

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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April 14, 2022  
Start: 10:22 a.m.  
Recess: 10:36 a.m.

HELD AT: HYBRID HEARING - Council Chambers -  
City Hall

B E F O R E: Justin L. Brannan, Chair

COUNCIL MEMBERS:  
Diana I. Ayala  
Charles Barron  
Gale A. Brewer  
Selvena N. Brooks-Powers  
David M. Carr  
Amanda Farías  
Kamillah Hanks  
Crystal Hudson  
Ari Kagan  
Farah N. Louis  
Francisco P. Moya  
Chi A. Ossé  
Keith Powers  
Pierina Ana Sanchez  
Marjorie Velázquez  
Julie Won

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

Ivan Acosta, Office of Management and Budget

Sgt. at Arms: Good morning and welcome to today's hybrid New York City Council hearing of the Committee on Finance. At this time will all council members and staff please turn on their video. To minimize disruption please place electronic devices on vibrate or silent mode. Thank you for your cooperation. We are ready to begin.

CHAIRMAN BRANNAN: Good morning. Welcome to today's Finance Committee meeting. I'm Council Member Justin Brannon and I'm privileged to chair the Committee on Finance. I want to acknowledge all of my colleagues who have joined us today, both in person and remotely. Members Ayala, Moya, Powers, Louis, Brooks-Powers, Baron, Brewer, Farías, Hanks, Hudson, Kagan, Ossé, Sanchez, Velázquez and Carr. Today the Committee will be voting on three items, an expense budget modification, a review budget modification and a transparency resolution. We're going to start with the budget mods. The first modification is an expense budget modification that represents proposed movements of approximately \$1.85 billion in City tax levy funds within and among City agencies, but leaves the overall level of City funds unchanged. Details

of these movements are reflected in the Committee report. Notably the program to eliminate the gap or the peg target of three percent across most agencies allowed for City funds to be redistributed to fund new needs. Modification also reflects a \$1.1 billion in new federal funding. Second item is a revenue budget modification that seeks to recognize \$1.94 billion in new revenues, including \$1.6 billion in tax revenue. \$41.7 million in miscellaneous revenue and \$294 million in unrestricted intergovernmental aid. This new revenue when combined with \$380 million in excess reserves and \$400 million in the prior year payables will furnish a total of \$2.77 billion to be added to the budget stabilization account for prepay expenses in FY-23.

Representatives from OMB are here to answer any questions council members may have on these two budget mods. Finally we have the transparency resolution. The transparency resolution sets forth the new designation and changes in the designation of certain organizations receiving local aging, anti-poverty and youth discretionary funding and funding pursuant to certain initiatives in the budget. As with all transparency resolutions council member will

have to sign a disclosure form indicating whether or not a conflict exists with any of the groups on the attached list. If any council member has a potential conflict of interest with any of these organizations listed they have the opportunity to disclose the conflict at the time of their vote. As a reminder please disclose any conflicts you may have with proposed subcontracts used by organizations sponsored by discretionary funding. These disclosures must be made before the subcontractor can be approved.

Disclosure forms must be completed and submitted prior to the vote on the transparency resolution and may be emailed to Julius Caranda. So if there are any questions on these items. I see that Council Member Barron has his hand raised on Zoom.

COUNCIL MEMBER BARRON: Thank you, Mister Chair. My concern is about the expense modification. Most of that I understand will come from both agencies that may have received federal funding. But we already have an austerity budget, unnecessarily in my opinion because there's enough revenue. Extra revenue came in and there's revenue in the rainy day revenue. There is no need for pegs. But since he did pay now he's going to take money

away from those agencies, my understanding, that got federal money and then put it in another account. He may use it for other items, maybe use it for other agencies. And I just think that we should not penalize agencies for receiving federal money when it wasn't enough to stop the peg in the first place. So this one I really will be voting no on this one and I think that we should rethink allowing him to do that in his budget.

