



**THE COUNCIL
THE CITY OF NEW YORK
FINANCE DIVISION
250 BROADWAY, 15TH FLOOR
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(212) 788-6921

TO: Honorable Melissa Mark-Viverito
Speaker

Honorable Julissa Ferreras
Chair, Finance Committee

FROM: Latonia McKinney, Acting Director, Finance Division
Jeffrey Rodus, Deputy Chief of Staff, Speaker's Office
Tanisha Edwards, Chief Counsel, Finance Division
Rebecca Chasan, Assistant Counsel, Finance Division

DATE: August 21, 2014

SUBJECT: A budget modification (MN-1) for Fiscal Year 2015 to implement changes in the City's expense budget.

INITIATION: By letter dated August 18, 2014, the Director of the Office of Management and Budget submitted to the Council, pursuant to section 107(b) of the New York City Charter, a request for approval to modify units of appropriation and transfer funds between two agencies in the amount of \$43,822,583 to implement changes in the City's expense budget.

BACKGROUND: MN-1 reallocates appropriations that were reflected in the FY 2015 Adopted Budget to pay collective bargaining agreements in the Health and Hospitals Corporation.

FISCAL IMPACT: MN-1 represents the reallocation of appropriations. The net effect of this modification is zero.

Preconsidered Res. No.

**RESOLUTION APPROVING THE MODIFICATION
(MN-1) OF UNITS OF APPROPRIATION AND THE
TRANSFER OF CITY FUNDS BETWEEN
AGENCIES PROPOSED BY THE MAYOR
PURSUANT TO SECTION 107(b) OF THE NEW
YORK CITY CHARTER**

By Council Member Ferreras

Whereas, at a meeting of the Committee on Finance of the City Council of the City of New York (the “City Council”) on August 21, 2014, the Committee on Finance received a communication, dated August 18, 2014 from the Office of Management and Budget of the Mayor of The City of New York (the “Mayor”), of a proposed request, attached hereto as Exhibit A (the “Modification”), to modify units of appropriation and transfer city funds between two agencies in the amount of \$43,822,583 in the Fiscal Year 2015 expense budget as adopted by the Council on June 26, 2014, pursuant to Section 107(b) of the Charter of the City of New York (the “Charter”); and

Whereas, pursuant to Section 107(b) of the Charter, the City Council has thirty (30) days after the first stated meeting of the City Council following such receipt within which to act upon the Modification;

NOW, THEREFORE, The Council of The City of New York hereby resolves as follows:

- 1. Approval of Modification.** The City Council hereby approves, pursuant to Section 107(b) of the Charter, the actions proposed by the Mayor as set forth in the Modification.
- 2. Effective Date.** This resolution shall take effect as of the date hereof.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by The Council of The City of New York on _____ file in this office.

Clerk of the Council of the City of New York

THE COUNCIL

REPORT OF THE COMMITTEE ON FINANCE RESOLUTION APPROVING THE MODIFICATION (MN-1) OF UNITS OF APPROPRIATION AND THE TRANSFER OF CITY FUNDS BETWEEN AGENCIES PROPOSED BY THE MAYOR PURSUANT TO SECTION 107(b) OF THE NEW YORK CITY CHARTER

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

REPORT

Introduction. At a meeting of the Committee on Finance of the City Council of the City of New York (the “City Council”) on August 21, 2014, the Committee on Finance received a communication, dated August 18, 2014, from the Office of Management and Budget of the Mayor of The City of New York (the “Mayor”), of a proposed request, attached hereto (the “Modification”), to modify units of appropriation and transfer city funds between various agencies in the amount of \$43,822,583 in the Fiscal Year 2015 expense budget as adopted by the Council on June 26, 2014, pursuant to Section 107(b) of the New York City Charter (the “Charter”).

Analysis. The Council annually adopts the City’s budget covering expenditures other than for capital projects (the “expense budget”) pursuant to Section 254 of the Charter. On June 26, 2014, the Council adopted the expense budget for Fiscal Year 2015 (the “Fiscal 2015 Expense Budget”). This Modification reallocates appropriations that were reflected in the Fiscal 2015 Expense Budget to fund collective bargaining agreements in the Health and Hospitals Corporation.

Funding in the amount of \$43,822,583 will be allocated from the Reserve for Collective Bargaining to the Health and Hospitals Corporation.

The net effect of the Modification is zero. For more detail on the funding transfer between agencies, see Appendix A of the attached report.

Procedure. If the Mayor wishes to transfer part or all of any unit of appropriation to another unit of appropriation from one agency to another; or when a transfer from one unit of appropriation to the another, and such transfer results in any unit of appropriation being increased or decreased by the greater of five percent or \$50,000, section 107(b) of the Charter requires that the Mayor must first notify the Council of the proposed action. Within 30 days after the first stated meeting of the Council following receipt of such notice, the Council may disapprove such proposed action. If the Council fails to approve or disapprove such proposed action within such 30-day period, the proposed action becomes effective and the Mayor has the authority to make such transfer.

Description of Above-captioned Resolution. In the above-captioned resolution, the Council would approve the Modification pursuant to Section 107(b) of the Charter. Such resolution would take effect as of the date of adoption.