approximately 1,600 election districts that the Board must rent in areas where no public facilities are available. The current remuneration of \$70 per - - has remained unchanged for a decade and has become severely compromised as an incentive due to the adverse effects of inflation over that time. Several property owners have leased space to the Board on election days past have stated that the current amount is insufficient to cover the costs of heating or cooling the space for the election. The Board believes that increasing the compensation pay to privately owned sites to \$165 per election district will help the Board retain private poll sites, at this critical time when our space needs

have increased. Poll workers and poll sites are obviously an essential part of the voting experience. The Board continues to ask the City, albeit with limited resources, for support to ensure that it has the resources to adequately train the poll workers. The Board estimate that this integrated, comprehensive poll worker training program will cost approximately \$8.5 million over the remainder of Fiscal Year 2010 and through Fiscal Year 2011. It should be noted that in the Fiscal Year 2010 adopted budget, OMB allocated \$15.1 million in a so-called HAVA holding code, approximately \$12 million has not been placed into budget lines as of today. These funds are not re-appropriated in the Mayor's Fiscal Year 2010 Preliminary Budget. The Board expected to use approximately \$6.5 million in that holding code to cover some of the poll worker and election days' costs outlined above. Educating the voter. Educating the public about voting and accommodating their expectations is a critical element of successful elections and a necessary component of a new voting system implementation. Unlike some of the changes that have occurred in

voting and election administration over the years, which have been evolutionary in nature, the introduction of a new voting system for the whole City will in fact be revolutionary, not only for the Board's 351 permanent staff and more than 30,000 election day poll workers, but also for the \$4.6 million registered voters in New York City.

To assist the Board in undertaking this key element of implementation, the Board retained Burson-Marsteller, a professional communication firm, that has been contracted to assist us in the design, development and implementation of a comprehensive voter education and outreach program for the new voting system. Burson-Marsteller's high level plan costing approximately \$6.7 million was revealed and approved by the commissioners in 2008, plus specific funding for the actual execution of the public information initiative, was eliminated in the adopted budget for Fiscal Year 2010. Again, we anticipated that funding for this effort will be drawn from the HAVA holding code. To date, OMB has moved \$3.6 million into an actual budget line that can be used. In addition, the Board plans to provide an opportunity for the

public to learn how to use the system. An essential component of the campaign is mobile outreach which entails going out to neighborhoods across the City to give voters hands on experience with the voting system. In order to effectuate this plan, the Board will hire temporary staff to conduct this mobile outreach. This requires 32 staff members to work part time to full time from April 1 through October 31st. All temporary staff will be provided with one week of training and after that time will be assigned to staff public outreach events. Some of the individuals selected for these positions will speak Spanish, Chinese or Korean in order to conduct outreach in communities speaking the covered languages. The Board estimates that this program will cost approximately \$250 million, I'm sorry, \$250,000. Again, we anticipated that at least some funding for this effort would be drawn from the HAVA holding code. Finally, the plan, the long plan direct mailing to area New York City voters describing a new voting system will cost \$2.5 million. Once again we plan to draw funds from the HAVA holding code to cover the cost. This

funding must be restored and included in Fiscal Year '11 budget. Paper ballots. One of the most significant and recurring costs with the implementation of this new voting system will be the cost of paper ballots. In Fiscal Year 2010, the Board incurred cost of \$3.49 million for the production of voting machine strips, and \$5.95 million for the production of all paper ballot, which included those used as absentee, emergency affidavit, special, military and ballot marking devices. The new voting system exclusively uses paper ballots. In addition to the previous required paper ballots that will still be needed, the Board estimated that for this 2010's primary and general elections, it will have to produce a grand total of \$15 million new ballots for a total cost of \$11.25 million. If the Board's current budget is not reduced, then we will be required an additional \$4 million to cover the costs of paper ballots for this year's election. Please note this is our best estimate; it is dependent on the number of primaries being contested and does not include any future special elections. And additional permanent staff. The Board of

Elections has been and continues to be chronically understaffed, in addition to being underfunded.

As the number and complexity of new statutory mandates have been imposed on the Board, as a result of federal and State legislation, the permanent staff allocation for the Board has remained constant. Let me state for the record the Board's ongoing disagreement with the Office of Management and Budget. The Board knows that it has been authorized a current permanent headcount of 351 positions. While this is reflected in one OMB document, the Department estimates positions scheduled as of 11/29/09 which shows 344 fulltime positions. We know we have seven vacancies as of that date. Other OMB documents indicate that the current staff level is 325. Department's and the preliminary budget seeks a six person reduction in that inaccurate headcount to 319 in Fiscal Year 2011. I need to be very frank with each of you here today. The ability of the Board of Elections to successfully manage the most significant transition in election administration in the City of New York is in doubt, if we cannot hire additional staff to assist us in this huge

undertaking. As we continue our transition implementation, the Chief and Deputy Chief Clerks in each of the borough offices and our key executive office unit heads analyze their recent current allocation of staff, and determine that the Board needs 102 positions. Eight are supervising positions, 71 are for clerical and office support functions, and 23 are voting system technicians that will be assigned to voting machine facilities. Please note that most of these positions will be assigned to borough facilities while few such as a new Assistant General Counsel and an Administrative Procurement Analyst will be located at the Board's executive office. Each of these new positions are required to enable the Board to comply with the mandates and responsibilities imposed on the Board by HAVA and related legislation and allow the Board to continue to effectively discharge its other preexisting legal obligations. The borough projects that the total additional annual cost for these 102 positions is \$3,370,000. Enhancements and ongoing needs. The last area I want to quickly cover is the need for funding to upgrade

and enhance certain going operations or address new needs which the Board has requested over the last several years. In December 2005, the Board, upon the recommendation of the Mayor's taskforce on election modernization retained Gartner Consulting to provide project monitoring, quality assurance, project management and mentoring services. Gartner Consulting has several active engagements at various City agencies for change management projects and they have been a tremendous assistance to the Board as we have embarked on those extraordinary transitions. In September 2009, the Board submitted a revised funding request for Gartner to continue to provide project management/quality assurance. The Board requested almost \$8.8 million. OMB authorized \$6.7 million, a reduction of over \$2.1 million. At that time, we advised OMB and the Council that the approved allocation may not prove to be sufficient and we may need to revisit this again in the future. In light of the recent events and the significant risk of our 2010 implementation, the Board requires an additional \$1.27 million for the remainder of calendar year 2010, to fund

additional and required Gartner services related to project management and oversight of this critical program, and help the Board address any unforeseen contingency. The additional funds are to provide additional services, including conducting program readiness assessment. This is in addition to the risk advisory services Gartner currently provides. The Board requires a program wide framework and methodology for preparing for, conducting and following up on regularly scheduled readiness assessments to assess our readiness for the 2010 elections. These assessments include identifying show stopper issues in a timely manner, to allow for appropriate workarounds or contingencies to be implemented. In addition, Gartner will provide assistance with selected procurement activities including designing and implementing an inventory management system and tracking approach and responding to inquiries and issues raised by OGS, as well as providing support to the Board and the New York City Law Department in various legal proceedings, that have arisen and may arise as we move forward with implementation. The Board needs to purchase a new 3EEE and

Microsoft Enterprise software agreement, which will give the Board rights to any new version of Microsoft software for service and desktop, long term software acquisition, desktop deployment, planning services and technical support. This is vital to assure that the day-to-day Board operating systems are maintained. The cost is projected to be \$400,000. Pursuant to New York City Comptroller directive number one, as well as the State Board of Elections rules and regulations with respect to the new voting system, the Board of Elections is required to acquire a tracking system to track all assets. For example, voting systems, cars, desk equipment, etc. It is estimated that such a system will cost approximately \$100,000. The Board, like every agency in government, is aware of the need to address certain safety and security issues, specifically security at our six offices and five voting machine facilities, need to be enhanced. Approximately \$1 million in new appropriations are needed to pay for these enhancements, which would include physical security, modifications and renovations, and the presence of uniformed armed

officers at each of our offices, to ensure the safety of our employees and the orderly conduct of the public. Adding these all together, the Board project that it needs an additional \$2.7 million in Fiscal Year 2011 to fund these important enhancements and/or maintain our ability to properly discharge our statutory mandate. Pay equity. Although the dire nature of the current fiscal environment does not set the stage well for my final point, I would be remiss if I did not take the opportunity to once again remind you about the severe pay disparity between employees of this Board and those of other City agencies, and other Boards of Elections in neighboring jurisdictions. Rather than expand on the matter at this time, I will be happy to provide you with further information concerning this important matter upon request. To conclude, the concept of fair, honest and open elections is a fundamental right in our democracy, and the cuts made by the City to the Board's budget in Fiscal Year 2010, and further reductions proposed in the Mayor's Preliminary Budget for Fiscal Year 2011 at this critical time, has put our democracy in peril.

The most pressing concern for the Board is our ability to successfully manage the most dramatic transition in the history of election administration in the City of New York. If the Board was to conduct elections in this manner, that it has refined over the years, there will be no need for additional support or assistance. Clearly this is not the case. In fact, the proposed \$30 million cut in the Board's budget must be restored, and an additional \$12 million must be provided for a total appropriation for the Board of Elections of \$109 million for Fiscal Year 2011 to ensure that these dramatic implementations are done seamlessly. As a result of the City's actions, the Commissioners of Elections have been placed in an untenable position of either fulfilling their legal obligations despite the lack of adequate funding, or deciding collectively that the City's failure to adequately fund elections vitiates their legal obligations, thereby disenfranchising voters in New York City. If the required funding is not provided, we respectfully ask that you give us direction and choose which election you wish to cancel during

1 this coming fiscal year. Protecting the rights of
2 the voters of this City is paramount. It is an
3 understatement at best when I state that we need
4 your support and assistance if we are to succeed.
5 I thank you again for your time and for allowing
6 me to come before you on behalf of the Board of
7 Elections of the City of New York today. As
8 always, my colleagues and I are available to
9 answer any questions you may have.

11 CHAIRPERSON BREWER: George
12 Gonzalez, thank you very much, that's the best
13 prepared bad news I've ever seen in my life.
14 [laughter] Excellently read, and unfortunately
15 horribly true. So, thank you. [laughs]

16 GEORGE GONZALEZ: You're welcome.

17 CHAIRPERSON BREWER: I want to just
18 start, and I'm sure my esteemed colleague will
19 have many questions. Help me to understand, you
20 have a certain amount that's in the HAVA account.
21 Can you just tell me that full amount and are
22 there restrictions as to what it can be used for?
23 Because obviously it's not enough.

24 STEVEN RICHMAN: Madam Chair, it's
25 Steve Richman, the General Counsel. The City

Board's share of the federal allocation was approximately \$69 to \$70 million. Some of that was drawn down to acquire the ballot marking devices used over the last two years. The balance of that is going to be used to acquire the equipment, support and services for the new systems. \$44 million of the remainder and--John, do you have the update of what's left? It's in the neighborhood of \$50s, has been--\$50 million has been allocated and the, I think we can report, we believe that sometime this week we'll be--

CHAIRPERSON BREWER: Steve, you're going fast. \$50 million for, I'm sorry, what was--

STEVEN RICHMAN: \$50 million remained of the City's allocation.

CHAIRPERSON BREWER: Okay, of the \$69, so--

STEVEN RICHMAN: \$44 of that was obligated in the first two requisitions. The good news is the first set of new voting systems are supposed to arrive this week.

CHAIRPERSON BREWER: Those were the scanners, when you say--

STEVEN RICHMAN: Those are these
scanners.

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: And together with
the services and support necessary to implement
them. There are five additional requisitions that
will go forward, including the support materials,
the backup scanners for in case something breaks
down on election day; potentially the privacy
booths where people will be casting their votes,
etc. We anticipate that as a result of those
additional capital type expenditures, we're going
to dip into the PW340 line in the neighborhood, as
we said, between \$10 and \$20 million.

CHAIRPERSON BREWER: Okay. And so
what you're saying is, you are going to be short
how much on the HAVA, or if at all?

STEVEN RICHMAN: If, for capital
expenditures, I don't think we'll be short because
of the foresight--

CHAIRPERSON BREWER: You'll be
okay, 'cause that is--

STEVEN RICHMAN: --of this body and
the Mayor together with the State allocation, the

hardware and equipment are there.

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: I think the one area we're short is, right now for this year, is ballots.

CHAIRPERSON BREWER: You got short ballots and you're going to be very short on education and very short on training, as--

STEVEN RICHMAN: And very short on, and very short on staff.

CHAIRPERSON BREWER: --as I was allo--Exactly. All the training aspects, it takes some of the capital technology, I would suggest, according to the testimony.

STEVEN RICHMAN: To the maximum extent--

CHAIRPERSON BREWER: Huge short.

STEVEN RICHMAN: --legally permitted, we've gotten as much as we can into the HAVA grant moneys to use those. But like in other cases, the use of federal funds for recurring expenditures are limited. So, ballots, which we anticipate being the largest significant recurring cost is going to be an expense cost.

CHAIRPERSON BREWER: When you say ballots, you mean the paper--

STEVEN RICHMAN: The different, the cost of printing ballots.

CHAIRPERSON BREWER: Correct.

STEVEN RICHMAN: And the difference between what we spent last year when we used the lever machines, and therefore less ballots, we said it's a \$4 million difference. So that's what has to be made up. Assuming all of the funds we had last year are re-appropriated, we would take the moneys we used to print machine ballot strips. I believe the testimony of George has \$3 million and change. Put that towards paper ballots, etc., but we still need \$4 million ballots to cover what's going to be used on election day.

CHAIRPERSON BREWER: I have many more questions, but I'd like to turn to my colleague, Council Member Inez Dickens.

COUNCIL MEMBER DICKENS: Thank you, Madam Chair. Good morning, thank you for coming down for your testimony. I have one question. I note here on page seven of your testimony, that you said that you believe that you need to

increase the compensation to privately owned sites, and I assume that that is because in many instances, when schools are not available, for a variety of reasons, you need to have lease space with private--

STEVEN RICHMAN: Correct.

COUNCIL MEMBER DICKENS: --owners.

And how did you arrive at \$165 per ED? The reason I'm asking this is because a site would have to open from approximately 5:00 a.m. to 11:00 p.m., which is approximately 18 hours, which works out to be approximately \$9.16 per hour, per ED. So if they're, you know, two EDs, that's \$18. And that's supposed to cover heat and hot water, toiletry supplies, a superintendent to be available, plus insurance. Now, how does the Board cover for insurance for our workers to be there.

STEVEN RICHMAN: Well, whereas the City is self-insured, we provide an indemnification agreement that we will indemnify the private site. If there's anything connected to the election as a result of the negligence of the Board or its employ--or its per diem

employees.

COUNCIL MEMBER DICKENS: And--

STEVEN RICHMAN: But Council Member, make one correction, you're talking about eight--it's really going to be closer to 20 hours now, because our poll workers are going to have to get there at 5:00 o'clock, the site has to happen at 4:30, and if we finish counting by 11:00, we'll all be lucky, given the tight--

COUNCIL MEMBER DICKENS: And so at union rates, you think that that's sufficient?

STEVEN RICHMAN: I think what we did is based on what the borough staff reported as to what the private site landlords were looking for. They had indicated something in the range of at least doubling the current payment. We also felt that the one additional cost is going to be electricity. All of the new scanners have to have electrical current, it's going to be part of the obligation that the landlord's going to take on, so I think we made an estimate that if you doubled, it would've been \$140, accounting for maybe inflation at \$165, because we didn't expect to get another increase in the foreseeable future

1
2 if we got this first one. So I think this was a
3 combination of a reasonable cost and a hope to
4 maintain those sites because both Council Members
5 who are here from Manhattan recognize that your
6 borough is most dependent on private sites. The
7 availability and the spacing of public sites are
8 limited, so the need to use religious
9 institutions, private schools, apartment buildings
10 or residential complexes, is essential to provide
11 that the voters don't have to travel great
12 distances to vote.

13 COUNCIL MEMBER DICKENS: Yeah,
14 that's why I questioned when I added that up,
15 whether that was even sufficient to cover the
16 cost, because when you have to have staff
17 available for that number of hours, and that's
18 overtime, which is time-and-a-half. So, you know,
19 I was just wondering how you arrived at that math.
20 Also, I want to go back to your testimony about
21 the paper ballots. That because with this new
22 optical scan, scanning machine, are they going to
23 be the same affidavit ballots that we've been used
24 to?

25 STEVEN RICHMAN: There will be an

1 affidavit ballot, it's being reviewed now. It may
2 be, the affidavit ballot will be similar to the
3 paper ballot you have if you were using the
4 scanner, it would still be put in the affidavit
5 envelope and be validated at a later date. The
6 one aspect I can assure that's not changing is the
7 absentee and military ballots, those'll be
8 separate 'cause those'll be mailed out ahead of
9 time. But what is used on election day we're
10 trying to minimize the paper management functions
11 of the poll worker. So having two sets of ballots
12 on election day at the poll site gives us some
13 concern. I think we're leaning towards having one
14 uniform ballot with, for all the functions used on
15 election day.
16

17 COUNCIL MEMBER DICKENS: Because
18 having been a person that in the past has worked a
19 poll site, I'm concerned because what I'm finding
20 is that frequently the ED's are short paper
21 ballots. And what I've had to do is run around
22 and wear, ED's have same candidates, I've had to
23 take paper ballots from one site and take it to
24 another myself. And so, I'm very concerned about
25 that, and particularly since we're going to be

1 using these new optical scanning machines, which
2 by the way you've been putting in the last couple
3 years, one in many of the sites, and they break
4 down.
5

6 STEVEN RICHMAN: Council Member,
7 our plan is for the first year of implementation,
8 both because of the heavy ballot this year, with
9 all the statewide offices, both Senate seats,
10 etc., and the problems people make on the first
11 year, is to provide for each election district 125
12 percent of the eligible voters in that election.
13 So in the primary it'd be 125 percent of the
14 parties conduction a primary, and for November's
15 elections it would be 125 percent of the
16 registered voters in that election district,
17 hopefully giving sufficient cushion for people who
18 make mistakes on the ballot, and other areas
19 that'll go on.

20 COUNCIL MEMBER DICKENS: Is that,
21 have been, Steve, is that what you have put in, in
22 the past?

23 STEVEN RICHMAN: We haven't,
24 because we've only dealt with emergency ballots,
25 Council Member, I think the standard rule has been

approximately 500 standby ballots, which we use for emergencies and affidavits in EGD. We had to come up with a new formula. The State Board was recommending initially 110 percent of the eligible voters. The City Board felt that given the first year, it would be better to be safe than sorry, and we upped it to 125 percent.

COUNCIL MEMBER DICKENS: Alright. because I'm very concerned this year. I'm very, very concerned about--

STEVEN RICHMAN: Council, the one other thing again is that one of the things we have is, with the staffing that we asked for, etc., we will have enough monitoring teams out in the field, if necessary, and we will have some reserves back, you know, to fill in if there's a problem. But again, this is a first time experience, and I can assure you that if we run short, god forbid during the primary, we will up the allocation for the general election.

COUNCIL MEMBER DICKENS: Now can you tell me what the cost is, or the additional cost for training for poll workers? Because I took the class myself. And I thank you for

bringing that class to the communities, into the communities, so that it made it easier. But it just, you know, it highlighted for me how little I knew what these optical scanners--

GEORGE GONZALEZ: One of the things that we're doing to hopefully minimize problems on this election is we want to increase the training class. Right now, our training class for the poll workers is three hours. We're looking to increase that training class to maybe a six hour, with the focus of hands-on training. The, I believe we paid right now the inspectors for attending a training class, I think we paid 'em up to \$25; we want to increase that stipend to at least \$100. We're also looking at other aspects--

CHAIRPERSON BREWER: \$25 for those three hours, is what it is?

GEORGE GONZALEZ: Right now it's \$25 for the three hours; we're looking at to pay them \$100 to come in.

CHAIRPERSON BREWER: - -

GEORGE GONZALEZ: Right.

STEVEN RICHMAN: It's plus.

GEORGE GONZALEZ: One of the things

that we're looking for, we're looking at as well is to minimize the number of people in a training class. We figure that having less people in a classroom with the focus on hands-on training, I think it'll, the new system would like stick to the people's head, and they will get more of a comfortable feeling if they have closer to a one-on-one session with the instructor, rather than having a room full of people where nobody's really going to have the focus of the teacher, if you know, if you understand what I'm trying to say. So that's one of the, a couple of things that we're looking at right now.

COUNCIL MEMBER DICKENS: Alright, well thank you, I have some additional questions, but I will, I'll stop for now.

CHAIRPERSON BREWER: The issue of voter education is also a concern, because you talked about it in terms of the poll workers, but there's also just, you mentioned trying to hire part time people that should go out into the community so people are not fearful and know what to do. How much, again, will that cost and do you think what you're suggesting is sufficient?

GEORGE GONZALEZ: For the additional staff that we're looking at, the part time staff that'll be working between April and October, that, we estimated that cost to be at about a quarter of a million dollars. We, we also need the funding for Burson-Marsteller. As I stated in my testimony we've hired this firm here who, whose job is to--

CHAIRPERSON BREWER: What are they going to do?

GEORGE GONZALEZ: They're going to do the comprehensive voter outreach program--

CHAIRPERSON BREWER: Council Member Dickens could do that all by herself. [laughter]

GEORGE GONZALEZ: I'm sure she can. One of the things that they're going to--

CHAIRPERSON BREWER: She doesn't need Burson-Marsteller.

GEORGE GONZALEZ: But we do need Burson-Marsteller, if we want to make sure that we get the word out to the 4.6 million voters.

CHAIRPERSON BREWER: I don't know, she could do it without--go ahead.

GEORGE GONZALEZ: One of the things

that are Burson--

CHAIRPERSON BREWER: They cost a lot of money, though.

GEORGE GONZALEZ: They cost a lot of money, but as we've said in the past that the marketing's not cheap, and if we want to get the word out to the voters--

CHAIRPERSON BREWER: Okay.

GEORGE GONZALEZ: --and get them to understand that the way that they used to been, to voting for the past 40 plus years, it has, it's going to change dramatically, we need to do our part. One of the things that they're going to do is they're going to get us the vans, they're going to put together, there's a comprehensive voter education plan where it's going, where the advertising's going to be posted at various locations throughout the City. There's also a website and where the public can log into the website and, you know, look at the website and get answers to frequently asked questions. They're going to develop a script for our current Vote NYC phone bank, and if we have staff members there who will be able to answer any questions that the

public may have, and a whole host of other services that is intended to get the public's attention as to the way they're going to be casting a ballot in this September's primary election.

CHAIRPERSON BREWER: And were they selected based on the RFP, I assume?

GEORGE GONZALEZ: That is correct.

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: Council Member you should now that the plan originally came up, if you--

CHAIRPERSON BREWER: I have friends who work those, so I know--

STEVEN RICHMAN: The gold plated special was about \$16 million. We ended up with an approved allocation of \$6.7 million, \$3.1 has been made available, we need the balance to be made available, so that we can begin the work.

CHAIRPERSON BREWER: So only \$3.1 has been made available.

STEVEN RICHMAN: Yes, the rest is sitting at the moment in what's called the HAVA holding code, and as we know that that moneys have

not, are not, have not been re-appropriated in the preliminary budget for next year.

CHAIRPERSON BREWER: Okay, so, when you talk about, this is my ignorance, a HAVA holding code, you mean that's the federal money that is--

STEVEN RICHMAN: No, that is--

CHAIRPERSON BREWER: That's your money, that's your--

STEVEN RICHMAN: That is your money, it is the City tax--

CHAIRPERSON BREWER: Well, it's City tax money for the HAVA--

STEVEN RICHMAN: In OTTS--

CHAIRPERSON BREWER: -- implementation.

STEVEN RICHMAN: We had outlined prospective, I guess over the last four years, uses which totaled probably about \$20 to \$25 million. We've gotten, it was an initial allocation of the \$15 million and change last year, then again we haven't spent it till we needed it. The only money that's been drawn down so far is the first allocation to Burson, leaving

the \$12 million available.

CHAIRPERSON BREWER: Oh, okay, thank you very much. Just in terms of the paper issue, I know this is perhaps redundant, but will that paper be recycled? I don't know if it-- recycled paper, I don't know if it has been in the past, and recycled paper costs more, but we are in this recycling/environmental challenged times.

STEVEN RICHMAN: Madam Chair, we could look into that. We are required to keep, under the current statute, all paper ballots, used and unused, for two full years.

CHAIRPERSON BREWER: I'm talking about the paper when you purchase it, is it recycled paper? That's an the environmental kind of question.

STEVEN RICHMAN: It, the specifications of the ballot are designed as part of the certified system. That spec is going to be given to the printer and they have to meet the specs so the ballot is read properly. We could check to see if that's available.

CHAIRPERSON BREWER: Okay, I mean I'm just, it usually costs more, but it would be

something that I'm sure the public would ask. If they don't ask you, they will. The storage of the current machines, was that in your budget and is that something that you obviously have to do for a couple of years, I understand.

GEORGE GONZALEZ: Actually we've, that's already been taken care of. Right now our five VMS are empty right now, all the voting machines have been moved to a central location where we are storing them. And we're going to hold onto them for a few years, god forbid just in case we need 'em.

CHAIRPERSON BREWER: So they're in five boroughs or they're in one borough?

GEORGE GONZALEZ: They're actually--

CHAIRPERSON BREWER: They're in one borough.

GEORGE GONZALEZ: --in two lo--in two locations in one borough.

CHAIRPERSON BREWER: Okay.

GEORGE GONZALEZ: Okay? And then, you know, we're getting our current VMS ready for acceptance of these new equipment after they start

to come in within the next couple of weeks.

CHAIRPERSON BREWER: Okay. And so that's covered, though, in terms of the cost of that warehouse.

GEORGE GONZALEZ: Yes.

CHAIRPERSON BREWER: Okay. And then the new warehouse will have to be climate controlled, I assume.

GEORGE GONZALEZ: That's being worked on as we speak.

CHAIRPERSON BREWER: So that's what, and that would be coming under DCAS, are they the ones that negotiate that?

GEORGE GONZALEZ: Yes, that is correct.

CHAIRPERSON BREWER: And will they be in all five boroughs, do you think? Sometimes maybe they have to be, or can they be in one location?

GEORGE GONZALEZ: No, all--by law, we're required to have voting machine facility in every borough, so we have--

CHAIRPERSON BREWER: That's what I understand.

GEORGE GONZALEZ: --five different warehouse facilities.

CHAIRPERSON BREWER: And does that add to the cost, do you think? Or--?

GEORGE GONZALEZ: No.

CHAIRPERSON BREWER: No? Okay. It doesn't add to the cost to have five different locations as opposed to one?

GEORGE GONZALEZ: No. Steven?

STEVEN RICHMAN: Madam Chair, we also have an obligation under the Voting Rights Act to make it accessible. You know, the voting machine facility is not just a storage facility, it's where the candidates come and inspect the machine for the public--

CHAIRPERSON BREWER: Got it.

STEVEN RICHMAN: So having it in each borough provides that access required--

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: --to make it available to the voters and the candidates in that borough.

CHAIRPERSON BREWER: I never go to Brooklyn, I understand.

STEVEN RICHMAN: You're welcome
anytime. [laughter] It's the newest and nicest
facility that we have.

CHAIRPERSON BREWER: Oh, definitely
will go there. The issue of technology, just
something really basic. Electricity in the
schools, you alluded to, just the notion of having
that kind of connectivity. How do you check that
out? What would happen if you need to pay for
increased capacity? Or is that not an issue? The
new machines will need more current, I assume.

STEVEN RICHMAN: The new machines
are, use conventional, it's 110, so--

CHAIRPERSON BREWER: Right.

STEVEN RICHMAN: You can plug it
in.

CHAIRPERSON BREWER: You'd be
surprised in some of these schools.

