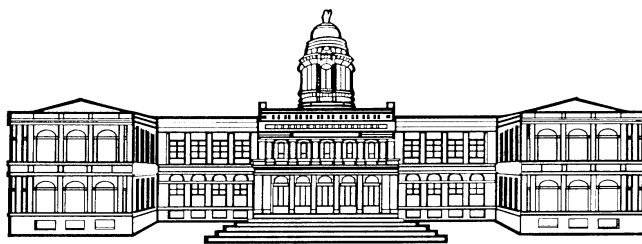


New York City Council



BUDGET REPORT

Finance Division

March 2009

***Analysis of the
Fiscal 2010 Preliminary Budget
and
Fiscal 2009 Preliminary Mayor's Management Report
for the
Community Boards***

Thursday, March 12, 2009

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin, Chair
Committee on Finance

Hon. Helen Sears, Chair
Committee on Governmental
Operations

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

Andy Grossman, Deputy Director

PREFACE

On March 12, 2009, at 1:15 pm., the Committee on Governmental, chaired by the Hon. Helen Sears, will hold a hearing on the Mayor's Fiscal 2010 Preliminary Budget and Fiscal 2009 Preliminary Mayor's Management Report for the Community Boards.

Section 236 of the New York City Charter requires the Mayor to submit by January 16th a preliminary budget for the upcoming fiscal year.^a In addition, under section 12 of the City Charter, the Mayor must make public and submit to the Council by January 30th the Preliminary Mayor's Management Report (PMMR) for the current fiscal year.^b Among other things, the PMMR must contain "proposed program performance goals and measures for the next fiscal year reflecting budgetary decisions made as of the date of submission of the preliminary budget."^c The Charter also requires the Council to hold hearings on the preliminary budget and to submit recommendations to the Mayor by March 25th.^d This year, the Council will hold joint hearings on the Fiscal 2010 Preliminary Budget and the Fiscal 2009 Preliminary Mayor's Management Report.

Beginning with the Fiscal Year 2008 Adopted Budget, the Council and the Mayor's Office of Management and Budget agreed to an additional budget presentation, referred to by OMB as the budget function analysis, and by the Council as the program budget. Two agencies were initially presented in the program budget form. Beginning with the January 2008 Financial Plan (Fiscal 2009 Preliminary Budget), a total of 16 agencies are now in program budget form. The Community Boards is not a program budget agency.

This report was prepared by Andy Grossman, Deputy Director.

^a The Charter prescribes specific actions that are required as part of the annual budget submission process during a fiscal year. The Charter allows for changes, via local law, in the dates in the submission of the PMMR, as well as an extension for subsequent steps in the budget process. This year, Local Law 03 of 2009 changed the date for the submission of the Preliminary Budget to January 30th, and the date for the Council's Response to the Preliminary Budget to April 8th.

^b Local Law 03 of 2009 changed the date of submission of the PMMR to February 13, 2009.

^c New York City Charter, §12(b)(2).

^d *See id.* at §247.

Community Boards (499)

There are 59 community boards in New York City: 12 are located in Manhattan, 12 in the Bronx, 14 in Queens, 18 in Brooklyn, and three on Staten Island. Each community board is responsible for cooperating with, advising, and assisting any public agency or office concerning matters that relate to the welfare of the district and its residents. Each board submits recommendations to the Mayor, Borough President, City Council, and other City officials, which are in the best interest of the district. Every board conducts public hearings and submits recommendations on the capital and expense budgets. Community boards play an advisory role in zoning and other land use issues, in community planning and in the coordination of municipal services. Each board is required to hire a full-time district manager and other staff to run a district office, which is responsible for resolving residents' service delivery problems.

PROGRAM TO ELIMINATE THE GAP

Since the Fiscal 2009 Budget was adopted in June, the Office of Management and Budget has twice asked agency heads to submit Program to Eliminate the Gap (PEG) proposals. In the first round, in September, OMB sought PEG submissions equal to five percent of agency City tax-levy budgets for Fiscal 2010, with a further seven percent sought in December.

