

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Antonio Reynoso
Chair, Committee on Sanitation and Solid Waste Management



Report of the Finance Division on the
Fiscal 2019 Preliminary Budget and the
Fiscal 2018 Preliminary Mayor's Management Report for the
Business Integrity Commission

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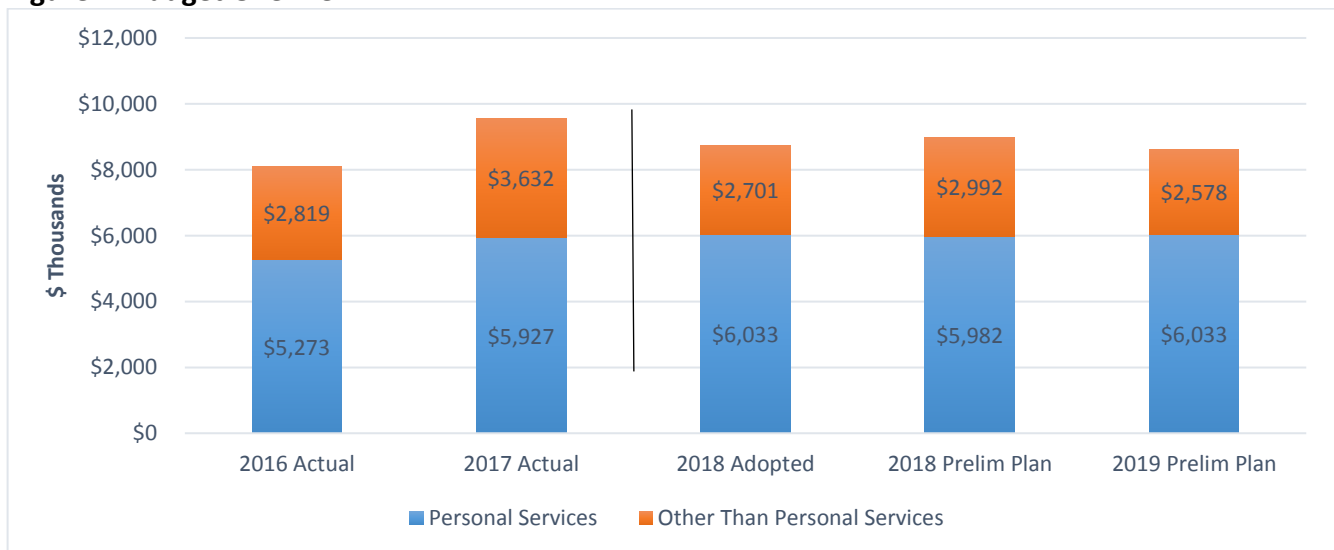
Business Integrity Commission Overview

The mission of the BIC is to eliminate organized crime and other forms of corruption and criminality from the public wholesale markets, the trade waste and shipboard gambling industries. BIC's goals are: to ensure that the regulated businesses are able to compete fairly; that the marketplaces remain free from violence, fraud, rackets and threats; that customers receive fair treatment; and that businesses which are allowed to operate in these industries conduct their affairs with honesty and integrity.

Fiscal 2019 Preliminary Budget Highlights

The Business Integrity Commission’s Fiscal 2019 Preliminary Budget totals \$8.61 million (City funds). BIC’s Fiscal 2019 Preliminary Budget is \$123,000, or approximately one and a half percent less, when compared to the Fiscal 2018 Adopted Budget of \$8.7 million. For Fiscal 2019, BIC’s budget is \$6 million for personal services (PS) or 70.1 percent and \$2.6 million or 20.1 percent for other than personal services (OTPS). PS includes all full-time and part-time position costs as well as overtime. OTPS includes property, equipment, supplies, and services contracted out to private corporations.