STEVEN RICHMAN: Again, we've--
Pam's going to talk about the surveys.

CHAIRPERSON BREWER: Introduce
yourself again, Pam.

PAMELA PERKINS: Oh, I'm sorry. -

-

CHAIRPERSON BREWER: Pam, I think use the other mic, or put them together, something's--

PAMELA PERKINS: I'm sorry. That's good, hello? Oh, okay. Our surveys have been surveying the, all of our poll sites for the last three years, and the reason they've been doing it, doing those surveys is to see if they have the amount of electricity that is required for these new systems. Also, we have also purchased systems, some of the systems that we've purchased have double battery pack, so if for some reason the current is lost at the poll site, it automatically will be able to continue to voting session, so we don't have to, there will be no voting interrupted. So we've been looking at that, and trying to, to gage which sites that we have the appropriate current, and which ones we don't. And the ones that we don't we're going to have to have those double packed batteries.

CHAIRPERSON BREWER: So that's like a backup system, in other words.

PAMELA PERKINS: Yes.

CHAIRPERSON BREWER: Okay. Because

I just know from my technology experience, that in the schools there is a challenge right now, in some of the, just using the regular computers.

GEORGE GONZALEZ: Chairwoman, I just want to, for the record, I want to state that as Pam Perkins alluded to, our service have been going out visiting these poll sites and also the Department of Education has been very helpful in assisting us with this task here, to ensure that these sites meet at least the minimal requirements that we need to implement this new voting system. So, we've been working very closely with DOE officials to help us with this goal here.

CHAIRPERSON BREWER: Council Member Dickens.

COUNCIL MEMBER DICKENS: Thank you. What is the cost of the current or past special elections versus the cost of special elections using the optical scanners? Is there a significant different in cost?

PAMELA PERKINS: Well, we have, we have not had a election at all with the new systems.

COUNCIL MEMBER DICKENS: No, I

know, but I mean, in doing, have you done any research to figure out--

STEVEN RICHMAN: The only cost difference will be the difference in the ballot cost, because using the machine--

COUNCIL MEMBER DICKENS: The ballot cost will go up.

STEVEN RICHMAN: --strips has been relatively cheaper than the paper, so it'll be done. Right now we're averaging about \$300,000-- John is that right for a special election?

JOHN WARD: Depending on the district, but we just had two spe--

CHAIRPERSON BREWER: You need to speak into the microphone, and maybe introduce yourself again.

JOHN WARD: My name is John Ward, Finance Officer. A special election costs about \$3,000 per ED, so that's, that's over years we've come up with that formula. The increase would probably be based upon the paper ballot increase, but most costs would stay the same, actually, you know, to be honest with you. Special elections are never initially funded 'cause they're unknown.

We have one tomorrow, we've had one last month, we have one next week. So they do come, the special elections of this particular year that we're FY'10, is going to be one and a quarter million dollars. And that's--

COUNCIL MEMBER DICKENS: Thank you.

CHAIRPERSON BREWER: This, talking about special elections, so is the one tomorrow funded? And are the ones that are coming up funded? I think you said no in your testimony. I just wanted to get it clarified. And then, for last year's special, you were able to get it into the budget, but it was a challenge. Go ahead.

GEORGE GONZALEZ: As of today, Council Members, none of our special elections for this year have been funded. And they basically don't get funded, I guess, till the end.

CHAIRPERSON BREWER: Okay.

GEORGE GONZALEZ: So, if we're called for--if a special election is called for, we prepare for it, but during the conduct of that election the funding is not there. They don't give it to us in advance.

CHAIRPERSON BREWER: Okay. I don't

1
2 know what to say to that, so--I guess we'll all be
3 working with you to make sure it gets funded.
4 Democracy, as you suggested, is expensive and
5 needs to be funded, just what you said in your
6 testimony. Okay, Council Member Dickens, go
7 ahead.

8 COUNCIL MEMBER DICKENS: One last
9 question. What is the difference in cost say in
10 an Assembly district between a regular call for
11 election and a special election?

12 STEVEN RICHMAN: John?

13 COUNCIL MEMBER DICKENS: Is there a
14 difference?

15 JOHN WARD: The costs are
16 relatively similar, because in a regular election
17 you are still bringing all the resources to that
18 Assembly district, if you will. There--any time
19 you're doing something on a one off, you do lose a
20 little economy of scale. So it might be perhaps a
21 tiny bit more expensive to do a special. But all
22 things being equal, an Assembly seat costs what an
23 Assembly seat costs.

24 COUNCIL MEMBER DICKENS: Alright,
25 thank you.

CHAIRPERSON BREWER: The question also that I have, just so I understand, is that the, you are convinced that the machines will have sufficient number of machines, and that that will not be a challenge. You obviously have the capital dollars to be able to pay for them. Where are they being manufactured, do we know? The machines that are scanners.

GEORGE GONZALEZ: Yes, - - those machines are, I understand they're being, the headquarters actually is in Omaha, Nebraska. And I'm assuming that's where they're being manufactured.

CHAIRPERSON BREWER: Okay. And you're sure that there will be, we have the money, they'll be delivered on time, and the question is to be sure that we have the training and the poll workers sufficiently able to handle the machines. I mean, I always worry that they're not going to be manufactured on time. I know you've all told me that that will not be a problem. Is that also your understanding?

GEORGE GONZALEZ: That is my understanding, and the machines, like we, I said

earlier, we're expecting our first shipment this week of 40 machines, and as they're produced they're going to be shipped to the State Board of Elections.

CHAIRPERSON BREWER: In Albany?

GEORGE GONZALEZ: In Albany. So they can do the acceptance testing, once they pass acceptance testing in the, at the State Board, they will be shipped to us, and that's going to be on a rolling basis, and we expect the end of the machines, whatever that final number is, to be delivered to us sometime, I believe it's July, I think? The beginning of July.

CHAIRPERSON BREWER: So do you think between July and September is, when you'll actually have the machines, is what you're saying. How will we do the training, not just of the poll workers, but also of the voters.

GEORGE GONZALEZ: We ordered--

PAMELA PERKINS: We--Oh, I'm sorry.

GEORGE GONZALEZ: I'm sorry, Pam. We ordered our 50 machines, and those machines are expected to come in this week. And those are the, that's the equip--

CHAIRPERSON BREWER: But they have to go to Albany and be--

GEORGE GONZALEZ: Correct.

CHAIRPERSON BREWER: --evaluated.

GEORGE GONZALEZ: Exactly.

CHAIRPERSON BREWER: And then how long does it take to do that, do we know?

GEORGE GONZALEZ: It takes about a week, it takes, from what I understand it takes about a week. And those are the machines that we're planning on using--

CHAIRPERSON BREWER: The 50.

GEORGE GONZALEZ: --to start our education and training program of the staff and the poll workers, and so on and so forth.

CHAIRPERSON BREWER: But how are you going to do that without money? That's a little problem, right?

GEORGE GONZALEZ: Well, that is going to be a little problem, but I mean the fact that--

CHAIRPERSON BREWER: 'Cause you need the money in Fiscal Year '10 in order to train for Fiscal Year '11.

PAMELA PERKINS: That's correct.

CHAIRPERSON BREWER: Is that also correct?

GEORGE GONZALEZ: Yes, but we need you guys to move some of the money into the holding code, so we can actually use it, because right now, I mean, we're still obligated to conduct elections. We still have to do what we have to do, and yes, without money we can't do anything, but I don't understand if we don't get the money, what are we supposed to do? So, we need you guys to move over whatever you can move over for this Fiscal Year, into our budget so we can begin the process of implementing this new system.

CHAIRPERSON BREWER: The work that needs to get done. And the other question is, can you just run through again, a little bit, what Council Member Dickens asked of you? In terms of the training, which is incredibly important, it's obviously the increase in hours, which you talked about, the increase in pay. But is there any request to increase the pay on the day of, or is it just the training that you're concerned about?

PAMELA PERKINS: It's the training. We haven't really looked at, Council Members, the increase in pay for the date of, the day of the election. But when you're looking at the poll worker training program, what we have done, the way we have structured the program, we're going to require more sites, because we're talking about smaller class sizes. The class sizes we're looking at is like 21--

GEORGE GONZALEZ: 21 maximum.

PAMELA PERKINS: 21, 21 max, which means you're going to need more locations.

CHAIRPERSON BREWER: 'Cause you have 30,000 workers to try to train.

PAMELA PERKINS: Give or take, yeah. And maybe more, because we're going to have to do a lot of recruiting, as well. So, we're looking at smaller class sizes, hands-on training, which is going to require more poll site, more poll sites, too.

CHAIRPERSON BREWER: How much--

PAMELA PERKINS: Training sites, I'm sorry.

CHAIRPERSON BREWER: So if you're

talking about more hours, six or more hours,
whatever you're considering, how many days do you
think it's going to take, if you had the money, to
be able to train 30,000 plus in size 21 classes?

PAMELA PERKINS: Well--

CHAIRPERSON BREWER: What's your--

PAMELA PERKINS: Our training program usually starts the end of July. Right now, the classes, the training class is schedule for one day. And we usually start the end of July. We start our adjunct training, however, sooner. The adjunct trainings are the lead trainings, they're the ones that conduct the poll worker training classes, and they'll be trained earlier. I think their training is scheduled for May, sometime in May, and we--those adjunct trainings will be trained for a week. Because their training is a little more intensive and they're going to get training on how to present, how to do this new strategy of hands-on training, maybe even a mock election, so that the participants in the training class can really get a feel of what they're going to be experiencing on election day.

STEVEN RICHMAN: Council Member, we did talk about one incentive, the performance bonus.

PAMELA PERKINS: That's the key.

STEVEN RICHMAN: Right now, if you, it's the same thing, you go to the class, you pass the exam, and you work the two election events, you get a \$35 bonus. Our suggestion is as an incentive, to encourage poll workers who go through training and pass it to work both events, to raise that to \$100. We think that may be a more effective tool. We've actually looked at the compensation of poll workers around the country, and New York is right within the current range, so I don't think that's a problem there.

CHAIRPERSON BREWER: So it's a bonus issue.

STEVEN RICHMAN: What we want to do is in the performance incentive, it's, it would pay them to go to the training, pass the test and work both elections, which makes life easier for everybody 'cause then we only have to train that pool once, and not like worry about replacements if somebody only comes in for the primary and

doesn't show up on November 3rd.

CHAIRPERSON BREWER: Okay, alright. Do you also have concerns about the way in which this--so, how much, let's be clear, how much money do you need to have come in, in Fiscal Year '10, in order to satisfy the obligations. You also have the Garner, Gartner contract, right, that you mentioned as another outside contract. How many outside contracts, obviously you're talking about Burson-Marsteller and you're also talking about Gartner. Are there other outside contracts that you have bid out and that you need to get funded? 'Cause people always want to know how much outside work is going on.

STEVEN RICHMAN: Commissioner, in some--Council Members, what's going to happen is, is like on the transportation contracts, that's actually about to go out to bid. But that will be a replacement for the current lever machine voting contract, so again--

CHAIRPERSON BREWER: That should be less, 'cause they're smaller machines, or--

STEVEN RICHMAN: No.

CHAIRPERSON BREWER: No?

STEVEN RICHMAN: I believe--

PAMELA PERKINS: No.

STEVEN RICHMAN: --the
specifications for transportation are--

PAMELA PERKINS: It's going to be
more.

STEVEN RICHMAN: --more stringent.

CHAIRPERSON BREWER: And why is
that?

STEVEN RICHMAN: Because of the
electronic component, you can't--an 800 pound
metal machine could be--

CHAIRPERSON BREWER: You can bump
through--

STEVEN RICHMAN: --jostled a little
bit more.

CHAIRPERSON BREWER: The potholes
are okay.

STEVEN RICHMAN: Yes, and I think
these machines, the trucks that are going to
transport them are going to have to have a degree
of cushion that most of us are--like to see in a
car, as well, so that they literally do not hit
the roof of the truck and bounce down as they go

over the streets.

PAMELA PERKINS: Also, we're going to have more equipment. The truck is going to be moving more equipment. In the past, we had the back of the lever machine where we could pack a lot of our, you know, things that we need for the site, like the poll books, the, the displays, the supply bag, the ED supply bag, all of those things, now, and the ballots. They have to go in something. And so we're looking--the transportation contract is going to go up substantially because now we have to find some kind of vehicle--

CHAIRPERSON BREWER: But has that been true in other locations that have similar machines? They have to transport them, too. What's your experience?

PAMELA PERKINS: Yes.

CHAIRPERSON BREWER: The contracts have gone up for the trucking?

STEVEN RICHMAN: Part of the problem is in the other--

CHAIRPERSON BREWER: It's 'cause we have more potholes than anybody else, you mean.

STEVEN RICHMAN: Well, but other jurisdictions in New York State, for example, this is the first time really that the counties, our equivalents, have control of the machines. In the past, they were left in the care of the towns and villages, so they used to stay at the firehouse or the school for the whole year.

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: Under the new -- it has to come back. For all of them, so far, that did the demonstration project, that was a new cost for them that their local governments had to absorb.

CHAIRPERSON BREWER: Okay.
Alright. Council Member Dickens?

COUNCIL MEMBER DICKENS: Yes, I'm sorry, I had one other question, and that's about the training of the voting machine techs, as well as the super coordinators who go around to make the repairs, to help make repairs. Are we prepared with the training? Was there an additional cost in the training of the super coordinators as well as the techs?

STEVEN RICHMAN: The super coord--

the assembly district monitors are included in the program you have in front of you for the poll workers. In their instance, they're going to be going to an eight hour course instead of a six hour course. With respect to the voting machine technicians, that training has already begun, and that's being funded as part of the capital acquisition contract through the State Office of General Services, the manufacturer is going to be training them on how to maintain the system.

COUNCIL MEMBER DICKENS: Alright, thank you.

CHAIRPERSON BREWER: How long do the people from ES&S, do they help you in the first year? What kind of maintenance contract, etc., exists?

PAMELA PERKINS: Just, go ahead, go ahead.

STEVEN RICHMAN: The statute requires a five year warranty, which is there.

CHAIRPERSON BREWER: What does that mean?

STEVEN RICHMAN: It means that the warranty that the machine will continue to operate

well; if it doesn't, they have to replace it.

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: But in addition,
with that--

CHAIRPERSON BREWER: And "well" is
defined somehow.

STEVEN RICHMAN: It is in defined
in the State OGS contract, yes.

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: We have contracted
in, as part of the acquisition for extended
support and service during this first year, so
that we will have the, not only that mean training
the appropriate people, but providing support
through the process of City acceptance testing, as
well as on each of the election days.

CHAIRPERSON BREWER: So, picking up
on Council Member Dickens, so the training of, is
done by some of their people for the technicians?

PAMELA PERKINS: It's done by the
vendor, yes, yes.

CHAIRPERSON BREWER: The vendor
does the training of the--

PAMELA PERKINS: And that's

included.

CHAIRPERSON BREWER: Picking up on Council Member Dickens, and that will go on for how long? In other words--

PAMELA PERKINS: :That will go on--

CHAIRPERSON BREWER: - - see, it's going to, you know, you got new training needed all the time, I would assume.

PAMELA PERKINS: It's going to go on from like probably now, now until, till May, no. You're talking about the staff and the poll workers, right?

CHAIRPERSON BREWER: Yes, in other words everyone who--

STEVEN RICHMAN: - - training.

CHAIRPERSON BREWER: Who does, the training will be done by the vendor.

PAMELA PERKINS: Yes.

CHAIRPERSON BREWER: So, obviously the technicians that you hire, or you are working with--

PAMELA PERKINS: They'll bee--

CHAIRPERSON BREWER: --one way or the other--

PAMELA PERKINS: They'll be trained.

CHAIRPERSON BREWER: --need to be trained by the vendor.

PAMELA PERKINS: Yeah.

CHAIRPERSON BREWER: And I, and I don't know who else would be trained by the vendor.

PAMELA PERKINS: The staff will be trained by the--

CHAIRPERSON BREWER: The--

PAMELA PERKINS: Not only the--

CHAIRPERSON BREWER: The Board of Elections staff.

PAMELA PERKINS: The Board of Elections staff, anybody, including us, we're all going to be--

CHAIRPERSON BREWER: Okay, when does that start? Do we know, or--?

PAMELA PERKINS: That starts--

CHAIRPERSON BREWER: You have to wait till the machines arrive, I assume.

PAMELA PERKINS: Actually, some of the staff, the voting machine technicians are in

the process of watching the updating of the BMDs, so they're getting some training now, on different aspects of their responsibilities that they never had before. So they're watching it and as each BMD gets updated with the new voting system software and firmware, the vendors are there working with our staff. The staff is looking at it, and then the staff is basically downloading the results and checking the results to make sure that that upgrade was done correctly.

CHAIRPERSON BREWER: Now there's technicians who will be--

PAMELA PERKINS: The technicians will be trained--

CHAIRPERSON BREWER: Yeah, but do they exist now, in other words do they have to be hired, if this budget problem is solved?

PAMELA PERKINS: We do have current BMTs on--

CHAIRPERSON BREWER: 'Cause a person who fixed the monsters may not be able, the levers, may not be able, can they be the same people who do this work?

PAMELA PERKINS: Yes, they--

CHAIRPERSON BREWER: They are, they are planning to, that's their title and that's what they plan to do.

PAMELA PERKINS: That is correct, Council Member.

CHAIRPERSON BREWER: And how many of those do you have? People who are--

PAMELA PERKINS: Citywide, we have 60--about 60 technicians.

CHAIRPERSON BREWER: 60 technicians.

PAMELA PERKINS: But one of our requests that we're asking for, to hire additional technicians.

CHAIRPERSON BREWER: How many more technicians.

STEVEN RICHMAN: [crosstalk] 23 more.

CHAIRPERSON BREWER: 23 more. Okay. - - go ahead.

COUNCIL MEMBER DICKENS: Plus the super coordinators, because frequently they were able to go in and make--

PAMELA PERKINS: The AD monitors,

they'll, they'll receive training as well.

PAMELA PERKINS: But they don't, no, they don't make repairs, they go in and they try to resolve other issues, if there's like a paper jam, some minor things. But they don't make repairs to the system.

COUNCIL MEMBER DICKENS: Are there special equipment that's needed to make repairs, like with those, with the old lever machines. You know, there was certain things--

PAMELA PERKINS: Gadgets?

COUNCIL MEMBER DICKENS: Yeah.

[laughter] That they carried around. The gadgetry, and I would assume is different, have we purchased those? And at what cost? And how many?

STEVEN RICHMAN: The gadgetry, there'll be less of that, simply because of the fact that this I now a computer programmer. If the system can't be repaired simply, i.e., a paper jam, it's the intention of the Board, that's the spares we're going to order, they will be replaced. The whole thing will be replaced because, again, you have the memory inside of the votes already cast. You don't want anybody, if

you will, playing around with a scanner and its internal workings once votes have been cast on it. So, the plan is to, in the last five requisitions we're including spares, so that if a machine has something other than a paper jam, or god forbid they ran out of ink, in terms of printing the tally at the end of the night, you're not going to use it, that machine will be put out of service, secured, the votes on that recorded, removed from the device, and replaced with another machine. Every poll site in the City will have at least two scanners, so that even a single ED site, we should end up with nobody really having to vote on emergency ballots, unless there's a catastrophic failure in both systems.

CHAIRPERSON BREWER: So these people coming from the vendor, they will be available on election day to rove? Is that the idea?

STEVEN RICHMAN: They--

PAMELA PERKINS: Yes.

STEVEN RICHMAN: With our technicians, 'cause our technicians have the legal responsibility, but they're there to provide

support and technical advice.

CHAIRPERSON BREWER: Do we know how many of the vendor technicians, or whatever they're called, are available? Do we know that yet?

STEVEN RICHMAN: We, I believe when we placed the original order, we put a "not to exceed" number, which was probably on the high side. But we believe we'll have enough, we know for the BMD system we ended up with approximately, was it--we ended up with 30 support personnel, which was a very good mix 'cause basically it was one vendor support for each of our two technicians. So, as they were covering different areas of the boroughs, they were able to provide that and respond as needed depending on the severity.

CHAIRPERSON BREWER: And that seemed to work, obviously, with one per site, but that seemed to work, is what you're saying.

STEVEN RICHMAN: Yeah.

CHAIRPERSON BREWER: Okay. Anything else? Alright. Thank you very much. I don't know, we will be working with you and we

hope it all works out and it's a lot of money.

STEVEN RICHMAN: Commissioner--

GEORGE GONZALEZ: Council Member.

STEVEN RICHMAN: Commissioner

Polanco wanted to make a--

CHAIRPERSON BREWER: Go ahead, go ahead, if you want to say something.

JUAN CARLOS POLANCO: That's alright, thank you.

STEVEN RICHMAN: You sure?

JUAN CARLOS POLANCO: Yep.

CHAIRPERSON BREWER: You sure?

Alright, thank you very much.

STEVEN RICHMAN: Thank you.

CHAIRPERSON BREWER: Alright, we're joined by Council Member Peter Vallone. And the next presenter is from Corporation Council.

[pause, background noise] It's on, it's on.

MICHAEL CARDOZO: Sorry.

CHAIRPERSON BREWER: Whenever you want to start, we'd be delighted to hear from you. Thank you.

MICHAEL CARDOZO: Thank you. Good morning, Chair Brewer and Members of the

Government Operations Committee. It's a pleasure to be here this morning. I have prepared remarks that I have distributed to you, and I thought in the interests of time let me just summarize a couple of highlights, and then I'd be delighted to answer any questions. In terms of numbers, seems to me that the bottom line is the following. The propose--the budget figure as proposed is approximately ten percent less than the Fiscal Year 2010 budget as modified. So that roughly \$13.6 million less is proposed to be appropriated than was finally appropriated in Fiscal Year 2010. And at the same time, our proposed budget, or proposed headcount, excuse me, for the coming fiscal year would be 1,226, which is a six percent reduction from last year. I thought I would just, for the benefit of the Committee Members, highlight a few of the key areas that the Law Department deals with, and I thought I would begin with a few areas that I'm not sure everyone realizes. I think one major area of Law Department attention is captured when I tell you that this summer, we recovered a \$105 million verdict in the City's favor against Exxon Mobile,

for having polluted oil wells, water wells in Queens. That was obviously a very lengthy litigation, it is by no means over, appeals, etc.; but it is very important to recognize that in addition to defending major litigations, that the Law Department brings major litigations of which this lawsuit is obviously a very good example.

Other major affirmative cases that we bring, not just for the typical breach of contract action, but in the so-called policy area, which also has economic implications, is highlighted by our efforts against the illegal selling of cigarettes, that is people who were selling cigarettes in an effort to violate City tax laws. Earlier this year we were able to obtain an injunction against the Poospatuck Indian Reservation sellers who were selling retail cigarettes on the Poospatuck Reservation without paying taxes, and a federal judge has enjoined them from doing so. The volume of cigarettes that the reservation was selling amounted to 17 cigarettes per every man, woman and child on the reservation every day, and we have estimated that the loss in cigarette revenue to New York City approaches half a billion dollars a

year. The problem has been caused by the State of New York's failure to enforce existing cigarette laws, and so in addition to trying to persuade the State to enforce its existing laws, we have taken a number of steps to enforce them ourselves.

Another area that doesn't get as much attention, I think generally, as perhaps it should, is we have close to 100 attorneys working in our family court division. Those are the lawyers and roughly equal number of support staff, who are in charge of prosecuting juvenile delinquents in this City.

Obviously a very important area, and an area that in recent years the focus has been turned not just to trying to "lock 'em up," but to focus in particular on how can we devise programs throughout the City that judges, when faced with kids who have been doing something wrong, have another, a large number of alternatives to send these kids to, especially since to send juveniles to upstate facilities, there is an 85 percent recidivism rate. Obviously, therefore, it's not working. And as recent articles have highlighted, these upstate facilities are, which are run by the State not the City, are not functioning well

at all. And the City has to spend far more money when it sends these kids upstate than it would if, subject to public safety concerns, we can develop appropriate programs. And so that's been a major focus of our family court division. Another area that we focus on is that we defend all lawsuits brought against the City relating to taxes. Real estate taxes, literally billions of dollars, are involved where the taxpayer exercising his or her right, brings a lawsuit claiming that the tax assessment is too high, and it is the job of the Law Department to defend the assessment of the Department of Finance. And that's a very, very important area, obviously, because the health of the City's FISC depends in large measure on the integrity of the tax system. Finally, we obviously spend a very, very large amount of time defending New York City in the various tort and related cases brought against the City. The number, the volume of such cases is very, very large. I am pleased to say that over the last eight years, the dollar number each fiscal year's paid out by the City, has remained flat, although very high--roughly \$550 million a year. The

number of pending cases that the City has, tort cases it has, has decreased in the last eight years from over 55,000 pending tort cases to 17,000. That is attributable to a very aggressive approach that the City has taken in making motions to try to dismiss the cases, and when those cases are viewed after evaluation, when those case are viewed as potentially meritorious, we make an effort to settle them on reasonable grounds early in the game. When we do go to trial, I am pleased to say that this past year we, the City prevailed in 63 percent of the cases that it actually tried. That is a real thumbnail sketch of what the New York City Law Department does. We have numerous other areas as I know you're aware that we focus on, but I wanted to highlight those, and I'd be happy to answer any questions.

CHAIRPERSON BREWER: Thank you very much. I know Council Member Vallone has questions. I have many, but Council Member, go right ahead.

COUNCIL MEMBER VALLONE: That's very nice of you, thank you, Chair Brewer. Mr. Cardozo, how do we address you in public?

[laughs] Is it--

MICHAEL CARDOZO: However you want to, Mr. Vallone.

COUNCIL MEMBER VALLONE: Is it Mr. Counsel Cardozo. Mikey, how are you? No. As always, congratulations on the great work. Dropping the pending cases, it takes a lot of work, especially when it comes to your motions to dismiss; not so much when it comes to your settlements but when it comes to your motions to dismiss. Your huge victory in Albany, closing that loophole when it comes to double dipping, which we've been working on for years and years, and which will save me half hour of questions. Getting anything beneficial from the trial lawyers in Albany it's just very, very hard to do, and you managed to accomplish that with a lot of hard work. And I want to get to some questions on municipal reform after I get to where we disagree. You said settlements, payouts remain flat, except when it comes to the Police Department. Against the Police Department, claims go up every year, or at least for the last few years. And settlements go up every year. And to sum it up for people

like our Chair, who haven't, who just was made our Chair, some of the arguments we've had over the years, I say that you settle way too many cases; that you run the Corp Council when it comes to the Police Department like Allstate, and you settle based on potential liability instead of actual wrongdoing on behalf of the City; that when we settle, nothing is learned--you settle, we claim no wrongdoing by the City, everybody's happy except the taxpayers who now are out hundreds of thousands of dollars almost every time--and the Police Department learns nothing, which is a whole nother issue, which you have nothing to do with, but they basically feel that you settle for all the wrong reasons, so they don't even bother to look at the cases you settle, so they don't know whether it's one cop who's responsible for one case, or 100 cases, because they think you settle for the wrong reasons. In fact, at my public safety trial, when Letitia James went after Ray Kelly for a whole different reason, she just thinks there's too many police brutality cases, and she said to him, "What can we do to stop all these police brutality claims against the City?"

1
2 His answer was, "More trials." Which is exactly
3 my answer. You say that you're settling these
4 cases to avoid potential liability. And I say the
5 facts show that's not working. Cases go up every
6 year, amounts paid out go up every year. So let's
7 talk for a moment about this, and I've been doing
8 this on no preparation, this case a week ago, two
9 weeks ago, I read about it in the papers where you
10 settled for, I don't know, \$100,000, \$200,000, was
11 it Crips, Bloods, I don't know who it was, down in
12 Brooklyn. Do you remember which gang it was that
13 we gave City money to?

