

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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August 21, 2014
Start: 10:27 a.m.
Recess: 10:40 a.m.

HELD AT: Committee Room- City Hall

B E F O R E:
JULISSA FERRERAS
Chairperson

COUNCIL MEMBERS:

COREY D. JOHNSON
HELEN K. ROSENTHAL
I. DANEEK MILLER
JAMES G. VAN BRAMER
LAURIE A. CUMBO
MARK LEVINE
ROBERT E. CORNEGY, JR.
VANESSA L. GIBSON
VINCENT IGNIZIO
YDANIS A. RODRIGUEZ

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

[gavel]

CHAIRPERSON FERRERAS: Good morning and welcome to today's finance hearing. I am Council Member Julissa Ferreras... Chair of this committee. I'd like to all, welcome you to our August hearing which is always a special one and I hope everyone is enjoying their summer and will enjoy the last couple of weeks of summer. We've been joined by council member's Van Bramer, Rodriguez, Miller, Cumbo, and Levine. We have four items on our agenda today. First we have a transparency resolution relating to the, the designation of certain organizations to receive funding in the expense budget. Our second and third items are two expense budget modifications. And lastly we have a resolution concerning the establishment of the West Shore Business Improvement District. Let's start with the transparency resolution. This resolution sets forth new changes in the designation of certain organizations receiving local aid and unique discretionary funding as well as new changes in the designation of certain organizations receiving funding pursuant to certain initiatives in the budget. This resolution contains new

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2 designations in many of the council's initiatives
3 which will, which is a crucial step in giving these
4 worthy organizations the funds to accomplish all
5 the good work they do. As you all may recall in
6 this year's budget the council was able to provide
7 236 million to create 14 new initiatives and was
8 all, and has also, was able to secure 36 million in
9 enhancements to increase services, 54 million
10 dollars to maintain existing council programs and
11 over 500 million dollars in base line funds. It is
12 great to see our work from the budget season being
13 put into practice. We look forward to hearing about
14 the successes of these initiatives in providing
15 vital services to New Yorkers. Organizations
16 appearing in the resolution that have not yet
17 completed the prequalification process conducted by
18 the Mayor's Office of Contract Services, the
19 Council, or other entities are identified with the
20 attached chart with an asterisk. As with all
21 transparency resolutions council members will have
22 to sign a disclosure form indicating whether or not
23 a conflict exists with any of the groups on the
24 attached list. If any council member has potential
25 conflict of interest with any organizations listed

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2 he or she has the opportunity to disclose the
3 conflict at the time of their vote. As a reminder
4 please disclose any conflicts you may have with
5 proposed subcontractors that are used by
6 organizations sponsored by discretionary funding.
7 These disclosures must be made before the
8 subcontractor can be approved. Jimmy.. Plafca [sp?]
9 from the General Counsel's Office can assist you
10 with any questions or concerns. I don't know if
11 anybody has any questions on the transparency
12 resolution, members? Next we will be voting on two
13 expense budget modifications. One modification will
14 transfer city funds from the reserve for collective
15 bargaining to the Health and Hospital's
16 Corporations in fiscal year 2014 to pay the
17 agency's collective bargaining agreements. The
18 second modification will do the same thing in
19 fiscal year 2015. The net effect of each
20 modification is zero. Representatives from the
21 Office of Management and Budget and the Health and
22 Hospital Corporation are here to answer any
23 questions on these two expense budgets. I don't
24 know if any members has any questions on the
25 expense budget? Council Member Cumbo. If we can

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2 have is it HAC or... okay well, why don't you ask
3 your question and then... (crosstalk)

4 COUNCIL MEMBER CUMBO: I'll ask my
5 question.

6 CHAIRPERSON FERRERAS: ...we'll see who
7 has to come up.

8 COUNCIL MEMBER CUMBO: Okay. It says
9 here on the back page it says the modification will
10 implement expense budget changes by transferring
11 43.8 million dollars of collective bargaining from
12 the miscellaneous budgets reserved for collective
13 bargaining to the Health and Hospital Corporation...
14 How much money or funding is actually in this
15 miscellaneous budget reserve? And how much... because
16 I see there are two and wanting to know the
17 difference in terms of why there are also two...

18 CHAIRPERSON FERRERAS: So I'm going to
19 answer just the question on the two modifications
20 and it's... (crosstalk) FY14.

21 COUNCIL MEMBER CUMBO: Uh-huh.

22 CHAIRPERSON FERRERAS: So we have to
23 make all expenditures and changes for FY14 before
24 October which is the opportunity where this shuts
25 down.