Figure 1: Budget Overview



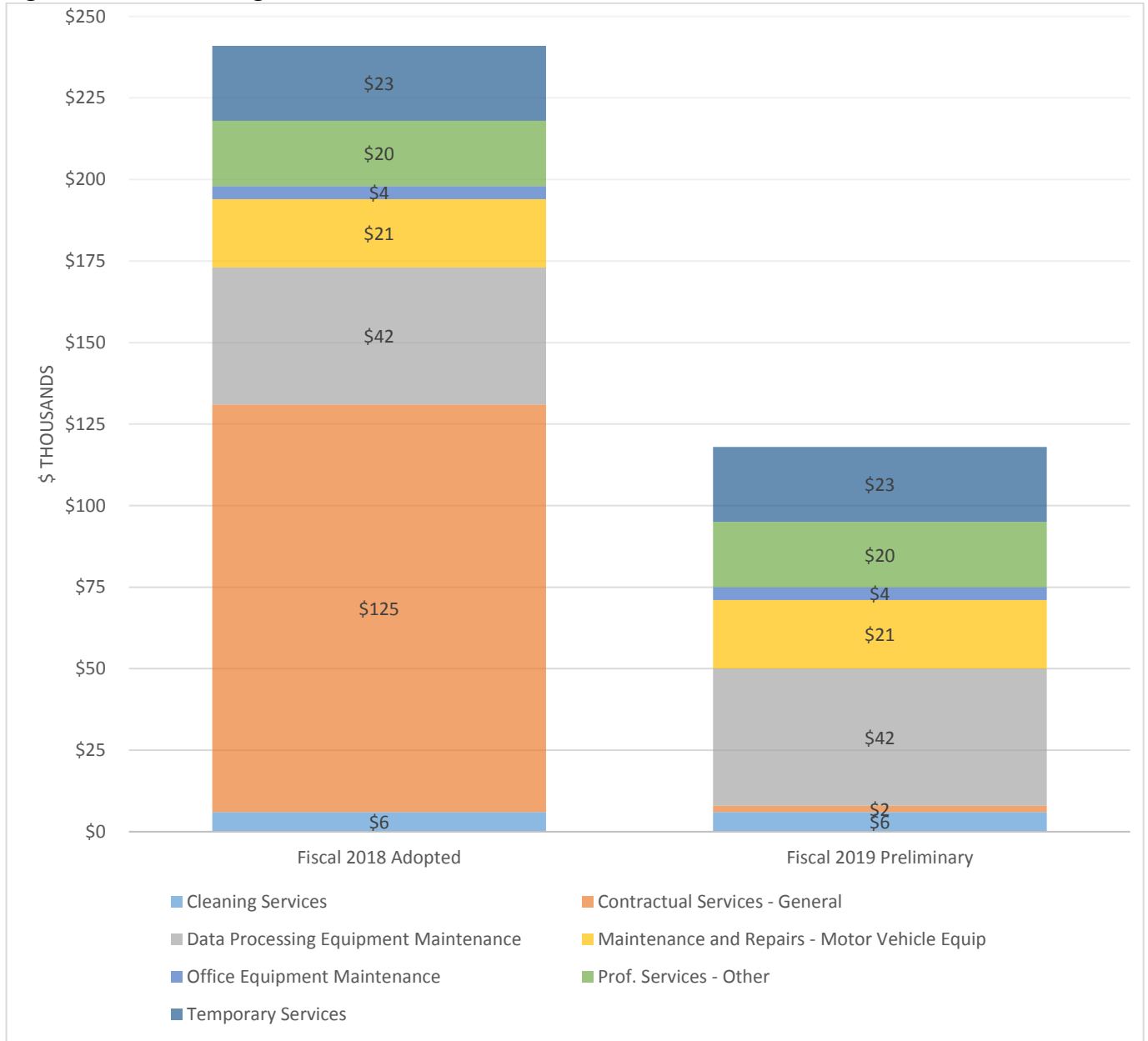
Since the Fiscal 2018 Adopted Budget, PS remains the same while OTPS decreased by \$123,000 or one and a half percent. This variance is due to funding for BIC’s online application project ending in Fiscal 2018.

Major changes introduced in the Preliminary Plan include the following.

- **OTPS Adjustment.** The Fiscal 2019 Preliminary Plan includes \$157,000 in one-time funding in Fiscal 2018 for asset and vehicle seizure operations.
- **PS Adjustment.** The Fiscal 2019 Preliminary Plan includes \$84,000 in one-time funding in Fiscal 2018 to cover overtime costs for a BIC investigator working jointly with the federal government on a law enforcement taskforce.

