

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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November 13, 2012

Start: 1:00 p.m.

Recess: 1:14 p.m.

HELD AT: Council Chambers
City Hall

B E F O R E: DOMENIC M. RECCHIA, JR.
Chairperson

COUNCIL MEMBERS:

Gale A. Brewer
Fernando Cabrera
Leroy G. Comrie, Jr.
Julissa Ferreras
Lewis A. Fidler
Helen D. Foster
Daniel R. Garodnick
Robert Jackson
Darlene Mealy
Diana Reyna
Joel Rivera
James G. Van Bramer
Albert Vann

A P P E A R A N C E S

Preston Niblack
Staff Member
City Council Finance Committee

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2 CHAIRPERSON RECCHIA, JR.: Hello
3 everybody. Okay, if I can have everyone's
4 attention. Good afternoon and welcome to the
5 Finance meeting, I'm Councilman Domenic M.
6 Recchia, Jr. Before we start today's meeting, I
7 would just like to thank all of my colleagues and
8 their staff and Speaker Christine Quinn for all
9 that you have done for my constituents. It was
10 greatly appreciated, and it really touched my
11 heart, to see that my Council colleagues and their
12 staff and the central staff and Speaker Quinn came
13 out in full force to help my community, and I just
14 want everyone to know how much we appreciate it,
15 and thank you, and we still need support. So I
16 want to thank everyone for that. Before we begin,
17 you know, I know that many people, you know,
18 throughout New York City still don't have power,
19 and many people in this room as well. We have
20 suffered loss and hardship as a result of
21 Hurricane Sandy, so I just want to thank everyone
22 again, because it means so much. Before we get
23 started, I'd like to start off and thank all my
24 colleagues and recognize them, Joel Rivera, Lewis
25 Fidler, Diana Reyna, Julissa Ferreras, Leroy

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2 Comrie, Gale Brewer, Robert Jackson, Fernando
3 Cabrera, Darlene Mealy, Jimmy Van Bramer, and Al
4 Vann, and Dan Garodnick, I got everybody, right?
5 Okay. Today we have several items on our agenda,
6 we have a transparency reso, a capital budget mod,
7 three property tax-fixing resolutions and one land
8 use item. Let's start with the transparency reso,
9 the reso sets forth new changes in the designation
10 of certain organizations receiving local ageing
11 and youth discretionary funding, as well as a new
12 change in the designation of certain organizations
13 receiving funding pursuant to certain initiatives
14 in FY 2013, FY 2012 and FY 2011 expense budget.
15 Organizations appearing in the reso that have not
16 yet completed the pre-qualification process
17 conducted by MOCS, the Council or another entity
18 are identified in the attached charts with an
19 asterisk. Additionally, as with all transparency
20 resos, Council Members will have to sign a
21 disclosure form indicating whether or not conflict
22 exists with any of the groups on the attached
23 list. If any Council Member has a potential
24 conflict of interest with any organization, he or
25 she might want to disclose the conflict at the

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2 time of their vote. Please also disclose any
3 conflicts you may have with the subcontractors
4 that are used by organizations they sponsor for
5 discretionary funding. This disclosure must be
6 made before the subcontractor can be approved.
7 Members will be contacted by the Council's Ethics
8 and Employment Counsel Nadir to complete
9 disclosure forms as necessary. Next, we have a
10 capital budget mod, this capital budget mod
11 relates directly to the impact of Hurricane Sandy.
12 In order to hasten the recovery efforts necessary
13 after Hurricane Sandy, the Council will vote on an
14 emergency capital budget that provides for an
15 increase in city funding totaling \$500 million in
16 FY 2013. The capital budget to the School
17 Construction Authority and Health and Hospitals
18 Corporation \$300 million will be used for the
19 construction and repair for school facilities,
20 \$200 million will be used for the construction and
21 repair of hospital facilities affected by
22 Hurricane Sandy. Our next three items on the
23 agenda are three tax-fixing resos. A class share
24 of tax levy is limited in how much it can change
25 from year to year by a mechanism called the class

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2 share cap. Under current law, no class share of
3 the real property tax levy can increase by more
4 than 5% from the previous year's share. On June
5 13th, 2012, the Council passed a home rule to lower
6 this cap from 5% to 1.5% for 2013. To help
7 minimize the increase in property tax bills for
8 class-one homeowners, the Governor, however, did
9 not sign state legislation authorizing the lower
10 cap until after the Council adopted its budget.
11 That meant that when Council adopted its budget,
12 we had the 5% rate cap. Additionally, the
13 Department of Finance had to send property tax
14 bills in early June based on last year's rates.
15 The Governor has since signed the FY 2013 class
16 share legislation, the Council must vote on three
17 resos, which together amend and restate the
18 changes in the class share and set the new tax
19 rates at 1.5% cap. This year the uncapped share
20 for class one properties over 7%. Without today's
21 amendment, however, rates would be capped at 5%.
22 At the 1.5% cap a class-one homeowner will save an
23 average of \$150. So today we are amending three
24 property tax-fixing resos adopted on June 20th to
25 help make New York City a little more affordable