14 MICHAEL CARDOZO: I don't believe
15 it was a gang, Mr. Vallone.

16 COUNCIL MEMBER VALLONE: That's not
17 what the Police Department said when it happened.
18 But I remember when it happened, there was a group
19 of young men, flashing gang colors, that were
20 stopped, they complained that they were stopped
21 for no reason on the way to a funeral. The Police
22 Department put out a huge detailed information,
23 explanation, and there were articles about it in
24 the paper, huge article saying that these men were
25 flashing gang colors, members of one or other

gang, jumping on car roofs, and were stopped. And after the Police Department put out its explanation, in fact nobody made a peep anymore, everybody said, "Oh, good job, you stopped probably another shooting from happening." And then I read, last week, another \$100,000, \$200,000, whatever, paid out to, to these, I believe gang members. And I'm sure the Police Department does, too. First of all, was this settlement made in consultation with the Police Department?

MICHAEL CARDOZO: Yes, I'd like to put the answer in context, if I may. You've made a couple of statements, and let's put this all in context. The job of the New York City Law Department in these lawsuits is to defend the City and to defend its FISC. And we take a case, be it a case against Department of Environment Protection, or the Parks Department, or the schools or the Police Department. And we obtain the facts as best as we can. And we then say to ourselves, "Well, if this case goes to trial, assuming there's, appears to be legal validity, this case goes to trial, based upon our experience

and we settle--and we try, as I indicated, a large number of cases every year--what will the jury likely do, in terms of determining whether the City did something wrong?" And if the City is found to have done something wrong, what is the City's exposure in terms of dollars? In Police Department cases, as you know, Mr. Valone, most of those, many of those cases, are brought in federal court, not state court, because of the more favorable federal statutes. And when they're brought in federal court, if the plaintiff wins, he or she also obtains recovery of attorney's fees. And so the question, before we get to the particular case you asked me, is whether it's the Department of Ed or Department of Parks or the Police Department, what is the likelihood that the City will be found liable, and if so for how much? Those are judgments that we make every day. Seems to me that if there is a probability that the City will be found liable, that there, if there is a probability that the number will be whatever number you want to pick, and if we can settle that case for dramatically smaller numbers, because the plaintiff obviously has the risk, as well, it is

the, it would be foolhardy to roll the dice when we think we have a 50/50 shot, but we can settle it for \$10,000, and the potential likelihood is a million if--let me just finish for a moment.

COUNCIL MEMBER VALLONE: Yeah, you see me jumping--

MICHAEL CARDOZO: Yes, now, now--

COUNCIL MEMBER VALLONE: Before you get to the Crips, I want to have that conversation, I should not have combined the two, because I want to respond to the theory before we get into the specifics of that case.

CHAIRPERSON BREWER: - -

COUNCIL MEMBER VALLONE: Right, right.

MICHAEL CARDOZO: So, just to highlight, this had nothing to do with the case you just mentioned. We had a case that we thought, and offered, to settle for \$20,000, plus--or \$10,000? Plus \$15,000 of attorney's fees, it was one of these federal cases that I mentioned. The plaintiff demanded \$30,000, not \$20,000, and we said no. And so, we tried the case, and we lost what, \$30,000? We lost \$20,000, but we had

said no to that. And we also paid \$500,000 in attorney's fees. So, what we had done, we would've been able to settle the case for \$40,000 or \$50,000, the plaintiff said no, we went to trial, we basically won what we had made the assessment on, but because of the legal fees, we ended up at over a half a million dollar settlement. And that, that is the issue in the judgment that has to be made in the police cases every single day. And so, again, before we get to the specifics of the case you asked me about, we have to deal with that. Now, with respect to Police Department cases, we have a standard protocol with the Police Department. Obviously, the smaller the case, the, perhaps the less, least, less attention by the Police Department, understandably, is paid to the settlement questions. We let the Police Department know of what we propose to do in any significant settlement. When the Police Department disagrees with us, we have a further dialogue, we have a hierarchy. If it's in one division, Ms. Goode-Trufant's division, who's sitting next to me, there can be in effect an appeal by the Police

Department to her superior, Ms. Colafeld [phonetic], and ultimately to me; if it's in the tort division, the, if they disagree with Ms. Leosis [phonetic] who's head of our tort division, they appeal to Mr. Kahn who sits to my right, and then appeal to me. And obviously, if there remains a disagreement, and this has happened on a couple of occasions, Mr. Kelly raises it with the Mayor. And that is our standard protocol. Let me just add one other thing. You made a comment that there's nothing to be learned by the settlements. I'm not familiar with the details, but the Police Department has established an internal review process--

COUNCIL MEMBER VALLONE: Just to clarify, I don't believe there's nothing to learn, but until the Police Department established that, which was at my urging, and they would not have done it if not for me, they, their attitude was there's nothing to be learned.

MICHAEL CARDOZO: Well, we--

COUNCIL MEMBER VALLONE: I think there's some, despite this fact, you settling for the wrong reasons, there's always something to be

learned. That was - -

MICHAEL CARDOZO: We have, but we do have on, we do have regular dialogues, with Debbie Zolan [phonetic], Tom Defner [phonetic], Andy Schaeffer and others at the Police Department Legal, well, where we talk not just about individual cases, but about processes. I've had a couple of cases, meetings myself, with all those people. So, I'm sure there always is more to discuss between people, but it certainly is not correct, and I'm sure the Police Department would not suggest, that we don't have a regular, ongoing dialogue with them.

COUNCIL MEMBER VALLONE: Alright. First of all, you mentioned one case. You're going to, you'd be maybe, you'd be able to mention ten or 20 cases where you settled for less than you were liable for, potentially. And obviously you will, that's not the point. The point is because you keep settling, you will have more and more claims, and the figures support me. In fact, there was a case--I'm just going from memory here-- you settled against this guy, Charles Castro, who he and his gang sue the Police Department all

the time, he's a former police officer, you settled it for, I mean actually the jury came back with like a \$70,000 verdict, when you offered \$100,000 before trial. So there's a, cases the other way, too. But that's irrelevant. What is relevant is that the word is on the street that there's free money suing the City. And in fact, that's borne out by the more complaints hitting the Police Department every year. And your analysis is a perfect one, if you're running Allstate, not if you're running the Police Department, where everything comes down to right and wrong. And the people you're giving the money out to, and there's a whole article about this in the local papers, many times are gang bangers. In fact, there's one gang that's making more money suing the Police Department than they are dealing drugs, because they know. And in fact I've also got it from a very high placed source that there were actual attorneys in your office, who have left your office to sue the City. So let me start with that. Are there any attorneys, and we'll find out if this source is correct or not, who have left your office, who have filed recent cases

against you?

MICHAEL CARDOZO: Yes.

COUNCIL MEMBER VALLONE: How many?

MICHAEL CARDOZO: I don't know, but there certainly, as in any legal structure, there are people who worked for the City, they left it as soon as their, any potential conflicts, because of cases they might've handled. They're obviously, this is a free country, and there are certainly some of those people who have sued the Police department.

COUNCIL MEMBER VALLONE: And I'm told they're making quite a business out of suing the Police Department because they saw how profitable that could be. And when you talk about the protocol with the Police Department, you said you deal with them on significant cases. What does that mean?

MICHAEL CARDOZO: I believe that the technical rule is what? In any case, we will not settle any case for over \$250,000 in the tort area.

COUNCIL MEMBER VALLONE: Yeah.

MICHAEL CARDOZO: And special--and

at roughly the same in the Police Depart--in the federal court area.

COUNCIL MEMBER VALLONE: Would you happen to know how many, what percentage of cases that would mean in the world of Police Department cases?

MICHAEL CARDOZO: I don't know off the top of my head.

COUNCIL MEMBER VALLONE: I mean, you said, and you're right, the smaller cases aren't as important to the Police department, and they're not, but they're very important to the officer that's sued. Again, if you settle five cases against one officer for \$10,000, which is a nice little chunk of change for these gang bangers, without even telling the Police Department, this officer doesn't know until he sees the, his story about him in the Daily News the next day where five cases were settled about this guy.

MICHAEL CARDOZO: No, we tell the police officer in advance, Mr. Vallone.

COUNCIL MEMBER VALLONE: Well, you tell him at what point?

MICHAEL CARDOZO: As soon, as soon as the settlement is agreed to, we advise the relevant officer.

COUNCIL MEMBER VALLONE: So he's advised--

MICHAEL CARDOZO: Or his, I'm sorry, his department.

COUNCIL MEMBER VALLONE: So you don't know if that department advises him.

MICHAEL CARDOZO: Well, no, I don't.

COUNCIL MEMBER VALLONE: And you just advise them, but they have no, no say in the matter if it's--

MICHAEL CARDOZO: That is correct.

COUNCIL MEMBER VALLONE: So, again, he may or may not find out, hopefully his department advises, but he could still be in the Daily News the next day for having five cases against him, where he did absolutely nothing wrong, but you thought we were exposed to a much higher settlement.

MICHAEL CARDOZO: Mr. Vallone, you have to remember, now you and I, I think, have a,

perhaps a fundamental disagreement as we have indicated in some informal discussions we've had. But to risk the City's FISC when you're facing potential huge liability, is number one, something I think would be irresponsible. Number two, if we are going to say, as I think you may be hinting at, that any case brought against the New York City Police Department, and I don't think, I can't imagine really saying this, we will just go to trial no matter what, because we believe that there is, the Police Department believes that we're going to win, is a highly irresponsible position to take.

COUNCIL MEMBER VALLONE: No, no one's saying that. There are cases clearly where the Police Department is wrong. I mean, there's the cop that robbed the bank last week, so clearly they're out there doing really bad things. Even if it's one percent of the Police Department, that's 350 cops and shrinking every day. But, and in those cases, what needs to be done is exactly the analysis you just mentioned, and don't forget I'm a former trial attorney, exactly the analysis you just mentioned. And then, something needs to

1
2 happen with the City, enough of this settling with
3 no liability admitted. Somebody has to pay the
4 price for that. Whether it's the Police
5 Department, that individual officer, his
6 supervisors, nothing, we cannot continue to settle
7 with nothing happening, to stop those settlements
8 occurring a second, a third, a fourth, a fifth
9 time, and that's exactly what's happening now,
10 because you settle so many cases. Nothing's
11 happening to stop the future settlements. And
12 again, numbers are my side, claims up ever year,
13 settlements up every year. No end in sight. But
14 you and I are going to continue to discuss this.
15 There's nothing, is there anything, numbers wise
16 that you can point to, that support your analysis.

17 MICHAEL CARDOZO: Oh, well, if
18 there are more cases filed, then certainly there
19 will, and there have been, I agree with you, there
20 will also be more settlement, that is also true.
21 I would also caution. I think, and I agree with
22 you, we're talking about "really wrongful" Police
23 Department in a, actions, in a, such as the bank
24 robbery you mentioned, in a very, very small
25 number of cases. We have to look at it, though,

not from what the Daily News or the New York Post may report what the facts are, we have to look at it after we have interviewed the relevant personnel, taken the depositions of the relevant personnel. That's where, and look at the relevant documents, and that is not always what appears in the newspaper.

COUNCIL MEMBER VALLONE: [off mic]

- - Okay, let's move on to the one area where we agree, and where I think you're doing a great job, and that's municipal reform, or court reform. Again, congratulations on what you got so far, what you've done so far. What else can we do? What's next up on the, on your - -

MICHAEL CARDOZO: Let me, for the benefit of the newer members of the Committee, we, for many years, with this Council's able support, urged Albany to amend the law in the so-called double-dipping area, up until this past year, if a sanitation worker, for example, sued New York City, and for damages, and won, that worker would not only collect whatever the verdict was for his lost wages, but would also collect his pension, which was, his disability pension, which was

covering the same thing, and we called it the double dipping law, that had long ago been abolished for the private sector. And last year, we were able, along with roughly 1,300 local entities across the State of New York, to finally persuade Albany to change that legislation. And I dwell on that in response to your question, Mr. Vallone, because I think particularly given what is going on with respect to municipal finances throughout the State right now, what we should be doing is trying to use the same coalition of local governments across the State, to try to come up with proposals that we can take the Albany, that will tell Albany, you are, can save New York City, Albany, Buffalo, what have you, money, without having to write a check, which is certainly something nice. And so, my office is, as we speak, analyzing what is potentially realistic. We know that Albany is not necessarily hospitable to so-called tort reform. So we want to achieve something meaningful, but also aim at something that's obtainable. And we're working on that, and as soon as we have a couple more details, I'd like to discuss that further with you.

COUNCIL MEMBER VALLONE: [off mic]

By further example, what you're up against, do you have, do you have the votes in your Committee--[on mic] get a mic that works here. You had the votes in your Committee to pass that, I guess, double dipping reform years ago, after working very, very hard lobbying every one of the Committee members. And the morning of that vote, the Assembly Speaker added two more members to the Committee who were opposed to what you were trying to do, just to stop that reform. And you got it done anyway, which is a real testament to your drive and your ability. So, we're not doing to discuss--I assume you just said we're not going to discuss further reform today, we're going to do that down the road?

MICHAEL CARDOZO: I think it'd be more constructive if we could do a little more work, and then I think you and I should have a separate meeting on that, if that's okay with you. I'm not prepared to say, "We're going to support Bill A versus Bill B versus Bill C," I'm afraid Albany, over the next couple of weeks, may be preoccupied with some other issues before they

talk about--

COUNCIL MEMBER VALLONE: [laughs]

MICHAEL CARDOZO: --substance.

COUNCIL MEMBER VALLONE: Okay, well, more than happy to sit down with you on that, and the other topic. I don't want to take up too much case, too much of our time, because our Chair was very nice to let me go first. So thank you, Chair Brewer, and I look forward to continue to discuss these issues. And overall, I think you're doing a great job, as I always--

MICHAEL CARDOZO: Thank you.

COUNCIL MEMBER VALLONE: --as I always say. Thank you.

MICHAEL CARDOZO: Thank you.

CHAIRPERSON BREWER: Just picking, thank you very much, Council Member Vallone. Picking up on the issue of the settlements, I know that the number goes up, and that's something that you have, I think what you're saying is more people are suing, you're trying the best you can, you'll deal with Council Member Vallone at another time, sitting down and discussing that issue as well as the Albany issue. But do you see any

situation--obviously, the sidewalk law has helped a lot, I think that was--

MICHAEL CARDOZO: Significantly, and I should've said that in my opening remarks.

CHAIRPERSON BREWER: I was going to say that we often tell people that the landlord is responsible, we spend about half the day explaining that.

MICHAEL CARDOZO: As my prepared remarks reflect that, Ms. Brewer, and we have, we have achieved enormous savings from the law that the Council passed a number of years ago, and I think one of the great aspects of that is that sidewalks are now safer, the landlord is now responsible for keeping them safe.

CHAIRPERSON BREWER: How, obviously, if they're not, then I know that the City comes and puts a lien on the building. Do you know how much, do you have those records, or that would be DOT?

MICHAEL CARDOZO: DOT.

CHAIRPERSON BREWER: Okay. So, it does look like the, picking up again on this issues of the cost projections, the January plan

skyrockets to \$898 million, in terms of judgment and claims. That would be by 2014. Do you concur with that number from OMB?

MICHAEL CARDOZO: That's, a lot of that has nothing to do with the Law Department, so--

CHAIRPERSON BREWER: That's not the Law Department.

MICHAEL CARDOZO: Some of it is the Law Department, but that would not--

CHAIRPERSON BREWER: Okay, so are your numbers going up in terms of judgment and claims?

MICHAEL CARDOZO: No.

CHAIRPERSON BREWER: And if so, by how much?

MICHAEL CARDOZO: No, that's, I think the point that I wanted to make, leaving my disagreement with Mr. Vallone aside, is that I think if you asked any major defendant in the private sector, have their settlements and judgments in the tort area gone up over eight years, they would say yes, both inflation and because the courts are increasingly sustaining

large damage numbers. And so what I'm saying, that in eight years, our numbers have remained flat. I'm not satisfied with that, I'd like it to be less, but I think that's an indicia that we're doing something right. And at the same time, if we have reduced the backlog of cases from 55,000 to 17,000, and those numbers have remained flat, I think we're doing something right in that area. I'm not sure we can get it, those numbers less than that. We should also remember, of course, that anybody who sues New York City first has to have filed a Notice of Claim with the Comptroller, and the Comptroller obviously disposes of some of these cases. We work very closely with the Comptroller, we've been working very closely with Mr. Liu, and hopefully we can continue this kind of approach.

CHAIRPERSON BREWER: Well, just so you know, OMB has, as number that you probably disagree with, judgment and claims in 2007 at \$598 million, and \$890 million in 2010. So you may, you may disagree with it, but you might want to challenge it.

MICHAEL CARDOZO: Right, I, I don't

know, there's a little bit of accounting that, but how, I'd have to ask OMB that, how they came up with that number.

CHAIRPERSON BREWER: Okay. Next question is, I don't know Ground Zero as well as others, but obviously there was a, money coming from the federal government, I think, and then of course we saw many, many individuals talking about another bill that they're trying to pass in Washington. But in terms of the money that's coming from Ground Zero, how much, etc.

MICHAEL CARDOZO: Well, to put this--

CHAIRPERSON BREWER: You're trying to settle the suits, I know.

MICHAEL CARDOZO: Right. After 9/11, Congress created what is called a captive insurance company. They appropriated \$1 billion for that insurance company. It was a insurance company, not a victims compensation fund. That was an insurance policy, in effect, created not just for New York City but particularly for the benefit of over 140 private contractors whose employees had also been at Ground Zero. And

because it was an insurance policy, there was a need for the individual people who claimed injury not only to demonstrate that they had been injured, but to demonstrate that the entity they were suing, be it the contractors, the City or both, had done something wrong. In other words, it's not in the victims compensation fund run by Mr. Feinberg, it was not a question of fault, it was just a question of how much. And the City, and the captive insurance company, I should say, was therefore obligated to defend these cities, these cases, like any other defendant. And the defenses that existed were very, very substantial. One was so-called civil defense defense, that you can't be liable in situations like this; another defense was, beyond that, was the City negligent? The question related primarily to respirators. And then of course, the people who were injured, assuming they could get over those two defenses and many others, the labor law defenses and others, would have to prove that a) they had whatever the particular injury was, and b) that that injury was caused by their exposure at Ground Zero. And so we're placed with a very unfortunate

situation of our heroes, the 9/11 heroes, who had come out, be it City employees or private employees, to help the disaster at 9--at Ground Zero, were forced to sue the City and the contractors. And so, this, and this roughly 10,000 plaintiffs, this is a case that's been in federal court since 2004. And the first trials of 10,000 trials, 'cause this is not a class action, each person would have to prove his or her own case, the first trials were scheduled to begin in early May. And so last week, the captive insurance company announced, on behalf of the defendants, which is both the contractors and the City, and the plaintiffs' lawyers, that the settlement agreement had been reached, lots of things have to be completed before that is done, that settlement agreement provides for, depending on how many people opt in, if you will, up to \$675 million, there's a grid that's been created, that spells out, depending on what kind of injury you have, how much money you would get with different gradations, there would be a neutral, allocation neutral it's called, who would determine the injure--the nature of the injury. In order for

that settlement to be effective, 95 percent of the plaintiffs would have to agree, and assuming all that happened, it would then leave roughly \$400 million in the insurance pot to deal with both people who did not agree to this, as well as future claims, because we, no one knows the extent of the future claims. Now, as we explained to some, our congressional delegation last week, and as we explained again to some Committee staffers this morning, this settlement is totally divorced from the bill that is in Congress, which is to permanently fund the healthcare evaluation that the City has put in place at a substantial expense. So the two have nothing to do with each other, except we certainly, absolutely need this federal legislation to assure these people that, yes, we have now given, they have received some, assuming the settlement goes through, some compensation to make up for the horrible injuries that they suffered. But they need continued assurance that they will have the benefit of the healthcare, the centers of excellence, that we've established at Bellevue, Mt. Sinai and the ongoing monitoring. So, we believe these are

complimentary to one another, certainly not at all inconsistent with one another.

CHAIRPERSON BREWER: Council Member Dickens.

COUNCIL MEMBER DICKENS: Thank you so much, Madam Chair. Thank you, Mr. Cardozo. I have a question on, because last year we had several crane accidents. And resulting suits. Can you give us an update on what is occurring? Particularly the one on the upper east side?

MICHAEL CARDOZO: Yes. If I may, Mr. Kahn, my, one of the members of my executive staff, is more familiar, if I ask him to respond to that.

LAWRENCE KAHN: Yes, thank you, Council Member. Yes, there are litigation, certainly in the aftermath, that have been brought both with respect to the 51st Street and the 91st Street crane accidents. Discovery is proceeding, pretrial proceedings are taking place in those actions. Following the 51st Street crane accident, 43 lawsuits were brought, not just against the City, but primarily against some of those people who were involved at the site, and in connection

with the crane. And at 91st Street, 17 lawsuits have been brought. And all of those are in discovery at this time.

COUNCIL MEMBER DICKENS: Thank you. And one, one other question. Please tell me, because in the January plan, you have funding for support services for the Census Bureau. Explain to me what you're doing with that.

MICHAEL CARDOZO: Well, the Mayor has established a small group to be sure that New York City residents are appropriately counted. Obviously, there's a lot at stake for New York City because of the federal funding that will depend upon the Census. And so, that's sort of an ad hoc agency, and so it's simply been agreed that the, what, four or five--

MALE VOICE: Five.

MICHAEL CARDOZO: --five individuals who will be working on that Census, are housed at the Law Department.

COUNCIL MEMBER DICKENS: And what will they, what will they be doing? What is--?

MICHAEL CARDOZO: Well, they're making a major effort to be sure that, for

example, undocumented aliens are not afraid to fill out Census forms, we want to be sure that everyone possible is counted. So, most New Yorkers, I think, in the last couple of weeks, have gotten a letter from the federal Census Bureau, reminding them that, the need to fill it out, and so they're taking proactive steps to be sure that all residents are in fact doing that.

COUNCIL MEMBER DICKENS: Are you, is, are any of those going to be targeting areas where they have been severely undercounted, and we've documented that?

MICHAEL CARDOZO: I believe so, but frankly I'm not totally familiar. Stacey Cumberbatch, who is the person in charge for the Mayor's office of that, would be the person to ask.

COUNCIL MEMBER DICKENS: Alright, thank you.

CHAIRPERSON BREWER: Council Member Vallone.

COUNCIL MEMBER VALLONE: Thank you. Just a quick follow up. In your, in the January plan, in 2014, your amount budgeted for judgments

and claims shoots up to \$898 million. Why is that? Is there a certain case you anticipate settling? Is that just because claims continue to go up? I'm not sure.

MICHAEL CARDOZO: As I said, I think, to Chair Brewer, I think you'd have to ask OMB, I don't know where that number comes from.

COUNCIL MEMBER VALLONE: Okay, thanks. Last quick question, I'm involved with the, lawsuits against the Police Department, stop and frisk very controversial, I've been working with Ray Kelly on getting him to get rid of the information that he retains after keeping it for a certain period of time. What period of time does the Police Department need to keep the information they glean from every stop and frisk stop to defend against lawsuits? Year and a month? What do you think?

MICHAEL CARDOZO: I don't want to answer that off the top of my head, I'll be happy to get back to you on that. Obviously, once a lawsuit is brought, you have to, you have to retain certain information. But I don't know this particulars, I'll be happy to get back to you on

it.

COUNCIL MEMBER VALLONE: Okay, I was just looking at the, the time limit where someone would have to file a claim against the City, and so that they would note, they would need, then they would know to retain that information regarding that specific individual past a year and--

MICHAEL CARDOZO: I just don't know off the top of my head, I'd like to look into that.

COUNCIL MEMBER VALLONE: Okay, we're going to have a long meeting. Okay. [laughs] Thank you.

CHAIRPERSON BREWER: I know that you do not agree with the OMB projections, but could you get us what your projections might be? 2010--

MICHAEL CARDOZO: Yeah--

CHAIRPERSON BREWER: --OMB says \$890 million, that's not yours.

FOSTER MILLS: We don't really project out that far.

CHAIRPERSON BREWER: Can you

introduce yourself, you have to introduce your--

FOSTER MILLS: Oh, I'm sorry, my name is Foster Mills, I'm the manage--

CHAIRPERSON BREWER: Also you got to talk into the mic. We know who you are, but the mic doesn't. [laughter]

FOSTER MILLS: My name is Foster Mills, I'm a managing attorney. As a matter of the financial plan, we don't typically project out our internal numbers out that far. We do it maybe, you know, as the years going on, we'll project out to the end of the year. So we haven't done a projection out to the 2014

CHAIRPERSON BREWER: So, so you'll let us know what the 2010 projection is?

FOSTER MILLS: Yeah, we can, we can--our 20--the, yeah--

CHAIRPERSON BREWER: 2010--

FOSTER MILLS: --2010 project, we're not, we're not quite there with a, with a project forward quite yet, but we can, we can let you know when we have it.

CHAIRPERSON BREWER: Let us know as soon as possible?

FOSTER MILLS: Sure.

CHAIRPERSON BREWER: Okay, 'cause that does seem to be quite a different number than what OMB is suggesting. Okay. The other issue is the Deutsche Bank and the Staten Island Ferry, are those settled or exposures? Are there any numbers to those?

MICHAEL CARDOZO: Well, the State Island Ferry matters, I think we have disposed of all but one.

LAWRENCE KAHN: [off mic] There are still three personal - -

MICHAEL CARDOZO: Again, why don't we ask Mr. Kahn to define that?

CHAIRPERSON BREWER: Go ahead.

LAWRENCE KAHN: Chair, there were 171 actions brought following the Staten Island Ferry accident. 163 of those have been settled, four of them were tried. We have paid out approximately \$87 million as a consequence of that. \$67 million were in settlements, the remainder were in trials, particularly one very substantial verdict. There are four cases left, three of them are personal injury cases, and one

is a case that's known as a salvage case, brought by a tugboat that came to the aid of the ferry following the accident.

CHAIRPERSON BREWER: Okay.

LAWRENCE KAHN: You also mentioned the Deutsche Bank--

CHAIRPERSON BREWER: The Deutsche Bank, yeah, which is probably yours, too.

LAWRENCE KAHN: --matters. There are 19 cases that were brought in the aftermath of that. We are direct defendants in twelve of them, and have been brought in as a third party defendant in seven others. And nine of those actions have been settled, and the remainder remain pending at this time.

CHAIRPERSON BREWER: Okay, and the numbers, are there any numbers on that one?

LAWRENCE KAHN: In terms of the settlement amounts?

CHAIRPERSON BREWER: Mhm.

LAWRENCE KAHN: We've paid \$1.127 million to date.

CHAIRPERSON BREWER: Okay. Council Member Dickens.

COUNCIL MEMBER DICKENS: Thank you.

I have one last question, and that's about the Sociari [phonetic] cases, the, for the real estate tax assessments. And I see here that you defend those. Now, what is the cost of you defending, versus the percentage of winning, particularly now. And the reason I ask is, for instance, in the Riverton, which is in my district, where it was highly over-assessed. And the--it's now come to light that it was over-assessed, and the tenants are affected. So, can you tell me about the--

LAWRENCE KAHN: Sure.

COUNCIL MEMBER DICKENS: --what the cost is versus the percentage of successful?

MICHAEL CARDOZO: One of the things that has to be understood is Sociari cases generally each year the landlord will file a claim to have the taxes reduced.

COUNCIL MEMBER DICKENS: I'm somewhat familiar.

MICHAEL CARDOZO: And, and then, four or five years are in effect consolidated.. Most of those, most of these cases are settled.

So, we are today, for example, in 2010, resolving cases that may go back to say 2003, or something like that. And the issue will be, for the Court, is, was the assessment that was made in 2003 when the economy was obvious--or 2004, when the economy was very different, was those assessments correct? And generally speaking, we believe, you know, that the settlements are correct. I think that the settlements range, what, about five percent? Settlements range by a reduction, talking generally, not specifically to your question, of about five percent. No more than that. Obviously, on an individual case it might be more. I'm certainly not familiar with the particular property you referred to.

