

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 2022 Preliminary Plan and the
Fiscal 2021 Preliminary Mayor's Management Report for the

Business Integrity Commission

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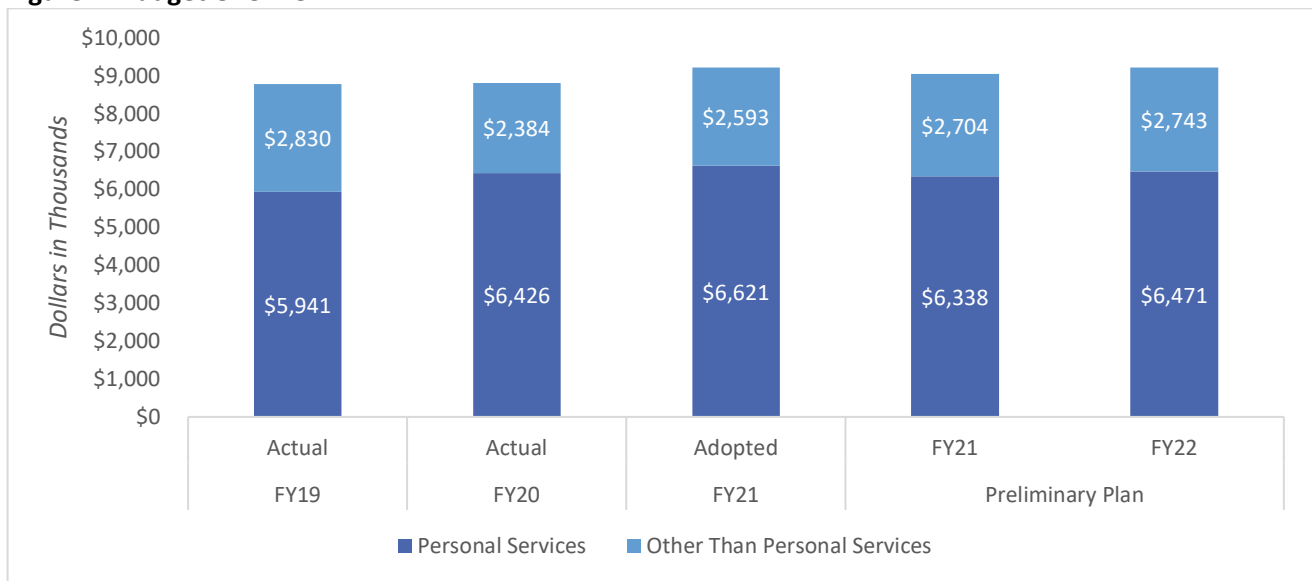
Business Integrity Commission Overview

The mission of the Business Integrity Commission (BIC or the Commission) 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 2022 Preliminary Budget Highlights

The Business Integrity Commission's Fiscal 2022 Preliminary Budget totals \$9.2 million (City funds). BIC's Fiscal 2022 Preliminary Budget remains virtually unchanged when compared to the Fiscal 2021 Adopted Budget. For Fiscal 2022, BIC's budget is \$6.5 million for Personal Services (PS) or 71 percent of BIC's total budget and \$2.7 million or 29 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 2021 Adopted Budget, PS spending decreased by \$150,000 or two percent, while OTPS increased by \$150,000 or two percent. This variance is the result of a decrease in PS due to a re-estimate; slightly offset by an increase in OTPS for office-service related costs.

Major changes introduced in the Preliminary Plan include the following.

Other Adjustments

- Citywide Wireless Services.** The Fiscal 2022 Preliminary Plan includes an adjustment of \$2,679 in Fiscal 2021 for citywide wireless services.

