



**THE COUNCIL
THE CITY OF NEW YORK
FINANCE DIVISION
250 BROADWAY, 15TH FLOOR
NEW YORK, N.Y. 10007-2594**

(212) 788-6921

TO: Honorable Christine Quinn
Speaker

Honorable David Weprin
Chairman, Finance Committee

FROM: Preston Niblack, Director
Finance Division

Raymond Majewski
Deputy Director/Chief Economist
Finance Division

DATE: April 22, 2009

SUBJECT: A Preconsidered Budget Modification (MN-4) for Fiscal 2009 that will recognize a net decrease in revenues of \$136.8 million.

INITIATION: By letter dated April 22, 2009, 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 decrease revenues by \$136.8 million.

BACKGROUND: This modification (MN-4) seeks to decrease revenues in the net amount of \$136.8 million for Fiscal 2009. This modification includes a decrease of \$727.4 million in tax revenues reflecting the forecast in the January 2009 Financial Plan. Unrestricted aid is decreased by \$85.3 million. These are offset by \$500 million savings in prior payables and an increase of \$175.9 million in miscellaneous revenues.

This revenue modification reduces the General Reserve in the Miscellaneous budget by \$136.8 million.

FISCAL IMPACT: This modification represents a net decrease in the Fiscal 2009 budget of \$136.8 million.

**PRECONSIDERED
RESOLUTION NO.____**

By Council Member Weprin

**RESOLUTION APPROVING A MODIFICATION PURSUANT TO SECTION 107(E) OF
THE CHARTER OF THE CITY OF NEW YORK**

Whereas, on April 22, 2009 the Committee on Finance of the City Council received a communication, dated April 22, 2009 from the Mayor's Office of Management and Budget, of a proposed request to recognize a net decrease in revenue pursuant to Section 107(e) of the Charter of the City of New York, 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 2009 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 _____ 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 A MODIFICATION 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

REPORT

Introduction. At the meeting of the Committee on Finance of the City Council on April 22, 2009, the Council received a communication, from the Office of Management and Budget of the Mayor, dated April 22, 2009, of a proposed request to modify, pursuant to Section 107(e) of the Charter of the City of New York, the Fiscal 2009 Expense Budget, and the revenue estimate related thereto prepared by the Mayor as of December 18th, 2008.

Analysis. The Council annually adopts the City's budget covering expenditures pursuant to Section 254 of the Charter. On June 29, 2008, the Council adopted the expense budget for fiscal year 2009 (the "Fiscal 2009 Expense Budget"). On June 29, 2008, the Mayor submitted to the Council a revenue estimate related to the Fiscal 2009 Expense Budget. On December 18, 2008, the Council adopted MN-1 and MN-2 modifying the Fiscal 2009 Expense and Revenue Budgets. Circumstances have changed since the Council last amended Fiscal 2009 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 2009 Expense Budget and related revenue estimate requested in the Communication.

This modification (MN-4) seeks to decrease revenues in the net amount of \$136.8 million for Fiscal 2009. This modification includes a decrease of \$727.4 million tax revenues due to a weakening economy, a reduction of \$85.3 million in unrestricted aid from New York State, an increase of \$175.9 million in revenues from miscellaneous sources and a savings of \$500 million from prior payables.

This revenue modification reduces the General Reserve in the City's Miscellaneous Budget by \$136.8 million.

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 2009 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.

Exhibit A



The City of New York
Office of Management and Budget
75 Park Place • New York, New York 10007-2146
Telephone: (212) 788-5900 • Fax: (212) 788-6300

Mark Page
Director

April 21, 2009

TO THE CITY COUNCIL

Dear Council Members:

In accordance with Section 107(e) of the New York City Charter, I seek your approval to reduce the City's General Reserve to reflect a reduction in City revenues in fiscal year 2009 in the amount of \$136.8 million.

This modification (MN-4) implements revenue changes that were reflected in the January 30, 2009 Financial Plan. The \$136.8 million reduction results from forecasted decreases in tax collections of \$727.4 million and an \$85.3 million reduction in unrestricted aid, offset by \$500 million savings in prior payables and an increase of \$175.9 million in miscellaneous revenues.

Your approval of modification MN-4 is respectfully requested.