COUNCIL MEMBER DICKENS: Alright, thank you.

CHAIRPERSON BREWER: A question that I've been asked to ask, now we certainly have, I know when you even walk in the room with Domenic Recchia, he doesn't agree with things. So, but, 'cause he's a trial lawyer, and he starts screaming. But the City supports, apparently, implementing a cap on non-economic loss damages

recoverable from public entities, a threshold that medical expenses must reach before damages may be recovered. And I suppose this would be HHC in particular, and according to the financial plan, there's a savings of \$174 million in FY 2011. I just didn't know if you could comment on this.

MICHAEL CARDOZO: Well, it's one of the many potential areas of tort reform that Mr. Vallone referred to.

CHAIRPERSON BREWER: Exactly.

MICHAEL CARDOZO: And again, this requires legislative action in Albany, and the trial lawyers are formidable adversaries--

CHAIRPERSON BREWER: They certainly are.

MICHAEL CARDOZO: In Albany, but it's one of the areas that we're looking at as to whether it's, it certainly has been, for many years, it has been in our overall legislative plan. The real hard question is what should we be focusing on to use particular efforts.

CHAIRPERSON BREWER: Okay. Something that people bring up to me, it's not really a budget issue, but many times when school

groups want to have events, or park groups want to have events, the, or sometimes even in private, I'd say public entities, some of the City agencies or State agencies, always state, "You can't do this even here because we're not insured for your project." And then of course Corp Council will say the City's self-insured. I'm, I ask this because just in terms of community events, it's a constant back and forth. Sometimes events don't take place because whoever is, whoever's site it is, states that they can't because they don't feel the self-insurance will cover, god forbid, if somebody stumbles and falls and so on.

MICHAEL CARDOZO: Right.

CHAIRPERSON BREWER: I just wonder if you could comment on that.

MICHAEL CARDOZO: Sure.

CHAIRPERSON BREWER: It's not necessarily a budget issue today, but it is something that prevents groups from--

MICHAEL CARDOZO: Well--

CHAIRPERSON BREWER: --holding the community groups, or events that they want to.

MICHAEL CARDOZO: It is a budget

issue, you're right, that the City is self-insured when the City is there, but the, if a very well meaning community group has a function at a, say a school, and heaven forbid something happens, the, if we did not require that group to have obtained insurance, then the City would be liable, and we would have--whatever happens at that event, we have less control over than if it was a City agency. So, the, the standard policy is that we do, like anybody, in effect making their premises available, require the company to, or the entity, to have insurance.

CHAIRPERSON BREWER: So are all City buildings self-insured? So in other words, if anybody holds an event on City property, would they be insured? 'Cause I think it is confusing, not something to be--

MICHAEL CARDOZO: I think, there may be an exception of which I'm not aware, but I think that is the general policy.

CHAIRPERSON BREWER: Okay. Because there's a lot of confusion about that, and something that we could clarify, perhaps, as time goes on.

MICHAEL CARDOZO: Okay.

CHAIRPERSON BREWER: We've been joined by Council Member Eric Dilan. Thank you very much. Are there any other questions? Anybody? Council Member Vallone? Any other questions, anything else? Oh, and then the only other, staff wants to know why you never show up at hearings except this one? That seems to be an issue. [laughter]

MICHAEL CARDOZO: [laughs]

CHAIRPERSON BREWER: I'm just letting you know that's--it's certainly not budget, but you never know. When we have an opportunity to ask, we do, because I guess you don't show up otherwise. I see you on the street all the time, so I don't mind, but--[laughter] Other people seem to find that you're not showing up.

MICHAEL CARDOZO: Well--

CHAIRPERSON BREWER: Other committees. What's the--

MICHAEL CARDOZO: I'm not, I'm not familiar with the particular. You know, the Law Department, often, most of the hearings relate to

a, other than this one, really relate to a particular policy that a particular agency is following or allegedly not following, or changes. And it really, the Law Department is really not there to express, to talk about the policy, it's really just there to talk about the law.

CHAIRPERSON BREWER: So, you didn't answer the question, really.

MICHAEL CARDOZO: Well, I'm not familiar, as you--

CHAIRPERSON BREWER: Do you think you would show up at some hearings more often in the future?

MICHAEL CARDOZO: Well, I think it's going to depend on what the nature of the hearing is.

CHAIRPERSON BREWER: Alright, is there, but there's not specific policy not to show up except for here.

MICHAEL CARDOZO: No, but I guess I would, would say--

CHAIRPERSON BREWER: Except for this hearing.

MICHAEL CARDOZO: --and perhaps

while we--

CHAIRPERSON BREWER: Which is
mandated.

MICHAEL CARDOZO: --while we didn't
go through the formalities of taking an oath, and
if the Law Department is called upon to give legal
advice, be it to the Council, as we do frequently,
or--

CHAIRPERSON BREWER: You have for
me, and I appreciate it very much. I'm always
being sued by landlords, so I appreciate it very
much.

MICHAEL CARDOZO: --or to agencies,
so it's, you know, sometimes it is very difficult,
given the attorney client privilege in related
issues, to testify publicly on something, which is
why we wouldn't talk about a particular case, for
example, or the potential legality or illegality
of a particular policy. I don't think that is in
the interests of the City of New York for me to be
testifying on it.

CHAIRPERSON BREWER: Okay. And are
you going to be making suggestions for the
esteemed Charter Revision Commission that has been

appointed?

MICHAEL CARDOZO: We, we will be communicating our thoughts at the appropriate time.

CHAIRPERSON BREWER: Okay, so you have some ideas for that.

MICHAEL CARDOZO: Yes.

CHAIRPERSON BREWER: Okay. Anything else - - ? Thank you very much.

MICHAEL CARDOZO: Thank you.

CHAIRPERSON BREWER: Thank you very much. Next we're going to hear from DCAS, Department of Citywide Administrative Services. [pause, background noise] Whenever you're ready, Commissioner.

MARTHA HIRST: I'm ready.

CHAIRPERSON BREWER: We're ready for you. Are you going to read this whole long thing? [laughter] It's very comprehensive, so maybe--it looks good, though. Maybe you could summarize some of it, but go right ahead.

MARTHA HIRST: I'll, I'll go as quickly and efficiently as I can. One year I'm determined to do a music video for this testimony,

but [laughter] maybe my last year.

CHAIRPERSON BREWER: I'm into technology.

MARTHA HIRST: Yeah, there you go. [laughs] Good afternoon, Members of the Committee and Chair Brewer. I'm Martha Hirst, Commissioner of the Department of Citywide Administrative Services. I'm joined by a number of my colleagues today, to discuss our planned expenditures and revenues for Fiscal years 2010 and 2011, and highlights of our capital program. Most of you know what we do, we always have to enumerate the breadth of our work. There are people who don't know the full extent of it. So, our job primarily is to provide agencies with the critical resources and support they need to provide the best possible services to the public. We are essentially the people, places and things agency of the government. To assist City agencies, we administer civil service and licensing exams, conduct professional development and employee training. We purchase, inspect and distribute supplies and equipment, from paper, furniture and fuel, to computers, ambulances and garbage trucks.

And we assist agencies in the disposal of surplus goods. We make energy purchases for City agencies, and we lead citywide energy management initiatives to reduce energy consumption and greenhouse gas emissions from City government facilities and operations. We provide overall facility management including maintenance and some construction services for 54 buildings, including City Hall, the Manhattan and Brooklyn municipal buildings, the borough halls, and some City and State courts. We provide security operations for some of those buildings, as well. We purchase, sell and lease real property, and we locate space for City agencies. We're responsible for setting and overseeing citywide equal employment opportunity policies, programs and training; and also addressing citywide occupational safety and health issues. Finally, we oversee the combined municipal campaign, which enables City employees to donate funds directly from their paychecks. The critical citywide blood drives, which have done--City employees are the largest donors of blood in the City of New York, by the way. And last year, over 32,000 pints of blood were donated

from the City workforce, including 300 pints of blood just last week from the DCAS blood drive. We have an exciting partnership as well with the 100 Year Association, a public/private partnership through which we recognize the achievements of distinguished civil servants, and we award college scholarships to students who are the children of civil servants. Since I testified on our budget last spring, a new DCAS division was created: the Office of Energy Conservation was expanded to become the Division of Energy Management. And it was established in April to manage the implementation of the long term plan to reduce energy consumption and greenhouse gas of City government buildings and operations. Our mandate is to lead by example, to achieve a 30 percent reduction in City government greenhouse gas emissions by 2017, consistent with PlaNYC. DEM's mission is to provide energy management for all City government operations, including energy procurement and performance tracking; operations and maintenance improvements and building retrofits in order to ensure clean, reliable energy to support City operations, while at the

same time reducing resultant greenhouse gas emissions. Since the launch of PlaNYC, DCAS has managed the completion of retrofits in 82 buildings, with another 35 projects currently under construction. Examples of projects include energy efficient lighting upgrades at intermediate school 34 and intermediate school 61 in Staten Island; lighting and motor system upgrades at the Brooklyn Municipal building, and the installation of quick rollup doors at the Manhattan District Three Sanitation Garage. With DEM spearheading citywide energy management efforts we're moving forward on other long term plan initiatives; to track building performance through benchmarking; to conduct comprehensive energy audits; to establish an ONM plan for building facility staff to implement key, routine maintenance tasks; to study, identify and install appropriate metering and monitoring technologies; to research existing and emerging environmentally preferable vehicles, fuel technologies and practices, and to collaborate with other City agencies to implement other greenhouse gas emission reduction opportunities, including improvements to fleet

operations, to waste water treatment plants, new construction and lighting. DCAS has planned expenditures of \$1.2 billion annually in both Fiscal Year 2010 and 2011. The majority of our planned expenditures, \$860 million in each year, is for citywide energy expenses. We're working closely with OMB to monitor the impacts of changing commodity costs, increases in the regulated portion of energy delivery costs, and weather changes, all of which have conditions that affect energy expenses. The DCAS expense budget provides for a planned headcount for our agency of 2,143 this Fiscal Year, and 2,101 in Fiscal Year 2011. In the January financial plan, DCAS received funding for three local law mandates related to health and public safety in our buildings, which affect the operations of our Division of Facilities Management and Construction. We received a million dollars to comply with the new standards for elevator inspections provided in the revised construction code. These revisions to the code require that a third party licensed private elevator inspection agency, which is not affiliated with the elevator

company performing the actual test, witness the inspections and tests. In addition, all elevators in buildings with emergency power and fire recall are mandated to be tested on a yearly basis as well. These newly required elevator inspections in our buildings, which are over and above the inspections already required, are expected to commence within the next two weeks, and they will continue throughout this fiscal year and into next fiscal year. DCAS also received \$1.2 million in Fiscal Year 2010 and baseline funding of \$100,000 starting next fiscal year, to comply with Local Law 26 of 2008 which updated the fire code. It mandates the illumination of exit signs at all times, and that additional illuminated signage must be installed in certain locations. Exit signs will be illuminated with light emitting diode technology, which has the lowest annual energy costs using almost one-tenth of the energy of an incandescent bulb, has the lowest amount of carbon emissions, and has the longest life, averaging more than ten years per bulb. We have over 1,500 exit signs to be replaced, and we expect to complete that effort which is already

underway next year. The third mandate is regarding fire alarm maintenance. The financial plan in January contains an additional \$500,000 used to fund the increase costs resulting from the new fire alarm maintenance contracts. To comply with the controller's prevailing wage directive for contractual security guards, we received additional funds totaling \$3.6 million this year, which increases to \$3.8 million baseline starting next year. The increase in expense has affected all City agencies using both armed and unarmed security guard contracts. There were two expense increases, one effective last July, and one will go into, went into effect this past January, as reflected in his prevailing wage schedule. As I mentioned earlier, the Division of Energy Management has, was established last year to help oversee and coordinate programs to reduce energy consumption. To support this effort, the City applied for and received approval for \$87 million in funding from the federal American Recovery and Reinvestment Act, or ARRA, through the Energy Efficiency And Conservation block grant and the State energy program funding opportunities. The

funding from the block grant will support the City's initiatives to conduct building energy audits, retrofit and commission buildings with new technologies, and implement an ONM strategy. The funding will also support other energy conservation efforts, such as feasibility assessments and engineering studies, to examine the potential for combined heat and power technologies, that could be sited in City facilities. A pilot revolving loan fund to assist capital constrained building owners with access to funds for investment in commercially reasonable energy efficient retrofits, and a study on energy code compliance for the Department of Buildings. State energy program funding will go towards lighting retrofits, solar, thermal and solar electric installations on City buildings, and conversions of heavy duty diesel engines to hybrid electric ones in our efforts to clean the City's fleet. You'll be hearing more from us on these efforts next year. As did all other City agencies, DCAS provided revenue and expense initiatives to help offset the citywide projected budget deficit. The revenue portion of our PEG

program totaled \$10 million this year, and \$9 million next. These figures did not include the revenue PEGs that pertain to the Board of Standards and Appeals or OATH. As you may be aware, while they are both separate and autonomous agencies, we are responsible for assisting BSA and OATH in administrative and oversight functions, and so their budgets reside in our budget, but for administrative purposes we make no policy decision with respect to those budgets. The DCAS revenue PEG program of \$10 million is primarily from rental income within our commercial services revenue source of the Division of Real Estate Services. Rental income is projected to increase by \$3.7 million this year, and \$8.7 million baseline starting next year. The largest component is the projected additional rent of \$2.5 million in FY 2010, increasing to \$4 million in 2011, for the Grand Hyatt Hotel ground lease. DRES is also projecting a baseline rent increase of \$3.1 million for the Marriott Marquis Hotel ground lease, starting next year. Additionally, we project increases totaling \$1.1 million this year, increasing to \$1.5 next for various other

citywide leases. Our Division of Municipal Supply Services is anticipating an additional \$700,000 in FY'10 and an additional \$400,000 next year, from salvage sales. We earned the largest share of our surplus revenue through vehicle and motorized equipment sales at the biweekly public auto auction, and we also realized significant revenue from the sale of heavy equipment, surplus metals and other large surplus metals, via the competitive seal bid process. We expect to earn the additional revenue in FY'10 and '11 from the increased availability of heavy duty vehicles and other large equipment from the Department of Sanitation and other agencies. DCAS's PEG program includes a revenue increase of \$5.6 million in FY'10 as a result of additional State aid received from the Office of Court Administration, for the cleaning and maintenance of court facilities. We're also anticipating \$2.6 million from OCA beginning in FY 2010, and baseline and subsequent fiscal years due to reimbursement for capital court expenditures. OCA reimburses DCAS for 100 percent of interest and principal payments resulting from the issuance of bonds for appellate

court capital renovation projects. And we anticipate baseline aid of \$2 million for such projects retroactive from 2004 through 2009, and for some future projects. Moreover, we anticipate an annual interest aid reimbursement of \$600,000 from OCA for all non-appellate court projects from 2004 to 2009, as well as for some future projects. OCA reimburses DCAS for approximately 26 percent of interest payments for non-appellate court capital projects, and 100 percent of the cost of cleaning on an ongoing basis. One of the expense budget PEGs included in the financial plan is a reduction in the energy budget, to reflect energy savings resulting from our programs. We're anticipating a savings of \$500,000 starting in FY 2010, increasing to baseline savings of a million in FY 2011. These savings will only continue to grow as we conduct more building energy audits and implement energy efficiency projects and City facilities. The projected savings from this initiative are in addition to the \$1.2 million in FY 2010, increasing to \$2.2 million next year, that was included as a PEG in the November financial plan. Another PEG initiative reflected

in the January plan is expense savings achieved through the audit of prior office space lease payments made by City agencies. The Division of Real Estate Services performs lease audits for properties where City agencies occupy leased space. The January plan includes a million dollars in lease audit savings in FY 2010 and another million dollars in 2011. This initiative increases the FY 2010 lease audit target to \$2 million. In most instances, savings are achieved by property owners issuing rent credits to tenant agencies. In some cases, property owners issue checks to the City. DCAS's budget does not reflect these audit savings, the savings are reflected through the reduction in lease budgets of the tenant agencies, but we receive the PEG credit because the savings result from our work. We also executed a funding shift by transferring 16 City funded PlaNYC positions and overtime costs totaling \$1.9 million to the federal ARRA funding. These 16 positions will solely be used to assist with the completion of projects included in the ARRA proposal we submitted. The total DCAS revenue budget reflects \$175.6 million in 2010 and

\$163.6 million in 2011. That includes ECB and OATH revenue collections. Revenue derived from DCAS operations alone is \$95.1 million in 2010 and decreases to \$83.8 million in 2011. The \$11.3 million decrease in revenue is attributed to the revenue PEGs that will either earn more revenue this year, or revenue that will only be realized in the current fiscal year, such as the \$5.6 million revenue increase resulting from the additional State aid which I noted a few moments ago, the State aid from OCA. DCAS generates most of its revenue through revenue collections, the sale of surplus equipment and vehicles, and from civil service and license exam fees. Our largest source of revenue is through the Division of Real Estate Services, with projected revenue of \$69.4 million this fiscal year, and \$67.5 million for Fiscal Year 2011. Our projected revenue decreases by \$1.8 million from 2010 to 2011 primarily due to anticipated decreases in revenue from rental income for various citywide leases and a decrease in mortgage collections. Most of this revenue derives from commercial rentals of city owned property. The largest contributor to this revenue

source is the \$22.5 million annual rental income from the long term ground lease of the Marriott Marquis. Another significant revenue source, as I mentioned before, is the sale of surplus goods at auction and by competitive sealed bids by our Division of Municipal Supply Services. The revised revenue plan for the sale of surplus goods is \$10.2 million in Fiscal 2010 and the 2011 revenue plan is \$6.4 million. The higher figure this year reflects adjustments made to account for increase sealed bid revenue from sales of Department of Sanitation collection trucks, landfill equipment and other heavy equipment, and unanticipated auto auction revenue from the sale of the vehicles relinquished through the Mayor's fleet reduction initiative this past year. We've implemented a number of new strategies to increase our revenue at auto auctions that include setting minimum prices, spreading the sale of similar equipment over multiple auctions to maintain demand, consolidating auctions when the number of vehicles relinquished is relatively small, advertising on websites, and enhancing the auction information on NYC.gov to include images of the

more popular equipment available. We're hopeful that these new initiatives will allow us to increase the FY 2011 revenue plan through future plan modifications. Additionally, DCAS receives revenue from applicant filing fees for civil service exams, in both FY 2010 and '11 we anticipate collecting about \$3.2 million in exam fee revenues. Some of the remaining important exams will administer before the end of this fiscal year include correction officer, traffic enforcement agent, special officer, taxi and limousine inspector, and school safety agent. At the FY 2010 preliminary budget hearing last year, I testified that we plan to modestly increase civil service exam fees, which will result in an additional \$800,000 in revenue. These fees have not been raised since 1995, despite the escalating costs of civil service exam administration over time. Moreover, the services provided to applicants have increased due to the new computerized testing center in Manhattan, and the forthcoming testing center in Brooklyn. We also now accept exam applications online and a number of experience and education exams can be completed

online as well. Modestly raising civil service exam fees is a practical option, given the enhanced customer service to applicants combined with a 14 year hiatus on such increases. I would remind the Committee as well that candidates on public assistance and also candidates receiving unemployment insurance benefits, have the exam fee waived. DCAS has implemented a number of technology initiatives but I'd like to highlight some of our major projects. Our first computerized testing center is located here at 2 Lafayette Street. It opened on December 1, 2007 and I believe some members of this Committee, together with the Committee on Civil Service and Labor went over to the center at one point as one of your hearings to observe what occurs there. It's a state-of-the-art facility, and by the way if anyone hasn't gone over and would like to, I would be happy to bring you there. It's a state-of-the-art facility that provides exam candidates the opportunity to walk unannounced, and take exams at prearranged times throughout the day. I particularly love that feature, it facilitates working people no matter what shift they're

working on, to be able to go take an exam; it allows for people with childcare issues to accommodate those issues, and take an exam at a time that's convenient for the candidate.

Candidates take exams by working on user-friendly touch screen computer monitors, and currently the Manhattan Computerized Testing Center office exams for police officer, correction officer, traffic enforcement agent, and environment police officer.

As of February, over 32,000 candidates have been tested since the opening of the Manhattan Testing Center. Later this spring, we'll open a second tester, testing center, located at the Brooklyn Municipal Building. Following the opening of the Brooklyn Testing Center, DCAS will have the capacity to test a total of 2,500 candidates per week between both facilities. Another major technology initiative is DCAS's online direct order system, which was launched in Fiscal Year 2009. The system is a web-based application that allows City agencies to electronically create, thank you, review approve and submit paperless orders against DCAS requirements contracts.

Authorized agency users can select items from a

requirements contact through a shopping cart interface, to create orders that are routed electronically for review and approval before being submitted to DCAS. After necessary approvals, the orders are sent electronically through FMS for encumbrance. Over 90 percent of orders processed against our agency are direct orders against these contracts. And the six large agencies that currently use the system account for nearly 50 percent of those orders. They are Health, Fire, Parks, Sanitation, DEP and Police. The new system has dramatically reduced order processing time, which can now take as little as 24 hours from the time an agency creates an order. Other system benefits include increased staff efficiency and productivity, greater access to detailed transaction histories, decreased ordering errors, and improved access to enhanced information for reporting purposes. Citywide implementation of this system will continue throughout this calendar year. A third technology initiative is the EEO managerial computer based training program, which was launched by our citywide EEO office in March last year. Designed

as refresher training for managers and supervisors, the CBT contains nine modules on the City's EEO policy as well as federal, State and City EEO law. It covers protections against employment discrimination because of race, religion, national origin, gender, disability and other bases. This project provides all City agencies with up-to-date information on the City's EEO requirements through a low cost accessible method of training with a user-friendly compliance tracking method. To date, I'm delighted to tell you that over 13,000 managers and supervisors in 56 City agencies have taken this training. And while the Council has its own training program, some other elected officials have participated in this one, including the Staten Island District Attorney's Office, the Brooklyn and Manhattan Borough Presidents' offices, and the Comptroller's office. I'd like to turn briefly to the DCAS capital plan. In terms of our program, our focus remains on maintaining and preserving buildings, paying particular attention to health and life safety issues, and legal obligations, as well as projects that further energy conservation

objectives. In the DCAS portion of the City's capital commitment plan, \$291 million is allocated for our DCAS managed facilities for Fiscal Years 2010 and 2011. We're undertaking numerous building improvements at our facilities, including the rehabilitation of elevators, fire safety systems, and work associated with Local Law Eleven of 1998, in relation to building façades. A \$7.5 million project for elevator rehabilitation at 80 Center Street, just four blocks north of here, is currently in the bid process. Fire safety systems at 4951 Chamber Street and 137 Center Street, also nearby, will be upgraded for a total of \$3.1 million. Significant façade rehabilitation and restoration projects include \$2.3 million for the Brooklyn Supreme Court at 360 Adams Street, and \$2.2 million for the Queens Supreme Court at 8811 Sutphin Boulevard. Design has been completed for a \$15 million electrical upgrade, and a \$10.9 million chiller replacement at The Bronx Family Criminal Court building, located at 215 East 161st Street. We're also replacing chillers at the Queens Supreme Court building I just mentioned, 8811 Sutphin Boulevard. And we're scheduled to

start a \$4.8 million electrical upgrade at the Staten Island Supreme Court building. We also manage various construction projects in the City's lease spaces, and we'll do that next year as well. One major initiative is the consolidation of offices for the Department of Health, at Two Gotham Center in Long Island City, Queens. Health is relinquishing 13 downtown sites and moving several thousand employees into 650,000 square feet of space at Two Gotham Center. The capital budget for this project is \$116 million. The topping out there was last month, and the project will be anticipated in the coming year, and the entire move of that staff should be completed next spring, spring 2011. Another noteworthy project is the consolidation of two Police Department traffic enforcement unit offices in the East Tremont section of The Bronx. We've also allocated \$3.6 million in capital funds for this project next year. Finally, there's \$136 million set aside for citywide capital energy conservation building projects managed by us this year and next. These funds are allocated to specific projects as they are identified by our division of

energy management and approved by the City's energy conservation steering committee, which Deputy Mayor Skyler chairs. That committee plays an advisory role to us in the implementation of PlaNYC projects. The majority of those projects will involve lighting upgrades, occupancy sensor installations, high efficiency motor installations for mechanical and plumbing systems, building envelope upgrades and building controls. With that, I thank you for the opportunity to testify and I'm happy to answer any questions you might have.

CHAIRPERSON BREWER: Thank you very much, Commissioner. Council Member Dickens has to leave so she had a couple of questions.

COUNCIL MEMBER DICKENS: Thank you so much, Madam Chair, and thank you, Commissioner. Did I hear testimony from you about a noteworthy project that, on the east side of City Hall?

MARTHA HIRST: No, you didn't, but if you ask the Commissioner of the Department of Design and Construction that question, you will hear a lot about that project.

COUNCIL MEMBER DICKENS: Oh,

alright, because considering we're talking about safety issues, and a couple of months ago when it rained, it rained down the staircase. So, I just was, thought I'd ask that. What--

MARTHA HIRST: Commissioner Burney will be delighted to talk with you about that after--

COUNCIL MEMBER DICKENS: What, what is the percentage of outside contracts that you have, either through bids or other means.

MARTHA HIRST: The percentage of our capital construction work--

COUNCIL MEMBER DICKENS: Yes.

MARTHA HIRST: --that's done by outside contractors? You know, I'm not sure exactly, I'd be happy to get back with you on it. I can tell you it's most. The team that we have in-house does some interior renovation work, but the lion's share of our capital work is certainly with outside contractors. But I'll be glad to get back to you with the exact percentage.

COUNCIL MEMBER DICKENS: What percentage of that is attributable to MWBE contracts.

MARTHA HIRST: On the capital side, if you bear with me just a moment, I think I can tell you the answer to that question. Yes, for DCAS work itself, last year \$7.3 million of contractor work, that is capital work over \$100,000, was done by MWBE firms, and so far this year to-date already we've increased that, so we're only partway through this fiscal year, and already \$11.1 million of construction work. So we're moving in the right direction.

COUNCIL MEMBER DICKENS: Alright. And also, in the January plan, 16 City funded positions are now funded through the stimulus package.

MARTHA HIRST: Yes.

COUNCIL MEMBER DICKENS: Can you tell me what, what those positions are? And was that the original purpose of the federal stimulus funding?

MARTHA HIRST: Well, yes, it is part of the original purpose of the federal stimulus money in this arena. The federal stimulus money is going toward a wide array of energy projects, and so the staffing is associated

with those projects. So, there are, the lion's share of those people are project and energy managers, actively managing those energy projects, about eleven of them, I think; and then, a couple trades people like steamfitters that are directly associated with those projects; a number of analysts; an energy audit coordinator; an ONM program director, associated with operations and maintenance and the energy efforts associated with that; and then, just a couple administrative people.

COUNCIL MEMBER DICKENS: Alright, alright. Thank you so much.

MARTHA HIRST: Thank you.

CHAIRPERSON BREWER: We've been joined by Council Member Domenic Recchia, the Chair of our Budget Committee. And we now have questions from Council Member Dilan.

COUNCIL MEMBER DILAN: Thank you very much, Chair Brewer, and I believe this is the first time I get to congratulate you on becoming the Chair of the Government Operations Committee, and I look forward to working with you. Commissioner, I want to follow up some of the

questioning of Council Member Dickens. I guess, according to your testimony you said that stimulus funds were used to create the Division of Energy Management. Is that the, is that the same division that's involved with the funding swap? Is that, or is that inaccurate.

