



**THE COUNCIL  
THE CITY OF NEW YORK  
FINANCE DIVISION  
250 BROADWAY, 15<sup>TH</sup> FLOOR  
NEW YORK, N.Y. 10007-2594  
(212) 788-6921**

**TO:** Honorable Adrienne E. Adams  
Speaker

Honorable Justin Brannan  
Chair, Finance Committee

**FROM:** Tanisha S. Edwards, Esq.,  
Chief Financial Officer and Deputy Chief of Staff to the Speaker  
Raymond Majewski, Deputy Director/Chief Economist, Finance Division  
Paul Sturm, Supervising Economist  
Nashia Roman, Economist  
Malcom M. Butehorn, Interim Finance Counsel

**DATE:** May 19, 2022

**SUBJECT:** A Budget Modification (MN-6) for Fiscal 2022 that will appropriate \$1.36 billion in new revenues.

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**INITIATION:** By letter dated May 13, 2022, the Director of the Office of Management and Budget submitted to the Council, pursuant to section 107(e) of the New York City Charter, a request to appropriate \$1.36 billion in new revenues. These new revenues with an additional adjustment of \$177 million to the General Reserve, will be used to prepay \$1.54 billion of fiscal year 2023 expenses in fiscal year 2022.

**BACKGROUND:** This modification (MN-6) seeks to recognize \$1.36 billion in new revenues, implementing changes reflected since the February 2022 Financial Plan. These funds will add \$1.04 billion to the Budget Stabilization Account to prepay debt service for Fiscal 2023 expenses, and add \$500 million for fringe benefits in Fiscal 2023. There is also a downward adjustment of the Fiscal 2022 General Reserve.

FISCAL IMPACT: This modification represents a net increase in the Fiscal 2022 budget of \$1.36 billion.

Preconsidered Res. No. 176

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

By Council Member Brannan

**Whereas**, At a meeting of the Committee on Finance of the City Council of the City of New York (the “City Council”) on May 19, 2022, the Committee on Finance considered a communication, dated May 13, 2022, from the Office of Management and Budget of the Mayor of the City of New York (the “Mayor”), of a proposed request to recognize a net increase in revenue pursuant to Section 107(e) of the Charter of the City of New York (the “Charter”), attached hereto as Exhibit A (the "Request to Appropriate"); and

**Whereas**, Section 107(e) of the Charter requires the City Council and the Mayor to follow the procedures and required approvals pursuant to Sections 254, 255, and 256 of the Charter, without regard to the dates specified therein, in the case of the proposed appropriation of any new revenues and the creation of new units of appropriation; and

**Whereas**, Section 107(e) of the Charter requires that any request by the Mayor respecting an amendment of the budget that involves an increase in the budget shall be accompanied by a statement of the source of current revenues or other identifiable and currently available funds required for the payment of such additional amounts, attached hereto as Exhibit B (together with the Request to Appropriate, the "Revenue Modification");

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

**1. Approval of Modification.** The City Council hereby approves the Revenue Modification pursuant to Section 107(e) of the Charter.

**2. Further Actions.** The City Council directs the City Clerk to forward a certified copy of this resolution to the Mayor and the Comptroller as soon as practicable so that the Mayor, the Comptroller and the City Clerk may certify the Fiscal 2022 Expense Budget as amended by this resolution as the budget for the remainder of the fiscal year.

**3. 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 May 19, 2022 on file in this office.

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**Clerk of the Council of The City  
of New York**

# **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 19, 2022, the Council considered a communication from the Office of Management and Budget of the Mayor, dated May 13, 2022, of a proposed request to modify, pursuant to Section 107(e) of the Charter of the City of New York, the Fiscal 2022 Expense Budget Plan, and the revenue estimate related thereto prepared by the Mayor as of May 13, 2022.

Analysis. The Council annually adopts the City's budget covering expenditures pursuant to Section 254 of the Charter. On June 30, 2021, the Council adopted the expense budget for fiscal year 2022 (the "Fiscal 2022 Expense Budget"). On December 15, 2021, the Council adopted MN-1, modifying the Fiscal 2022 Expense Budget, and MN-2, which appropriated new revenues. On March 15, 2022, the Council adopted MN-3, modifying the Fiscal 2022 Expense Budget, and MN-4, which appropriated new revenues. On May 13, 2022, the Mayor submitted to the Council MN-5, modifying the Fiscal 2022 Expense Budget. On May 13, 2022, the Mayor submitted to the Council a revenue estimate MN-6, related to the Fiscal 2022 Expense Budget.