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COUNCIL MEMBER CUMBO: Okay.

CHAIRPERSON FERRERAS: For FY14. And the, the rest of the money is being do, being done in FY15 and that's why we have those two modifications. But that's for the two. As how much in the reserves... John if you are able to...

COUNCIL MEMBER CUMBO: Or the miscellaneous budget... (crosstalk)

CHAIRPERSON FERRERAS: We're going to get this now. And if you could just state your name for the record I would appreciate it. Thank you.

JOHN GRATHWOL: Good morning. My name's John Grathwol from OMB. I'm a Deputy Director.

CHAIRPERSON FERRERAS: I'm sorry, yes?

JOHN GRATHWOL: John Grathwol from OMB, Deputy Director, good morning... (crosstalk)

CHAIRPERSON FERRERAS: How are you? (crosstalk)

JOHN GRATHWOL: How are you? As you know over the course of the last six months we've, over several steps funded the labor reserve for all of the collective bargaining agreements that the administration expects to make with all the city's unions. And we hope you get it done over the course

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2 of the next year. We've made as you know a good, a
3 lot of progress on that in the last few months. So
4 after these transfers you want the amount in the
5 labor reserve... because we put money in the labor
6 reserve for all of the collective bargaining
7 agreements we expect to make. We've already had
8 major agreements as you know with UFT and DC37 and
9 a number of smaller unions. But that represents 60
10 percent of the workforce. And...

11 COUNCIL MEMBER CUMBO: And that up to
12 this point, the, the, the decisions that have been
13 made in terms of these negotiations have impacted
14 60 percent of the workforce?

15 JOHN GRATHWOL: Roughly, roughly.

16 COUNCIL MEMBER CUMBO: Okay.

17 JOHN GRATHWOL: And remaining in the
18 miscellaneous budget reserve for collective
19 bargaining as of the adopted budget in fiscal year
20 15 it's 1.8 billion.

21 COUNCIL MEMBER CUMBO: 1.8 billion?

22 JOHN GRATHWOL: Yes.

23 CHAIRPERSON FERRERAS: That's what we
24 started off with?

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2 JOHN GRATHWOL: Well that's where we
3 were as of the adopted budget. And of... (crosstalk)

4 COUNCIL MEMBER CUMBO: Okay.

5 JOHN GRATHWOL: ...course where we started
6 off with, before January 1st was not much in the
7 labor reserve and no plans for settlements with
8 labor unions. Now eight months into the new
9 administration we have put a lot of money in the
10 labor reserve because we anticipate agreements with
11 the entire city municipal workforce and we've
12 already made a lot of progress on that. So...
13 (crosstalk)

14 COUNCIL MEMBER CUMBO: How much do we,
15 how much do we have currently, right now, today in
16 that reserve?

17 JOHN GRATHWOL: 1.8 billion and 14 and
18 990 million, 999 million and 15.

19 COUNCIL MEMBER CUMBO: So we have money
20 remaining from fiscal year '14 and then we have
21 money that's been put aside into fiscal year '15?

22 JOHN GRATHWOL: Yeah and the money
23 that's in fiscal year '14 is pledged to payments
24 for retirees and work by employees up to fiscal
25 year '14.

CHAIRPERSON FERRERAS: Okay. Okay.

JOHN GRATHWOL: Not, it's basically all spoken for. It's not a large pot of money remaining for some other use. It's pledged to the collective bargaining settlements we expect to make in the coming months.

COUNCIL MEMBER CUMBO: Okay, thank you.

JOHN GRATHWOL: Thank you.

CHAIRPERSON FERRERAS: Thank you Council Member Cumbo. We've been joined by Council Members Johnson, Matteo, and Rosenthal. Do you have any additional questions members? Thank you very much. Finally we'll be voting on... Thank you. Finally we'll be voting on a resolution concerning the creation of the West Shore BID, business improvement district. The resolution sets forth the date and time of the hearing that this committee will hold to consider the legislation establishing the bid. The hearing will take place on September 10th, 2014 at 10:00 a.m. in this room. This bid will be located out in Staten Island in Council Member Matteo's District. This is an, an exciting and interesting BID because it is the city's first industrial BID. The BID will be compromised of 72

1 parcels of land, 52 of which are privately owned.
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3 There are 42 businesses in the BID. The majority of
4 which are industrial, transportation, and
5 commercial businesses. The BID will have a
6 relatively small budget of 110 thousand dollars in
7 its first year with the average assessment being
8 approximately 22 hundred per year and the maximum
9 assessment being 8,000 per year. The area
10 comprising the BID currently does not have sanitary
11 or storm sewers. Many streets are in disrepair and
12 prone to flooding and street sign just lacking.
13 Therefore the BID is really necessary to improve
14 the infrastructure and to help the businesses
15 within the BID stay competitive and grow. I
16 understand that Council Member Matteo is here and
17 would like to say a few words about this BID.
18 Council Member Matteo.