MARTHA HIRST: Well, it wasn't used the create the Division, the Division already existed, and the City has earmarked at the Mayor's direction ten percent of the cost of the City's energy budget, which is this year, \$860 million toward our initiatives to accomplish the PlaNYC goals. But in providing federal funding of \$87 million, the federal stimulus money, it helps to augment the work we were already doing, and also fund some positions in that arena that we otherwise wouldn't have been able to fund.

COUNCIL MEMBER DILAN: So it's a funding swap? Yes or no?

MARTHA HIRST: I would say, I would not describe it as a funding swap, I would describe it as an augmentation.

COUNCIL MEMBER DILAN: Okay. So, when stimulus funds expire, does your agency

intend to fund the Division further with City funds?

MARTHA HIRST: Well, our hope is, you know, we're ramping up with the ten percent of the energy budget program that I described. That funding we expect to continue each fiscal year, so it'd be roughly, hopefully, \$80 million to \$90 million a year, so our expectation is that those positions would continue to be funded, if in fact we got to the point that the federal funding were no longer available.

COUNCIL MEMBER DILAN: Okay, what's the headcount for the Division if you have that?

MARTHA HIRST: The entire division headcount, Ariella [phonetic], what's your--

ARIELLA MARON: [off mic] We're at about 25 I think.

MARTHA HIRST: We have 25 in the Division.

COUNCIL MEMBER DILAN: 25 in the Division.

MARTHA HIRST: We also have one or two of those federally funded people are not in our agency, right, there's someone at buildings.

ARIELLA MARON: OMB.

MARTHA HIRST: And OMB, an analyst on the Energy side, too, so a couple of them are not in the Division.

COUNCIL MEMBER DILAN: Okay, great. I want to focus some questions on heat, light and power. According to our briefing reports, heat, power--heat, light and power expenditures have gone up 34 percent since Fiscal Year 2006. It's one of the agency's biggest challenges to receive reductions to heat, light and power, and I know a lot of the commodity prices are driving up the cost, but are there any ideas to get this under control?

MARTHA HIRST: Well, that is the most important point, the increases associated with heat, light and power are largely due to commodity process. And so a couple things I would note for you that we have a long term agreement with NYPA, which I think provides us the lowest cost electricity we could get. But we do monitor commodity costs for electricity distribution and for natural gas, and we are, we, DCAS, OMB and EDC are pretty much in the face of, if you will, the

regulators, all the time about monitoring those things. So, in addition to all our energy conservation initiatives, and they're numerous, on the building side, and the training that we're doing for agency staff. So, we're seeing decreases in cost and consumption, we hope, over some time. And in some instances, of course, there'll be an increase in consumption in areas where there's more technology intensive activity. But what we're really doing is cost avoiding. So even if the prices of the commodities go up, the cost that would have been incurred is reduced by all of our energy efficiency initiatives. The biggest challenges are, for City government, are our buildings. And that's why most of our projects are, and we're trying to benchmark, and we're obligated to, as you know, under the Local Law that you all passed, but really track the difference. The most important thing is to have the data to show us where our savings are. So we've done a very careful job at framing up the projects that we're interested to develop. We start with a building energy audit, we do a lot of retrofit projects in our buildings, and we track

and measure the energy usage, so we'd be able to tell you in the coming years, on an annual basis, exactly what the buildings are doing. So, we're trying to have our buildings be as efficient as possible in terms of their systems, lighting, mechanicals, the boilers, HVAC, all of those systems be as efficient as possible. We're trying to have the operations and maintenance efforts in our buildings be as efficient as possible. We've had a major success in DCAS with our infrastructure staff, the stationary engineers, and others in our buildings, who are totally fabulous on this stuff, they are just great. And they have been doing things like stepping up the cleaning of steam traps and see, and installing new ones where necessary, and remarkable success with those kinds of efforts. And then all the kinds of training. We're about to roll out an outreach program to all the agencies, because we need it to go not only from the basement of a building to the roof in terms of the buildings systems, but the basement of the building to the roof in terms of the staff. So, we need to be sure everybody's doing everything they can in

their own fashion, turning off lights, as simple as turning off lights. And we're moving forward, obviously, with occupancy sensor programs and other things to make it easier so that lights get turned off whether or not individuals take responsibility--

COUNCIL MEMBER DILAN: I can understand, I can understand that challenge.

MARTHA HIRST: Yes.

COUNCIL MEMBER DILAN: The challenge for me, I got a staff of about eight, and the challenge to get eight people to turn their computers off at the end of the day is sometimes--

MARTHA HIRST: They should've had Ed Hirst as a father, you know, it was chilly, put a sweater on, turn the light off, I'm not paying for a way--you know. Yes.

COUNCIL MEMBER DILAN: Sometimes more challenging than it should be.

MARTHA HIRST: Yes, exactly.

COUNCIL MEMBER DILAN: So, is there any discussion about maybe moving from the building systems to more efficient commodities?

Is that on the radar screen at all?

MARTHA HIRST: I'm sorry, moving to--?

COUNCIL MEMBER DILAN: I said, are there any discussion of how the buildings are powered, are there any discussions as far as moving buildings to more energy efficient commodities?

MARTHA HIRST: Besides electricity and--?

COUNCIL MEMBER DILAN: Say for fuel oil.

MARTHA HIRST: Well, we are, we're looking to upgrade the fuel oil, the, that's used in our buildings, from the dirtiest to the cleanest. And we are doing some research and development, which we can follow up with you on, about alternative technologies, and other things. So I can follow up with you with more specifics about the projects that we're contemplating.

COUNCIL MEMBER DILAN: No, I was just, just wondering if there's been discussions of--

MARTHA HIRST: Yep, we're going to

pilot some projects involving solar, some pilots involving clean, distributed generation, and assorted other things.

COUNCIL MEMBER DILAN: Okay. So, I have two more questions, Madam Chair, and I'll be done. I just want to just touch on the exam fees for a second that you mentioned in your testimony.

MARTHA HIRST: Yes.

COUNCIL MEMBER DILAN: Do you have a schedule or some sort of detail in terms of which exams will be increased and by how much?

MARTHA HIRST: I'll be glad to share it with you, I don't have it with me today, but we're proposing one, and I'll be glad to share it with the Committee.

COUNCIL MEMBER DILAN: Okay, if you could share it with the Chairwoman, and I'm sure she would--

MARTHA HIRST: Absolutely.

COUNCIL MEMBER DILAN: --she would share it with us.

MARTHA HIRST: And they will be for all the exams, by the way, we're not singling out any exams. They'll be, you know, exam fees, I

should make this point, are typically tied to the salary of the position for which the exam is being scheduled. And so we were very mindful of that, and very mindful of the impact for someone who's seeking to get a job that pays \$25,000 or \$30,000, you know, the exam fee needs to remain modest, because it's a modest salary and there's people of modest means typically taking them. So, I think you'll see that we, we've done that, but I'll be glad to share the increases with you.

COUNCIL MEMBER DILAN: Okay, I guess my reason for concern is, you know, 14 years without increase in fees, you're maybe certainly justified in asking for the increases; however, I'm not sure how much, you know, how much hiring the City's going to do in light of the budget constraints, so that leaves a little bit of concern. You don't have to answer the question, but that's just, I'll put the concern on the record.

MARTHA HIRST: Well, I could speak to one aspect of it, which is just to say that we do an awful lot of, one question was how we make, that I hear a lot, is how we make the civil

service exam process available to everyone. And one of the things we do is go to job fairs a lot and workforce training centers a lot. And maybe this year, jobs won't be available, maybe not even next year, but to take an exam so that in the coming several years, usually once a civil service list is established, it exists for four years. So it is an avenue of possibility, certainly, for people. So even if an exam doesn't result in an immediate job, and even recognizing there are many people who need, immediately, jobs, still the value of taking a civil service exam and potentially in several years even, having the opportunity to establish a career in City government, I think is one that we encourage. So we do an awful lot of outreach even at this time.

COUNCIL MEMBER DILAN: Okay, thank you. And, some capital questions. I noticed that there was a funding allotment for the Brooklyn Supreme Court for \$3.2 million, that will do some façade work, I think that's great. But are there any, any I guess needs assessments that you have for the Brooklyn Court System that are maybe not in the budget. I know at the same building the

matrimonial part was talking about some renovations that they may need, or some expansion that they may need. So I was just wondering if any of the, say, buildings, had sent--and you may not have it now, and if you get back to me later, that's fine--but if any of the building managers that run these buildings have sent your agency maybe a needs assessment of the matrimonial part of that building.

MARTHA HIRST: Not in particular that I know of, I'll double check as to the matrimonial part in that court. But we work very directly with the Office of Court Administration and we, together, and together with OMB, have collaborated and the office of the criminal justice coordinator for the Mayor, have collaborated on a Court master plan, which we periodically update. And we are about to embark on an update process this spring. That is where the Office of Court Administration staff identify needs they have in the courts. Our own building staff, which maintain and serve those buildings, identify needs in those buildings. So that will be the mechanism for projects of the sort you're

describing, to come to the fore.

COUNCIL MEMBER DILAN: Alright,
maybe I need to maybe reach back to the people
that--

MARTHA HIRST: At OCA perhaps.

COUNCIL MEMBER DILAN: Yes

MARTHA HIRST: Yep.

COUNCIL MEMBER DILAN: Okay.

Finally, Madam Chair, you mentioned, Commissioner,
in your testimony, that, what I think is a
brilliant move, the Department of Health
consolidating some office space into a larger
space.

MARTHA HIRST: Yes.

COUNCIL MEMBER DILAN: And there
may be some upfront costs immediately, but I guess
do you have any projects over time how much will
be saved in terms of facility expenditures by this
move over time?

MARTHA HIRST: Well, it's a brand
new building, so there's a lot of expenditure in
the construction of the building.

COUNCIL MEMBER DILAN: Sure.

MARTHA HIRST: But we would be able

to share with you what the lease costs.

Generally, the 13 other locations Health was in, some of them were in leased space, we will be canceling those leases, of course; and then some City owned space into which we can backfill other City employees. So, we'd be able to provide you with what that side of the ledger shows, what the cost savings would be in the consolidation, and then you have to compare that against the cost of building a new building.

COUNCIL MEMBER DILAN: I would say it's easy to say that long term there's a potential for savings by the move--

MARTHA HIRST: Yeah.

COUNCIL MEMBER DILAN: And a potential, obviously, for management efficiencies and - -

MARTHA HIRST: Yes, the Health Department's pretty excited about just that. They've been spread all over, and the opportunity, we've consolidated Corrections, recently, we've consolidated DOT in the headquarter building. We have a terrific Real Estate Services team and wherever we can do that, we do. And we actually

have a major initiative going on in the government right now, in terms of space consolidation, even on a more modest scale.

COUNCIL MEMBER DILAN: I would think this is a tremendous area for every agency to look to find potential future savings.

MARTHA HIRST: I think that's true. One of the challenges we have in that area is of course that, you all may know this from your districts and from employees of the City who are from your districts, you know, we have a lot of older buildings, and they have not received the kind of treatments that lots of private sector buildings have over the years, so often when there's a consolidation or a renovation, there's some upfront costs associated with it. But as you pointed out, there are ultimately cost savings and efficiencies that can get calculated as part of the discussion.

COUNCIL MEMBER DILAN: Thank you, Commissioner; thank you, Madam Chair.

CHAIRPERSON BREWER: Thank you very much. Council Member Domenic Recchia.

COUNCIL MEMBER RECCHIA: Thank you,

Madam Chair, you're doing a great job and
congratulations on your new position here.

Commissioner, I have a question. You said that
you oversee 54 buildings that the City owns.

MARTHA HIRST: Yes.

COUNCIL MEMBER RECCHIA: And you
have the new division, the Energy Division.

MARTHA HIRST: Yes.

COUNCIL MEMBER RECCHIA: Not new
but--

MARTHA HIRST: Yeah, newly
expanded, yes it is.

COUNCIL MEMBER RECCHIA: Newly
expanded.

MARTHA HIRST: Yep.

COUNCIL MEMBER RECCHIA: I, do you
also oversee the other facilities that are run by
other City agencies?

MARTHA HIRST: We don't oversee
them daily, in the day-to-day way the way we
manage the 54 buildings in our portfolio. But as
to the energy management activity--

COUNCIL MEMBER RECCHIA: Right.

MARTHA HIRST: Yes, we are fully

engaged with all the other agencies, and energy projects that are funded through the City's money and the federal money are involved in a wide variety of agency facilities, yes.

COUNCIL MEMBER RECCHIA: When was the last time either you, you've done a like a report or a study to see all of the facilities and to see how they're maintaining them for energy? And if there's a way to save costs there.

MARTHA HIRST: Well, many of them will undergo energy audits. The answer to when was the last - -

COUNCIL MEMBER RECCHIA: Who does the energy audits? You do them, or--?

MARTHA HIRST: We do them under contract, that's right.

COUNCIL MEMBER RECCHIA: You do them under contract?

MARTHA HIRST: Right.

COUNCIL MEMBER RECCHIA: And when was the last, is there a list that says, like, "Department of Aging," you know what I mean, and when they had an energy audit, and of all their buildings?

MARTHA HIRST: We'll be able to show you all the energy audits that we're, we've begun and that we plan, and you'll be able to see all of them by agency, by borough--

COUNCIL MEMBER RECCHIA: Where?

MARTHA HIRST: Some of 'em are already on our website, right Ariella?

ARIELLA MARON: Right, although certainly we're currently benchmarking all of our buildings and we'll have that by May 1st. So through that effort we'll know how -- agency's energy, which gets to your point about operations and maintenance.

CHAIRPERSON BREWER: You need to either come or somebody needs to repeat. Okay, come to microphone or repeat.

COUNCIL MEMBER RECCHIA: Yeah, could you come up here and just--

MARTHA HIRST: Yeah, come on up and sit down. This is Ariella Maron who's our Deputy Commissioner for Energy Management. She's describing how our benchmarking effort will be done May 1st, and that will be the basis on which we'll know what next to do with our buildings.

CHAIRPERSON BREWER: Introduce yourself, thank you.

ARIELLA MARON: Hello, I'm Ariella Maron, I'm the Deputy Commissioner for Energy Management at DCAS. And as the Commissioner just mentioned, we're in the process of benchmarking all of our buildings to find out how intensely they're using energy, and using that to prioritize which ones move forward with an energy audit. Our energy audits are done through a contract we have with the New York Power Authority, so it's actually energy engineers and other energy professionals who are doing that, and then looking for all those ways that we can improve the energy efficiency of the buildings.

COUNCIL MEMBER RECCHIA: So, you're going to look at the facilities that other agencies are in, and then are, they're using, to see exactly how much, you know, fuel they're using, and energy for air conditioning.

ARIELLA MARON: Exactly.

COUNCIL MEMBER RECCHIA: Okay. And we should have this May 1st?

ARIELLA MARON: The benchmarking

effort should be complete by May 1st. This is using the EPA Energy Manager Tool. And there'll be an ongoing process, the bench marking's going to have to - -

COUNCIL MEMBER RECCHIA: And this will be online on your website?

ARIELLA MARON: Since this is the first round, similar to what was approved for the Greener, Greater Buildings Plan for the private buildings, we plan on doing some report. Because it's the first time that such a large user like the City of New York is using it, the data might not 100 percent be perfect, based on some limitations of the tool, but working with them to improve it. So we do plan on having a report. It may not have full thorough information on everything. The reason is because there might not be meters in some buildings, and we'll eventually put meters. It could be updating information--

COUNCIL MEMBER RECCHIA: Well, see, yeah, that's what we, that's what I'm interested in. 'Cause I know a number of buildings that don't have meters, a number of your buildings don't have thermostats, and a number of your

buildings don't, I mean, and this is something that we're looking at in the City Council to save money. You know what I mean? And here these are, these agencies say they, you know, they can't cut any more, but I give you a few examples off the top of my head, that we could really save a lot of money.

MARTHA HIRST: Councilman, this is exactly what this initiative is intended to do.

COUNCIL MEMBER RECCHIA: Besides what--no, no, I know that, that's why I--

MARTHA HIRST: And you're right, we can't do it fast enough, can we?

COUNCIL MEMBER RECCHIA: No, no, definitely not.

MARTHA HIRST: Yeah.

COUNCIL MEMBER RECCHIA: Alright, thank you very much. Thank you, Madam Chair.

CHAIRPERSON BREWER: Thank you.
Just the other day, we were in Israel and we looked out from City Hall and 100 percent of the buildings in Jerusalem have solar panels. So how many of your 54 buildings have solar panels.
[laughter]

MARTHA HIRST: Not as many as in Jerusalem.

CHAIRPERSON BREWER: Does that mean zero, Commissioner?

MARTHA HIRST: Yes, that's zero.

CHAIRPERSON BREWER: Alright, so, what, it is true that, I mean, it is 100 percent. So, my question is when the heat, light and power funding might go up, in other words what we're spending, is that just in order to get to the point that everything is going to be going down in the future? In other words, are we spending more or less on heat, light and power, from say '08 to '09, or '09 to '10?

ARIELLA MARON: As you know, every year the City has to do a greenhouse gas inventory of how it's doing.

CHAIRPERSON BREWER: Correct.

ARIELLA MARON: The version that came out in September showed that energy consumption in City government buildings is actually going down.

CHAIRPERSON BREWER: Okay.

ARIELLA MARON: And a lot of the

increases we've seen, as was mentioned earlier, is 'cause of commodity prices.

CHAIRPERSON BREWER: Correct.

ARIELLA MARON: We are doing a few things to increase the number of solar installations in the City, keeping in mind, though, that solar is still significantly more expensive here in New York City, compared to in Israel.

CHAIRPERSON BREWER: I understand, they got a little more sun and lower buildings.

COUNCIL MEMBER RECCHIA: Lot more sun.

CHAIRPERSON BREWER: I got that, little desert flying, little desert and so on. I got that, but--

ARIELLA MARON: Right. But with ARRA funding alone, we have plans for nine additional solar/electric installations and seven solar/thermal ones. And we have a few programs underway trying to find even more cost effective ways to incorporate renewable into our portfolio.

CHAIRPERSON BREWER: But what does it take, though, obviously they're doing the light

bulbs to do the--just, Council Member Dilan alluded to the computers, and the City Council, if you're there very late like I am, it goes off automatically. Is that true with all computers under City contract that at some point they are turned off unless the user tells them to stay on?

MARTHA HIRST: I'm not sure of that. I know we have that initiative that we just recently did here at our own agency.

CHAIRPERSON BREWER: I'm just saying, that's true in the City Council, to the credit of the Speaker.

MARTHA HIRST: Yep, and it's true [crosstalk]

CHAIRPERSON BREWER: True with -- I have asked about this for the last three years.

MARTHA HIRST: Okay.

CHAIRPERSON BREWER: This-- everything -- computers should turn off.

MARTHA HIRST: I don't know about all other agencies. Okay.

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: I don't know about whether specifically that's the default mechanism,

by design in our bids. I can certainly find out from DOIT.

CHAIRPERSON BREWER: Okay. And then the second, just all the things with the lights turning off, and so on and so forth. I think it's one of those things that the public is also looking to, 'cause they don't quite know what to attach their frustration to. And one of them is energy savings. So, when you say "benchmark by May," that will list the audit challenges. And we know this because when we meet with PlaNYC, you know, with some of hospitals or some of our clergy who are trying also to get the audits, and then figure out what to do. So, what the May data will show you is what needs to be done. Is that, when you say "benchmark," help me to understand.

MARTHA HIRST: No, it shows you what people are using. It shows you what we know of--

CHAIRPERSON BREWER: Using, but then also what you have to do to curtail some of the costs.

MARTHA HIRST: Well, then, then they'll, that--

CHAIRPERSON BREWER: The benchmark is what people are using.

MARTHA HIRST: Right, and then that data helps us prioritize energy audits. And then figure out--

CHAIRPERSON BREWER: Okay, so in other words, the audit will not take place unless it looks like there's a challenge or a problem, is that the idea? 'Cause the clergy and the hospitals and the universities are all doing audits. And then trying to figure out how to pay for the energy challenges. So, we're not at that point with City buildings. I'm trying to understand.

ARIELLA MARON: Please allow me to clarify.

CHAIRPERSON BREWER: 'Cause we're in the rental space at 250 Broadway, you would never know there was an energy problem at 250 Broadway, just so you know. No clue.

ARIELLA MARON: So we plan on doing energy audits for all City government buildings over 50,000 square feet and greater, following the rules of the Greener, Greater Buildings Program,

it's something we starting to do anyway, and now it's codified into law and we're moving forward. It takes time to do energy audits, you can't just snap your fingers and have 'em over, so it's something we plan on rolling out over the ten years. What the benchmarking data will tell us is it'll tell us for every single building, how intensely it's using energy, it'll give us BTUs per square foot. So we can prioritize the worst performing buildings, get those energy audits moving more quickly. Because there's a big time lag between--it takes a while to have engineering professionals do a complete energy audit, design the retrofits and then construct the retrofits, so we want to make sure we're prioritizing them. But we do plan on, on leading by example and making sure we do get our buildings audited and retrofitted just like the private sector.

CHAIRPERSON BREWER: So, say there are ten worst offenders, how long would it take, do you think, to perform the audit and to fix the problem so that they're not one of the worst offenders? What would be the timeline on that?

ARIELLA MARON: Sure. It depends

1
2 how big the building is. For example, this week
3 we're kicking off energy eyes at three of our
4 hospitals. They're very big. That effort will
5 take approximately three months depending on,
6 again, the size of the building. Then you have
7 the process of taking the information from the
8 energy audits, and designing what the retrofits
9 will be. And for really complex systems, like a
10 boiler system, that'll take an additional
11 feasibility study, 'cause we're talking about
12 complicated buildings, a lot of them. Then from
13 there, when everything is designed, of course,
14 there's the appropriate bid process to make sure
15 that the labor and the equipment is properly bid,
16 meeting all procurement rules. And then following
17 that, there's the kickoff of construction, and
18 construction itself may take a couple of months,
19 depending on how big the building is, and how
20 quickly we can get the different pieces of
21 equipment. So, it's--

22 CHAIRPERSON BREWER: Okay. And I
23 just want to echo Council Member Recchia with
24 putting as much information online. This is
25 obviously a huge issue for New Yorkers. Okay.

The issue of the fleet, I know we're running out of time here. So, bear with us for a minute. The fleet according to the Mayor's Management Report, 23 percent of the fleet is either hybrid or alternative fuel. And I'm wondering how you intend to expand that. Now of course, in Israel, they're all going to be electric very soon.

MARTHA HIRST: [laughs] Yeah.

CHAIRPERSON BREWER: So while we're just trying to do hybrid, they're going to have plug-ins and be electric. Just so you know.

MARTHA HIRST: Well, just to clarify, I'm not sure about the Mayor's Management Report that you're referring to, but--

CHAIRPERSON BREWER: This was this year. Go ahead.

MARTHA HIRST: 26 percent of our light duty fleet is hybrid.

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: Now half the light duty fleet is emergency vehicles, half is not.

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: So the 26 percent of the overall represents actually over 40 percent of

the nonemergency vehicle, nonemergency vehicles.

CHAIRPERSON BREWER: Got it.

MARTHA HIRST: 46 percent. So where we need to make inroads, obviously, and where we've begun is with the emergency vehicles. And there's a big challenge there, because of all the equipment that's in those vehicles.

CHAIRPERSON BREWER: Yeah.

MARTHA HIRST: But we've started with NYPD, they have over 200 radio patrol cars that are now hybrids, and we're testing those out to see how they work in that venue. So we're very excited about that, we're going to be obviously growing in the light duty fleet the numbers of hybrid vehicles. I don't think our entire City fleet could be in that direction, but we're doing a number of things, we're testing out, Sanitation is testing out a hybrid garbage truck, Department of Corrections is looking at buses, we've got a number of agencies that are looking at other than light duty vehicles to see if they can use alternative fuel vehicles in that arena.

CHAIRPERSON BREWER: And electric will be down the line?

MARTHA HIRST: Electric will be down the line for the reasons that you have to have places to plug 'em in.

CHAIRPERSON BREWER: Yeah, I know, I'm quite - -

MARTHA HIRST: But yeah.

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: But we like the idea, we've got a couple.

CHAIRPERSON BREWER: Okay. City publications, I know that that is something that you sell. The City Record, would there be any way that you could think of to save money on the City Record?

MARTHA HIRST: There's a big way we can save money on the City Record. And that is to put it online. We publish it now, and under State law it's supposed to be in the format it's in, newspaper format. And we know there's some concern in that industry, that this is one of the things that is a slippery slope for that industry, but this is not, you know, any of the City daily publications, this is a document that's used primarily by vendors and some members of the

community, and mostly City government itself, we could put it online and save, if we could do it tomorrow, next year at this time I'd be able to tell you that I had saved one million dollars. So we have a bill in Albany, and this Council has been supportive of our initiatives there. And we've been up in Albany meeting with members of the legislature to try to persuade them to move our bill, because we do need to change the State law to be able to implement this online.

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: But it's a fabulous idea, we think we can make it available online so that anybody who wants it, even if they don't have a computer, in libraries, in your offices, community board offices, it would be terrific.

CHAIRPERSON BREWER: Okay. At one of the other hearings, daycare leases, very controversial, in terms of the possibility of closing daycare centers.

MARTHA HIRST: Yes.

CHAIRPERSON BREWER: Are you in charge of City leases for daycare centers? Obviously the City owned ones, not the--the City

run, not the privates. What is the status of the very much discussed, I think it's 16 daycare leases, maybe not get into all the specifics, but there's a lot of controversy about that, and obviously we'd want to, we'd like to save those centers, to be honest with you. So what's the status of the leasing situation?

MARTHA HIRST: There are about 115 daycare centers, lease, in lease space, that are overseen by ACS.

CHAIRPERSON BREWER: Right.

MARTHA HIRST: And DCAS is responsible for the transactional side for procuring those leases, and that, you know, real estate transactions. Program decisions about whether or not to continue to lease space, or any particular daycare center, or any other facility, is in the purview of ACS. But, and ACS did identify, as you ident--said, 16 leases that they believe are more expensive than the program can afford given the budget constraints they have. All that said, we are working with ACS on this issue. We have a meeting with them two weeks ago on a staff level, and John Mattingly and I spoke

as recently as this past Friday, to try to identify whether or not there are lease savings that can be achieved in any of their daycare leases. It is a big challenge. I know someone raised the possibility of just "Can't we go and ask all of our, the landlords in these buildings, to just reduce the rent ten percent across all the daycare leases?" And wouldn't that be a nice idea. But the fact is that that's not going to happen.

CHAIRPERSON BREWER: I don't like that idea.

MARTHA HIRST: Yeah, well, there are a lot of reasons not to like it, but one of them is we won't get the result we intend, and you know, if we're going to get a lease cost reduction, often on the other side of the equation, the landlord seeks, for instance, a non-cancelation clause in a City lease. That's not usually something that's desirable to the City, for a whole host of reasons, but also in the case of daycare centers, populations ebb and flow, and so making sure that there are, you know, quality daycare providers in communities that the scale

that you need in any given generational term, you know, sometimes you have more kids, sometimes less kids in a neighborhood. So, John Mattingly, I know, is very serious about trying to calibrate all of that, and trying to identify if there are areas where programmatically there can be a shift from multiple locations that still provide the slots for kids. And we are going to be working with him, whether or not it's those 16 or any of the other hundred leases, we're going to see if there are any possibilities in his portfolio for decreasing the cost of those leases. And if there is we'll engage in it.

CHAIRPERSON BREWER: He did not have a nice time at his hearing, so maybe you could help him out.

MARTHA HIRST: I'm going to do my best to help him out.

CHAIRPERSON BREWER: Because he did not have a nice time at all. So, that would be great. Just finally, the commercial issue, I know that you talked about some of the hotels, where I guess the City owns the underlying land.

MARTHA HIRST: Yes, we do.