Contract Budget

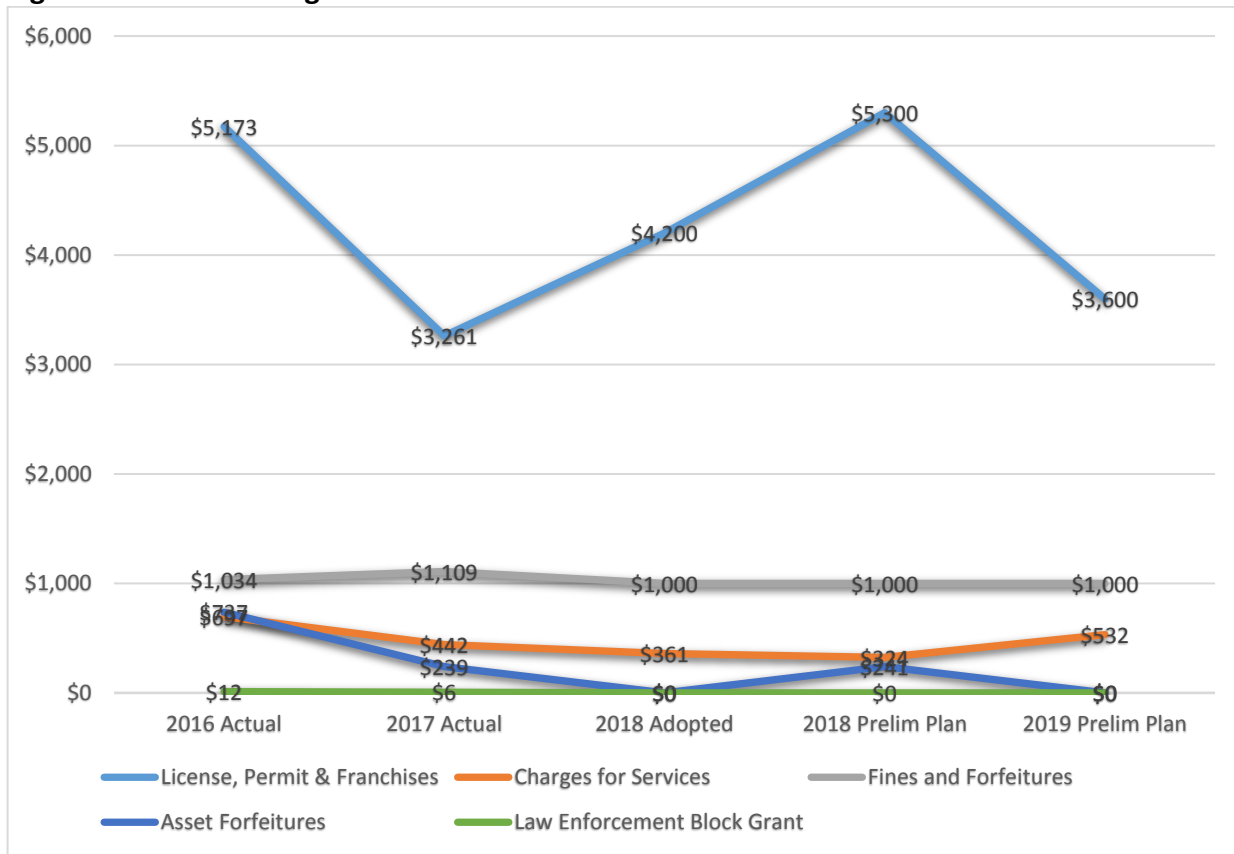
Figure 2: Contract Budget Overview



The Department’s Fiscal 2019 Contract Budget totals \$118,000, a decrease of \$123,000 or 51 percent, when compared to the Fiscal 2018 Adopted Budget of \$241,000. The decrease in BIC’s contract budget is primarily due to reduced costs for consultant services, as BIC’s online application system will be completed by end of the fiscal year. The largest category for BIC, Data Processing Equipment, includes one contract in Fiscal 2019 for \$42,000 related to software maintenance support for BIC’s auditing unit.

Revenue Budget

Figure 3: Revenue Budget Overview



BIC is a revenue-generating agency. Revenues are derived from licenses for private carters, investigation and wholesale market fees, and administrative violation fines.

Approximately \$3.6 million, or 70.1 percent of total revenue generated in Fiscal 2019 will be from license, permit and franchise applications for construction and demolition removal. BIC’s revenue is projected to be down \$600,000 or 16.7 percent in Fiscal 2019. Due largely to the agency’s license/registration application process which is on a two-year renewal cycle, the Fiscal 2019 application renewal will be lower than Fiscal 2018.