Circumstances have changed since the Council last adopted the Fiscal 2022 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 2022 Expense Budget and related revenue estimate requested in the communication.

The Expense Modification (MN-5) and this Revenue Modification (MN-6) work in conjunction to move funds from Fiscal 2022 to Fiscal 2023. In Fiscal 2022, the General Reserve initially contains \$300 million, as described in the November 2021 Financial Plan. MN-3 added \$380 million to the General Reserve, increasing the Reserve to \$680 million. MN-4, in turn, drew down the General Reserve by \$430 million, reducing the General Reserve to \$250 million, as described in the April 2022 Financial Plan. MN-5 subtracts \$23 million from the General Reserve, decreasing the

Reserve to \$227 million. MN-6, also draws down the General Reserve by \$177 million, reducing the General Reserve to \$50 million, as described in the April 2022 Financial Plan.

Of the \$200 million drawdown from the General Reserve, \$177 million is used to supplement the \$1.36 billion in additional revenues, to prepay Fiscal 2023 expenses. These prepayments include \$1.04 billion to be added to the Budget Stabilization Account, and \$500 million to be used to finance fringe benefits expenses in Fiscal 2023.

MN-6 seeks to increase revenues in the net amount of \$1.36 billion compared to the February 2022 Financial Plan, including \$1.6 billion in tax revenue and \$3.1 million in miscellaneous revenue. These increases are offset by a reduction of \$251.6 million in unrestricted intergovernmental aid. This represents an increase in City funds of approximately 1.9 percent.

Tax revenues increased by \$1.6 billion since the February 2022 Financial Plan. The majority of the increase, \$534 million, came from personal income tax. Additional tax revenues included \$414 million in the sales tax. Business taxes also came stronger than expected with \$264 million in general corporation and \$60 million in unincorporated.

Miscellaneous revenues increased by \$3.1 million since the February 2022 Financial Plan. This included \$72.3 million in fines and forfeitures, \$17.9 million in other miscellaneous revenue and \$6.4 million water sewage charges. Offsetting these increases was \$97.9 million in reduced revenues from charges for services.

Unrestricted intergovernmental aid decreased by \$251.6 million since the February 2022 Financial Plan.

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 2022 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.



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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 13, 2022

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 2022 in the amount of \$1.36 billion.

This modification (MN-6) implements revenue budget changes reflected in the City's Executive Financial Plan. The \$1.36 billion of new revenues combined with an adjustment to the General Reserve will be used to prepay \$1.54 billion of fiscal year 2023 expenses in fiscal year 2022.

Your approval of modification MN-6 is respectfully requested.

Sincerely,

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

Jacques Jiha, Ph.D.  
Director

**FISCAL YEAR 2022 MODIFICATION  
MN-6**

099	Debt Service	
	004 Budget Stabilization Account	\$ 1,040,013,207
098	Miscellaneous Budget	
	003 Fringe Benefits	\$ 500,000,000
	TOTAL	<u>\$ 1,540,013,207</u>

**Exhibit B - MN 6  
Changes in Revenue Source**

Agency Name	Source	Description	Fiscal 2022
		<b>SUMMARY</b>	
		<b>TAX AND AUDIT REVENUE CHANGES</b>	
		Real Estate	\$19,000,000
		Sales	\$414,000,000
		Mortgage Recording	\$174,000,000
		Personal Income	\$534,000,000
		General Corporation	\$264,000,000
		Unincorporated Business	\$60,000,000
		Utility	\$9,000,000
		Hotel	\$30,000,000
		Commercial Rent	(\$34,000,000)
		Real Property Transfer	\$137,000,000
		All Other	\$54,340,000
		Tax Audit Revenue	(\$50,000,000)
		State Tax Relief Program - STAR	\$310,000
		<b>TAX AND AUDIT REVENUE TOTAL</b>	<b>\$1,611,650,000</b>
		<b>MISCELLANEOUS</b>	
		Licences, Franchises, Etc.	\$904,000
		Charges for Services	(\$97,882,500)
		Water Sewage Charges	\$6,402,000
		Fines and Forfeitures	\$72,270,000
		Rental Income	(\$87,000)
		Interest Income	\$3,580,000
		Other Miscellaneous	\$17,915,032
		<b>MISCELLANEOUS TOTAL</b>	<b>\$3,101,532</b>
		<b>UNRESTRICTED AID</b>	
		Coronavirus Aid, Relief And Economic Security Act	(\$251,600,000)
		<b>UNRESTRICTED AID TOTAL</b>	<b>(\$251,600,000)</b>
		<b>GRAND TOTAL</b>	<b>\$1,363,151,532</b>