CHAIRPERSON BREWER: My question is are there any available City owned rental space that's vacant? Are there any other places where you could look for more commercial rent. I'm sure you're trying on all fronts. But I just wanted to know sort of an update on that issue.

MARTHA HIRST: Very little, actually. City owned space where there's an opportunity for an additional rental, typically the spaces in our City buildings are used. And very few, in my own neighborhood, I live out in Brooklyn, I happened to go by a space, - - at the 5th Avenue and 86th Street and the municipal garage building there. And there's a vacancy from a shop that moved out. And so we're working on getting a new tenant in that space. But we don't have much, it's not, we don't have whole properties that are available, we typically have pockets of space because sometimes in our buildings there are long standing leases to not-for-profits, community board offices are sometimes in those spaces, and then some private sector usually, neighborhood based small businesses that have been there for a long time. So we've got very little.

CHAIRPERSON BREWER: Okay. And then just finally, you know, my biggest many year long discussion is your City store, trying to find a place that is seven days a week open and on a major avenue, how're we doing?

MARTHA HIRST: Well, not so well right now.

CHAIRPERSON BREWER: We never have do well on this issue.

MARTHA HIRST: No, we've had several, we've had several, you know, nibbles on the fishing line of trying to get an alternative site in this neighborhood that is on a major avenue, and we're still trying.

CHAIRPERSON BREWER: I could just move that drugstore on the corner of Chambers and Broadway just a few inches.

MARTHA HIRST: I would, too, wouldn't that be great.

CHAIRPERSON BREWER: Yeah.

MARTHA HIRST: That would be a great location.

CHAIRPERSON BREWER: How long is their lease? Long--

MARTHA HIRST: How long is it, 49 years?

CHAIRPERSON BREWER: Oh my god.

MARTHA HIRST: 49 years, so--

CHAIRPERSON BREWER: Jesus Christ. Alright, any other questions?

MARTHA HIRST: I'll be 90 something.

CHAIRPERSON BREWER: Just awful. Alright, thank you very much for your comprehensive testimony, we look forward to working with you.

MARTHA HIRST: Thank you, Madam Chair, congratulations.

CHAIRPERSON BREWER: Thank you. Next is the Department of Records. [pause, background noise] Whenever you're ready. Good afternoon.

BRIAN ANDERSSON: Good afternoon.

CHAIRPERSON BREWER: Whenever you're ready, Commissioner.

BRIAN ANDERSSON: I am ready. Good afternoon, Chairperson Brewer and Members of the City Council Committee on Governmental Operations

and Finance. I'm Brian Andersson, I'm the Commissioner of the Department of Records and Information Services. And with me today are members of my Department's senior staff, I'll introduce who's at the table with me. This is Deputy Commissioner Eileen Flannelly and Assistant Commissioner Ken Cobb. We have a few others members in the audience, as well. The written description I brought today provides you with a more detailed explanation of our budget, broken down by each division of the agency. Nevertheless, I'd like to point out some of the highlights of Fiscal Year 2010. We received approximately \$247,800 in grant funding for Fiscal Year '10 from the New York State Local Government records Management Improvement Fund. These grants will allow us to continue to digitize historical photographs in our Board of Education Collection, and to administer the local government records program for the Mayoral agencies. We've submitted a grant request to the National Endowment for the Humanities for \$180,000 to microfilm and digitize 19th Century felony indictment records, and we expect to receive an answer from NEH in a few

weeks. On a less positive note, however, we've received word from the New York State Library that our annual grant request of \$40,000 would not be funded this year due to New York State's own severe budget problems. This funding would've helped preserve some fragile material in the Board of Education collection. With special funding from the Mayor's Office in Fiscals 2009 and 2010, we processed and reformatted the records of the Dinkins Administration. The inventory to the entire 2,300 cubic foot collection is featured on our website, and we've recently completed microfilming almost 800,000 documents from the collection for long term permanent preservation. I'm especially pleased to report how we continue to use technology to enhance our services to the City government and to the public. First and foremost among these is the progress we've made regarding the publication of City agency materials via the website in accordance with Local Law 11. Please let me add here that we are most grateful to you, Chairperson Brewer, for your continuing interest in our agency, and the Local Law 11 mandate. Indeed, I can point to your name in our

recently published 2009 annual report, which I was supposed to have with me and shame on me, I don't. But I maybe one might walk in the door.

CHAIRPERSON BREWER: Don't, don't worry about it, thank you.

BRIAN ANDERSSON: There are now over 4,600 agency publications available via the website. And further good news, we've been working with, working towards including all Local Law 11 publications, and are working with Department of Information Technology and Telecommunications with regard to Local Law 11. We have an electronic catalog known as Mandarin, which is a catalog that's been available online, again via our website, since February 2009. When cataloging information about all the Local Law 11 items is entered into the Mandarin, patrons will then be able to search more quickly and easily in several ways, such as by author, title, or any keyword, greatly enhancing access to the important information within the publications. With the assistance of DOIT, we'll shortly be able to make the Luna Image Management System available on our website. This will allow our patrons to search

and review over 160,000 images that we've digitized from our historical photograph collections. The Luna application also includes maps, architectural plans, and other visual materials. Again, with the assistance of DOIT, we've recently added a shopping cart function to our epayment system, making it easier for patients to order multiple products and services from our archives and library: photographs, documents. And when Luna is launched, our patrons will be able to easily request copies of any and all of these visual materials again from anywhere in the world. I would like to emphasize that although these technology based improvements enable us to better fulfill our charter mandated responsibility to make available historical and contemporary information about New York City, they also serve to increase our revenue. As you know, additional revenue will help lessen the impact of future PEG reductions. In conclusion, we continue to strive to accomplish our Charter mandated responsibilities, while working within the confines of our allocated budget to develop better ways to serve the public through hard work and

1
2 technology. We utilize all resources available to
3 us by applying for grants, taking on interns, and
4 whenever possible, volunteers. The breakdown of
5 the agency is as follows, I won't bore you by
6 reading it, but I'm pleased to answer any
7 questions you may have. Thank you.

8 CHAIRPERSON BREWER: Thank you very
9 much, and as you know, I'm a big supporter of the
10 work that you do and your staff does. And you're
11 all very famous, but Ken Cobb is the most famous.

12 BRIAN ANDERSSON: [laughs] That's
13 right.

14 CHAIRPERSON BREWER: It is true. I
15 think 'cause he's, he gives us those photographs,
16 which we love. One of the questions I have is we
17 are concerned, at least I'm concerned, about
18 layoffs, 'cause you have four and then four, so a
19 total of eight to Fiscal Year now and in the
20 future. And I'm concerned, what will that mean?
21 Are these vacancies? Are these actual people?
22 Your agency's small, that's a lot of people in my
23 estimation.

24 BRIAN ANDERSSON: That's a lot of
25 people. Let me turn that over to Eileen, who can

answer a little bit better.

CHAIRPERSON BREWER: Okay.

Introduce yourself, Eileen.

EILEEN FLANNELLY: Hi, Eileen Flannelly, Deputy Commissioner for the Department of Records. We are looking at layoffs, but we've also offered alternatives to the suggested eight heads, which OMB is currently looking at. And hopefully, we'll be able to come to a, you know, resolve the matter without having to layoff the intended eight heads. And we have pretty good plan in action where it's looking like we might be able to avoid--

CHAIRPERSON BREWER: What's your total number of people in the agency?

EILEEN FLANNELLY: Right now we have 42.

CHAIRPERSON BREWER: So eight is a huge cut.

EILEEN FLANNELLY: Yes. Yes.

CHAIRPERSON BREWER: Okay.

EILEEN FLANNELLY: It's a huge cut. It's going to, we have, we've lost about four and now we have, it'll bring us down to 30 heads.

CHAIRPERSON BREWER: No, that's a huge, huge cut.

EILEEN FLANNELLY: Yes.

CHAIRPERSON BREWER: And in terms of the revenue activities which you are engaged, give me some idea as to how much they generate and maybe in the future how you could think of other ways. I know you talked about some of the things that you're doing with DOIT. But obviously the, just what are some of those revenue--

EILEEN FLANNELLY: Well, the Luna is going to be huge for our agency, we know that based on what we're already doing with the 1940s tax photos, so--

CHAIRPERSON BREWER: We all love them.

EILEEN FLANNELLY: Oh, yeah, well now, I mean, they'll be viewable online, plus we also have the 1980s tax photo collection, and all--by the time we finish, we plan on loading about 890,000 new images into the system, that's going to be--

CHAIRPERSON BREWER: How long do you think that will take?

EILEEN FLANNELLY: Well, we've able to do, we've roughly done about 300,000 images already over the past year, so I mean, hopefully we'll get another 400,000-500,000 up there in the next year, anyway, Fiscal Year.

CHAIRPERSON BREWER: Okay.

EILEEN FLANNELLY: So, and one of the collections is actually a huge database, so we'll be able to load that quicker than the individual databases. So we do plan on having a lot of--it'll be a huge impact on our budget. We --

CHAIRPERSON BREWER: So that will help, hopefully.

EILEEN FLANNELLY: Oh, yes. Definitely will help with our future PEGs.

CHAIRPERSON BREWER: Okay. You did mention in your testimony something about challenges because of cuts to the Board of-- Department or Board, depending on which you archive in, I guess.

EILEEN FLANNELLY: Yes.

CHAIRPERSON BREWER: Are there other? Because obviously you have, and you know

better than we do, certain ways in which things need to be stored and archived and so on. There's warehousing, there's climate control, there's staffing, there's cataloging. How ahead, behind, you know, what kind of stat--just tell us where you are with, in general, with these kinds of major issues, which is what you are all about, in many ways.

EILEEN FLANNELLY: Right. Well, we're actually in the middle of doing a citywide contract, which should, and it should be by September, it should be in place, which will actually have 13 different classifications of storage needs. And this is going to be citywide, but what'll wind up happening from the use of this contract is that it'll wind up bringing this current costs of City storage and the special needs down, way down, because it's going to be a competitive bid, and the bid's already gone out.

CHAIRPERSON BREWER: So where they are now is more in different locations and--

EILEEN FLANNELLY: All over the place.

CHAIRPERSON BREWER: --why would it

go down? So in other word, it'll go down 'cause it would be more consolidated.

EILEEN FLANNELLY: It's going to be more consolidated, it's going to be more competitive, the numbers, so it's going to force the actual private storage companies to actually be competitive with their prices, so we'll get a better price across the City.

CHAIRPERSON BREWER: Do you work with CUNY, because I obviously know that LaGuardia and others are doing similar, universities in general, are thinking about these issues. Is this, obviously you would think primarily about, CUNY's a different agency, but it is somewhat government funded.

EILEEN FLANNELLY: We work with everybody.

CHAIRPERSON BREWER: No, but I'm just talking about some of these consolidation, collaborative efforts in terms of storage.

EILEEN FLANNELLY: We, I don't, we haven't really done, as far as storage with CUNY, we've worked on them with other projects, we do a lot of different, any kind of, Mayor's

collections, we've actually in the last year, we've put on a lot of links to the different universities and they put on our website as well, to promote the different material.

CHAIRPERSON BREWER: Okay. And are you applying, obviously there's no State money, just alluded to that in your testimony. Are there other federal grants that you are looking toward?

EILEEN FLANNELLY: The NEH for the \$180,000 we're very confident that we're going to be getting that grants, and we also do the S.A.R.A. grants, which we've already gotten funding for those. We, and again that has an 8.99 percent cut to it this year, but still the funding is major for us. We, a lot of our budget and a lot of our staff are funded by grants funding.

CHAIRPERSON BREWER: Okay. Alright, 'cause I'm trying to think of other place to get funding and I guess you're thinking about the same thing.

EILEEN FLANNELLY: Yes. We utilize every possible--

CHAIRPERSON BREWER: - -

BRIAN ANDERSSON: And Ken is

usually all over it, believe me.

EILEEN FLANNELLY: Yeah.

CHAIRPERSON BREWER: Okay. - -

anything else you want to ask - - ? Okay. I thank you very much, and thank you for your work on Local Law 11, I know that we are also trying to pass legislation that would enhance it, I think, in terms of putting even more databases online. So we're working tremendously hard to get as much City information as possible online. But certainly the reports themselves are only good if they're indexed in a category that people can find. And since we're such a large entity, that's a huge asset, I think, to people. So, thank you very much for mentioning that.

BRIAN ANDERSSON: We brought some of the annual reports. They made it. [laughs]

CHAIRPERSON BREWER: Thank you very much. I appreciate it. Thank you very much for all the work that you do. [pause, background noise] Thank you, Community Boards, for waiting. First panel is Mel Wymore, these are the orders in which you apparently came in, Kenneth Kerns, and Frank Agusio, who is from Queens, as we know.

Let's start off with those three. And I think Chair Wymore wants to use the computer, which is fine. Turn it on for them. [pause, background noise]

MALE VOICE: Is it for PowerPoint?

MEL WYMORE: No, it's a PDF, but it should pop up. Did on my computer. There it is. [pause, background noise] How do you do slide show? Okay.

CHAIRPERSON BREWER: Wally, do you want to join them, 'cause Manhattan seems to be--

WALLY RUBIN: Yes.

CHAIRPERSON BREWER: Okay, so you're with Manhattan. So Wally Rubin. Is there anybody else from Manhattan here? Yes.

WALLY RUBIN: Yeah, I'm here, we're right here.

MEL WYMORE: Come on up, Wally.

CHAIRPERSON BREWER: Wally, sit. That right there.

MEL WYMORE: [laughs]

CHAIRPERSON BREWER: I'll call everybody else later, 'cause there are no more chairs. Go ahead.

MALE VOICE: You're on, Wally.

CHAIRPERSON BREWER: Go ahead.

MEL WYMORE: You ready, Council
Member.

CHAIRPERSON BREWER: Yes, Mel
Wymore.

MEL WYMORE: Thank you so much for
the opportunity to speak to you today. My name is
Mel Wymore, I'm Chair of Community Board Seven.
And my goal today is to make the case that
community board budgets should not only not be
cut, but in a time of fiscal crisis or fiscal
challenge, it actually makes sense to increase the
community board budgets. And that's because
there's so much leverage to be gained in the work
that the community boards do. So the first thing
to note is that community boards represent a
miniscule proportion of the total budget for the
City. Our highest ever percentage was .034
percent over the last 30 years, of the total New
York City budget. And that was about for every
one dollar community boards spent, almost \$3,000
was spent on the City Budget. Over the 30 years,
it's been an average about for every \$4,000 spent

on the City budget, community boards got one of those dollars. Now, the proposed budget cuts, it goes down drastically, we're talking about one dollar for every almost \$7,000, or more than \$7,000 dollars. So, not only are, is our budget being cut, but the proportion of our budget related to the whole City has gone down very drastically. Community boards are lean organizations and they really produce a tremendous amount of work out of just a few people. So we're going to, I'm going to go through that a little more. The other thing to note is that as the New York City budget increases, the community board budget has actually flattened off over the years. And if you can also see in the last ten years in particular, community board budgets have not even grown, have like, we haven't even tracked the pattern of the City's growth of the City budget, we've actually decreased our growth. So, really, in real terms, our budget has dwindled drastically in the last ten years especially. So why do we care? Well, we care because community boards view a tremendous amount of work and a lot of the work is the coordination of City agencies and City

services, and it takes the load off of the City agencies to coordinate all the different services that are available to the local residents. This is a very long list of the core functions of a community board, but I really just want to highlight how it is that community boards are leverage point for agency services at the local level and also that they are a unique access to the public process for citizens. So we really want to look at those as we move forward. So, I'm going to talk a little bit about leverage, and that is, what I mean by leverage is that when you invest a little bit of money into community boards, the bang for that dollar is a lot larger than it is for any other agency. Because we're really a coordinating service. So, for example, here in this slide, you see that three or four people who are the--that's the average staffing for any community board, leverage is not only the 50 community board members, but the volunteers that are connected to the community board as a whole. So sometimes you're talking about 50 members plus another 50 public members, all of whom do real work in terms of delivering services,

vetting applications, and also receiving the public opinion. So, any average community board represents about 200,000 citizens, that's about the size of a small town, most of whom have whole City Councils to represent them, and we're talking about three or four people doing that kind of work. So, we also, here I talk about that the community boards, 'cause we're so local, we really ensure the public satisfaction of the City services, so because we're so far on the, we're so down on the ground. The other thing community boards do uniquely that no other agency can do, is we can coordinate the levels of government that offer similar or redundant services. Or services that might not be redundant but complement each other. So we're looking, we're working with City, State, national and also nongovernment organizations, and putting all those services together to really meet the needs of our local citizens. So, no other agency has that kind of perspective, that multilayer perspective, that community boards do. We help citizens who need to be able to navigate the system, to find those services, and we help them to do that in effective

ways. We also have a leverage in that we integrate City services. We can, rather than just working from a particular department, we can take our community boards and our district managers, have relationships with all of the different departments, as they relate to the local community. So, we can take all of those services together and be very responsive in terms of focusing what's necessary and really highlighting our effectiveness. Also, we take on a lot of complaints that 311 might send to the community boards, so we're also offloading a lot of the City work on that level. Finally, another point of leverage is that community boards are really a communication hub between the executive branch and the legislative branch. So, neither of those branches can take on the same functioning that community boards can, because we can integrate both of those functions, be the focal point for the, for feedback from the community to local government, to agencies. And also be in the reverse, we can provide, we can disseminate the information necessary from public policy makers and from agencies, to the public. So we're really

a hub of communication. So what are the impacts of the proposed cuts? Well, the proposed cuts are four percent in 2010 budget, eight percent in 2011 budget, but even more devastatingly than that, it is that there's no restoration of the baseline. So where we were at \$207,000 per community board, we're now going back to a baseline of \$160,000. That represents a huge cut, way bigger than any eight percent cut would be. So we're not only not tracking the City budget, but we're going to really be far behind with that lack of restoration. So the drastic reductions in staff are going to happen throughout all of the boards. We're talking in Manhattan, one, three, four, five, seven and nine are ones where we got input from, on a, I think that's a reasonable sampling of all, the impact that'll be on the boards. The resources will put 20 community boards citywide, the drop in the resources, will put 20 of the community boards into a deficit this year, and the rest will follow in 2011. So what does that mean in terms of the loss of the functions? Well, no outreach, or very little outreach, just bare bones; very little support for public meetings;

service provision and coordination across agencies will be drastically reduced. And the support for the community board members, where this is where the real human resource leverage happens, that would be reduced. For every person in the office we lose, they're not going to be coordinating with ten, 15, 20 volunteers. So we're going to lose that multiplying factor by making these cuts to these very lean organizations. And finally, we're just going to satisfy the citizens, because response time on complaints is going to be really lengthened. The next slide is a board by board analysis of each particular Manhattan board and what it's impact is. If you look through the list there, you can see that at least 30 percent of staff, or 25 percent of staff, is being reduced. And, you know, in some cases now they're asking to put in rent, which happens to be against the City Charter's mandate, that rent should not be considered part of the budget. But in this case, the request is to have rent included, which even furthers the depth of this cut. So, the quote at the bottom is kind of sum, summarizes the positioning here. That the citizens of a large

City really need a fulcrum, and a fulcrum here is a great word because it is a leverage point, it's something that if you put a little in, the impact is really large. And so we need a fulcrum, but if you don't fund the community boards so that they can operate at minimum standards, you lose all of the benefits. So we're at that critical point now, and it's, and it can only get worse. So here's the bottom line: community boards save money. We reduce agency work, we increase the efficiency and satisfaction of all the citizens, based on the City services, and our staff is multiplied many times over through our volunteer networks. We also optimize government services by integrating various layers of government and various agencies. And we match the needs of the citizens to the services available, so that we always hit on target every time. We don't have services that don't work for citizens. And then, finally, community boards are so essential for the democratic process. It's the access point for most citizens to get involved in City government, and it allows them to organize, express themselves and participate in the decisions that are

happening at the City level. And we of course integrate the executive and legislative branches. So the cuts to our boards will not only cut our own staff, but it will magnify the impact of the cuts that are being made to all the other agencies, because we can no longer support them when they're in need. So, it will result in an unsatisfying or unresponsive City government. And finally, the last light is that if we increase modestly the community board budgets in the light of the cuts of the other agencies, then we'll mitigate the impact on the those agencies 'cause we can bear more of the burden, and we can fulfill on our commitment to serve citizens where they live, which is really going to have the impact. Thank you.

CHAIRPERSON BREWER: Thank you very much, he's always excellent. Frank, go ahead, it's you're, thank you.

FRANK GULLUSCIO: Thank you.

CHAIRPERSON BREWER: Thank you very much.

FRANK GULLUSCIO: And you want me to follow that PowerPoint presentation [laughs]

after you said it was excellent, so--

CHAIRPERSON BREWER: You'll be,
you'll be fabulous.

FRANK GULLUSCIO: Okay.

CHAIRPERSON BREWER: He is fabulous
and you'll be fabulous, too.

FRANK GULLUSCIO: Okay. [laughs]
Good afternoon, Council Member. My name is Frank
Gulluscio, I am the District Manager of Community
Board Six in Queens. And I serve the communities
of Forest Hills and Rego Park. Every single
community board in Queens County will be
submitting, a few of us are here today, we will be
sitting, submitting testimony with regard to the
budget cuts. As you all know, the community
boards play a very important role in this City,
and any proposed cuts would be, and would have a
devastating effect, as Mel just said, but across
the board, just not for us, we're the prime
target, and we're seeing the watering down of
community boards as we speak right now. We all
know that the boards maintain an unprecedented
institutional knowledge of the community, and
that's unmatched--elected come and go, community

boards have been going on for quite a long time. They've been also recognized as a major value of community involvement, and local experts within the larger structure of City government. I'm identifying community boards because they play such an important vital role in dealing with land use zoning matters, the City budget, municipal service, as well as many other management relating to the welfare of the community. The community board, which is comprised of solely volunteers, our board members, not so much staff, they devote their time, their talent their energy and expertise, and they make many decisions that will maintain, improve, and improve the quality of life for the residents of their community. The Mayor's been looking for volunteers, we have 'em right here. We provide New Yorkers with a voice and the ability to be increasingly helpful, and productive, we're just not taking up space. We don't want the watering down of community boards as they did to school boards, because a community board serve as a little City Hall in our own backyard, and provides a vital point of entry to participatory government. It's a chance for

people to experience real personal contact with government, and let their voices be heard on issues that are important to them, a real governmental partnership. 311 is there, but we're more than there. At this time, I'm requesting that you take into consideration and ensure that our small budgets bear no cost, because that cost will affect everybody and everything in the City of New York. Any additional cuts would be, and would result in reduction of staff, and that's serious, so are we going to pay unemployment insurance, or keep people on board and really cut, cut, cut, it's not the answer. Thank you for your time. I do want to just say one little thing, I'm just going to close, Mel had mentioned, we're working at the 1995 budget, not the 2010 budget for the past number of years, that's very important, we're one of the few, we are a City agency, and we're like the stepchild of the City of New York, so we appreciate what the City Council has done for us in the past, but we need to be recognized a little bit more. Thank you.

CHAIRPERSON BREWER: Thank you very much. Wally Rubin?

WALLY RUBIN: I just want to thank Mel, again, for that extraordinary presentation, truly encompasses everything that every one of us want to say. [applause]

MEL WYMORE: Let's get the budget restored. [laughs]

WALLY RUBIN: You know, I could go in and talk about what everybody's going to be talking about, how we have almost 20 percent of the street fairs in the entire City, and we do an extraordinary amount of work communicating with the applicants and finding out what we need to find out in order to make our votes to determine whether we approve or disapprove of these street fairs. Similarly with liquor licenses, you know, I represent midtown from 14th Street to Central Park, we have an extraordinary number of liquor licenses that come before us every month, and it takes hours and hours and hours of time talking to the lawyers, getting affidavits, getting agreements, going back and forth and back and forth, it's not going to happen at the SLA, it happens because we do it. Because the volunteers do it, we're the members of the board, and because

to some degree the staff does it. And if I lose half of one of my three staff members, it's not going to be able to be done. But you're going to hear that everybody here today. What I want to plead with you to do is ever since I've been here for about two-and-a-half years, every year, every cycle we go through it, and the Mayor cuts, and then due to the City Council, it gets restored or more or less restored. But then the out years don't get restored, it's just that current year that gets restored. So what happens is that then the next year the Mayor cuts again, and we go through the same process. And it's days of work time that is lost because we confer with each other, we get nervous, we do presentations, we, you know, do, come down here to do testimony, hours and hours and days and days of our time that we could productively be using for the work we're supposed to be doing, is spent trying to defend ourselves from cuts that then get more or less restored, or hopefully restored. If there's something that could be done this year so that the out years are restored as well, so that we don't have to go through the same thing again every

year, it would be awfully helpful, it would help us extraordinarily. Thank you.

CHAIRPERSON BREWER: Thank you all.

So in other words there's the issue of the baseline, and then there's the issue of the out years, and obviously in between is the, are the cuts. So, there's things to work on. I mean, you have a lot of support in the City Council. The question is how to do something that's sort of like a bigger jump than what would normally be for agencies. And I will certainly be supportive, but we'll have to see where the budget negotiations-- we've got the immediate problem that you're facing, and then the long term.

MEL WYMORE: It's just important not to include us with any agency. Like we're very unique in that we haven't grown the way the other agencies have. So it's important to recognize.

CHAIRPERSON BREWER: Are you going to have Charter suggestions also? Obviously, we have--

FRANK GULLUSCIO: Yes, yes.

CHAIRPERSON BREWER: Why did I

think that. [laughter] So what are some, off the top of your head, that you're going to be thinking about?

MEL WYMORE: Go ahead.

MALE VOICE: [off mic] To have more agencies--

CHAIRPERSON BREWER: No, wait, wait, wait, this, you'll get your turn. We got to do these three people.

MEL WYMORE: Well, from my perspective, I really feel like planning and having a solid role in the planning of a local community, in terms of Land Use, Transportation, City Services, all of that, looking ahead and having the community boards really integrated into that process, not only in that, you know, in that moment of planning for the City DCP, but also across all agencies. I think it's more integrative, and if we can be a part of that process across all agencies, it would really make a difference in the quality of life for everyone in New York.

CHAIRPERSON BREWER: And for the planning.

FRANK GULLUSCIO: Yeah, there was some scuttlebutt that the City Council was looking at having a larger role with zoning and land use situations. We want to maintain what we have, we don't want to, again, be watered down, we want to maintain that process within the community boards. Again, a partnership, a real partnership.

WALLY RUBIN: As well as with DCA and DOT, I mean, these are agencies that in my district are very important 'cause all the news, everybody wants to have a newsstand in my district. And the sidewalk cafés in my district, you know, there needs to be stronger Charter mandate rules of our relationship vis-à-vis DCA, so that our recommendations are not just something that gets sent to the circular file, but are really understood and have substance to them.

CHAIRPERSON BREWER: Okay.

MEL WYMORE: One other thing. The revenue source, the revenue stream, I mean, that, the community boards are kind of at the behest of this process, really takes what should be an independent kind of protected source of revenue, or stability for the boards, into like these ups

and downs of fighting for budget all the time,
like Wally just said. So, if we could establish
and independent source of funding for community
boards, and allow for that to sustain us, it would
be very helpful, too.

CHAIRPERSON BREWER: Everybody
wants to be like the Independent Budget Office.

MEL WYMORE: Yeah, well it's, but
the Boards are uniquely situated for that.

CHAIRPERSON BREWER: No, I agree, I
think it's something to consider. Okay. Thank
you very much.

MEL WYMORE: Thank you.

FRANK GULLUSCIO: Thank you.

CHAIRPERSON BREWER: Alright, next
is The Bronx. [applause] Kenneth Kearns and
Father Gorman. Is there anybody else from The
Bronx? Whoever wants to come up from The Bronx.
But if you didn't fill out a slip, you need to
fill out a slip. You can come up, but just later
on you need to fill out a slip. Anybody from The
Bronx is welcome, but--[pause, background noise]
Go right ahead.

