

THE COUNCIL OF THE CITY OF NEW YORK



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Speaker of the Council

Hon. Julissa Ferreras  
Chair, Committee on Finance

Report on the Fiscal 2016 Preliminary Budget and the  
Fiscal 2015 Preliminary Mayor's Management Report

Department of Finance

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## Department of Finance Overview

The Department of Finance (DOF) collects over \$30 billion in revenue for the City and assesses more than one million properties collectively valued at over \$800 billion. DOF also records property-related documents, administers exemption and abatement programs, adjudicates and collects on parking tickets, maintains the City's treasury, and enforces compliance with City tax laws. In addition, the Finance Commissioner chairs the City's Banking Commission and, through the Office of the Sheriff, acts as the City's chief civil law enforcement officer.

This report provides a review of the Department of Finance's Preliminary Budget for Fiscal 2016. In the first section, the highlights of the \$262.3 million Fiscal 2016 Expense Budget are presented including the impact of State budget actions. Highlights regarding the Agency's revenue and contract budget are also included, as well as reviews of the relevant sections of the Preliminary Mayor's Management Report for Fiscal 2015. The report then presents the Department's budget by program area and provides analysis of significant changes, and budget actions included in Preliminary Financial Plan.

### Fiscal 2016 Preliminary Budget Highlights

<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Preliminary Plan		*Difference
	2013	2014	2015	2015	2016	2016 - 2015
Personal Services	\$131,132	\$133,368	\$145,884	\$149,764	\$155,564	\$10,681
Other Than Personal Services	91,158	106,921	103,478	115,794	105,768	\$2,290
<b>Agency Total</b>	<b>\$222,290</b>	<b>\$240,289</b>	<b>\$249,362</b>	<b>\$265,558</b>	<b>\$262,332</b>	<b>\$12,970</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The City's Fiscal 2016 Preliminary Budget is \$77.7 billion, \$2.7 billion more than the Fiscal 2015 Adopted Budget of \$75 billion. City funds (City tax and non-tax revenues, excluding Capital Budget transfers) total \$57 billion, up \$2.1 billion from \$54.8 billion in the Adopted Budget. The Department of Finance's Preliminary Budget is \$262.3 million for Fiscal 2016 (including City and Non-City funds). This represents less than one percent of the City's total budget.

The Department's Fiscal 2016 Preliminary Budget is about \$12.9 million more than the Fiscal 2015 Adopted Budget of \$249.4 million. The increase is primarily due to prior year adjustments; new staffing needs associated with the modernization of the business tax system; funding needed for new support staff, including office machine aides, auditors and property assessors; and funding for collective bargaining agreements. Funding for DOF's budget includes \$257.5 million in City tax-levy funds, an increase of \$13 million or 5.3 percent from the Fiscal 2015 Adopted Budget of \$244.5 million, and \$4.9 million in State and Intra- City funds.

Key actions in DOF's Preliminary Budget include:

- **Staffing for the Business Tax System.** A total of \$520,000 prorated in Fiscal 2015 and \$2.1 million in Fiscal 2016 is added to the Department of Finance's budget for the hiring of 18 full-time employees and consultants for three years. These new hires will support the continuation of modernizing outdated Property Tax System and Business Tax System applications. The annualized cost for these employees is \$2.1 million per year.
- **Funding for 55A Staff.** A total of \$377,000 is added to the agency's Fiscal 2015 budget for the hiring of 19 office machine aides to the adjudication and payment operations unit as a

result of a 2010 lawsuit agreement. In Fiscal 2016, \$665,000 is added for these hires, which represents the full annual cost for these hires. Funding for 55A Staff is baselined in future years at a total cost of \$184,538 through Fiscal 2019.

- **One City, Built to Last.** A total of \$74,000 is added to the Fiscal 2015 budget and \$98,000 in Fiscal 2016 for notification and outreach to building owners required to comply with the benchmarking provision under the One City, Built to Last initiative. The benchmarking expansion under the One City, Built to Last initiative will now require property owners of buildings with at least 25,000 sq. ft. to supply the City with energy efficiencies usage within their buildings. This funding supports the hiring of two full-time employees to ensure that these properties are meeting the benchmark requirements once the new law is enacted.
- **Financial Data Matching Unit.** A total of \$90,000 is added to the Fiscal 2015 budget and \$180,000 in Fiscal 2016 for the hiring of three employees to the Collections Division. These new hires will support the identification of delinquent debt and help improve efficiency in collecting debt.
- **Tax Auditors.** Additions of \$990,000 in Fiscal 2015 and \$2 million in Fiscal 2016 will be for the hiring of 27 auditors and four support staff. These new hires will support the Audit Division in identifying non-filing and delinquent businesses, and assessing additional taxes and/or seeking civil penalties.
- **Tax Policy and Planning.** Additions of \$400,000 in Fiscal 2015 and \$800,000 in Fiscal 2016 will be for the hiring of property assessors. Funding for property assessors is baselined in future years at a total cost of \$800,000 through Fiscal 2019.
- **Paylock Reimbursement for Marshal and Sheriff Booting.** A funding increase of \$3 million in Fiscal 2015 is for vendor costs related to the Vehicle Booting Program. DOF works with a vendor, PayLock, to administer the program and has a City registered contract ending in April 2017. DOF's budget reflects a \$4.5 million annual payment to Paylock for Fiscal Years 2016, 2017 and 2018.
- **Collective Bargaining.** A funding increase of \$5.7 million in Fiscal 2016 is a result of collective bargaining labor agreements.
- **Personal Service (PS) Adjustments.** A funding adjustment of \$1.7 million in Fiscal 2015 supports increased personal service costs in anticipation of union contract settlements.
- **Outside Collection Agencies.** A funding adjustment of \$2 million is reflected in Fiscal 2015 for anticipated payments to outside collection agencies due to the increase in debt collection rates for the current fiscal year.
- **Miscellaneous Revenue from Real Property Income and Expense (RPIE) Late Penalty.** DOF has estimated that the City will realize an additional \$6 million above the already budgeted \$4 million in Fiscal 2015 from the collection of late filings of Real Property Income and Expense Statements. RPIE filings are required for all income-producing property that has an actual assessed value of more than \$40,000. Owners required to file and who do not submit the income expense statement by the annual deadline are subject to a first time penalty of up to three percent of the actual assessed value, with higher penalties for continued non-compliance.

