

THE COUNCIL

REPORT OF THE COMMITTEE ON FINANCE

RESOLUTION APPROVING A MODIFICATION (MN-6) PURSUANT TO SECTION 107(e) OF THE CHARTER OF THE CITY OF NEW YORK

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

R E P O R T

Introduction. At the meeting of the Committee on Finance of the City Council on May 27, 2021, the Council considered a communication from the Office of Management and Budget of the Mayor, dated May 21, 2021, of a proposed request to modify, pursuant to Section 107(e) of the Charter of the City of New York, the Fiscal 2021 Expense Budget Plan, and the revenue estimate related thereto prepared by the Mayor as of May 21, 2021.

Analysis. The Council annually adopts the City's budget covering expenditures pursuant to Section 254 of the Charter. On June 30, 2020, the Council adopted the expense budget for fiscal year 2021 (the "Fiscal 2021 Expense Budget"). On December 17, 2020, the Council adopted MN-1, modifying the Fiscal 2021 Expense Budget, and MN-2, which appropriated new revenues. On February 25, 2021, the Council adopted MN-3, modifying the Fiscal 2021 Expense Budget, and MN-4, which appropriated new revenues. On May 21, 2021, the Mayor submitted to the Council MN-5, modifying the Fiscal 2021 Expense Budget. On May 21, 2021, the Mayor submitted to the Council a revenue estimate MN-6, related to the Fiscal 2021 Expense Budget.

Circumstances have changed since the Council last amended the Fiscal 2021 Expense Budget.

Section 107(e) provides one mechanism for the Mayor and the Council to amend the Expense Budget and related revenue estimate to reflect changes in circumstances that occur after adoption of a budget. Section 107(e) permits the modification of the budget in order to create new units of appropriation, to appropriate new revenues from any source other than categorical federal, state and private funding, or to use previously unappropriated funds received from any source.

Discussion of Above-captioned Resolution. The above-captioned resolution would authorize the modifications to the Fiscal 2021 Expense Budget and related revenue estimate requested in the communication.

This modification (MN-6) seeks to increase revenues in the net amount of \$1.32 billion compared to the most recent Revenue Budget Modification (MN-4). This represents an increase in City funds of approximately 2 percent.

MN-6 recognizes \$1.32 billion in increased revenues. Tax revenues increased by \$1.37 billion since the January 2021 Financial Plan. The largest contribution to the increase, \$600 million, came from personal income tax collections. Additional tax revenues included \$452 million from the

general corporation tax and \$263 million from the real property tax. Offsetting these increases was \$67 million in reduced revenues from the sales tax.

Miscellaneous revenues decreased by \$55.9 million reflected in the April 2021 Executive Financial Plan. This is mostly due to weaker charges for services, especially at the City University of New York where fees are down by \$56.5 million. Additionally, unrestricted intergovernmental aid increased by \$622,112.

This budget modification uses the \$1.32 million in the new revenue described above to replenish the Retiree Health Benefit Fund in fiscal year 2021.

The resolution would also direct the City Clerk to forward a certified copy thereof to the Mayor and the Comptroller so that the Mayor, the Comptroller and the City Clerk may certify the Fiscal 2021 Expense Budget as amended thereby as the budget for the remainder of the fiscal year. The above-captioned resolution would take effect as of the date adopted.



The City of New York
Mayor's Office of Management and Budget
255 Greenwich Street · New York, New York 10007
Telephone: 212-788-5900 Email: jihaj@omb.nyc.gov

Jacques Jiha, Ph.D.
Director

May 21, 2021

TO THE CITY COUNCIL

Dear Council Members:

In accordance with Section 107(e) of the New York City Charter, I seek your approval to appropriate new City revenues in fiscal year 2021 in the amount of \$1.32 billion.

This modification (MN-6) implements revenue budget changes reflected in the City's Executive Financial Plan. The \$1.32 billion of new revenues will be used to replenish the Retiree Health Benefits Fund in fiscal year 2021.

Your approval of modification MN-6 is respectfully requested.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jacques Jiha'.