CHAIRMAN BRANNAN: Okay. Council Member Brewer has a question.

COUNCIL MEMBER BREWER: Yes. I'm not sure who to direct it to but who-- oh, it's a question for OMB.

CHAIRMAN BRANNAN: Okay. We have a question for OMB, so I'm going to have the Council swear them in.

(Witness sworn in.)

COUNCIL MEMBER BREWER: Thank you very much. I wanted to understand the totals now on the, I call it rainy day fund, or any other kinds of funds that are appropriate for future payments that would be of help to us in case of a disaster of some kind.

MR. ACOSTA: The FY-22 remains at \$1 billion for the rainy day fund. That's--

COUNCIL MEMBER BREWER: Okay. So there's nothing-- there was a discussion earlier about the-- I'm sorry, I don't know. I thought that the Chair mentioned another number that was being added. Am I wrong? I probably am. I don't know. So the total of the stabilization account is what now, is that the 2.7 or is it something larger?

MR. ACOSTA: So the total reserve for FY-22 are about 5 billion.

COUNCIL MEMBER BREWER: Okay.

MR. ACOSTA: It grows in FY-23 to 6.1, which is a number-- the record high that we're holding.

COUNCIL MEMBER BREWER: Okay.

MR. ACOSTA: And what is your questions? I'm sorry, Council Member.

COUNCIL MEMBER BREWER: I just wanted to understand because they both in some way have hope for the future in case something should happen, stabilization and rainy day.

MR. ACOSTA: Right.

COUNCIL MEMBER BREWER: So just, you know, it's a little confusing to the public to understand what they both do and why they're needed. And I just wanted to be clear that we have two and one is 6.1 and one is a billion what you're saying.

MR. ACOSTA: Right. So thank Council Member, you've been focused on this. At prelim you asked a similar question. And I'd be happy to brief you and your team about each bucket. We have the general reserve, we have the capital stabilization reverse, we have the retiree benefit trust.

COUNCIL MEMBER BREWER: Correct.

MR. ACOSTA: And the rainy day fund. Those are the four. Each have rules and guidelines and we're happy to run through that with your team.

COUNCIL MEMBER BREWER: I just wanted, you know, because this is a public discussion and I wanted the public to understand that there are several opportunities to be safe for the future.

MR. ACOSTA: Absolutely.

COUNCIL MEMBER BREWER: I'd be glad to be briefed but I wanted it also to be on the record.

MR. ACOSTA: Yes, absolutely.



COUNCIL MEMBER BREWER: Thank you very much.

MR. ACOSTA: Thank you, Council Member.

CHAIRMAN BRANNAN: Any additional questions from members either here or on Zoom? Okay, seeing none for the final time I'm going to ask Billy Martin, the Committee Clerk, to call the roll.

MR. MARTIN: Good morning. William Martin, Committee Clerk, roll call vote Committee on Finance. All items are coupled. Chair Brannan.

CHAIRMAN BRANNAN: Aye.

MR. MARTIN: Ayala.

COUNCIL MEMBER AYALA: Aye.

MR. MARTIN: Moya.

COUNCIL MEMBER MOYA: Aye.

MR. MARTIN: Lewis.

COUNCIL MEMBER LEWIS: Aye.

MR. MARTIN: Brooks-Powers

COUNCIL MEMBER BROOKS-POWERS: Aye.

MR. MARTIN: Barron.

COUNCIL MEMBER BARRON: May I explain my vote?

CHAIRMAN BRANNAN: Yes.

COUNCIL MEMBER BARRON: Oh, thank you.