## Financial Summary

<b>DOF Financial Summary</b>						
<i>Dollars in Thousands</i>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Adopted 2015</b>	<b>Preliminary Plan</b>		<b>*Difference 2015 - 2016</b>
				<b>2015</b>	<b>2016</b>	
<b>Spending</b>						
Personal Services	\$131,132	\$133,368	\$145,884	\$149,764	\$156,564	\$10,681
Other Than Personal Services	91,158	106,921	103,478	115,794	105,768	2,290
<b>TOTAL</b>	<b>\$222,290</b>	<b>\$240,289</b>	<b>\$249,362</b>	<b>\$265,558</b>	<b>\$262,332</b>	<b>\$12,970</b>
<b>Budget by Program Area</b>						
Administration	\$47,114	\$49,236	\$50,193	\$53,248	\$50,724	\$531
Audit	14,889	15,896	16,769	18,429	19,316	2,547
Civil Enforcement	24,538	37,880	34,078	42,056	39,415	5,337
Collections	15,361	17,541	16,932	18,404	17,325	393
Communications & Governmental Services	2,333	2,218	3,029	3,016	2,564	(465)
Financial Plan Savings	0	0	0	74	98	98
FIT (Finance Information Technology)	36,210	37,622	40,075	40,473	42,257	2,182
Legal & Adjudications	14,737	14,629	15,672	16,184	16,325	654
NYCSERV Contract Funding	4,929	2,910	3,356	3,501	3,356	0
Payment Ops & Application Processing	22,527	22,307	22,408	22,998	22,907	500
Property Records	4,844	4,875	5,215	5,514	5,520	305
Treasury	19,898	20,756	24,736	24,777	24,511	(225)
Valuing Property	14,910	14,418	16,900	16,884	18,015	1,115
<b>TOTAL</b>	<b>\$222,290</b>	<b>\$240,289</b>	<b>\$249,362</b>	<b>\$265,558</b>	<b>\$262,332</b>	<b>\$12,970</b>
<b>Funding</b>						
City Funds	\$217,216	\$235,703	\$244,493	\$260,537	\$257,462	\$12,969
Other Categorical	0	0	0	0	0	0
Capital- IFA	0	0	0	0	0	0
State	438	75	438	438	438	0
Federal - Community Development	0	0	0	0	0	0
Federal - Other	195	0	0	0	0	0
Intra City	4,442	4,511	4,431	4,584	4,432	1
<b>TOTAL</b>	<b>\$222,290</b>	<b>\$240,289</b>	<b>\$249,362</b>	<b>\$265,558</b>	<b>\$262,332</b>	<b>\$12,970</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	1,746	1,799	1,938	2,037	2,032	94
<b>TOTAL</b>	<b>1,746</b>	<b>1,799</b>	<b>1,938</b>	<b>2,037</b>	<b>2,032</b>	<b>94</b>

\*The difference of Fiscal 2015 Adopted compared to Fiscal 2016 Preliminary Budget.

In general, agency program areas can provide insight into which programs are priorities and how the budget impacts program outcomes. DOF's functions can be broken down into 13 program areas as illustrated in the chart above. These program areas are funded with a combination of City tax-levy moneys and other resources. Of the Department's program areas, funding for citywide administration makes up nearly 20 percent of total agency funding in Fiscal 2016.

### Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant, or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The

Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

The City's Contract Budget totals \$12.4 billion in Fiscal 2016, an increase of \$437.8 million or 3.7 percent when compared to the Fiscal 2015 Adopted Budget of \$12 billion. DOF's Fiscal 2016 Preliminary Budget includes 64 registered City contracts, at a total cost of \$60.8 million, including three contracts related to financing costs for the City valued at \$28.5 million.

<b>DOF Fiscal 2016 Preliminary Contract Budget</b>				
<b>Category</b>	<b>Fiscal 2015 Adopted</b>	<b>Number of Contracts</b>	<b>Fiscal 2016 Preliminary</b>	<b>Number of Contracts</b>
Contractual Services - General	\$16,105,244	17	\$19,855,244	17
Financing Costs	28,514,080	3	28,515,140	3
Maintenance and Repairs - General	3,451,626	18	3,463,186	18
Printing Services	1,821,025	10	1,821,025	10
Prof. Services - Accounting Services	189,400	3	49,400	3
Prof. Services - Computer Services	5,157,000	3	5,290,100	3
Prof. Services - Engineering and Architectural Services	12,500	1	12,500	1
Security Services	1,203,318	3	1,203,318	3
Telecommunications Maintenance	352,800	1	352,800	1
Training Program for City Employees	187,800	5	187,800	5
<b>TOTAL</b>	<b>\$56,994,793</b>	<b>64</b>	<b>\$60,750,513</b>	<b>64</b>



## Revenue

Miscellaneous revenue is composed of the interest income that the City earns by investing funds from the cash balance, sales tax and debt service accounts. DOF collects revenue from fines for building violations, sales tax, and vehicle-related violation and other laws. In Fiscal 2016 parking violation fines are projected to total \$518.8 million, or 76 percent of the Department's total miscellaneous revenue generated, which totals \$683.9 million.

### Department of Finance Miscellaneous Revenue Budget Overview

Revenue Source	2013 Actual	2014 Actual	2015 Adopted	Preliminary Plan		*Difference 2015-2016
				2015	2016	
<b>Licenses, Permits &amp; Franchises</b>						
Cigarette License Fees	\$51	\$46	\$50	\$50	\$50	\$0
<b>Interest Income</b>						
Sales Tax	426	370	530	210	3,060	2,530
Court & Fine Trust	169	187	150	200	510	360
<i>Subtotal, Interest Income</i>	595	557	680	410	3,570	2,890
<b>Charges for Services</b>						
Sheriff Desk Fees & Poundage	5,839	7,485	4,587	4,587	4,669	82
Court & Trust Fees	2,943	2,111	3,500	2,850	2,650	(850)
On-Line Title Access Fees	141	145	250	250	150	(100)
Credit Card Convenience Fee	7,115	9,398	8,000	8,000	8,000	0
Reconveyance In-Rem Property	7	3	8	8	0	(8)
City Register Fees	33,730	30,618	34,598	30,598	34,598	0
ICIP Application Fee	51	37	50	50	0	(50)
Marshal Booting	520	11,719	7,500	12,000	12,000	4,500
State Admin Reimbursement	66	72	88	88	88	0
City Collector Misc Fees	774	765	925	925	925	0
Lower Manhattan Project	111	111	100	100	100	0
<i>Subtotal, Charges for Services</i>	51,299	62,464	59,606	59,456	63,180	3,574
<b>Fines &amp; Forfeitures</b>						
RPIE Late Penalty	11,345	20,240	4,000	10,000	4,000	0
RPTT Late Penalty	1,475	3,237	400	400	400	0
Motor Vehicle Fines	18,880	14,122	12,567	12,567	12,567	0
Bus Lane Camera Fines	5,834	11,622	7,292	7,292	6,256	(1,036)
Speed Camera Fines	175	2,114	7,556	19,556	7,481	(75)
Redlight Camera Fines	35,743	27,550	35,000	23,000	35,000	0
Parking Violation Fines	466,588	645,338	518,700	518,700	518,800	100
Collection Unit-ECB Fines	46,696	41,452	23,000	25,000	23,000	0
Cash Bail Forfeiture	1,418	1,369	2,500	1,500	1,500	(1,000)
<i>Subtotal, Fines &amp; Forfeitures</i>	588,153	767,043	611,015	618,015	609,004	(2,011)
<b>Other Misc.</b>						
Treasury Misc Fees	773	652	425	425	425	0
Rent Stabilization Fees	9,098	9,317	7,700	7,700	7,700	0
<i>Subtotal, Miscellaneous</i>	9,871	9,969	8,125	8,125	8,125	0
<b>TOTAL</b>	<b>\$649,969</b>	<b>\$840,078</b>	<b>\$679,476</b>	<b>\$686,056</b>	<b>\$683,929</b>	<b>\$8,906</b>

\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.