PEGs reduce the City's budget gap either by reducing an agency's City tax-levy Expense Budget spending, or by increasing City revenues. The chart below indicates the proposed PEG amounts for the Community Boards based on the Fiscal 2010 forecast at the time the Fiscal 2009 Budget was adopted (June 2008).

November and January Plan PEGs for Fiscal 2010 <i>(in 000s)</i>	
Fiscal 2010 Forecast at Fiscal 2009 Adoption (June 2008)	\$13,844
Expense PEGs	(\$1,305)
Revenue PEGs	(\$0)
Total Fiscal 2010 PEGs	(\$1,305)
PEGs as a Percent of the Fiscal 2010 Forecast	9.43%

PRELIMINARY BUDGET HIGHLIGHTS

As discussed in the funding analysis section below, the Fiscal 2010 budgets for the City's 59 community boards have been reduced due to both November and January Plan PEGs. The Fiscal 2009 value of November Plan PEG (\$295,000) was restored in the January Plan as a result of negotiations between the City Council and the Administration.

AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	\$14,544,448	\$14,544,448	\$13,070,069
Other Categorical	\$0	\$203,571	\$0
Capital IFA	\$0	\$0	\$0
State	\$0	\$52,220	\$0
Community Development	\$0	\$0	\$0
Federal-Other	\$0	\$0	\$0
Intra-City	\$0	\$0	\$0
Total	\$14,544,448	\$14,800,239	\$13,070,069

HEADCOUNT OVERVIEW

Headcount (Uniform and Civilian)	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	173	173	174
Non-City	0	0	0
Total	173	173	174

UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/A's represent the amount appropriated for Personal Services (i.e., salaries, overtime, etc.) or Other Than Personal Services (i.e., supplies, contracts, etc.) for a particular program, purpose, activity or institution. The table below presents the budget for the Community Boards, comparing the Fiscal 2009 Adopted Budget to the Fiscal 2010 Preliminary Budget. The Fiscal 2009 Modified Budget reflects this year's budget at the time this financial plan was released.

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
001	Personal Services	\$10,390,418	\$10,253,963	\$8,929,438	-14.06%
002	Other Than Personal Services	\$1,515,575	\$1,903,821	\$1,500,406	-1.00%
	Total	\$11,905,993	\$12,157,784	\$10,429,844	-12.40%

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
003	Rent and Energy	\$2,638,455	\$2,642,455	\$2,640,225	0.07%
	Total	\$2,638,455	\$2,642,455	\$2,640,225	0.07%

FUNDING ANALYSIS

- **PEG Reductions.** The November Plan proposed the reduction of each Community Board Budget by \$9,491, for a total reduction for all 59 community boards of \$560,000. The January Plan now proposes an additional \$12,627 reduction per community board, totaling \$745,000 for all of the boards. Taken together, these PEGs would reduce individual board budgets by approximately \$22,000 each, for a collective total reduction of \$1.3 million.
- **Lease Adjustments.** All of the Community Boards that do not operate in City-owned space must provide funds for rent from their budgets. Community Boards that require an increase in funding for leasing purposes in Fiscal 2009 are:

Manhattan Community Board #5:	\$4,000
Manhattan Community Board #10:	\$5,500
Bronx Community Board #8:	\$1,000
Queens Community Board #4:	\$4,000
Queens Community Board #8:	\$6,500
Brooklyn Community Board #8:	\$4,000
Brooklyn Community Board #18:	\$5,000

- **Collective Bargaining Adjustment.** The January Plan provides each community board with \$9,000 to properly fund the recent DC37 collective bargaining contract. The collective sum for this adjustment across all boards, which is being transferred from the Labor Reserve in the Miscellaneous Budget, is \$531,000.