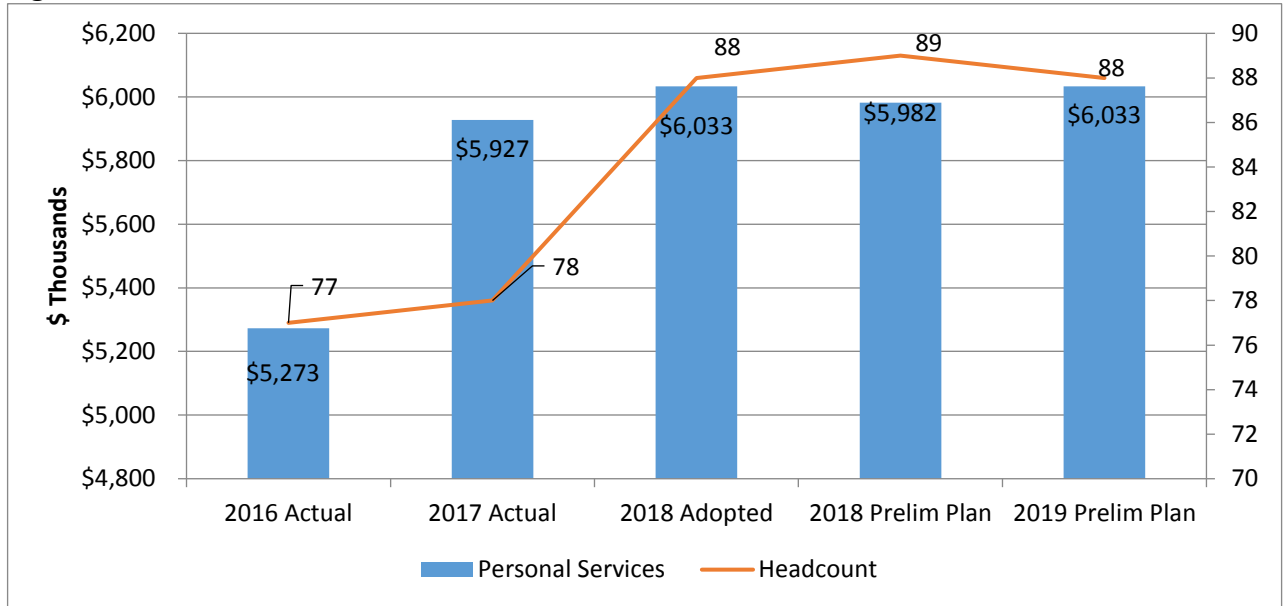
Additionally, \$532,000 or 10.4 percent of total revenue generated in Fiscal 2019 will be from charges for services related to wholesale market registration. The Commission’s revenue is projected to be up \$171,000 or 32.1 percent in Fiscal 2019 due to the agency’s application process which is on a three-year renewal cycle, and therefore, Fiscal 2019 application renewal revenue will be higher than in Fiscal 2018.

Approximately \$1 million, or 19.5 percent of total projected revenue will be generated through administrative violations. These represent quality-of-life and trade waste violations. Trade waste violations include stealing or unlicensed carting of waste materials such as cardboard, grease, or bulk metal.

Violations issued at wholesale markets for activities such as idling and double parking go through the Environmental Control Board (ECB). The corresponding revenue collected by the ECB is not represented in the chart above.

Headcount

Figure 4: Headcount Overview



The Commission’s total headcount for the Fiscal 2019 Preliminary Plan includes 88 positions. This remains unchanged when compared to the Fiscal 2018 Adopted Budget. Since 2017, the Department’s headcount has grown by eight positions, to 88 in order to support background investigations and digital forensic functions.

PMMR Performance Measures

BIC Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Violations issued to private waste haulers	1,166	892	640	*	*	265	104
Violations issued to legally operating private waste haulers	827	709	343	*	*	115	34
Violations issued to illegally operating private waste haulers	339	183	297	*	*	150	70
Total waste hauling applications denied (%)	4.2%	4.4%	4.2%	*	*	4.4%	4.4%
Waste hauling complaints received	513	449	351	*	*	150	125
Violations admitted to or upheld at the Office of Administrative Trials and Hearings (%)	91.5%	98.0%	100.0%	*	*	100.0%	96.0%
Average time to approve waste hauling applications (days) - New and Renewal	234	235	240	DOWN	DOWN	232	128
Average time to approve waste hauling applications (days) - New	235	154	136	DOWN	DOWN	150	123
Average time to approve waste hauling applications (days) - Renewal	234	254	274	DOWN	DOWN	258	129
Average age of pending waste hauling applications (days)	208	214	220	180	180	228	133
Waste hauling applications pending	762	600	369	300	300	494	400
Waste hauling applications approved - New and Renewal	737	600	359	300	300	494	400
Waste hauling applications approved - New	166	187	216	*	*	59	72
Waste hauling applications approved - Renewal	571	807	660	*	*	185	231
Violations admitted to or upheld at the Environmental Control Board (%)	99.4%	98.3%	100.0%	*	*	100.0%	100.0%
Public wholesale market applications denied (%)	2.5%	2.5%	2.5%	*	*	2.5%	2.5%
Average time to approve public wholesale market applications (days)	382	209	270	200	200	299	216
Average age of pending public wholesale market application (days)	324	215	227	*	*	220	166
Public wholesale market applications approved	49	62	121	*	*	54	13

BIC has the responsibility to process licenses and registrations in a timely manner. The number of waste hauling applications pending at the end of the first four months of Fiscal 2018 is 400, and the average age of pending applications is 133 days, a decrease of 19 percent and an increase of 41.7 percent, respectively when compared to the same period in Fiscal 2017.