## **State Issues**

### **Business Tax Conformity**

The New York City corporate tax reform bill would restructure the City's business taxes so that they are in conformity with the recent changes to the State's business taxes. The changes would not apply to S corporations. The provisions of this bill would apply to tax year 2015 and all subsequent years, in synchronization with the tax changes in New York State. The bill is currently in the Governor's Executive Budget SFY 2015-16, Article VII, chapter QQ. The major provisions include merging the Bank Corporation Tax into the General Corporation Tax. The bill would apportion New York City's taxable share of a company's profits based on its receipts alone, known as the single-sales factor. The sales determining the City's tax base apportionment would be defined by where the customer resides, known as customer-sourcing. The current apportionment rules also factor a firm's employment and capital in the City. The reforms also include unitary combined reporting, reducing the need for multiple tax forms. All these changes will be made revenue-neutral by raising the cap on the capital base alternative for calculating the tax from the current \$1 million to \$10 million. The bill additionally reduces the corporate tax rate for small businesses and manufacturers.

The City's adoption of the same tax structure as the State will make tax filing considerably less complicated and expensive for businesses. It will also be simpler and more transparent for the City in processing business taxes. The City and State would review the same tax forms for each taxpayer, and would be able to perform joint audits.

## **Other Issues**

### **Creation of an Independent Taxpayer's Advocate Office**

The tax ombudsman role was established at the Federal tax level in 1979. The Internal Revenue Service ("IRS") Office of the Taxpayer Advocate, plays an important role in assisting and resolving specific taxpayer disputes with the IRS and in working with the IRS to improve processes on a cost-effective basis. In 2009, New York State Department of Taxation followed suit and created the Office of the Taxpayer Rights Advocate with goals and objectives in line with those of the IRS. Overall, the taxpayer advocate role has been viewed as a success at the federal and state levels by both the taxpayer community and their respective federal and state managing departments. Similarly, New York City recently created the Taxpayer Advocate Office and is in the process of defining the role of the tax ombudsman position, which will seek to provide relief to low-income taxpayers, and ensure that similarly situated property owners are treated fairly.

## **Performance Indicators**

### **Parking Ticket Hearings**

The number of parking ticket-related hearings increased to 386,791 in the first four months of Fiscal 2015, up from 382,340 for the same reporting period in Fiscal 2014. While this does not appear to be a large shift overall, the share of people choosing online hearings has increased at the expense of hearings-by-mail. For the first four months of Fiscal 2015, both hearings-by-mail and online hearings represent about 39 percent each of total parking ticket hearings. For the same period last year, the share was 51 percent for hearings-by-mail, and 28 percent for online hearings.

**Senior Citizen Rent Increase Exemption (SCRIE) Applications**

The agency has seen a large jump in initial SCRIE applications received, with 8,141 applications received in the first four months of Fiscal 2015, up from 2,623 from the same period last year. This increase coincides with recently passed legislation increasing the income eligibility for SCRIE and allowing more people to qualify. However, this increase in applications has a deleterious impact on the time it takes for DOF to process the applications, with the average processing time rising to 14 days, up from 4.7 days in the same period a year ago.

**Email Communication**

DOF has seen a large uptick in the number of emails sent to the agency. In Fiscal 2012 and 2013, the agency received about 144,000 emails annually, but in Fiscal 2014 the number jumped to over 194,000 emails received. Data from the first four months of Fiscal 2015 shows that the rate of emails has increased even higher with the agency receiving 28 percent more emails than during the same period last year.

(For additional information on performance indicators, see Appendix B).

## Program Areas

### Administration

This program area includes funding for the Executive Division, which includes: the Employee Services Division, which provides support services to Finance employees in accordance with City rules and regulation; and the Tax Policy Division, which provides information and analysis to help decision-makers improve the City's tax system and public understanding of the revenue system.

#### Administration

<i>Dollars in Thousands</i>	Actual 2013	Actual 2014	Adopted 2015	Preliminary Plan		*Difference 2016 - 2015
				2015	2016	
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$373	\$392	\$297	\$297	\$297	\$0
Fringe Benefits	1	1	10	10	10	0
Full-Time Salaried	10,685	10,764	12,290	12,929	13,311	1,021
Overtime	25	43	6	6	6	0
P.S. Other	3	2	0	0	0	0
Unsalaries	5	4	0	0	0	0
<b>Subtotal</b>	<b>\$11,090</b>	<b>\$11,206</b>	<b>\$12,603</b>	<b>\$13,243</b>	<b>\$13,625</b>	<b>\$1,021</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$667	\$1,518	\$1,587	\$2,034	\$1,587	\$0
Contractual Services - Professional Services	0	243	501	361	11	(490)
Fixed & Misc. Charges	8	9	13	36	13	0
Other Services & Charges	32,121	32,489	33,990	36,284	33,990	0
Property & Equipment	2,373	348	549	425	549	0
Supplies & Materials	855	3,423	950	865	950	(1)
<b>Subtotal</b>	<b>\$36,025</b>	<b>\$38,030</b>	<b>\$37,590</b>	<b>\$40,005</b>	<b>\$37,099</b>	<b>(\$490)</b>
<b>TOTAL</b>	<b>\$47,115</b>	<b>\$49,236</b>	<b>\$50,193</b>	<b>\$53,248</b>	<b>\$50,724</b>	<b>\$531</b>
<b>Funding</b>						
City Funds			\$50,193	\$53,191	\$50,724	\$531
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	57	0	0
<b>TOTAL</b>	<b>\$47,114</b>	<b>\$49,236</b>	<b>\$50,193</b>	<b>\$53,248</b>	<b>\$50,724</b>	<b>\$531</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	150	155	169	188	188	19
<b>TOTAL</b>	<b>150</b>	<b>155</b>	<b>169</b>	<b>188</b>	<b>188</b>	<b>19</b>

\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.

The Administration program budget increased by approximately \$531,000, from \$50.2 million in the Fiscal 2015 Adopted Budget to \$50.7 million in the Fiscal 2016 Preliminary Budget. This is primarily due to budget realignments, funding adjustments due to collective bargaining agreements, and the hiring of 19 employees as office machine aides.

## Audit

This program area includes funding for DOF employees who conduct in-depth audits of business and personal income, excise and other tax returns. The Audit Division identifies non-filing and delinquent businesses, and, when appropriate, assesses additional taxes and/or seeks civil penalties.