19 COUNCIL MEMBER MATTEO: Thank you Madam
20 Chair. I want to start by thanking you, the members
21 of the Finance Committee, the Finance Staff for the
22 work that's, lies ahead and partnership with the
23 Staten Island Economic Development Corporation
24 whose been a great partner with me on, on, on this
25 proposed I BID so far. I whole heartedly support

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2 the creation of the West Shore I BID. The area in
3 question is one that is full of potential but has
4 been overlooked for years. The I BID will be able
5 to provide current property owners and businesses
6 the resources they need to navigate the often
7 complex permitting process and address their needs
8 to city agencies and elected officials. In addition
9 I recently stood with the property owners of the
10 proposed I BID. They are already working to provide
11 support for their perspective members. There
12 already gearing up to pay for services like private
13 security to prevent illegal dumping, bringing
14 private cleaning services to maintain the area, and
15 provide a voice for the members with agencies. We
16 were already successful working with DSNY to bring
17 wastepaper baskets to the area for the first time.
18 As we all know every neighborhood, every commercial
19 corridor has unique needs and this slice of the
20 west shore is no different. I think that is why the
21 rate of support in the I BID zone is among the
22 highest of any BID in the city. I look forward to
23 working with everyone here on this issue and I am
24 available to any of my colleagues for any questions
25 and I appreciate it. Thank you Madam Chair.

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2 CHAIRPERSON FERRERAS: Thank you Council
3 Member Matteo. I know that Small Business Services
4 is here so if anybody has any questions in
5 reference to the creation of this BID... no? Okay.
6 Thank you. Thank you Council Member. I will now... I
7 just wanted to take this opportunity also I know
8 many members who kind of have this opportunity
9 during the summer to get back to our districts
10 especially from this committee which has a lot of
11 requirements to be here in city hall. But I just
12 want to remind everyone that the finance staff
13 that's here, they don't get a lull. They're trying
14 to make sure that everything after the budget
15 process is up and, and ready. So just wanted to
16 publically thank all of the finance team and staff
17 for all your work through this summer so that,
18 making sure in that when September comes we're all
19 on the right foot. So I appreciate all the work
20 that you've done. Now I will have Billy Martin, the
21 committee clerk, call the roll.

22 COMMITTEE CLERK MARTIN: William Martin
23 Committee Clerk. Roll call vote Committee on
24 Finance. Council Member Ferreras.

25 CHAIRPERSON FERRERAS: I vote aye.

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COMMITTEE CLERK MARTIN: Van Bramer.

COUNCIL MEMBER VAN BRAMER: I vote aye.

COMMITTEE CLERK MARTIN: Cumbo.

COUNCIL MEMBER CUMBO: I vote aye.

COMMITTEE CLERK MARTIN: Johnson.

COUNCIL MEMBER JOHNSON: Aye.

COMMITTEE CLERK MARTIN: Levine.

COUNCIL MEMBER LEVINE: I vote aye.

COMMITTEE CLERK MARTIN: Miller.

COUNCIL MEMBER MILLER: Aye.

COMMITTEE CLERK MARTIN: Rosenthal.

COUNCIL MEMBER ROSENTHAL: Aye.

COMMITTEE CLERK MARTIN: Ignizio.

COUNCIL MEMBER IGNIZIO: Yes.

CHAIRPERSON FERRERAS: Council Member Rodriguez? We'll leave the vote open for... Okay.

COMMITTEE CLERK MARTIN: By a vote of eight in the affirmative, zero in the negative... Council Member Gibson. By a vote of nine... Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Aye.

COUNCIL MEMBER MARTIN: By a vote of 10 in the affirmative, zero in the negative, and no

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COMMITTEE ON FINANCE

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abstentions all items have been adopted. Members
please sign the committee reports. Thank you.

CHAIRPERSON FERRERAS: Okay at this
point we will adjourn today's hearing. Thank you.

[gavel]

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 _____ August 22, 2014_____