Additionally, the number of waste hauling applications approved for renewal at the end of the first four months of Fiscal 2018 is 231 (above target), an increase of 51.4 percent when compared to the same period in Fiscal 2017.

BIC continued the judicious issuance of violations during the first four months of Fiscal 2018. As a result, 96 percent of violations heard in Fiscal 2017 before the Environmental Control Board (ECB), and the Office of Administrative Trials and Hearings (OATH) were admitted to or upheld remained the same when compared to the same period in Fiscal 2017.

The Commission must also process registration applications for public wholesale businesses. In the first four months of Fiscal 2018, the average approval time was 216 days, an increase of 27.8 percent when compared to the first four months of Fiscal 2017.

Appendices

A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY18			FY19		
	City	Non-City	Total	City	Non-City	Total
BIC Budget as of the FY18 Adopted Budget	\$8,734	\$0	\$8,734	\$8,611	\$0	\$8,611
Other Adjustments						
Establish OTPS Forfeiture Budget	0	157	157	0	0	0
Establish PS Forfeiture Budget	0	84	84	0	0	0
TOTAL, All Changes	\$0	\$241	\$241	\$0	\$0	\$0
BIC Budget as of the FY19 Preliminary Budget	\$8,734	\$241	\$8,975	\$8,611	\$0	\$8,611

B: BIC Contract Budget

BIC FY19 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY18 Adopted	Number of Contracts	FY19 Preliminary	Number of Contracts
Cleaning Services	\$6	1	\$6	1
Contractual Services - General	125	2	2	2
Data Processing Equipment Maintenance	42	1	42	1
Maintenance and Repairs - Motor Vehicle Equip	21	1	21	1
Office Equipment Maintenance	4	1	4	1
Prof. Services - Other	20	1	20	1
Temporary Services	23	1	23	1
TOTAL	\$241	8	\$118	8

C: BIC Miscellaneous Revenue

BIC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY16	FY17	FY18	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
License, Permit & Franchises	\$5,173	\$3,261	\$4,200	\$5,300	\$3,600	(\$600)
Charges for Services	697	442	361	324	532	\$171
Fines and Forfeitures	1,034	1,109	1,000	1,000	1,000	\$0
Sundries	0	0	0	0	0	\$0
Asset Forfeitures	737	239	0	241	0	\$0
Law Enforcement Block Grant	12	6	0	0	0	\$0
State Grants - Categorical	0	0	0	0	0	\$0
TOTAL	\$7,653	\$5,057	\$5,561	\$6,865	\$5,132	(\$429)

*The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.

D: BIC Financial Plan Summary

<i>Dollars in Thousands</i>	FY16	FY17	FY18	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Spending						
Personal Services	\$5,273	\$5,927	\$6,033	\$5,982	\$6,033	\$0
Other Than Personal Services	2,819	3,632	2,701	2,992	2,578	(123)
TOTAL	\$8,092	\$9,559	\$8,734	\$8,975	\$8,611	(\$123)
Personal Services						
Additional Gross Pay	\$104	\$182	\$199	\$201	\$199	\$0
Full-Time Salaried - Civilian	5,113	5,684	5,809	5,739	5,809	0
Other Salaried & Unsalari ed						0
Overtime - Civilian	57	67	24	42	24	0
P.S. Other	(2)	(6)	0	0	0	0
SUBTOTAL	\$5,272	\$5,927	\$6,033	\$5,982	\$6,033	\$0
Other Than Personal Services						
Contractual Services	\$447	\$229	\$240	\$411	\$117	(\$123)
Fixed & Misc. Charges	3	22	0	3	0	\$0
Other Services & Charges	2,000	2,764	2,269	2,196	2,269	\$0
Property & Equipment	266	557	89	183	89	\$0
Supplies & Materials	103	60	102	199	102	\$0
SUBTOTAL	\$2,819	\$3,632	\$2,701	\$2,993	\$2,578	(\$123)
TOTAL	\$8,092	\$9,559	\$8,734	\$8,975	\$8,611	(\$123)
Funding						
City Funds			\$8,734	\$8,734	\$8,611	(\$123)
Other Categorical			0	241	0	0
TOTAL	\$8,092	\$9,559	\$8,734	\$8,975	\$8,611	(\$123)
Budgeted Headcount						
Full-Time Positions - Civilian	77	78	88	89	88	0
TOTAL	77	78	88	89	88	0

**The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.*