<b>Audit</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$1,721	\$1,665	\$1,657	\$1,657	\$1,657	\$0
Full-Time Salaried	12,701	13,520	13,819	15,479	17,046	3,227
Overtime	2	0	0	0	0	0
P.S. Other	(14)	(12)	0	0	0	0
<b>Subtotal</b>	<b>\$14,410</b>	<b>\$15,172</b>	<b>\$15,476</b>	<b>\$17,136</b>	<b>\$18,703</b>	<b>\$3,227</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$54	\$68	\$28	\$82	\$28	\$0
Other Services & Charges	43	33	335	288	329	(\$6)
Property & Equipment	164	80	149	61	149	0
Supplies & Materials	218	544	781	861	106	(\$675)
<b>Subtotal</b>	<b>\$479</b>	<b>\$724</b>	<b>\$1,293</b>	<b>\$1,293</b>	<b>\$612</b>	<b>(\$681)</b>
<b>TOTAL</b>	<b>\$14,889</b>	<b>\$15,896</b>	<b>\$16,769</b>	<b>\$18,429</b>	<b>\$19,315</b>	<b>\$2,547</b>
<b>Funding</b>						
City Funds			\$16,769	\$18,429	\$19,315	\$2,547
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$14,889</b>	<b>\$15,896</b>	<b>\$16,769</b>	<b>\$18,429</b>	<b>\$19,315</b>	<b>\$2,547</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	204	223	228	264	264	36
<b>TOTAL</b>	<b>204</b>	<b>223</b>	<b>228</b>	<b>264</b>	<b>264</b>	<b>36</b>

\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.

The Audit program budget increased approximately \$2.5 million from \$16.8 million in the Fiscal 2015 Adopted Plan to \$19.3 million in the Fiscal 2016 Preliminary Budget. This is primarily due to personal service costs associated with the hiring of 27 full-time auditors and four support staff to the audit unit, labor agreements and adjustments rolled over from previous years.

## Civil Enforcement

This program area includes funding for the Tax Enforcement Division which seeks to ensure that all taxpayers pay their fair share and provides enforcement against those who intentionally do not. This program area also includes funding for the Sheriff's Division which promotes public safety and enforces court orders, including those for the collection of judgment debt.

<b>Civil Enforcement</b>						
<i>Dollars in Thousands</i>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Adopted 2015</b>	<b>Preliminary Plan</b>		<b>*Difference 2016 - 2015</b>
				<b>2015</b>	<b>2016</b>	
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$1,897	\$1,812	\$1,788	\$1,788	\$1,788	\$0
Fringe Benefits	2	3	30	30	30	0
Full-Time Salaried	17,581	17,616	19,062	19,520	19,869	807
Other Salaried	6	0	0	0	0	0
Overtime	899	994	575	575	575	0
<b>Subtotal</b>	<b>\$20,386</b>	<b>\$20,424</b>	<b>\$21,455</b>	<b>\$21,913</b>	<b>\$22,262</b>	<b>\$807</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$2,754	\$15,940	\$10,924	\$18,182	\$15,424	\$4,500
Contractual Services - Professional Services	0	23	0	0	0	0
Fixed & Misc. Charges	6	28	9	20	9	0
Other Services & Charges	769	727	1332	1068	1332	0
Property & Equipment	450	528	158	595	188	30
Supplies & Materials	173	208	201	278	201	0
<b>Subtotal</b>	<b>\$4,152</b>	<b>\$17,455</b>	<b>\$12,623</b>	<b>\$20,143</b>	<b>\$17,153</b>	<b>\$4,530</b>
<b>TOTAL</b>	<b>\$24,538</b>	<b>\$37,880</b>	<b>\$34,078</b>	<b>\$42,056</b>	<b>\$39,415</b>	<b>\$5,337</b>
<b>Funding</b>						
City Funds			\$29,647	\$37,625	\$34,984	\$5,337
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			4,431	4,431	4,431	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,078</b>	<b>\$42,056</b>	<b>\$39,415</b>	<b>\$5,337</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	266	265	278	282	282	4
<b>TOTAL</b>	<b>266</b>	<b>265</b>	<b>278</b>	<b>282</b>	<b>282</b>	<b>4</b>

\*The difference of Fiscal 2015 Adopted compared to Fiscal 2016 Preliminary Budget.

The Civil Enforcement program budget increased approximately \$5.3 million, from \$34.1 million in the Fiscal 2015 Adopted Budget to \$39.4 million in the Fiscal 2016 Preliminary Budget. This is primarily due to the hiring of four employees to enforce existing cigarette tax legislation. In October 2013, New York City passed ordinance 1021-A, which increased the enforcement role of the Department of Finance and Office of the Sheriff to collect taxes and related penalties for the possession and sale of untaxed cigarettes and other prohibited tobacco products. New duties created by the legislation require DOF to manage back office tracking of hearings, civil penalties, and evidence that was previously not required.

## Collections

In this program area, DOF staff are responsible for resolving outstanding debt in a timely manner, and includes Marshal Enforcement which helps people pay the right amount on time.

<b>Collections</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$424	\$341	\$346	\$346	\$346	\$0
Fringe Benefits	299	313	441	441	441	0
Full-Time Salaried	6,040	5,087	7,526	6,997	7,918	393
Overtime	29	35	15	15	15	0
<b>Subtotal</b>	<b>\$6,792</b>	<b>\$5,776</b>	<b>\$8,327</b>	<b>\$7,798</b>	<b>\$8,720</b>	<b>\$393</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$861	\$707	\$652	\$692	\$652	\$0
Contractual Services - Financing	6,343	9,337	6,514	8,514	6,514	0
Contractual Services - Professional Services	0	20	0	60	0	0
Fixed & Misc. Charges	0	3	0	0	0	0
Other Services & Charges	284	778	702	869	702	0
Property & Equipment	610	452	721	459	721	0
Supplies & Materials	471	469	16	12	16	0
<b>Subtotal</b>	<b>\$8,569</b>	<b>\$11,765</b>	<b>\$8,605</b>	<b>\$10,606</b>	<b>\$8,605</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$15,361</b>	<b>\$17,541</b>	<b>\$16,932</b>	<b>\$18,404</b>	<b>\$17,325</b>	<b>\$393</b>
<b>Funding</b>						
City Funds			\$16,932	\$18,404	\$17,325	\$393
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$15,361</b>	<b>\$17,541</b>	<b>\$16,932</b>	<b>\$18,404</b>	<b>\$17,325</b>	<b>\$393</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	110	98	108	113	113	5
<b>TOTAL</b>	<b>110</b>	<b>98</b>	<b>108</b>	<b>113</b>	<b>113</b>	<b>5</b>

*\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.*

The Collections program budget increased by approximately \$393,000, from \$17 million in the Fiscal 2015 Adopted Budget to \$17.4 million in the Fiscal 2016 Preliminary Budget. This is primarily due to personal service costs associated with the hiring of three debt collectors to the Collections Unit and two employees to support the modernization of the Business Tax System.



## Communications & Governmental Services

In this program area, DOF staff ensures that the agency provides clear and timely information and assistance to employees and the public, and effectively promotes the agency's policies and programs on behalf of its operating divisions.