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2 for class-one homeowners. Once the resolutions
3 are passed by the Council, the Department of
4 Finance will send out revised bills for the second
5 half of the year to reflect the lower cap. I urge
6 all of my colleagues to vote yes on these amended
7 property tax resos. Our next and last item is a
8 land use item, Creston Avenue apartments, located
9 in Council Member Cabrera's district in the Bronx,
10 will receive a full property tax exemption for 33
11 years for the rehab of 120 units of rental housing
12 for low-income families. Council Member Cabrera
13 supports this item. These are all our items for
14 today. Representatives from OMB are here along
15 with Preston Niblack from our Finance Division to
16 answer any questions you have on the property tax
17 reso and the transparency reso. HPD
18 representatives are also here to answer any
19 questions on the land use. Before we call the
20 roll, I want to remind everyone that the Finance
21 Committee will meet next Tuesday at 10:00 a.m. in
22 the Council chambers to hold an oversight hearing
23 on the creation of the SoHo BID in Council Member
24 Chin's district. The hearing is expected to last
25 three-plus hours. If no one has ... does anyone

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2 have any questions? Without seeing any questions
3 ... yes, Gale Brewer.

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COUNCIL MEMBER BREWER: Regarding
5 the very important hurricane capital, how do you
6 keep on top of how the funding gets spent? Is
7 that something that you'll have oversight of, or
8 do we have oversight?

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CHAIRPERSON RECCHIA, JR.: Yes.

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COUNCIL MEMBER BREWER: It's
11 incredibly important.

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CHAIRPERSON RECCHIA, JR.: No, we
13 will definitely have oversight on that, and we
14 will ... it's definitely going to ... well, those
15 hospitals that are out, those HHC hospitals, those
16 are the priorities that are going to get the
17 money. And to those schools that are out right
18 now, all the schools that have been damaged,
19 they're putting them in priority order. So we
20 have a list of what's going to be done first and
21 how they're going to go about it. And then we
22 could always follow up with a hearing on this
23 money, to make sure it's being used for these
24 properties. Preston Niblack, would you like to
25 add anything?

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2 MR. NIBLACK: That's correct, we
3 will work closely, all of this will be submitted
4 to FEMA for reimbursement, and so we'll track very
5 carefully sort of what's going on with it.

6 COUNCIL MEMBER BREWER: So all of
7 the money that we lay out will be reimbursed?

8 MR. NIBLACK: Well, we don't know
9 that all of it will be reimbursed, but we believe
10 that it will all be reimbursable. The typical
11 reimbursement rate is 75%, as you know the
12 Governor has asked for some additional aid for the
13 region, so it could be higher than 75%, but at
14 least 75% of these expenses should be
15 reimbursable.

16 CHAIRPERSON RECCHIA, JR.: Okay, we
17 have also been joined by Helen Diane Foster.
18 Council Member Fidler has a question.

19 COUNCIL MEMBER FIDLER: Yes, I just
20 want to understand something about the process on
21 the tax cap. So the bills that went out for July
22 did not reflect a 5% cap?

23 MR. NIBLACK: They did reflect,
24 they were sent out reflecting a 5% cap at
25 essentially last year's rates.

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COUNCIL MEMBER FIDLER: And does that mean that there will be new bills in December and they will reflect for most people a reduction in their real estate taxes?

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MR. NIBLACK: New bills will go out in the beginning of December, and they will reflect, for most taxpayers, and for pretty much every taxpayer in class one, a reduction in what they would have paid absent this action. The tax rate still goes up from last year's somewhat, so they will see an increase, it's just a smaller increase than it would have been otherwise.

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COUNCIL MEMBER FIDLER: Thank you.

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CHAIRPERSON RECCHIA, JR.: Council Member Leroy Comrie has a question.

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COUNCIL MEMBER COMRIE, JR.: I have a comment more than a question. I just want to thank the Finance staff for working with us on the tax rate issue, so that homeowners ... and I hope that we are sending out a complete detailed notification for homeowners so that they understand, because they get very confused about this time of year, and it comes during the holiday time, that they're actually saving them money from

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2 the overall tax increase. So I just want to thank
3 you and the entire Finance staff for making that
4 clear, and I hope that we can get a message out to
5 people that we're actually saving them more money
6 than they would have gotten before. I also just
7 want to thank Domenic and the administration and
8 the Speaker for the emergency money that's now
9 going to go out to the people that have been hurt
10 by Superstorm Sandy. Many people throughout the
11 boroughs are still suffering, people in my
12 district, some don't have lights, but at least
13 they have their homes. Many people in Domenic's
14 area and James' area and Jimmy's area don't have
15 their homes. But as someone who was out in the
16 Rockaways and seeing some of the devastation out
17 there, I would just implore people to do
18 everything they can to either help bring, send
19 supplies. They don't need clothes any more, they
20 need supplies, cleaning supplies, and people that
21 are willing to help go out and clean, and help
22 remove debris, help clear out the mold out of
23 homes. So that's what's needed at this particular
24 point. I hope that this fund will be used quickly
25 and be used by also New Yorkers as well, that, you