**Exhibit B - MN 6**  
**Changes in Revenue Source**

<b>Agency Name</b>	<b>Source</b>	<b>Description</b>	<b>Fiscal 2022</b>
<b>TAX AND AUDIT REVENUE CHANGES</b>			
Mayoralty	00001	Real Property Tax 1st Quarter	(\$30,000,000)
Mayoralty	00002	Real Property Tax 2nd Quarter	\$10,000,000
Mayoralty	00003	Real Property Tax 3rd Quarter	(\$10,000,000)
Mayoralty	00004	Real Property Tax 4th Quarter	\$30,000,000
Mayoralty	00021	Real Estate Tax Refunds	(\$20,000,000)
Mayoralty	00026	State Aid School Tax Relief	\$310,000
Mayoralty	00033	Interest on Tax Receivable	\$30,000,000
Mayoralty	00034	Real Property Tax Lien Sales	\$29,000,000
Mayoralty	00049	Accrued Real Estate Tax Revenue	\$10,000,000
Mayoralty	00050	General Sales Tax	\$414,000,000
Mayoralty	00073	Commercial Motor Vehicle Tax	(\$15,000,000)
Mayoralty	00077	Mortgage Tax	\$174,000,000
Mayoralty	00090	Personal Income Tax	\$614,000,000
Mayoralty	00091	Refunds Of Personal Income Tax	(\$80,000,000)
Mayoralty	00093	General Corporation Tax	\$264,000,000
Mayoralty	00099	Unincorporated Business Income Tax	\$47,000,000
Mayoralty	00100	Refunds Of Unicorp Busn Tax	\$13,000,000
Mayoralty	00102	Personal Income Tax (Nonresident City Employees)	\$7,000,000
Mayoralty	00103	Utility Tax	\$9,000,000
Mayoralty	00110	Payment In Lieu Of Taxes	\$41,000,000
Mayoralty	00112	Tax On Occupancy Of Hotel Room	\$30,000,000
Mayoralty	00113	Tax On Commercial Rents - Occup	(\$34,000,000)
Mayoralty	00117	Medical Marijuana Excise Tax	\$350,000
Mayoralty	00121	Off Track Betting - Surtax	(\$360,000)
Mayoralty	00122	Conveyance Of Real Property Tax	\$137,000,000
Mayoralty	00125	Taxi Medation Transfer Tax	(\$150,000)
Mayoralty	00126	Surcharge On Liquor Licenses	(\$500,000)
Mayoralty	00130	Penalties and Interest on Real Estate Taxes	(\$8,000,000)
Mayoralty	00135	Tax Audit Revenue	(\$50,000,000)
<b>TAX AND AUDIT REVENUE CHANGES TOTAL</b>			<b>\$1,611,650,000</b>
<b>MISCELLANEOUS</b>			
<b>Licenses, Franchises, Etc.</b>			
Nyc Taxi And Limousine Commission	00200	Licenses - General	\$5,099,000
Department Of Buildings	00200	Licenses - General	\$1,560,000
Dept Of Consumer & Worker Protection	00200	Licenses - General	(\$4,311,000)
City Clerk	00201	Marriage Licenses	(\$1,389,000)
Landmarks Preservation Commission	00250	Permits - General	\$1,405,000
Department Of Buildings	00250	Permits - General	(\$2,000,000)
Department Of Buildings	00251	Construction Permits	(\$10,000,000)
Department Of Correction	00325	Privileges - Other	(\$460,000)
Department Of Parks And Recreation	00325	Privileges - Other	\$11,000,000
<b>Licenses, Franchises, Etc. Subtotal</b>			<b>\$904,000</b>