<b>Communications &amp; Governmental Services</b>						
<i>Dollars in Thousands</i>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Adopted 2015</b>	<b>Preliminary Plan</b>		<b>*Difference 2016 - 2015</b>
				<b>2015</b>	<b>2016</b>	
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$73	\$70	\$70	\$70	\$70	\$0
Full-Time Salaried - Civilian	2,009	1,935	2,091	2,117	2,127	35
Other Salaried	0	43	95	95	95	0
Overtime - Civilian	4	3	3	3	3	0
Unsalaries	0	0	4	4	4	0
<b>Subtotal</b>	<b>\$2,086</b>	<b>\$2,050</b>	<b>\$2,264</b>	<b>\$2,289</b>	<b>\$2,299</b>	<b>\$35</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$51	\$15	\$550	\$51	\$50	(\$500)
Contractual Services - Professional Services	0	0	0	330	0	0
Other Services & Charges	189	140	211	335	211	0
Property & Equipment	5	11	2	8	2	0
Supplies & Materials	2	2	2	3	2	0
<b>Subtotal</b>	<b>\$247</b>	<b>\$168</b>	<b>\$765</b>	<b>\$727</b>	<b>\$265</b>	<b>(\$500)</b>
<b>TOTAL</b>	<b>\$2,333</b>	<b>\$2,218</b>	<b>\$3,029</b>	<b>\$3,016</b>	<b>\$2,564</b>	<b>(\$465)</b>
<b>Funding</b>						
City Funds			\$3,029	\$3,016	\$2,564	(\$465)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$2,333</b>	<b>\$2,218</b>	<b>\$3,029</b>	<b>\$3,016</b>	<b>\$2,564</b>	<b>(\$465)</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	27	29	27	27	27	0
<b>TOTAL</b>	<b>27</b>	<b>29</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>0</b>

\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.

The Communications and Governmental Services program area budget decreased in the 2016 Fiscal Preliminary Budget by approximately \$465,000, from \$3.1 million in the Fiscal 2015 Adopted Budget to \$2.6 million. This is primarily due to one-time costs in Fiscal 2015 for settled labor agreements and OTPS costs associated with the purchase of Microsoft Dynamics, a software solution to track correspondence and provide better customer service. Currently, DOF does not have any internal tracking system for customer correspondence. The total cost of the software, licenses and consultant fees to implement the system is \$500,000 in Fiscal 2015.

## Financial Plan Savings

This program area was recently created to reflect the One City, Built to Last Initiative, a City-wide commitment to reduce New York City greenhouse gas emissions by 80 percent by 2050. The Department of Finance increased its Fiscal 2015 budget by \$74,000 for the notification and outreach to affected building owners of properties of 25,000 square feet or more.

<b>Financial Plan Savings</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Spending</b>						
<b>Personal Services</b>						
Full-Time Salaried	\$0	\$0	\$0	\$74	\$98	\$98
Amounts to be Scheduled	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$74</b>	<b>\$98</b>	<b>\$98</b>
<b>Funding</b>						
City Funds			\$0	\$74	\$98	\$98
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$74</b>	<b>\$98</b>	<b>\$98</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	0	0	0	2	2	2
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>

*\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.*

The financial plan savings program area budget is new and will begin with approximately \$98,000 in the Fiscal 2016 Preliminary Budget. This will cover personal service costs associated with hiring two full-time employees to ensure that properties are meeting the benchmark requirements once the new law is enacted.

## Finance Information Technology

This program area includes funding to ensure the development and delivery of information and technology solutions that aid the agency in achieving its goals.

<b>Finance Information Technology (FIT)</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$712	\$750	\$726	\$726	\$726	\$0
Full-Time Salaried - Civilian	24,385	25,852	27,638	27,856	29,608	1,970
Overtime - Civilian	60	65	94	94	94	0
Unsalariated	0	1	5	5	5	0
<b>Subtotal</b>	<b>\$25,157</b>	<b>\$26,669</b>	<b>\$28,463</b>	<b>\$28,681</b>	<b>\$30,432</b>	<b>\$1,970</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$1,468	\$3,984	\$4,256	\$4,944	\$4,267	\$12
Contractual Services - Professional Services	5,242	4,163	4,200	5,023	4,776	576
Fixed & Misc. Charges	0	3	0	0	0	0
Other Services & Charges	1,909	544	3,095	1,690	2,719	(376)
Property & Equipment	107	80	32	100	32	0
Supplies & Materials	2,327	2,178	31	33	31	0
<b>Subtotal</b>	<b>\$11,053</b>	<b>\$10,953</b>	<b>\$11,613</b>	<b>\$11,791</b>	<b>\$11,825</b>	<b>\$212</b>
<b>TOTAL</b>	<b>\$36,210</b>	<b>\$37,622</b>	<b>\$40,076</b>	<b>\$40,472</b>	<b>\$42,257</b>	<b>\$2,182</b>
<b>Funding</b>						
City Funds			\$40,076	\$40,473	\$42,257	\$2,182
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$36,210</b>	<b>\$37,622</b>	<b>\$40,076</b>	<b>\$40,472</b>	<b>\$42,257</b>	<b>\$2,182</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	272	274	299	303	303	4
<b>TOTAL</b>	<b>272</b>	<b>274</b>	<b>299</b>	<b>303</b>	<b>303</b>	<b>4</b>

*\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.*

The FIT program budget increased approximately \$2.2 million from \$40.1 million in the Fiscal 2015 Adopted Budget to \$42.3 million in the 2016 Fiscal Preliminary Budget. This is primarily due to an increase in personal services costs associated with the hiring of four new employees to support the modernization of the outdated Property Tax System and Business Tax System applications.

## Legal & Adjudications

This program area includes funding for the Legal Affairs Division which ensures that laws, rules and regulations are clear, easy to understand and fairly applied to the public, and that DOF has adequate legal support. This program area also funds the Adjudication Division which provides a forum for motorists to challenge their parking or red light tickets.

<b>Legal &amp; Adjudications</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$739	\$695	\$712	\$712	\$712	\$0
Amounts to be Scheduled	0	0	0	310	322	322
Full-Time Salaried - Civilian	7,914	7,977	8,479	8,682	8,811	331
Other Salaried	0	0	5	5	5	0
Overtime - Civilian	0	0	9	9	9	0
Unsalaries	4,226	4,580	4,931	4,931	4,931	0
<b>Subtotal</b>	<b>\$12,878</b>	<b>\$13,252</b>	<b>\$14,136</b>	<b>\$14,648</b>	<b>\$14,789</b>	<b>\$654</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$935	\$1,018	\$1,103	\$1,171	\$1,103	\$0
Contractual Services - Financing	552	0	0	0	0	0
Fixed & Misc. Charges	0	0	1	1	1	0
Other Services & Charges	49	33	358	282	358	0
Property & Equipment	58	58	58	65	58	0
Supplies & Materials	266	270	16	17	16	0
<b>Subtotal</b>	<b>\$1,859</b>	<b>\$1,378</b>	<b>\$1,536</b>	<b>\$1,536</b>	<b>\$1,536</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$14,737</b>	<b>\$14,629</b>	<b>\$15,672</b>	<b>\$16,184</b>	<b>\$16,325</b>	<b>\$654</b>
<b>Funding</b>						
City Funds			\$15,672	\$16,184	\$16,325	\$654
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$14,737</b>	<b>\$14,629</b>	<b>\$15,672</b>	<b>\$16,184</b>	<b>\$16,325</b>	<b>\$654</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	120	123	125	128	128	3
<b>TOTAL</b>	<b>120</b>	<b>123</b>	<b>125</b>	<b>128</b>	<b>128</b>	<b>3</b>

\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.