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2 know, it's good that many people are volunteering,
3 but we want to make sure that New York ... people
4 that are looking to help out, people in New York
5 construction crews, have an opportunity to utilize
6 some of that fund as well. So again, thank you to
7 everything that the Mayor's office is trying to do
8 to respond to this, and I hope that all New
9 Yorkers that are still frustrated will keep
10 speaking up, because we need to know exactly what
11 you need so that we can help supply it. Thank
12 you.

13 CHAIRPERSON RECCHIA, JR.: Thank
14 you, Council Member. Council Member Darlene
15 Mealy. Give her a microphone.

16 COUNCIL MEMBER MEALY: I just would
17 like to know what kind of safeguards are we
18 putting in place, because while we grieve, people
19 could start scheming, and contractors will be
20 getting this money. What are we putting in place
21 to make sure that we don't have people forging
22 contracts and ... do we have anything, or oversight,
23 that's going to be in place for that?

24 CHAIRPERSON RECCHIA, JR.: We're
25 going to make sure that, you know, all these

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2 contractors that are selected have all been
3 vetted. That's a city policy, you know, they're
4 just not going out and hiring any contractors,
5 okay, they're going out and hiring city-approved
6 contractors that have all been vetted, and that
7 have personally had contracts with the city.

8 Preston, do you want to add anything to that?

9 MR. NIBLACK: I mean, they will all
10 be subject to the usual process of letting
11 contracts. There's an emergency contract
12 provision, but they have to be pre-qualified
13 vendors, and the Comptroller's Office, you know,
14 also has to approve all the emergency contracts.

15 COUNCIL MEMBER MEALY: Would you
16 know how much of the contractors are being in-
17 sourced and out-sourced?

18 MR. NIBLACK: A lot of this work,
19 so debris removal, emergency supplies, etc., and
20 then a lot of the construction work that will be
21 done with the capital necessarily has to be
22 contracted out.

23 COUNCIL MEMBER MEALY: Thank you.

24 CHAIRPERSON RECCHIA, JR.: Thank
25 you. Do any other Council Members have a

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question? Without seeing that, please call the roll.

COMMITTEE CLERK MARTIN: William Martin, Committee Clerk, roll call vote Committee on Finance. Council Member Recchia.

CHAIRPERSON RECCHIA, JR.: Aye on all, and I encourage all my colleagues to vote aye.

COMMITTEE CLERK MARTIN: Rivera.

COUNCIL MEMBER RIVERA: I vote aye on all.

COMMITTEE CLERK MARTIN: Reyna.

COUNCIL MEMBER REYNA: Aye.

COMMITTEE CLERK MARTIN: Brewer.

COUNCIL MEMBER BREWER: Aye.

COMMITTEE CLERK MARTIN: Comrie.

COUNCIL MEMBER COMRIE, JR.: Aye.

COMMITTEE CLERK MARTIN: Fidler.

COUNCIL MEMBER FIDLER: Aye.

COMMITTEE CLERK MARTIN: Foster.

COUNCIL MEMBER FOSTER: Aye. I need to disclose that Christ Church is receiving aid grant where my father is the senior pastor.

COMMITTEE CLERK MARTIN: Jackson.

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COUNCIL MEMBER JACKSON: Aye on
all.

COMMITTEE CLERK MARTIN: Vann.

COUNCIL MEMBER VANN: Aye.

COMMITTEE CLERK MARTIN: Mealy.

COUNCIL MEMBER MEALY: Aye on all.

COMMITTEE CLERK MARTIN: Ferreras.

COUNCIL MEMBER FERRERAS: Aye.

COMMITTEE CLERK MARTIN: Cabrera.

COUNCIL MEMBER CABRERA: Aye.

COMMITTEE CLERK MARTIN: Van
Bramer.

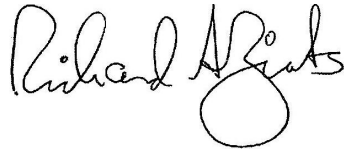
COUNCIL MEMBER VAN BRAMER: Aye.

COMMITTEE CLERK MARTIN: By a vote
of 13 in the affirmative, zero in the negative and
no abstentions, all items have been adopted.
Members, please sign the Committee reports.

CHAIRPERSON RECCHIA, JR.: Okay,
does anyone else ... everybody voted? Okay, we
cannot keep the vote open, because we have a
Stated Council meeting immediate following. All
right, this meeting is adjourned.

C E R T I F I C A T E

I, Richard A. Ziats, 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.



Signature _____

Date _____ November 15, 2012 _____