KENNETH KEARNS: Okay. Good

afternoon, Chairperson Brewer and Members of the Governmental Operations Committee. My name is Kenneth Kearns, and I'm the District Manager of Bronx Community Board Ten. I'm joined today by my colleague district managers from the various community boards in The Bronx, who represent nearly 1.5 million residents of the borough. The Bronx boards would like to thank the Council Members for their support over the last two years. It was through your restoration efforts that the boards were able to continue our important work in the community. On the City Council website, the Government Operations Committee mandate is to review governmental structures and organizations with an eye towards increasing both efficiency and accountability, particularly in the delivery of City services and the use of technology. Let's talk about the delivery services. The community board's a vital liaison between the City's central government and the neighborhoods. The community boards are the frontline workers in the local offices. Distributed throughout the five boroughs of our City, fulfilling their charter mandated ombudsman functions. The boards personalize--and

I stress personalized case management services-- are the first responders for the delivery of municipal services to the community. The information and referral services alone require and immense outlay of resources on the part of the board members, who are all volunteers, and then district managers and their staffs. This is the heart of the community boards' business.

Community boards often negotiate and succeed in bringing needed services to the neighborhoods, such as new parks, farmers markets with fresh food, into underserved areas, enhance business and employment opportunities for youth, and senior programs. The boards actively participate in the establishment of business improvement districts, local development corporations that supplement and invigorate the economic life of the community.

The boards, through the District Service cabinetry structure, coordinate the activities of the agencies supporting a neighborhood ranging from police to housing, social service matters, to infrastructure maintenance, education and park issues to health and welfare of the residents of the board service areas. Additionally, the

community boards perform a vital role in advising the City's central government on land use matters and the expenditure of public funding on capital and expense projects, applying local knowledge to agency leaders. The community board coordinates the numerous street permits, they keep both the community and tourism activities in the City vibrant. We review permits for sidewalk cafés, liquors licenses and street fairs. Through these functions, the boards enhance the quality of life for all New Yorkers and make it easy for tourists to spend their dollars in our City. Regarding matters of efficiency, the community boards are made up of 50 volunteers who participate in the board activities through their membership on working committees that assess the needs of the boards' service areas and work to see that those needs are met. Given the many hours of commitment on behalf of these fine people, community boards literally represent the best bang for the buck in City government. As you know, the boards have been operating on limited budgets since 1986, and in the ensuing 24 years have not seen any increases in their operating budget, even with the

escalating cost of doing business. The uniform cost of running a community board today is \$207,488; the budget for fiscal year 2011 is \$160,437. We are asking for \$2.8 million for 59 community boards just to maintain the current services. To effectively operate 59 community programs with 2,950 volunteers, again volunteers, and a minimum of staff of 160, for only \$208 million is incredible. Again, we reiterate that we are a bargain. 59 programs covering nearly nine million people with the type of budget makes community boards the most efficient agency in the City of New York. On technology, much has been said about our colleagues at the 311 system. No doubt exists as to their technical prowess and customer service levels provided by the 311 staff. However, they are more of a reporting and referral agency, not a human service entity. The boards have their finger on the pulse of the community's needs, providing 311 with information on conditions on the ground in real time, augmenting their responses. The Mayoral cuts have had little effect on large agencies, but will decimate a City agency like the community board. Our purpose

today is to request of the members of the Governmental Operations Committee restore the proposed budget cuts to the community boards of Fiscal Year 2010 and 2011. Thank you for your consideration.

CHAIRPERSON BREWER: Thank you very much. Go ahead, Father.

KENNETH KEARNS: And just to add, on the Charter revision questions, some of the things we'd like to see are some agencies that currently do not report to community boards or participate in the District Service Cabinet Process, the non-coterminous agencies, such like the Department of Education and others, actually come to our community boards' District Service Cabinet Meetings. In addition, we'd like to, of course, as you earlier mentioned, to be treated like the, the Independent Budget Office, as suggested by our own Bronx Council Member Joel Rivera. In closing, please remember that we assist the Council and we assist the Mayor in their daily operations. We actually inform you in the central city government of the importance of things on the ground level, as they are happening,

when they are happening. And thank you.

CHAIRPERSON BREWER: Thank you very much. Father.

RICHARD GORMAN: Councilwoman, good afternoon, thank you for having us down. I'd like to maybe take a little different approach than we've heard so far that perhaps some other speakers will take this afternoon. Because I want to talk about what this process means in terms of the political impact it's going to have on the fabric of our City. As you know, the Mayor recently appointed a Charter Revision Commission, which he controls because he picked the members. Well, they will make recommendations on how we shall govern ourselves and all the citizens of this City will have the opportunity to vote on it. That's the fair way. What I'm asking here this afternoon is that the City Council not become an unwitting partner of the Mayor in reorganizing government and changing the way we govern ourselves by using the budget as a weapon against the people. Because I believe that this is what is going on. I'd like to make a few points along that, those lines. First and foremost, if the

Mayor gets his way on these cuts, he will radically change the way that we govern ourselves locally. Local government will change as we know it. Right now, if a local citizen wants to access his or her City government, basically they have the community board, or the local City Council members. As you know, there's an awful lot going down in the localities now, especially in difficult times. Where will people go if there are community boards that a) can't do the job that they're supposed to do, b) don't do it the way we have been doing it, and we've been doing it very well, or c) we're not there at all. That basically means that the only human interaction that people can have on the local level with their municipal government is through the City Council Member. That is an awesome burden, and as Mel very well showed, with all of the things that localities are interested in, I really think that would prevent City Council Members from doing the fine job that they want to do across the board.

Number two, in turning around and looking at local government, we are your partners, as Ken said. If community boards are diminished or if they go the

way of the community school boards, and remember this was the Mayor that did that, you will lose your foot soldiers, you will lose your source of intelligence. Because remember, the Mayor has all the cards, he controls 311, he puts out the operations report. How do we know that all of these things are exactly as he says? Well, maybe once in a while an intrepid reporter or someone from the media does something. But other than that, even though you have a fine staff at City Hall, it's no match for the Mayor's minions. So, your community board members at the local level, we are the foot soldiers, we are the intelligence for what's really going on out there. Do you really want to give that up? Because that will, I think, come back to haunt you, that will not be to the detriment of allowing our City Council to be the partner in government that they should be for the Mayor. Number three, to sort of emphasize a little bit of what Mel said, there is an issue of democratic process here. But to go beyond that, just think, there is no agency of government, not one agency of government, where citizens can come and actively participate in that meeting of the

agency. Yes, they can come to committee hearings here at City Hall, but at the community board, citizen input is part and parcel of the meeting. It's the only place where citizens can exercise a direct form of democracy. Do we really want to give that up? I don't think that's a good idea, with all due respect. Along those lines, remember we are now dealing with a City that is bigger and more diverse than it ever was. We're dealing with, god knows, how many newcomers to our shores, we are dealing with a host of racial and ethnic groups, we are dealing with people of many different religious backgrounds. How do we allow this diversity to come together in a creative, an yes, a constructive way? Can that be done by an overly centralized City government? I don't think so. Community boards allow for the celebration of diversity. In New York City, that diversity will not only allow us to be great, as we are already, it will allow us to be greater and it will allow also us to do this in a socially constructive way that doesn't cause any kind of disheartening situations or any kind of disorderly situations. Last but not least of all, let's just get down the

bare facts. The Mayor can cut what he wants from the community boards, that's not going to solve his problems. And I don't think the Mayor is really interested in solving fiscal problems by cutting agencies that basically haven't had an increase in nearly two decades. He's interested in doing exactly what he's been doing all along. And again, I don't say this with any personal rancor. We just, the Mayor has his way of doing things and I have my way of doing things, and you have your way of doing things. Let's be respectful and agree to disagree. The Mayor comes from a corporate model. And that is what he has been institutionalizing in City Hall. I am begging you, Councilwoman, do not allow him to further that process, to continue to make this all powerful executive at the expense of people's voice in City government, and at the expense of community boards. I really do believe this budget is being used in a political way, not only to turn around and to maybe get us through a fiscal crisis, but to change the way we govern ourselves. And if that's to be done it should be done properly and not by the Mayor using the budget as

a weapon against us.

CHAIRPERSON BREWER: Thank you very much for a wonderfully articulate [applause] both of you. I can certainly speak for myself, I know there's a lot of support in the community board world for not just what you said, but in the City Council, and we will work on it. I can't, I don't know how it's all going to turn out, but I think it's not just what's happening today, but it's a past catching up, and the thinking about the future, with some different model, just as Council Member Rivera apparently said to you. So.

RICHARD GORMAN: Councilwoman--

CHAIRPERSON BREWER: We can work together on this.

RICHARD GORMAN: Can I just one or two things that, to Ken's list of things we would look for?

CHAIRPERSON BREWER: Sure.

RICHARD GORMAN: Community boards form the very beginning were to have access to City planning services, so that we could truly be involved in zoning the development to the extent that the people who envisioned local government

wanted us to have. I think that should be made available to us. Maybe it's too expensive to have one in every board, but certainly somehow I think it could be arranged that we would have the kind of technical resources and support staff that we need to truly be involved in zoning and development. Also, I think it's important not only to put new provisions in the Charter, but to enforce the ones that are there. And that the interplay that's supposed to take place at the service of the District Service Cabinet, at the service, at the level of the borough, between real decision makers and agencies, not public relations flack and dog-and-pony show folks, those are the sort of people that should be sent out as they were under Mayor Dinkins, as they were under Mayor Koch, to talk to the people so that they can find out what's going on. With all due respect again to His Honor, and I'm not saying this personally, he switched around people at the deputy commissioner level so that people will know what's going on here or there. If he really wants to know what's going on, tell him to come to a community board meeting.

CHAIRPERSON BREWER: I think he
should go to your community board meeting.

[laughter]

RICHARD GORMAN: God help him,
right? [laughs]

CHAIRPERSON BREWER: We will work
on that, okay, alright. Thank you all very much.

RICHARD GORMAN: Thank you for
listening, thank you.

CHAIRPERSON BREWER: And so who's
here from Brooklyn, that's what we want to do,
we're going to do Brooklyn next. Diana is here,
Foster. Viola Waller is here. Charlene Phillips
is here. Rosemarie Perry is here. Those are the
ones I have, okay. Anybody else from Brooklyn?
Thank you. Those are yours. You have enough
chairs there, I hope, otherwise--Good afternoon.

PANEL: Good afternoon.

CHAIRPERSON BREWER: Thank you.
Whoever would like to start, go ahead.

Okay. Good afternoon, Council
Member Brewer, and Members of the Governmental
Operations Committee. My name is Viola Green
Walker and I'm the District Manager of Community

Board Sixteen in Brooklyn. In the preliminary budget, the community board's budget is being reduced from its current funding level of \$198,895 to \$160,437. I appear on behalf of Community Board Sixteen to urge your support for the restoration of these much needed funds to our budget. As you are aware, community board members are volunteers and rely heavily upon the community board office staff to assist them in fulfilling their Charter mandated responsibilities. In Fiscal Year 2011, community boards who were to have one of the smallest budgets of all City agencies are being forced to cut their budgets. \$38,450 might appear to be a small amount to cut; however, it is a large part of the Community Board Sixteen's small budget which pays for staff, supplies and equipment. We recognize that we are living in austere times and we must all do our utmost to cut spending; however, the cost of living, supplies and materials continue to escalate. We have a fulltime staff of three who work diligently to respond expeditiously to constituent complaints. Oftentimes, these complaints require more than a call to 311, where

the caller is often referred back to the community board office for assistance. A cut of \$38,458 will eliminate one staff position, which will have a devastating impact on not only our ability to expeditiously respond to constituent complaints, but the day-to-day operation of the office, especially as it relates to constituency services. The Board's staff is frequently requested to attend meetings of community based organizations such as block associations and religious organizations, relating to City services. A reduction of staff could mean that this vital service will at least, at the very least, be drastically reduced. At Community Board Sixteen, a cut of \$38,458 from our budget means that we will not be able to replace two aging computers and printers, purchase consumable supplies such as toner for our printers, paper for our photocopier, paper and pens for our board an committee meetings, or refill the postage meter. Needless to say, a budget cut of \$38,4578 will cripple the operation of the community board office and our ability to provide constituent services. In the Mayor's Executive Budget for Fiscal Year 2010, our

budget was cut by \$29,186. Thanks to you and your colleagues in the City Council, the \$29,186 was restored, raising the budget from \$169,709 to \$198,895. We once again solicit your support in our efforts to restore the \$38,458 to our budget. We need an increase of \$38,458 not a decrease. We thank you for this opportunity to expression and look forward to your favorable consideration of our request.

CHAIRPERSON BREWER: Thank you very much. Who would like to go next?

DIANA FOSTER: Hello, everyone, my name is Diana Foster, and I'm a Member of Community Board Eight in Brooklyn. I would like to put this on a personal level for what the community board has done and has helped me. Okay? And Michelle George is behind, and she told me not to cry. Okay. About two-and-a-half years ago, the drug dealers had taken over my mother's building, and she had been living there since I was two months old. And I will admit to being 50-plus. Okay? And my brother was manhandled by the detectives. I didn't have a problem with the detectives, I had a problem with the drug dealers,

'cause they, if they had not taken over the building, the drug--you know, the police wouldn't have been running in and out. So I started coming to the meetings. The meetings gave, gave me a chance to meet my elected officials, my community leaders, the block association presidents, a chance to network with the movers and the shakers in my community. And this is my community. Okay. Thank god we got rid of the drug dealers, Police Department did their job. Okay. Last year, 2009, in January, I was being, I was waking up with bits on me. I went to the doctor, and he gave me some cream and everything, and some anti-itching medication. And it continued. So I finally went to the emergency room and they told me it was bed bugs. And I was embarrassed. I was totally embarrassed. I had slept on metal chairs for about three or four days. The community board, Michelle George and Hakeem Jeffries' office notified me that you were having a hearing at City Hall. And I came to the hearing. But before then, my past, I was embarrassed, 'cause like bedbugs, I'm nasty, you know, whatever. And I spoke to my pastor, Washington Temple Church of

God and Christ, and he send an exterminator in. Which helped. But the whole building needed to be exterminated. So I came to your hearing and an exterminator, I think his name was Soto, he came to my house and he exterminated my apartment again. And I was not staying there. With help from Michelle George, Kareem Camalla [phonetic] and Tish James, they contacted the agent, and he exterminated the whole building. So by myself, I would've never gotten that done, so I thank her for that. Wow, there's so much, I live in a building, Crown Heights, regentrification is going on. And the rent is high. It's a nice neighborhood, it was always nice and it's getting nicer. There was a vacant lot next to my building. And people were dumping garbage in this vacant lot. Centipedes, I'm on the first floor, water bugs, mice, you name it, I had it. Called 311 couple of times, no satisfaction. Michelle George, Michelle George, Michelle George. Tish James, Kareem Camalla. Sanitation came in and cleaned out that lot. There must've been like four to five loads of garbage they took out of that lot. This is what Community Board Eight has

done for me. Wow. We are a community of immigrants. In the last census count in 2000, I understand that my community did not do well, we either was undercounted by 40 to 50 percent. Community Board Eight, Neighborhood Advisory Board Eight and Yvette Clark, we are actively working to get the census count out. Okay. If it was not for Community Board Eight, I would not know about these things. I sit on a lot of committees. I sit on the CRT, Community and Residency Response Team. Michelle George, Michelle George is how I found out about it. As we speak, Mayor Bloomberg is actively seeking to close down the Bellevue Intake Shelter, and to dump anywhere to 400 to 600 more men in the Bedford Avenue Armory. We say no. We say no. We have men there that are not receiving the supportive services that they need, mental health, substance abuse, GED, you name it, they're not getting it. And somebody may say, "Well, Diana, you're saying 'Not in my backyard,'" but you know what? I'm a former shelter resident. You know, and with the supportive services that I did not receive from the shelter, that I received from the church, you see me sitting here today

with the movers and the shakers. I'm not a public speaker, but there was no way that I was going to allow this meeting to go on and I not come here and talk about how Community Board Eight has helped me. There's no way. There's so much more I can say. I can just say that, hm, the community is really--Oh, I got it, thank you.

Gentrification, housing, I understand that every community board does a needs assessment. And for the needs assessment for Community Board Eight it was affordable, low income, middle income housing, which obviously we're not doing too well at, because we have all these co-ops that opened, that they built that are sitting vacant 'cause no one's buying them. So Community Eight, in conjunction with the elected officials, are looking to see if they work something out to home, to house the homeless. It appears that Atlantic Yards is going to go up and I don't see anywhere where there's low income housing. People like my family have stayed in that community and made it a decent community with the crack epidemic, the heroin epidemic. As the father said, Brooklyn is a very diverse community--New York is, I'm sorry. But

Brooklyn is a very diverse community. Community
Eight speak, the board, they speak for the people
who do not have representation. The people who do
not know how to navigate the system. And I thank
you for your time. [applause]

CHAIRPERSON BREWER: Thank you very
much. Thank you very much, and I'm very delighted
that NYCT was here to be able to have all of you
shown on television, but particularly you. Thank
you very much.

CHARLENE PHILLIPS: Good afternoon.

CHAIRPERSON BREWER: Good
afternoon.

CHARLENE PHILLIPS: Thank you for
the opportunity. My name is Charlene Phillips,
and I'm District Manager for Community Board
Three. I got ready to come, speaking of budget
cuts, my computer crashed as I was getting ready
to do everything, so I've got to work that out.
But I want to say is somewhat personal, like my
sister here next to me. And that is that since
I've been working for the Community Board, I
realize that the Community Board really embodies
democracy. It allows the people to have a voice.

It allows people to be able to say, "Yes, no, or let's think about it and let's talk about it," when it comes to their needs in the place that they live. The people of all communities, their tax dollars and their presence is what makes our City. And so we can never ignore the people and who they are and what they need. From the top level, it's never going to happen. There's no one in the Mayor's Office that's going to get out there and walk the streets of Bedford-Stuyvesant, Crown Heights, for any other community in Brooklyn, they're not going to do that. You won't have a way of actually knowing what the community constituents need. But we do. With the 50 volunteers, and most wards don't even have 50 volunteers. They don't come, the, for some reason someone gets off the Board or whatever, so they work with even less. But they do get out there, they get on the ground, they get on the committees, and they work very diligently to make sure that the community's quality of life is what it should be. And I think that the cuts are going to prevent that from happening. When we, this last snowstorm, when the snow cleared away, I

don't know about the rest of you, but the streets were filled with potholes. Filled with potholes, bust a couple tires out, you know. And the Mayor's Office is not going to know that. And the trucks are not going to be able to ride around every City street and catch that. So it's the people of the community boards and the volunteers that are able to say, "This is going on and this is where we need the assistance." There's no one out there from the borough of Manhattan who can tell me that it's easy to cross the street at Bedford and Atlantic. That someone who is older or disabled can get from one side of the street to the other before that light changes. And so those are the things that community boards are able to do. We work very diligently with City planning to plan what comes into our community. We don't believe that it should be left up to the developers to do that. We think that the community should have a say in what's coming in and what's being sustained in the community. We are rapidly becoming a community of sheltering systems, of sheltering systems, and these communities have always been residential. And so

that is something that if there is no kind of checks and balances going on, the whole entire quality of life for all of the people in all of the community, is challenged and compromised. And so, while I'm sorry I didn't have all of my papers here to give to you, I just want to say that on a real basic level, community boards are very, very necessary, and they assist the Council, the City Council with knowing what's going on, we have great rapport with our Council persons. We in Community Board have three, we have Tish James, Al Vann and Darlene Mealy. And we're always meeting with them and talking with them about the needs, when the people come to us. We, the District Service Cabinet meetings are invaluable because that's where we iron out and work out problems that go on for a long time. Whereas, when we meet together in our District Service Cabinet meeting, you may not know who to give a complaint to, but when we put it out there at the cabinet meeting, everybody works collaboratively to help me solve the problems of the community. And information dissemination is something that you just can't do without. You really can't. So, I thank you for

hearing me.

CHAIRPERSON BREWER: Thank you very much. And who would like to testify next? I think there were some others whom we called. Just switch. [pause, background noise] Thank you, go right ahead, thank you.

ROSEMARIE PERRY: Thank you. Chairman, ranking <embers, Members of the Committee, thank you for the opportunity to speak to you today, as you consider the City's Fiscal Year 2011 budget. My name is Rosemarie Perry, and I am the Chairperson for the Public Safety Committee for Community Board Nine in Brooklyn, New York. I come to you today not only as a Community Board Chair for Public Safety, but also as someone who's lived in this community for over 50 years. And a voice of a lot of the community and people who spend time coming to our meetings. I bring two budget priorities from the capital budget for 2011 preliminary budget register. The first one is the critical need in Community District Nine for supplying our firehouses with backup electricity generators. We need the capability to ensure uninterrupted service during

a power outage. Currently, we don't have that and in the times that we're in, well just any time, but currently, I mean, the change in our weather, storms, the increased population growth within our community, we live in a community district that is composed of homes that are over 100 years old, many of them landmarked, a large number of multifamily dwellings, lot of mixed use buildings and commercial spaces, a lot of congestion in many of the main thoroughfares. And I think it's kind of a recipe for disaster not addressing this as a priority, while waiting for the disaster to happen and then act on it. This particular item has been on as a line item for the budget for quite some time, and I think that we definitely need to make this a priority and get the backup generation. The second item is acquisition of the property within Community District Nine to provide off street parking to the 71st Precinct. We've identified a property on Empire Boulevard, which is adjacent to the 71st Precinct, and this again has been a line item for quite some time. And we think it is a priority, we know it's a priority, because currently the cars are lined up threefold,

twofold, within the community, around the Police Department. It is hazardous to children 'cause you can't see them when you're driving and they're walking between the cars to navigate the streets, or walking in the street to navigate getting to school. Seniors are having a difficult time traveling on the sidewalks. And it's a matter of an easy solution, an inexpensive solution, and the property's available. And we'd like to, again, be proactive in solving a problem before it's a tragedy.

CHAIRPERSON BREWER: Okay, thank you very much, we will take this into consideration and certainly bring it to attention, although I'm sure you already have of your local elected officials.

ROSEMARIE PERRY: Yes.

CHAIRPERSON BREWER: Thank you very much.

ROSEMARIE PERRY: Thank you.

CHAIRPERSON BREWER: Alright, Queens is Mary Ann Carey, who else is here from Queens, let me see. Lawrence McClean and Gary Giordano. Are you--? And then I'll do Manhattan

next. Don't worry, Manhattan. [pause, background noise] Thank you. Good afternoon, sorry to keep you waiting so long. Go ahead, whoever would like to start.

MARY ANN CAREY: Okay, I'll start, hi, good afternoon, I'm Mary Ann Carey, I'm the District Manager of Community Board Nine in Queens. Thank you very much for having me here. You don't know what I went through to get here. I was over at, I was over testifying at City Hall and had to, I was told by Council Member Fidler that, "No, no, you're in the wrong place, I think it's across the street," so now here I am.

CHAIRPERSON BREWER: I'm sorry.

MARY ANN CAREY: Well, thank you very much. Well, all fourteen boards, we testified at every hearing concerning proposed cuts to our budget. We met with Council Member Leroy Comrie at his office, and met with Speaker Christine Quinn during a near blizzard City Hall, when 13 of the 14 district managers were present. So I guess we were having a, today we had a monsoon, we had a blizzard last time. Okay, we want to thank the Queens delegation and the

Speaker for the support and encouragement that they have given us. Despite your support, the Mayor has not relented, and we face annihilation without your commitment to restore our budget. While our offices are small, usually two or three employees, we serve up to 250,000 constituents. We provide them with services in their hometown, down the block, across the street, or around the corner. We have worked with many of you and together we have fought this battle year after year. We would prefer, all of us, to be working on our community projects and issues of concern to the City Council, the community and the community boards, instead of being preoccupied and forced to spend precious hours testifying. Not that I mind visiting with you and seeing all of you in person, but it is a little embarrassing for us to come here year after year, hat in hand, to beg to be funded. We are a City agency. Since, almost since we were established in 194--1945?--in 1975, the brainchild of Robert F., Robert Wagner, Sr. and Jr., we have been under the target and they've been aiming at us to cut our budget. Starting in 1992 to the present, we have been under the gun.

We have testified at every hearing regarding the dedication, hard work, work time and man hours, and hours of expertise, that our members have, and that they give to the Board and to the City without compensation. Our members are lawyers, architects, engineers, accountants, educators, even doctors, who participate in committee meetings long into the night, after a long day's work. Where can the City ever hope to receive this expertise pro bono? We are unique and the concept works. We need security and safety in the City Charter, to ensure the continuation of this experiment in community participation in the future. Also, we have heard rumors that our, with the new City Charter, that the ULURP process may be under attack. We certainly need to continue the ULURP process, with the input from the community and the community board. It's very important, we have worked on many issues over the past years I've been on--I've been the District Manager, almost time to be retired, 25 years. And I've seen many projects come and go and we have worked the community board, they gave so much time and effort, it's unbelievable. Of immediate

concern in what we are requesting right now is a restoration of our meager budget of \$198,895, and a freeze on budget cuts. I want to thank you for your attention and for your continued support.

CHAIRPERSON BREWER: Thank you very much. Who would like to go next? Go.

GARY GIORDANO: I'm Gary Giordano, I'm the District Manager at Community Board Five in Queens. Thank you for the opportunity to come here today and thank you to the Council for the restoration to our budgets this year, it's very important. To the communities. I don't know if there's a better bang for the buck as was said in the City of New York than community boards have been. And I think the reason for that is it was a wonderful idea to empower people in the community to have a strong say in their City government, especially what happens in their own communities. And by having those 50 volunteers, some of the most dedicated people within our communities, by empowering them, I think that has played a tremendous role in the resurgence of the City of New York. We very often know the problems soonest, and have more a sense of how to deal with

1
2 them, before the major bureaucracy could possibly
3 have that. The cut to our budget, although it may
4 seem like it's an insignificant amount, in our
5 situations, could mean half our staff is lost. Or
6 anywhere between 20 percent and half our staff is
7 lost. So the impact to the community boards who
8 have, you know, under a \$200,000 budget, is major.
9 And I think that it's a very unwise move on the
10 part of the City to cut community board budgets at
11 all, never mind to that extent, I think the harm
12 that's going to be done to the communities is must
13 greater than the \$30,000 something savings per
14 board that's targeted at this stage. Thank you.

15 CHAIRPERSON BREWER: Thank you very
16 much. Mr. McClean.

17 LAWRENCE MCCLEAN: Okay, alright, I
18 would like to thank you, Chairperson Brewer, as
19 well as the members of our, your Committee, for
20 hearing our comments. My name is Lawrence
21 McClean, I am District Manager for Community Board
22 Thirteen, Queens. Having served over 17 years,
23 including Board Nine in Manhattan as well. Board
24 Thirteen Q is well aware of the dire financial
25 straits that the City finds itself in at this

time. You will hear or have already heard from other district managers a litany on the impact of the Bloomberg Administration cuts will have on our respective agencies. In light of that, Board Thirteen would like to present an overarching view of what we feel, we feel is being unfairly asked of the boards. To determine our budget reduction, OMB first eliminated the increase the Council allocated for us on July 1st, then factored in the reduction that equates to about 16 percent a cut, from one fiscal year to next. No other City agency has been required to make such a large cut. Most community boards with an average of three staffers would be forced to either lay off an employee or reduce one to part time. This would mean going from an average of 6,195 personnel hours per week to 5,135. This is a 16.9 percent reduction. No other City agency is being asked to reduce their staff by one-sixth. The Mayor has said that we must all do more with less, yet community boards who have not had, seen actual increase in our operating budget in over 15 years, while our costs have gone up, are already doing that. Now, I'd like to just point, make a point

here. You had DCAS in here two agencies ago, and in talking about reducing their costs, what they said is they want to eliminate the City Record and pass along the online services to the community boards to provide to the community. Now, that means that we're going to have to do the printing, we're going to have to do the costs; so in saving their budget, we're going to be hit with the increase, and this is not anything that's factored, and that's an example.