The Legal & Adjudications program budget increased approximately \$654,000, from \$15.7 million in the Fiscal 2015 Adopted Budget to \$16.3 million in the 2016 Fiscal Preliminary Budget. This is primarily due to a decrease in personal services costs associated with the hiring of one employee to the Business Tax System and two support staff for the increase in

adjudications related to parking violation fines, speed camera fines and red light camera fines in relation to the City's Vision Zero initiative.

## NYCServ Contract Funding

This program area includes funding for Other than Personal Services expenses of the NYCServ Contract. NYCServ is the payment and adjudications engine for all debts, collections, licensing, and permits to the City of New York. It enables customers to pay taxes and fines or dispute parking tickets and violations in a single location while improving customer service.

<b>NYCSERV Contract Funding</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$3,181	\$2,139	\$2,200	\$2,005	\$2,200	\$0
Contractual Services - Professional Services	1,703	752	500	1,282	500	0
Other Services & Charges	7	10	656	25	656	0
Property & Equipment	37	8	0	189	0	0
<b>Subtotal</b>	<b>\$4,929</b>	<b>\$2,910</b>	<b>\$3,356</b>	<b>\$3,501</b>	<b>\$3,356</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$4,929</b>	<b>\$2,910</b>	<b>\$3,356</b>	<b>\$3,501</b>	<b>\$3,356</b>	<b>\$0</b>
<b>Funding</b>						
City Funds			\$3,356	\$3,501	\$3,356	\$0
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$4,929</b>	<b>\$2,910</b>	<b>\$3,356</b>	<b>\$3,501</b>	<b>\$3,356</b>	<b>\$0</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.*

Funding in this program area has not changed from the Fiscal 2015 Adopted Budget to the Fiscal 2016 Preliminary Budget.

## Payment Operations & Application Processing

This program area includes funding for Payment Operations which ensures quick and accurate processing of payments, returns exemptions and business tax refunds, while providing people with convenient options to pay and file.

<b>Payment Ops &amp; Application Processing</b>						
<i>Dollars in Thousands</i>	Actual 2013	Actual 2014	Adopted 2015	Preliminary Plan		*Difference
				2015	2016	2016 - 2015
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$1,114	\$1,095	\$1,056	\$1,056	\$1,056	\$0
Amounts to be Scheduled	0	0	0	1	1	1
Full-Time Salaried - Civilian	17,303	18,097	20,144	20,663	20,750	606
Overtime - Civilian	63	136	51	51	51	0
Unsalariated	0	6	0	0	0	0
<b>Subtotal</b>	<b>\$18,481</b>	<b>\$19,334</b>	<b>\$21,252</b>	<b>\$21,773</b>	<b>\$21,858</b>	<b>\$607</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$2,012	\$648	\$867	\$808	\$867	\$0
Contractual Services - Professional Services	585	758	145	215	53	(93)
Fixed & Misc. Charges	1	1	2	1	2	0
Other Services & Charges	57	155	79	139	79	0
Property & Equipment	5	3	6	4	8	2
Supplies & Materials	1,387	1,409	58	61	42	(16)
<b>Subtotal</b>	<b>\$4,046</b>	<b>\$2,973</b>	<b>\$1,156</b>	<b>\$1,226</b>	<b>\$1,049</b>	<b>(\$107)</b>
<b>TOTAL</b>	<b>\$22,527</b>	<b>\$22,307</b>	<b>\$22,408</b>	<b>\$22,998</b>	<b>\$22,907</b>	<b>\$500</b>
<b>Funding</b>						
City Funds			\$22,408	\$22,998	\$22,907	\$500
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$22,527</b>	<b>\$22,307</b>	<b>\$22,408</b>	<b>\$22,998</b>	<b>\$22,907</b>	<b>\$500</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	312	332	339	343	338	(1)
<b>TOTAL</b>	<b>312</b>	<b>332</b>	<b>339</b>	<b>343</b>	<b>338</b>	<b>(1)</b>

\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.

This program area budget increased approximately by \$500,000, from \$22.4 million in the Fiscal 2015 Adopted Budget to \$22.9 million in the 2016 Fiscal Preliminary Budget. This is primarily due to personal services costs associated with the modernization of the property tax system. It is partially offset by the decrease in budgeted headcount of one employee once the new system comes online and less staff is needed to support the legacy system.

## Property Records

The function of this program area is to fund the City Register which maintains official records of real and personal property transfers and interests. ACRIS is the Automated City Register Information System, which allows anyone to view property-related ownership documents online going back to 1966. The Surveyor, who reports to the City Register, updates and maintains the official tax maps of the City of New York when property owners request the subdivision of large lots into smaller lots (apportionment) or the merging of smaller lots into one large lot (merging).

<b>Property Records</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$172	\$159	\$ 65	\$165	\$165	\$0
Fringe Benefits	0	0	2	2	2	0
Full-Time Salaried - Civilian	4,005	4,134	4,285	4,432	4,590	305
Other Salaried	0	0	0	0	0	0
Overtime - Civilian	13	80	80	80	80	0
<b>Subtotal</b>	<b>\$4,190</b>	<b>\$4,372</b>	<b>\$4,531</b>	<b>\$4,678</b>	<b>\$4,836</b>	<b>\$305</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$320	\$364	\$199	\$300	\$199	\$0
Fixed & Misc. Charges	0	6	1	1	1	0
Other Services & Charges	292	105	468	519	468	0
Property & Equipment	25	11	1	1	1	0
Supplies & Materials	16	16	16	16	16	0
<b>Subtotal</b>	<b>\$654</b>	<b>\$503</b>	<b>\$684</b>	<b>\$836</b>	<b>\$684</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$4,844</b>	<b>\$4,875</b>	<b>\$5,215</b>	<b>\$5,514</b>	<b>\$5,520</b>	<b>\$305</b>
<b>Funding</b>						
City Funds			\$5,215	\$5,514	\$5,520	\$305
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
<b>TOTAL</b>	<b>\$4,844</b>	<b>\$4,875</b>	<b>\$5,215</b>	<b>\$5,514</b>	<b>\$5,520</b>	<b>\$305</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	87	90	92	94	94	2
<b>TOTAL</b>	<b>87</b>	<b>90</b>	<b>92</b>	<b>94</b>	<b>94</b>	<b>2</b>

*\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.*

The Property Records program area budget increased by approximately \$305,000, from \$5.2 million in the Fiscal 2015 Adopted Budget to \$5.5 million in the 2016 Fiscal Preliminary Budget. This is primarily due to personal services costs associated with the hiring of two employees for work related to the business tax system.