**Exhibit B - MN 6**  
**Changes in Revenue Source**

<b>Agency Name</b>	<b>Source</b>	<b>Description</b>	<b>Fiscal 2022</b>
<b>Charges for Service</b>			
City University of New York	00464	Higher Ed Ser/fees Comm Coll2	(\$100,000,000)
Department Of Investigation	00470	Other Services And Fees	\$485,000
Police Department	00470	Other Services And Fees	(\$2,000,000)
Fire Department	00470	Other Services And Fees	\$6,711,000
Nyc Taxi And Limousine Commission	00470	Other Services And Fees	(\$1,395,000)
Housing Preservation And Development	00470	Other Services And Fees	\$2,806,500
Department Of Environmental Protection	00470	Other Services And Fees	\$861,000
Department Of Finance	00470	Other Services And Fees	\$9,600,000
Department Of Citywide Administrative Services	00470	Other Services And Fees	(\$1,121,000)
Public Administrator-queens County	00470	Other Services And Fees	\$1,068,000
Department Of Transportation	00472	Parking Meter Revenues	(\$10,516,000)
Department Of City Planning	00476	Administrative Serv To Public	\$269,000
City Clerk	00476	Administrative Serv To Public	(\$1,028,000)
Department Of Finance	00476	Administrative Serv To Public	(\$5,500,000)
Department Of Citywide Administrative Services	00476	Administrative Serv To Public	\$1,877,000
<b>Charges for Service Subtotal</b>			<b>(\$97,882,500)</b>
<b>Water and Sewage Charges</b>			
Mayoralty	00521	Reimbursement From Water Board	\$6,402,000
<b>Water and Sewage Subtotal</b>			<b>\$6,402,000</b>
<b>Fines and Forfeitures</b>			
Law Department	00600	Fines-general	\$1,120,000
Department Of Finance	00600	Fines - General	\$3,350,000
Dept Of Consumer & Worker Protection	00600	Fines - General	\$1,100,000
Department Of Finance	00602	Fines - PVB	\$20,500,000
Department Of Finance	00603	Fines - ECB	\$46,200,000
<b>Fines and Forfeitures Subtotal</b>			<b>\$72,270,000</b>
<b>Rental Income</b>			
Mayoralty	00752	Rentals: Airport-port NY Auth	\$1,935,000
Department Of Parks And Recreation	00756	Rentals: Citi Field	\$1,055,000
Department Of Education	00760	Rentals: Other	(\$8,500,000)
Department Of Citywide Administrative Services	00760	Rentals: Other	\$5,423,000
<b>Rental Income Subtotal</b>			<b>(\$87,000)</b>

**Exhibit B - MN 6**  
**Changes in Revenue Source**

<b>Agency Name</b>	<b>Source</b>	<b>Description</b>	<b>Fiscal 2022</b>
<b>Interest Income</b>			
Office Of The Comptroller	56001	Interest Income - Other	\$3,500,000
Department Of Finance	56001	Interest Income - Other	\$30,000
Department Of Finance	56002	Interest Income - Sales Tax	\$160,000
Office Of The Comptroller	56003	Interest-debt Service Fund	(\$110,000)
<b>Interest Income Subtotal</b>			<b>\$3,580,000</b>
<b>Other Miscellaneous</b>			
Law Department	00820	Sales Of City Real Property	(\$275,000)
Department Of City Planning	00822	Minor Sales	\$618,000
Mayoralty	00846	Awards From Litigation	\$10,054,000
Law Department	00846	Awards From Litigation	(\$1,985,000)
Police Department	00849	Wireless /e911 Surcharges-voip	(\$1,400,000)
Mayoralty	00859	Sundries	\$9,479,000
Department Of Education	00859	Sundries	\$4,326,032
Police Department	00859	Sundries	(\$2,902,000)
<b>Other Miscellaneous Subtotal</b>			<b>\$17,915,032</b>
<b>MISCELLANEOUS TOTAL</b>			<b>\$3,101,532</b>
<b>UNRESTRICTED AID</b>			
Mayoralty	55037	Coronavirus Aid, Relief And Economic Security Act	(\$251,600,000)
<b>UNRESTRICTED AID TOTAL</b>			<b>(\$251,600,000)</b>
<b>GRAND TOTAL</b>			<b>\$1,363,151,532</b>