For the very reason that Council Member Brewer raised that there is about 7 billion in different reserve accounts. And while we're saving for a rainy day it's raining today. So you have to have a balance between saving for a raining day and the outer year budgets like we've done in the years I've been here, with meeting the needs of our communities today. And this is an austerity budget that's balancing things by way of cuts more than anything else, and putting the revenue in reserve when it's not necessary to cut. I'm not saying take the 7 billion and spend it now and forget about tomorrow. But at least leave 2 or 3 billion of that for today because the agencies are already hurting. And these cuts are hurting directly to our communities. So I don't think we should allow for the expense modification. I think the agencies should be allowed to have their money and then the revenue, the first modification, no problem, put that in reserve, the revenue modification. So I vote yes on the revenue modification, yes on transparency and no on the expense because it's consistent with this austerity

budget that a conservative economic conservative mayor is putting off unnecessarily.

CHAIRMAN BRANNAN: Thank you. Brewer.

COUNCIL MEMBER BREWER: I vote aye, but I want to express my need to have as much for the public to understand as possible. And I think these hearings could be used in that way also. Thank you. I vote aye.

CHAIRMAN BRANNAN: I just want to give a moment for OMB to clarify something.

MR. ACOSTA: I just, right, I think Council Member Barron said reserves are 7 billion, right. The reserves for FY-23 the mayor proposed 6.1 billion all time high of 6.1 billion. And as I said to Council Member Brewer, we're happy to, right, meet with you in your office and Council in general to go through those buckets for FY-22, it sits at 5.045 billion. But again, we're happy to run through that. I just want to clarify for the record that it's not 7 billion. That would be amazing and unprecedented. But it's still amazing and unprecedented at a historic 6.1 for '23 and 5.045 for '22.

COUNCIL MEMBER BARRON: But just a point of clarification, didn't you say 6.1 billion

plus another billion for reserve? Didn't you say that, sir, earlier?

CHAIRMAN BRANNAN: No, that wasn't OMB. I didn't say that in my opening, that was in--

COUNCIL MEMBER BARRON: No, not you. Not you, the OMB. I thought he said six point some odd one billion plus another billion in the reserve account. He said there were four accounts, isn't that correct?

MR. ACOSTA: Right. What I said was the 6.1. I was giving the breakdown of the 6.1. The 6.1 includes a billion of rainy day fund. So, I'm sorry, maybe I didn't absolutely make it clear, but in the 6.1, included in that 6.1 is a billion of rainy day fund. And I can break down the rest of it, right.

COUNCIL MEMBER BARRON: Okay. So the total of 6.1 is still a phenomenal amount of money.

MR. ACOSTA: Yes. Yes.

COUNCIL MEMBER BARRON: Thank you.

MR. MARTIN: Farías.

FARÍAS: I vote aye.

MR. MARTIN: Hanks.

COUNCIL MEMBER HANKS: I vote aye.

MR. MARTIN: Hudson.

COUNCIL MEMBER HUDSON: Aye.

MR. MARTIN: Kagan.

COUNCIL MEMBER KAGAN: Aye.

MR. MARTIN: Ossé.

COUNCIL MEMBER OSSÉ: I vote aye.

MR. MARTIN: Sanchez.

COUNCIL MEMBER SANCHEZ: I vote  
aye.

MR. MARTIN: Velázquez.

COUNCIL MEMBER VELÁZQUEZ: I vote  
aye.

MR. MARTIN: Won.

COUNCIL MEMBER WON: (No response)

MR. MARTIN: Carr.

COUNCIL MEMBER CARR: I just need to  
disclose on the record that in the resolutions being  
voted on today that Cooney is being funded and my  
domestic (inaudible). And with that said I vote aye  
on all.

MR. MARTIN: Thank you. Council  
Member Powers.

COUNCIL MEMBER POWERS: I'm sorry  
about that. I vote aye.

MR. MARTIN: Thank you. Thank you.

And by vote of 16 in the affirmative, zero in the negative and no abstentions all items are adopted with preconsidered M in relation to the expense modification, is adopted by the Committee 15 in the affirmative, one in the negative and no abstentions.

CHAIRMAN BRANNAN: Okay. With that this hearing adjourned. Thank you.

C E R T I F I C A T E

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



Date April 29, 2022