## Treasury

This program area ensures that the Treasury Division manages and safeguards the City's money.

<b>Treasury</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$63	\$33	\$32	\$32	\$32	\$0
Amounts to be Scheduled	0	0	0	1	1	1
Full-Time Salaried - Civilian	1,784	1,728	2,161	2,177	2,184	23
Unsalariated	0	3	0	0	0	0
<b>Subtotal</b>	<b>\$1,847</b>	<b>\$1,764</b>	<b>\$2,193</b>	<b>\$2,211</b>	<b>\$2,217</b>	<b>\$24</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$19	\$76	\$376	\$397	\$126	(\$250)
Contractual Services - Financing	17,967	18,862	22,000	22,095	22,001	1
Fixed & Misc. Charges	0	0	0	0	0	0
Other Services & Charges	58	8	162	62	162	0
Property & Equipment	6	44	3	10	3	0
Supplies & Materials	2	1	2	2	2	0
<b>Subtotal</b>	<b>\$18,051</b>	<b>\$18,992</b>	<b>\$22,543</b>	<b>\$22,566</b>	<b>\$22,294</b>	<b>(\$249)</b>
<b>TOTAL</b>	<b>\$19,898</b>	<b>\$20,756</b>	<b>\$24,736</b>	<b>\$24,777</b>	<b>\$24,511</b>	<b>(\$225)</b>
<b>Funding</b>						
City Funds			\$24,736	\$24,682	\$24,510	(\$226)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	95	1	1
<b>TOTAL</b>	<b>\$19,898</b>	<b>\$20,756</b>	<b>\$24,736</b>	<b>\$24,777</b>	<b>\$24,511</b>	<b>(\$225)</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	24	26	29	29	29	0
<b>TOTAL</b>	<b>24</b>	<b>26</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>0</b>

*\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.*

The Treasury program area budget decreased by approximately \$225,000, from \$24.7 million in the Fiscal 2015 Adopted Budget to \$24.5 million in the Fiscal 2016 Preliminary Budget. This is primarily due to costs associated with collective bargaining agreements. It is partially offset by \$490,000 in funds DOF received in Fiscal 2015 to hire two new staff with expertise in community development, banking services and the Community Reinvestment Act (CRA) in order to assess banking service needs throughout New York City and meet the terms of the enacted legislation.

## Valuing Property

This program area funds the Property Division which values all New York City property fairly, accurately and consistently.

<b>Valuing Property</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016 - 2015</b>
<b>Spending</b>						
<b>Personal Services</b>						
Additional Gross Pay	\$605	\$ 574	\$590	\$590	\$590	\$0
Amounts to be Scheduled	0	0	0	1	1	\$1
Full-Time Salaried - Civilian	13,066	12,583	14,069	14,205	15,609	\$1,539
Overtime - Civilian	145	190	525	525	525	\$0
Unsalaries	0	2	0	0	0	\$0
<b>Subtotal</b>	<b>\$13,816</b>	<b>\$13,349</b>	<b>\$15,184</b>	<b>\$15,321</b>	<b>\$16,724</b>	<b>\$1,540</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$396	\$285	\$383	\$351	\$383	\$0
Contractual Services - Financing	11	11	13	11	13	0
Fixed & Misc. Charges	0	2	0	0	0	0
Other Services & Charges	29	24	665	542	665	0
Property & Equipment	96	339	531	527	106	(425)
Supplies & Materials	562	409	124	133	124	0
<b>Subtotal</b>	<b>\$1,094</b>	<b>\$1,069</b>	<b>\$1,715</b>	<b>\$1,564</b>	<b>\$1,290</b>	<b>(\$425)</b>
<b>TOTAL</b>	<b>\$14,910</b>	<b>\$14,418</b>	<b>\$16,900</b>	<b>\$16,884</b>	<b>\$18,015</b>	<b>\$1,115</b>
<b>Funding</b>						
City Funds			\$16,462	\$16,447	\$17,577	\$1,115
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			438	438	438	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	1	1
<b>TOTAL</b>	<b>\$14,910</b>	<b>\$14,418</b>	<b>\$16,900</b>	<b>\$16,884</b>	<b>\$18,015</b>	<b>\$1,115</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	174	184	244	264	264	20
<b>TOTAL</b>	<b>174</b>	<b>184</b>	<b>244</b>	<b>264</b>	<b>264</b>	<b>20</b>

*\*The difference of Fiscal 2015 Adopted Budget as compared to Fiscal 2016 Preliminary Budget.*

The Valuing Property program area budget increased by approximately \$1.1 million, up from \$16.9 million in the Fiscal 2015 Adopted Budget to \$18 million in the Fiscal 2016 Preliminary Budget. This is primarily due to increases in personal services costs related to the hiring of 20 new assessors and support staff, and collective bargaining agreements, offset by a decline in costs for computer equipment for the new assessors.

**Appendix A: Budget Actions in the November and the Preliminary Plans**

<i>Dollars in Thousands</i>	FY 2015			FY 2016		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as of the Adopted 2015 Budget</b>	<b>\$244,492</b>	<b>\$4,870</b>	<b>\$249,362</b>	<b>\$241,274</b>	<b>\$4,870</b>	<b>\$246,144</b>
<b>New Needs</b>						
Business Tax System	\$520	\$0	\$520	\$2,093	\$0	\$2,093
Funding for 55A Staff	300	0	300	480	0	480
One City, Built to Last	74	0	74	98	0	98
Financial Data Matching Unit	90	0	90	180	0	180
Funding for 55A Staff	77	0	77	185	0	185
New City Tax Auditors	767	0	767	1,534	0	1,534
Paylock	3,000	0	3,000	0	0	0
Sheriff -Support for NYC Law Dept Investigations	102	0	102	193	0	193
Tax Audit Support Staff	223	0	223	446	0	446
Tax Policy and Planning- New Assessors	400	0	400	800	0	800
<b>Subtotal New Needs</b>	<b>\$5,552</b>	<b>\$0</b>	<b>\$5,552</b>	<b>\$6,007</b>	<b>\$0</b>	<b>\$6,007</b>
<b>Other Adjustments</b>						
Buyers L300	\$24	\$0	\$24	\$25	\$0	\$25
CPRS- Dept of Finance	0	1	1	0	1	1
DC 37 Collective bargaining Adjustment	2,212	0	2,212	3,459	0	3,459
L237	17	0	17	16	0	16
Outside Collection Agencies	2,000	0	2,000	0	0	0
Paylock	4,500	0	4,500	4,500	0	4,500
PS Adjustments	1,689	0	1,689	2,119	0	2,119
BEC- Finance Dept Credit Cards	0	0	0	0	0	0
CPRS CC MOU with DOF	0	25	25	0	0	0
Credit card Expenses	0	4	4	0	0	0
Dept of Finance	0	55	55	0	0	0
DOF Security	0	57	57	0	0	0
FY2015 DOF Law Mod	0	3	3	0	0	0
FY15 DOF- MOME Service Reimbursement	0	6	6	0	0	0
I/C mod with Dept of Finance	0	2	2	0	0	0
IC W/DOF Yearly Card Exp	0	0	0	0	0	0
IC w/DOF - Credit Card Machines	0	0	0	0	0	0
Intra City w/ DOF- Rental Machine	0	0	0	0	0	0
Labor Transfer for Non-Union Employees	1,739	0	1,739	2,182	0	2,182
Labor Transfer for Non-Union EmployeesCorrection	(1,689)	0	(1,689)	(2,119)	0	(2,119)
<b>Subtotal Other Adjustments</b>	<b>\$10,492</b>	<b>\$151</b>	<b>\$10,643</b>	<b>\$10,181</b>	<b>\$1</b>	<b>\$10,182</b>
<b>Total All Changes</b>	<b>\$16,044</b>	<b>\$151</b>	<b>\$16,196</b>	<b>\$16,188</b>	<b>\$1</b>	<b>\$16,189</b>
<b>Agency Budget as of the Preliminary 2016</b>	<b>\$260,536</b>	<b>\$5,021</b>	<b>\$265,559</b>	<b>\$257,462</b>	<b>\$4,871</b>	<b>\$262,333</b>