Jacques Jiha, Ph.D.
Director

**FISCAL YEAR 2021 MODIFICATION
MN-6**

098	Miscellaneous Budget	
	003 Fringe Benefits	\$ 1,317,619,731
	 TOTAL	 <u>\$ 1,317,619,731</u>

Exhibit B - MN 6
Changes in Revenue Source

Agency Name	Source	Description	Fiscal 2021
		SUMMARY	
		TAX AND AUDIT REVENUE CHANGES	
		Real Estate	\$263,000,000
		Sales	(\$67,000,000)
		Mortgage Recording	\$46,000,000
		Personal Income	\$600,000,000
		General Corporation	\$452,000,000
		Unincorporated Business	\$30,000,000
		Utility	(\$2,000,000)
		Commercial Rent	\$10,000,000
		Real Property Transfer	\$56,000,000
		Cigarette	(\$4,000,000)
		Others	(\$11,080,000)
		TAX AND AUDIT REVENUE TOTAL	\$1,372,920,000
		MISCELLANEOUS	
		Licences, Franchises, Etc.	(\$42,016,000)
		Charges for Services	(\$72,262,608)
		Water Sewage Charges	\$563,000
		Fines and Forfeitures	\$32,984,000
		Rental Income	\$13,556,000
		Interest Income	(\$40,000)
		Other Miscellaneous	\$11,293,227
		MISCELLANEOUS TOTAL	(\$55,922,381)
		UNRESTRICTED AID	
		Prior Year Reimbursement	\$622,112
		UNRESTRICTED AID TOTAL	\$622,112
		GRAND TOTAL	\$1,317,619,731

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Changes in Revenue Source

Agency Name	Source	Description	Fiscal 2021
TAX AND AUDIT REVENUE CHANGES			
Mayoralty	00001	Real Property Tax 1st Quarter	\$10,000,000
Mayoralty	00002	Real Property Tax 2nd Quarter	\$70,000,000
Mayoralty	00003	Real Property Tax 3rd Quarter	\$130,000,000
Mayoralty	00033	Interest On Tax Receivable	\$4,000,000
Mayoralty	00049	Accrued Real Estate Tax Revenue	\$53,000,000
Mayoralty	00050	General Sales Tax	(\$67,000,000)
Mayoralty	00070	Cigarette Tax	(\$4,000,000)
Mayoralty	00073	Commercial Motor Vehicle Tax	(\$5,000,000)
Mayoralty	00077	Mortgage Tax	\$46,000,000
Mayoralty	00090	Personal Income Tax	\$600,000,000
Mayoralty	00093	General Corporation Tax	\$452,000,000
Mayoralty	00099	Unincorporated Business Income Tax	\$25,000,000
Mayoralty	00100	Refunds Of Unicorp Busn Tax	\$5,000,000
Mayoralty	00103	Utility Tax	(\$2,000,000)
Mayoralty	00110	Payment In Lieu Of Taxes	(\$10,000,000)
Mayoralty	00113	Tax On Commercial Rents - Occup	\$10,000,000
Mayoralty	00117	Medical Marijuana Excise Tax	\$120,000
Mayoralty	00122	Conveyance Of Real Property Tax	\$56,000,000
Mayoralty	00124	Beer + Liquor Excise Tax	(\$3,000,000)
Mayoralty	00125	Taxi Medation Transfer Tax	(\$200,000)
Mayoralty	00130	Pen & Int-Gen Prop Tax	\$3,000,000
TAX AND AUDIT REVENUE CHANGES TOTAL			\$1,372,920,000
MISCELLANEOUS			
Licenses, Franchises, Etc.			
Mayoralty	00200	Licenses - General	(\$1,500,000)
NYC Taxi And Limousine Commission	00200	Licenses - General	\$6,980,000
Dept Of Consumer & Worker Protection	00200	Licenses - General	(\$4,226,000)
Department Of Buildings	00250	Permits - General	(\$1,500,000)
Department Of Health And Mental Hygiene	00250	Permits - General	(\$1,616,000)
Department Of Transportation	00250	Permits - General	\$3,600,000
Department Of Parks And Recreation	00250	Permits - General	(\$2,150,000)
Department Of Buildings	00251	Construction Permits	(\$10,000,000)
Department Of Transportation	00320	Franchises - Other	(\$25,616,000)
Department Of Information Technology And Telecom	00320	Franchises - Other	(\$1,950,000)
Department Of Sanitation	00325	Privileges - Other	\$908,000
Department Of Transportation	00325	Privileges - Other	(\$1,546,000)
Department Of Parks And Recreation	00325	Privileges - Other	(\$3,400,000)
Licenses, Franchises, Etc. Subtotal			(\$42,016,000)