CHAIRPERSON BREWER: Good point.

LAWRENCE MCCLEAN: To continue, when you look at the City's budget, minus debt service and benefits, what remains leaves approximately \$25,000 per person per annum for services. The projected community board budget leaves Board Thirteen, for example, with less than 80 per person per annum to monitor these services. That's a ratio of about 30,000 to one. By the way, talking to Councilman Comrie, apparently the Council at, your Council staffing, you have about a \$1.60 per person per annum. Alright? Borough President Helen Marshall has said that 311 has its uses, but it cannot replace community boards. We

have seen in the past year a ten percent increase of residents contacting our office after interacting with 311. This due either to frustration or referral to us, making 311 the source of over one-fifth of our direct constituent contacts. Community boards, their staff and members at the local level, serve a distinct purpose that is beyond duplication. In my 18 years, I have watched these unpaid volunteers oversee the expansion of Columbia University, rezone Laurelton, Jamaica, Cambria Heights, St. Almond's and the Ratner Plans in Brooklyn, and created a historic district in Hamilton Heights. It was done in the manner the community wanted, not necessarily the City planners. This is the very crux of the democratic process. It is the one--I'm sorry, it is the district offices that can act or provide a true perspective of the community that no level of MapQuest or computer generated data can ever duplicate. When there is concern raised about hazardous materials transported on the Long Island Railroad, from Middle Village to Rego Park in Queens Village, when a homeowner in Bellerose finds that the City

says his block and lot is in Astoria, when the maps say that Edgcombe Avenue for the purposes of a street event, and this is in Manhattan, from 145th is ten blocks and there's only one intersection, when Brookfield Boulevard South of 147th Avenue does not show on City maps, when the starting point at Church Avenue on MapQuest is in question, when there is a ten block long water main break in Cambria Heights, as there was in our Board on the 13th of January, calling for coordination between the agencies and OEM, and finding some place like the Alpha Phi Alpha senior center to get this residence out of the code, 311 does not deal with these issues, but the staff of the community boards do. As part of the City's fabric of agencies, we are willing to do our part in tough fiscal times, but these cuts clearly negate the boards' ability to provide an adequate level of service to our constituents. The term "bureaucratic malice" comes to mind. I have said it before, community boards are like any family right now on a tight budget, give us seven cans of soup and we will find a way to provide meals each day. But there has to be soup in the can. Board

Thirteen Queens asks that this Committee recommend to the full Council the cuts to the community boards be restored to a level that enables us to effectively attend to our Charter mandated duties.

CHAIRPERSON BREWER: Thank you very much. Wonderful testimony from each of you, and we look forward to working together.

LAWRENCE MCCLEAN: Okay, thank you.

CHAIRPERSON BREWER: Thank you very much.

GARY GIORDANO: Thank you.

CHAIRPERSON BREWER: Bob Gormley, District Manager in Manhattan, Susan Stetzer, Noah Pfefferblit, Richard Eggers and Pamela North. Now how you're going to find chairs, I don't know, but you'll figure it out. Yeah, pull up chairs from the audience and just [pause, background noise] Who would like to start? Okay, go right ahead.

MALE VOICE: Take it from the top.

BOB GORMLEY: Good afternoon, Chairperson Brewer. My name is Bob Gormley, I'm the District Manager of Community Board Two in Manhattan. Permit me to begin my testimony by reading some numbers to you, and I apologize for

my hoarseness, I've got some - -

CHAIRPERSON BREWER: That's okay,
no problem.

BOB GORMLEY: In calendar year
2008, Community Board Two reviewed and passed
resolutions regarding 127 on premise liquor or
beer and wine applications. In 2009, that number
increased to 147, an increase of 14 percent. In
2009, we reviewed and passed resolutions on 115
sidewalk café applications. This number was an
eight percent increase over the 106 that were
reviewed in 2008, a 21 percent increase over the
91 reviewed in 2007, and a 30 percent increase
over the 80 that were reviewed in 2006. In
addition, in 2009, our Street Activities and Film
Permit Committee held public hearings and passed
resolutions on 88 street fair applications, while
our Landmarks Committee, which holds two public
hearings every month, reviewed and passed
resolutions on 85 landmarks applications. In
total, Community Board Two held 152 public
hearings or public meetings, and passed 519
resolutions last year. We are a very busy
community board, and our workload is substantial.

We also have been dealing with several large issues within our district, including the issues pertaining to St. Vincent's Hospital, our overcrowded classrooms and the search for additional space, the development of Pier 40, the renovation of Washington Square Park, the proposed sanitation garage on Spring Street, as well as issues relating to the expansion of NYU and the New School University. All of these actions and issues are of deep concern to our board members and CB2 constituents. The public hearings and meetings at which these issues, as well as other issues, are taken up by our eleven standing committees and two special committees, are often the best and sometimes the only way for community residents and merchants to make their concerns known to the City. In order to support our board members in addressing these concerns, my three staff people work extremely hard to make sure that notices go out in a timely manner, resolutions get copied and sent to the relevant parties, and the unending stream of questions from the community get answered. Now we are confronted with a proposal that would cut approximately \$37,000 from

our budgets in the next fiscal year. It is very misleading to say that our budgets are being cut five percent like other City agencies. Our Fiscal Year 2010 budget is currently \$197, approximately \$197,000, after being decreased almost \$2,000 as a result of a Fiscal Year 2010 PEG cut. However, because our budgets were baselined, a little less than \$170,000 in the adopted 2010 budget, the actual proposed cut is a draconian 19 percent.

When considered in tandem with the fact that community board operating budgets have not received an increase in 20 years, while most other City agencies have at least seen increases to cover inflation, this proposed cut is grossly unfair. There can be only one result if this proposed cut is not rescinded. I will have to lay off one of my three staff persons. There is not an agency in the City that could function if they sustained a staff cut of 33 percent. Furthermore, to cut my staff is to ensure that it would be impossible for us to do the work that we currently do, much of which is required by the City Charter. We recognize that the City faces a fiscal crisis in the coming year; however, the money invested in

community boards is a minuscule portion of the City budget and gives tremendous bang for the buck. We are a good investment. We have stretched our ever eroding budgets as far as we are able, and we need your help. Last year, this Committee, Speaker Quinn and the entire Council saw the value of community boards and rescinded most of the proposed cuts. We again need your support now more than ever. Thank you.

CHAIRPERSON BREWER: Thank you very much. Susan?

SUSAN STETZER: Thank you. My name is Susan Stetzer, and I'm District Manager for Community Board Three, Manhattan. Thank you for this opportunity to testify. We understand the City is in a very severe financial crisis regarding funding for all agencies, and all our communities will be impacted. Community boards have essentially been cut every year for almost 20 years since we've had no increases to our TPS since then, the costs rise every year. In addition, community boards suffered unrestored cuts under the last administration. Therefore, it is not fair to say, as the Mayor has stated, that

community boards must receive the same cuts to be fair to all agencies. Not only is there no fat to cut, we have already cut out, cut every service possible. Bottom line, the budget for FY'11 is \$160,437, the salaries for Community Board Three's four staff members is \$194,421. That is an average of \$48,534 per staff member. We'll be required to lay off one person, which is one quarter of our staff, and then we'll have money for telephone and nothing else--no papers, cartridges, nothing. We will still need to fundraise for supplies, which is difficult since we cannot raise money from community members or businesses that might become before the board or seek board help. We use technology to the fullest to reduce costs. The board no longer sends out monthly mailings, everything is email, we do not print unless necessary. Community boards are very good value for the City, the office staff supports volunteer work of 50 people for each board working for their communities, in addition to the office work for service delivery and coordination of services. Since 2004, when I became District Manager, I have seen the board partner more

1
2 closely with agencies. We successfully worked
3 with the City two years ago to complete 110 block
4 community led rezoning. We are currently working
5 with the City to rezone another ten parcels at the
6 former Seward Park Urban Renewal Area, again a
7 community led plan. And Boards One, Two and Three
8 are working with the Chinatown Working Group on
9 another community led and community board
10 initiated rezoning and 197A plan. The City could
11 never accomplish outreach or implement community
12 participation without the boards. Community board
13 participation allows the residents as well as City
14 agencies and elected officials to participate and
15 collaborate on a ongoing monthly basis. That is
16 why community boards exist and funding is needed
17 to support this mandate. Just one example of an
18 importance of district service cabinet work. In
19 December I called a meeting of all the agencies
20 involved in homeless outreach. The agencies were
21 not fully aware of all the new protocols and the
22 roles for their own agencies. They never had new
23 strategies regarding involuntary hospitalization
24 explained. It is surprising that when agencies
25 work in collaboration, no agency is charged with

coordination and follow up, and therefore it doesn't happen effectively. One of the most important functions of the community board office has to become the coordinating agency for local initiatives or implementing City initiatives locally. Boards have also become more involved in partnering with agencies, they depend on us to give them information on our specific communities, and our communities depend on us to help them navigate working with City agencies. This makes us all more effective and saves money for the City in the long run. Community Board Three is very fortunate to be able to work in close collaboration with our Council Members, as well as other local elected officials. This allows us to extend our resources and the productivity of our offices, and gives us all added weight in being able to serve our communities. We exist to serve our communities in planning and coordinating and assessing services. We're the structure for community input and participation in government. The projected budget does not give use the minimum needed to serve, and we are asking that our funding not be cut so we can continue to serve our

communities. And not in my testimony, but it's like the last census, we had 164,000 people. We're now the, now up to 172,000, we're a trilingual community of many vulnerable residents and it's a lot of work. Thank you.

CHAIRPERSON BREWER: Thank you very much. Noah?

NOAH PFEFFERBLIT: Okay, thank you, Gale, Council Member Chair Brewer [laughter] for--

CHAIRPERSON BREWER: I've known him longer than anybody else in this room, it's Gale.

NOAH PFEFFERBLIT: There you go. There you go. And then, and Chair Brewer, for [laughter] for this opportunity to testify on behalf of Manhattan Community Board One. I'll say both, how's that? And I don't want to repeat too many of the other points that have been made earlier, just to say these cuts would be absolutely devastating to Community Board One, where I'm the District Manager. They would require us, the cut, down to \$160,000, that's been proposed for Fiscal Year 2011, would require us to eliminate not only one, but two of our staff members. We currently have three full time staff

members and one part timer, and it's important to emphasize that like all community boards, Board One already functions with a budget that provides the bare minimum of resources that we need to adequately carry out our responsibilities, as mandated by the City Charter. We, with a tiny staff, we provide support to all of our committees, we have at last count eleven committees and eight taskforces that address the many issues and inquiries that we receive pertaining to the quality of life in Lower Manhattan, and beyond working with the committees, we have many other responsibilities as you know, that involve researching, drafting correspondence, testimonies, resolutions, scheduling meetings and responding to the numerous applications that we receive for land use changes and proposals, liquor licenses, sidewalk cafés, newsstands, etc., etc. We interact with other agencies, not only City but State and federal, to help improve the programs and initiatives that they do. Strong community boards can be very important partners for the City Council, as well, and can help the Council maintain quality of life in the City. I just want

to give one example of an issue where we worked with an agency with the Office of Emergency Management, which has developed the "Notify NYC" program, that was piloted in CB1, and I believe one or two other neighborhoods around the City, and it came directly out of our experience with the fire at the Deutsche Bank building, a tragic fire that took two lives of firefighters, and we consulted, we were consulted by the OEM and had a lot of input on that, and we believe the program really benefited from all the work that we did, and our ability to have our experiences reflected in the way that the program evolved. And thus, for a very modest investment in terms of the overall City budget, we can greatly increase the efficiency and effectiveness throughout the City by harnessing the energy and talents of 50 very dedicated and concerned board members, many of whom have special expertise in areas that we assess, and deploy them for the public benefit. As everyone knows, we have a lot, a great amount of redevelopment work underway in our district, and it set to continue for at least the next five years. These projects can present very severe

adverse impacts from air and noise pollution that can cause health risks and impacts, and it's critically important that Board One have the staff and resources in place to monitor these impacts, and intervene with agencies as needed. Also, want to mention the fact that CB1, according to the Department of City Planning, has the fastest growing residential population in the City, which is placing a very great strain on our infrastructure and services. A recent study that our board did, showed that the district's population is projected to grow from 34,000 that was recorded in the 2000 census to over 63,000, which is expected when the current development boom concludes in 2013, representing an extraordinary 85 percent increase. And of course the board helps to manage this rapid growth by advocating for the needs of our growing community. Just to wrap up, we are extremely grateful for the support that we received in the current fiscal year from the City Council. We know that the Council shares our strong belief in the important functions that we carry out with a budget that is already so limited, and has not grown

commensurately with other agencies in recent years, and in fact recent decades, as we've heard earlier, and that as a result we should be spared any additional cuts. We believe that a decision to not proceed with these reductions would be in keeping with the emphasis that the Council has placed on effective service delivery and quality of life. Just wanted to wrap up to mention with respect to the City Charter Revision Commission, our planning infrastructure committee is now working on that, and we expect that we will have specific and detailed recommendations that we'll be making to the Charter Revision Commission. And agree with what was said earlier about the IBO and with regard to the IBO, I think the point is that community boards are not Mayoral agencies, so we don't report to the Mayor, we're not appointed by the Mayor, and it stands to reason that the Mayor, not only this Mayor but any Mayor, would not take the same care in, with respect to our budget that would be taken with respect to agencies that he directly controls, so to speak. So, I just want to, and totally agree earlier about, I think it was Wally Rubin and others, who spoke about the

issue of those baseline cuts for future years, and us having to, you know, spend ridiculous amounts of time fighting those every year, when I think everybody knows they're unreasonable, if we can do something about that, that would be extremely appreciated. And just want to thank you very much for the opportunity to testify this afternoon, and for all your support and assistance.

CHAIRPERSON BREWER: Thank you, Noah.

NOAH PFEFFERBLIT: Alright.

CHAIRPERSON BREWER: Next.

Hello, my name is Richard Eggers, I'm the Chair of the Budget and Governmental Affairs Committee of Community Board Six. One of the advantages of coming late in the testimony is that I don't have to read my whole testimony, I'm just going to sort of jump around and summarize what we say, 'cause we can start with reminding everyone of the presentation from the Chair of Board Seven, who did a brilliant job of summarizing the issues as seen from most of the boards in Manhattan. And I'd also like to remind the Committee of the presentation from the

community member from Community Board Eight in Brooklyn. She's the reason we do our job. She reminds us of the need for the community boards, and she reminds us of why we do this job, and why it means so much to us. Now we always start our comments here at a Committee hearing that it's a pleasure to be here. It's not a pleasure this year. [laughter] It is a pleasure because the City Council always comes to our rescue, but here we are yet again trying to defend the community boards. And here we are in a year when all agencies are facing severe cuts, and we are coming with hat in hand to defend our own budgets. It was not my idea for me to come here. It's very hard to come and say, "Senior centers are being closed all over the City, yet we want to protect our budget." So I looked at our budget very carefully, and it's undeniable that we need to protect the budget. It's first a question of budgetary fairness. The numbers I looked are even more draconian than my colleagues. I looked at the 2010 committed budget adjusted for mandatory salary increases, and then the 2011 proposed budget. To me that's a 22 percent decrease not an

18, and certainly not an eight percent decrease, or a five percent decrease, as the Mayor has been representing. I don't know any agency in the City government that has had to face, whether it's 18 or it's 22 percent, no other agency is being asked to do that. And this is actually in the face of the fact that the community boards have not had an increase in their operating budgets for over 20 years, and through those years the purchasing power of that budget has been gradually eroding. We're already strapped to the bone. Now, as the gentleman from Queens pointed out, sometimes the advances we have in putting information online and available to everybody is a wonderful savings, but it also can be a downstream cost. We've seen this from the efforts and they are wonderful efforts, from the Office of Management and Budget. We now have access to all sorts of budget documents online. But when it comes to sitting down in the committee and going through those documents, we don't have laptops in front of us. We have to print out those documents. So, the savings has occurred at OMB, they get their budget reduced. The costs have increased at the community boards,

we get our budget reduced. It doesn't seem fair. Now after trimming all the administrative costs to the bone, it looks like we're going to lose one of our three full time staff members. We've got three full time and one part time. That's to serve a 50 member volunteer board, a year 2000 census of 136,000 residents, and I don't need to echo what people have already said about the importance of what that staff does. They do research, they prepare documents, they schedule the meetings, they respond to constituents--most importantly, they respond to constituents. And I mean, the OMB itself describes it as service coordinators, ombudspersons, complaint monitors, information sources, community organizers. I mean, these people are working very hard for their very modest salaries. Now, what about that issue about all agencies have to face cuts? The boards are the eyes and ears of the community. We hold public hearings, every monthly meeting of the full board is open to the public, our committee meetings are open to the public, our district offices address service complaints on a daily basis. When services in the City are being cut,

community boards become even more important. And I wish I had had the foresight to make the representation that this is the year we should actually increase the budget. Now I know that's going to be difficult, but it's a concept that I think we need to keep in our minds, because this is the time when the community boards can really help, and where we can leverage the work of the community boards to assist all other government agencies. And we ask for your support and thank you for your time.

CHAIRPERSON BREWER: Thank you very much. Next.

PAMELA PELANQUE-NORTH: Okay, last but not least, I am Dr. Pam Pelanque-North, and I am the Chair of Community Board Twelve in Manhattan. And I think a lot has been said around the value that the community boards actually provide to the City of New York. I've actually myself been on the board about twelve years, and have served pretty much in an officer's capacity on the board for about ten of those twelve years. And it is in that role that I've had the opportunity to see, also being a member of a, I

teach at a university, but I'm also, I have worked in private sector. I have seen how the most creative employees and volunteers, or appointees, can take a meager amount of money and stretch it out, some of the most vast parkland in Northern Manhattan, across 208,160 residents, so with very little funds, Community Board Twelve tries to support and address the needs on the ground of, once again, 208,000 residents. We also have the largest employer in the City of, on the island of Manhattan, in our area, which is New York Presbyterian, at one time Columbia Presbyterian. So we have a great deal of activity in our community day-to-day. What I'd like to talk about briefly is, first of all, is to say that I'm very grateful that you're holding the hearings, and very grateful to the colleagues and people who are involved with running the boards and are appointing to the boards and all the work that they do. But also, very strongly support others in saying that if anything I came here today to not challenge the idea of cutting, but to add funds, because quite frankly it is my experience that the volunteers are sort of contributing to

the till in their own way, to make the organization work. It could not function on what it is awarded by the City of New York alone. Some of the examples I can give you of that is Community Board Twelve, actually we're not the first community, emergency response team in the City, but we're the first community board. I actually wrote the first grant in 2002, to OEM, which is now OEM. That team has had to be, you know, furnished with supplies, it's like I wrote over time probably almost \$100,000 in grants that come in, you know, and we have a 501(c)(3) that's a conduit for us to buy, to get uniforms, to make people equipped, because we have a George Washington Bridge in our area, we have from 155th to 220th Street, river to river, a great deal of 600, we have a lot of parkland. Some very interesting terrain, to try to deal with in the event of an emergency. We had a collapsed wall, which we did respond to an emergency. So, and it's also educating and recruiting. The other thing is 66 percent of Community Board Twelve has Spanish language, first language is Spanish speakers. And so therefore we have to pay out of

the budget of Community Board Twelve a tremendous amount of money for translation of most of our public meetings, or they just won't be effective. And it's about \$100 an hour for translation. We do get help from outside, but more often than not, when we have hearings, we have to pay for that out of our own budget. The other thing is Community Board Twelve, about four years ago, through grants, embarked on a long term planning study to assess rezoning in the area because we have such a dense population. We actually wrote grants three times in a row, and were granted that money, not only from the borough president's office, but from other sources, to pay for the expertise of consultants to come in and help us with that. That could not have been supported by the budget that we had, you know, that was awarded to us by the City of New York. We have three staff members, at one time we had five. Once again, the staff members translate day-to-day for individuals walking into that office, everything from where to get healthcare, education, how to find loved ones, how to deal with the penal system, how to find attorneys, there's just a--it takes a tremendous

amount of time. I can't think of a community based organization that can probably connect individuals to municipal services like the community board. So, I really think that, you know, we have tremendous CBOs in our area, like Alianza Dominicana, the Northern Manhattan Improvement Association. And in my statement I submitted I gave, you know, quoted in many ways how they could actually be better supported through the City budget. But I just want to talk about the community board being sort of a ancillary form or agency to not only CBOs, NGOs, but also to municipal services. As I move into finalizing, I just want to once again talk about the necessity of the community boards, not only being given budgets that will pay staff, and supplies, but also will allow them to rent spaces at time in the community. We're very limited, and we use as much public space as possible, but unfortunately a lot of the public space is not accessible. It's not wheelchair accessible. Those institutions that are, you know, pretty much want a small amount of money, so that we can use the space for a period of time. And it would be

wonderful to be able to make sure all of our meetings are accessible for all that need that particular dimension. And finally, I just want to say that the community boards, the word on the street is that they are highly threatened in terms of their existence, if not to be cut, that they will be eliminated. I just want to talk about how damaging that can be to the community, when you're trying to recruit residents to actually volunteer their time over a period of time, to support the greater community. So if there's anything that could be done from the Council to be able to get the facts out is actually what is going on with the community boards in terms of funding and the possibility of elimination, we'd be ever so grateful. So thank you very much.

CHAIRPERSON BREWER: Thank you very much. I have, as Penny Ryan, who's the District Manager at Board Seven knows, I was on the community board for quite some time. I'm a huge fan and I think are most of, if not all my colleagues, are many of whom have served on their community board. And so the question is to take this amazingly articulate testimony from each and

every person, and to make sure that it is translated to what you need. So I'll pledge myself to work on that. Certainly NYCT will help. And we will work together. Alright.

PAMELA PELANQUE-NORTH: Thank you.

CHAIRPERSON BREWER: We have one more speaker, not from a community board, but you guys, you representatives of the New York that we love, are, were extraordinary.

PANEL: Thank you.

CHAIRPERSON BREWER: Thank you very much. Citizens Union, Andrea Senteno. Andrea, just so you know, we've been here since 10:00 o'clock, just FY--so if you can summarize, boy we'd love it.

ANDREA SENTENO: [off mic] I will try that.

CHAIRPERSON BREWER: I'm sorry, but we have been here since 10:00.

ANDREA SENTENO: That's fine.

CHAIRPERSON BREWER: Thank you very much, go right ahead, thank you.

ANDREA SENTENO: So, good afternoon, thank you for having me, I'll cut right

into the chase and try to skip some of the beginning stuff.

CHAIRPERSON BREWER: Thank you.

ANDREA SENTENO: You know, we've been a long time advocate for elections, for accurate transparent elections, here in New York and across the State. Sorry. And with such a monumental change coming upon us this year, we do believe that proper funding is an integral part of that transition. And while it's difficult for Citizens Union to evaluate the essential, the needs of the Board from their day-to-day activities, and how much that will cost, we do believe that the cuts that they're going to be experiencing this year are going to affect the way that they're able to successfully implement the machines and also carry out a successful public education campaign and training for poll workers. The Board's going to experience a cut of nearly \$20 million, and as mentioned before, the critically important HAVA funds intended to be used for public education and poll worker training should be reapportioned, or re-appropriated, sorry, for the next fiscal year. The Board has,

in their own meetings, said that the cuts that they're receiving are going to translate into a cut to a third of their staff. And whether that's true or not, the cuts that they do receive are going to affect them greatly. One of the areas that we're mainly concerned with is poll worker training and poll worker recruitment and pay.

This is an issue that's been near and dear to Citizens Union and Citizens Union Foundation for a very long time. Citizens Union Foundation recruited poll workers from 2001 to 2008, and over those seven years recruited over 15,000 poll workers for the City of New York. We realize that training poll workers is going to be an essential element to the successful transition to new machines. And that the \$25 pay that many of them, that they receive for the three hour training will likely be insufficient, especially to create incentive for people to attend the training, which we do believe should be mandatory across the board for all poll workers, old and new. But also if they're going to be expected to take on greater responsibility, attend a longer training. This morning we heard that training was going to be

considered extended to six hours, which is an incredibly long day to spend for \$25. They're going to be at the frontline of teaching votes how to use this new system, how to vote on paper ballots, how to insert those ballots into optical scan machines. And because their role is so critical, we would advocate for increasing the training pay. And whether it's \$100 or less or more, we really don't have a position on, but we do think that \$25 is insufficient. In addition to that, we just want to reiterate the fact that we would very much be supportive of an extended training session to provide all poll workers hands on training, which we think will be essential, especially on the new machines, as well as the BMDs which we, from feedback from some of our members, learned that there was a lot of hesitation on some of the poll workers to encourage people to use the ballot marking devices, because they were insecure with their training that they received. And so that translates into the BMDs and the optical scan machines that'll be used this year. In addition to that, the public education effort is going to

be a large one. And the Board of Elections is going to need a significant amount of funding in order to carry out public awareness, its public awareness campaign, which includes mailings, public demonstrations, advertising, website development and public outreach. And we heard them talk a little bit earlier today about the \$6.7 million contract they have with Burson-Marsteller with the plans they have to do a mailing. And again, we can't speak to the specifics of what it is that they need, but we do know that the funding for that needs to be made available. In addition, we would also encourage the Board and the City to use their resources creatively and when possible to cooperate as much as they possibly can, especially recognizing that these are tough fiscal times. And when those collaborations can result in cost savings to benefit for everyone. In addition we would encourage the Board to work strongly with good government groups, voting rights groups, community organizations, community boards, elected officials, to really get the word out, because we have, we know our constituencies well, and we can

also be a resource. And just to wrap up, lastly, Citizens Union continues to advocate for increased reporting by the Board. This includes reporting statistics beyond those included in the Board's annual report, which highlight voter registration totals, but also, but to also provide the public with information on the number of affidavit ballots cast, the number of those deemed invalid, the traffic received by the Board website, the number of calls received by the voter hotline, comprehensive poll worker statistics and other information that would help the public understand how the Board operates. Citizens Union, along with other good government, our other good government colleagues, called on the Board to report requested data to the Mayor's preliminary and final management report, and to include more comprehensive reporting in its annual report. We believe that an increase in reporting will assist with future budget requests and help generate possible areas where the City can provide the Board with additional resources through established City agencies. Thank you for the opportunity to testify and I hope I was quick.

2 CHAIRPERSON BREWER: You were
3 fabulous, can you just introduce yourself again,
4 'cause I--

5 ANDREA SENTENO: [laughs] Oh, I'm
6 sorry, I'm Andrea Senteno from Citizens Union, I'm
7 the Program Associate there.

8 CHAIRPERSON BREWER: Thank you very
9 much.

10 ANDREA SENTENO: Thank you very
11 much - -

12 CHAIRPERSON BREWER: I appreciate
13 your being here and this last speaker concludes
14 Governmental Operations. I know it was a long
15 hearing, I thank staff who was here the whole
16 time, and audience, and we have a lot of work
17 ahead of us, but we have great testimony today to
18 make it all possible. Thank you very much.

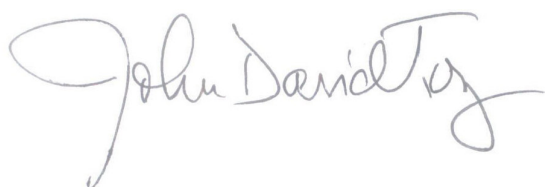
19 [gavel]

20 [background noise]

21

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.

A handwritten signature in cursive script that reads "John David Tong". The signature is written in dark ink and is positioned above the signature line.

Signature _____

Date April 16, 2010