## Appendix B: Fiscal 2015 Mayor's Management Report Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
<b>Property taxes billed that are paid (%)</b>	97.3%	97.5%	98.6%	97.0%	97.0%	N/A	N/A
- Paid on time (%)	94.4%	94.8%	95.0%	*	*	94.6%	94.4%
Audits closed within 1 year (%)	33.7%	39.3%	30.0%	*	*	30.2%	59.0%
Average turnaround time for audits (days)	684	632	677	*	*	738	526
Average amount collected from a closed audit (\$000)	\$130	\$84	\$107	*	*	\$89	\$164
Increase in tax liability as a result of audits (%)	10.5%	13.6%	16.0%	*	*	17.8%	31.5%
Properties receiving 90-day lien sale notice	22,111	27,930	24,936	*	*	N/A	N/A
Originally noticed properties sold in lien sale (%)	19%	20%	21%	*	*	N/A	N/A
Senior Citizen Rent Increase Exemption (SCRIE) - Initial applications received	N/A	7,094	8,272	*	*	2,623	8,141
SCRIE - Renewal applications received	N/A	22,670	21,239	*	*	7,117	8,287
Initial applications processed	7,880	7,885	8,294	*	*	2,581	7,848
<b>Average time to process initial applications (days)</b>	N/A	17.3	4.4	10.0	10.0	4.7	14.0
Renewal applications processed	25,878	24,376	23,686	*	*	7,190	8,175
<b>Average time to process renewal applications (days)</b>	N/A	13.4	9.6	10.0	10.0	7.6	11.9
Property tax refunds and adjustments processed	49,843	45,159	34,083	*	*	11,881	15,658
<b>Average time to issue a property tax refund (days)</b>	26	27	37	28	28	27	22
Business tax refunds processed	23,576	21,227	20,892	*	*	9,059	10,131
<b>Average time to issue a business tax refund (days)</b>	32	30	29	32	32	20	29
<b>Payment method (%) - Electronic (ACH/EFT)</b>	20.8%	45.9%	32.9%	50.0%	50.0%	20.3%	25.7%
- Credit card	37.9%	20.1%	28.2%	*	*	38.0%	36.4%
- Cash	4.4%	2.3%	4.0%	*	*	4.1%	3.9%
- Check/money order	36.8%	31.7%	34.9%	*	*	36.3%	34.0%
Tickets paid before penalty assessed (%)	N/A	51.5%	53.1%	*	*	53.9%	52.0%

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
<b>Parking tickets issued that are paid within 90 days (%)</b>	65.1%	63.5%	63.2%	65.0%	65.0%	63.4%	64.5%
Parking tickets issued that are dismissed within 90 days (%)	12.9%	14.1%	13.7%	*	*	13.9%	13.5%
Parking summonses received (000)	9,823	8,516	9,872	*	*	3,539	3,520
Summonses adjudicated (000)	1,989	1,719	2,072	*	*	661	773
<b>Parking ticket hearings - Total</b>	1,235,067	901,026	1,104,940	*	*	382,340	386,792
- In-person hearings	371,953	206,320	239,063	*	*	83,094	87,395
- Hearings-by-mail	655,900	473,411	453,399	*	*	193,456	149,844
- Online hearings	207,214	221,295	412,478	*	*	105,790	149,553
<b>Avg. turnaround for in-person parking ticket hearings (minutes)</b>	18	19	25	30	30	26	20
<b>Avg. turnaround to issue decision for parking ticket hearing-by-web (days)</b>	6.5	3.8	7.0	8.5	8.5	7.3	9.0
<b>Avg. turnaround to issue decision for parking ticket hearing-by-mail (days)</b>	23.2	4.2	10.3	14.0	14.0	12.0	10.0
Parking ticket appeals reviewed	26,478	36,094	41,405	*	*	10,764	22,844
Parking ticket appeals granted a reversal (%)	12.2%	9.9%	12.8%	*	*	14.8%	15.0%
<b>Current property tax documents available online (%)</b>	100%	100%	100%	100%	100%	N/A	N/A
Average time to record and index property documents (days) - Citywide	1.9	3.1	2.4	*	*	4.1	3.7
Total revenue collected (\$000,000)	\$28,178	\$30,113	\$32,223	*	*	N/A	N/A
- Property taxes collected (\$000,000)	\$17,945	\$18,742	\$19,920	*	*	N/A	N/A
- Business taxes collected (\$000,000)	\$6,838	\$7,407	\$7,490	*	*	N/A	N/A
- Property transfer taxes collected (\$000,000)	\$1,448	\$1,810	\$2,500	*	*	N/A	N/A
- Parking summons revenue (\$000,000)	\$569	\$509	\$588	*	*	N/A	N/A
- Audit and enforcement revenue collected (\$000,000)	\$743	\$1,009	\$932	*	*	N/A	N/A
- Other revenue (\$000,000)	\$634	\$636	\$780	*	*	N/A	N/A
Emails sent to an agency (through NYC.gov or a public agency email address)	144,053	144,010	194,604	*	*	61,620	79,032
Emails responded to in 14 days (%)	75%	85%	86%	85%	85%	88%	83%
Letters sent to an agency	9,086	2,371	3,503	*	*	1,461	929
Letters responded to in 14 days (%)	60%	91%	79%	85%	85%	67%	91%
Completed customer requests for interpretation	3,274	3,254	4,353	*	*	N/A	N/A
Visits made to an agency walk-in facility	1,178,838	905,438	2,516,441	*	*	936,953	1,023,133
Average customer in-person wait time (minutes)	11	7	17	12	12	18	13
Calls made to agency call center (Collections)	143,625	89,065	60,322	*	*	29,417	16,000
CORE customer experience rating (0-100)	82	86	92	90	90	N/A	N/A