Exhibit B - MN 6
Changes in Revenue Source

Agency Name	Source	Description	Fiscal 2021
Charges for Service			
City University of New York	00464	Higher Ed Ser/fees Comm Coll2	(\$56,547,608)
Department Of Investigation	00470	Other Services And Fees	(\$697,000)
Police Department	00470	Other Services And Fees	(\$3,310,000)
Fire Department	00470	Other Services And Fees	\$1,411,000
NYC Taxi And Limousine Commission	00470	Other Services And Fees	(\$2,200,000)
Housing Preservation And Development	00470	Other Services And Fees	\$9,891,000
Department Of Buildings	00470	Other Services And Fees	(\$975,000)
Department Of Finance	00470	Other Services And Fees	\$5,175,000
Department Of Parks And Recreation	00470	Other Services And Fees	(\$805,000)
Department Of Citywide Administrative Services	00470	Other Services And Fees	(\$696,000)
Department Of Transportation	00472	Parking Meter Revenues	(\$7,700,000)
Department Of City Planning	00476	Administrative Serv To Public	\$1,000,000
Department Of Health And Mental Hygiene	00476	Administrative Serv To Public	(\$1,300,000)
Department Of Finance	00476	Administrative Serv To Public	(\$12,725,000)
Department Of Citywide Administrative Services	00476	Administrative Serv To Public	(\$2,784,000)
Charges for Service Subtotal			(\$72,262,608)
Water and Sewage Charges			
Mayoralty	00521	Reimbursement From Water Board	\$563,000
Water and Sewage Subtotal			\$563,000
Fines and Forfeitures			
Mayoralty	00600	Fines - General	(\$1,100,000)
NYC Taxi And Limousine Commission	00600	Fines - General	(\$2,000,000)
Housing Preservation And Development	00600	Fines - General	(\$566,000)
Office Of Administrative Trials And Hearings	00600	Fines - General	(\$6,400,000)
Department Of Finance	00600	Fines - General	\$4,800,000
Dept Of Consumer & Worker Protection	00600	Fines - General	(\$1,350,000)
Department Of Finance	00602	Fines - PVB	\$29,100,000
Office Of Administrative Trials And Hearings	00603	Fines - ECB	\$6,000,000
Department Of Finance	00603	Fines - ECB	\$4,500,000
Fines and Forfeitures Subtotal			\$32,984,000
Rental Income			
Mayoralty	00752	Rentals: Airport-Port NY Auth	\$10,000,000
Department Of Citywide Administrative Services	00760	Rentals: Other	\$3,556,000
Rental Income Subtotal			\$13,556,000

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Changes in Revenue Source

Agency Name	Source	Description	Fiscal 2021
Interest Income			
Office Of The Comptroller	56003	Interest-Debt Service Fund	(\$40,000)
Interest Income Subtotal			(\$40,000)
Other Miscellaneous			
Department Of Citywide Administrative Services	00817	Mortgage Payments	(\$99,500)
Law Department	00820	Sales Of City Real Property	\$583,000
Department Of Citywide Administrative Services	00820	Sales Of City Real Property	\$1,078,000
Department Of City Planning	00822	Minor Sales	\$368,000
Department Of Citywide Administrative Services	00822	Minor Sales	\$222,000
Mayorality	00846	Awards From Litigation	\$7,000,000
Law Department	00846	Awards From Litigation	\$5,346,727
Mayorality	00859	Sundries	(\$1,000,000)
Department of Small Business Services	00859	Sundries	(\$2,800,000)
Department Of Health And Mental Hygiene	00859	Sundries	(\$600,000)
Department Of Sanitation	00859	Sundries	\$2,650,000
Department Of Finance	00859	Sundries	\$600,000
Department Of Citywide Administrative Services	00859	Sundries	(\$306,000)
Department Of Information Technology And Telecom	00859	Sundries	(\$1,749,000)
Other Miscellaneous Subtotal			\$11,293,227
MISCELLANEOUS TOTAL			(\$55,922,381)
UNRESTRICTED AID			
Mayorality	55021	Prior Year Reimbursement	\$622,112
UNRESTRICTED AID TOTAL			\$622,112
GRAND TOTAL			\$1,317,619,731