Very truly yours,


Mark Page

Fiscal Year 2009 Modification
MN-4

098	Miscellaneous Budget	
	002	General Reserve
		<u>-\$136,825,866</u>
		-\$136,825,866

Exhibit B. Change in Revenues by Revenue Source

Tax and Audit Revenue Changes

Agency	Source Description	Fiscal 2009
Mayoral	2 Real Property Tax 2nd Quarter	2,000
Mayoral	3 Real Property Tax 3rd Quarter	259,364,303
Mayoral	4 Real Property Tax 4th Quarter	60,633,697
Mayoral	22 Property Tax Rebate	256,000,000
Mayoral	26 School Aid School Tax Relief (STAR)	7,437,000
Mayoral	50 Sales Tax	(194,000,000)
Mayoral	73 Commercial Motor Vehicle Tax	1,600,000
Mayoral	77 Mortgage Recording Tax	(116,000,000)
Mayoral	90 Personal Income Tax	(127,000,000)
Mayoral	91 Refunds of Personal Income Tax	(115,000,000)
Mayoral	93 General Corporation Tax	(56,000,000)
Mayoral	94 Refunds of General Corporation Tax	(30,000,000)
Mayoral	95 Refunds of Banking Corporation Tax	(25,000,000)
Mayoral	96 Refunds of Banking Corporation Tax	(45,000,000)
Mayoral	99 Unincorporated Business Tax	101,000,000
Mayoral	100 Refunds of Unincorporated Business Tax	(30,000,000)
Mayoral	102 Personal Income Tax of Non Resident City Employees	14,000,000
Mayoral	103 Utility Tax	9,000,000
Mayoral	121 Off Track Betting -Surtax	(450,000)
Mayoral	122 Real Property Transfer Tax	(202,000,000)
Mayoral	135 Tax Audit Revenue	3,000,000
Mayoral	99990 Tax Program	(575,978,107)
Mayoral	99995 Tax Increase Program	77,000,000
Tax Revenue Total		(727,391,107)

Unrestricted Aid

Mayoral	54000 New York State Per Capita Allocation	(85,300,000)
Unrestricted Aid Total		(85,300,000)

Prior Payables & Other Mayoral Sundries

Mayoral	859 Sundries	552,390,187
Prior Payables & Other Mayoral Sundries Total		552,390,187

Miscellaneous Revenues

Licenses, Franchises, Etc.

Mayoral	200 Licenses - General	983,000
DCAS	200 Licenses - General	100,000
SBS	250 Permits General	50,000
DOB	250 Permits - General	7,300,000
DEP	250 Permits - General	304,000
DOT	250 Permit - General	3,777,000
DOT	320 Franchises - Other	220,000
DOITT	320 Franchises - Other	7,646,000
Consumer Aff	320 Franchises - Other	2,498,424
Dept Sanit	325 Privileges - Other	1,950,000
DOT	325 Privileges - Other	320,033

Charges For Services

DOF	410 Highways & Street Service/Fees	(2,100,000)
DOT	410 Highways & Street Service/Fees	686,000
Mayoral	470 Other Services and Fees	145,000
City Plan	470 Other Services and Fees	(61,000)
Police Dept	470 Other Services and Fees	1,640,000
Fire Dept	470 Other Services and Fees	5,509,000
Txi/Limo Com	470 Other Services and Fees	200,000
Conf. Of Int	470 Other Services and Fees	56,000

HPD	470 Other Services and Fees	12,105,875
DOB	470 Other Services and Fees	(350,000)
DEP	470 Other Services and Fees	275,000
DOF	470 Other Services and Fees	(6,713,000)
DCAS	470 Other Services and Fees	92,000
PA NY	470 Other Services and Fees	1,000,000
PA Bronx	470 Other Services and Fees	13,000
PA Kings	470 Other Services and Fees	15,000
PA Queens	470 Other Services and Fees	700,000
PA Richmond	470 Other Services and Fees	9,000
DOT	472 Parking Meter Revenues	7,043,000
City Plan	476 Administrative Services to Public	488,000
Off Pay Adm	476 Administrative Services to Public	88,920
SBS	476 Administrative Services to Public	49,000
DOB	476 Administrative Services to Public	(150,000)
DCAS	476 Administrative Services to Public	3,897,000
Water and Sewage Charges		
Mayoral	521 Reimbursement from Water Board	6,069,132
Mayoral	522 Payment from Water Board	(919,000)
Fines and Forfeitures		
Txi/Limo Com	600 Fines - General	(1,500,000)
DOB	600 Fines - General	4,000,000
Hlth & Mntl	600 Fines - General	3,189,000
Bus Intr Com	600 Fines - General	160,000
DOF	600 Fines - General	5,000,000
DOF	602 Fines - Pvd	8,350,000
DOF	603 Fines - ECB	5,000,000
DCAS	603 Fines - ECB	3,348,000
DOF	650 Forfeitures - General	(300,000)
DA NY	650 Forfeitures - General	1,151,000
DA Bronx	650 Forfeitures - General	193,000
DA Kings	650 Forfeitures - General	290,000
Rental Income		
Parks	755 Rentals - Yankee Stadium	2,500,000
HPD	760 Rentals - Other	(335,000)
DEP	760 Rentals - Other	700,000
DCAS	760 Rentals - Other	5,811,000
Other Miscellaneous		
DCAS	817 Mortgage Payments	2,230,000
Law Dept.	820 Sale of City Real Property	7,843
Dept Sanit	822 Minor Sales	1,694,910
DOT	822 Minor Sales	85,000
DCAS	822 Minor Sales	5,500,000
Law Dept.	846 Awards from Litigation	13,395,348
Police Dept	847 E-911 Surcharges	(2,500,000)
Police Dept	848 Wireless/Cell Phone Surcharges	2,500,000
Dp for Aging	859 Sundries	200,000
Off Pay Adm	859 Sundries	18,963
Doyacd	859 Sundries	350,000
SBS	859 Sundries	1,825,606
HPD	859 Sundries	1,119,000
Hlth & Mntl	859 Sundries	630,000
DEP	859 Sundries	125,000
DOF	859 Sundries	250,000
Parks	859 Sundries	3,550,000
Miscellaneous Revenues w/o Mayoral Sundries - Total		123,475,054
Grand Total MN #4		(136,825,866)