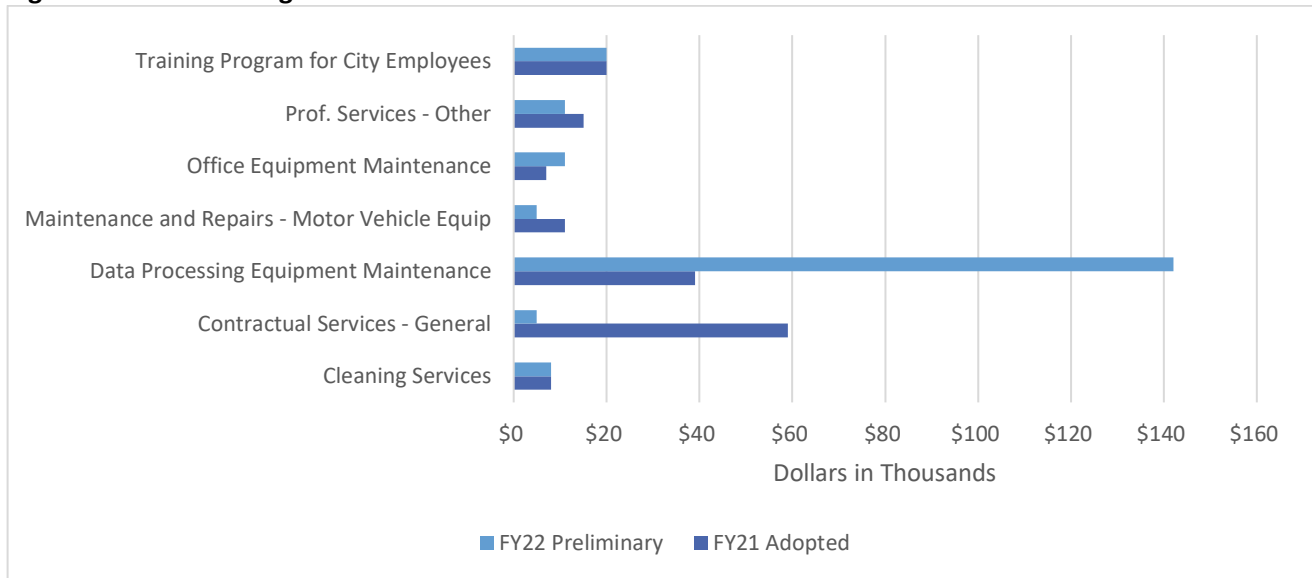
Re-estimates

- Personal Services.** The Fiscal 2022 Preliminary Plan includes a re-estimate of \$88,000 in Fiscal 2021 and \$100,000 in Fiscal 2022 as BIC realigned its spending forecast for the PS budget.

- **Other than Personal Services.** The Fiscal 2022 Preliminary Plan includes a re-estimate of \$39,000 in Fiscal 2021 as BIC realigned its spending for OTPS.

Contract Budget

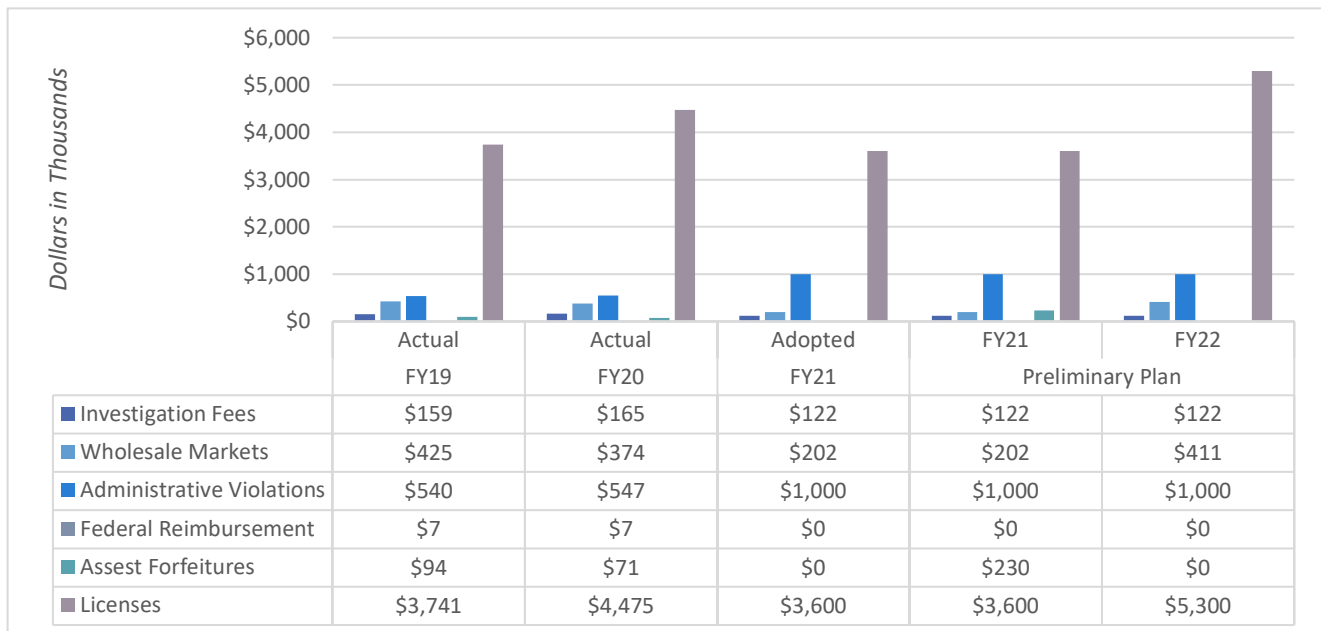
Figure 2: Contract Budget Overview



The Commission’s Fiscal 2022 Contract Budget totals \$202,000, an increase of \$43,000 or 27 percent, when compared to the Fiscal 2021 Adopted Budget of \$159,000. The increase in BIC’s contract budget is primarily due to an increase in contractual costs for data processing equipment maintenance.

Revenue Budget

Figure 3: Revenue Budget Overview



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

Approximately \$5.3 million, or 78 percent of total revenue generated in Fiscal 2022 will be from license, permit and franchise applications for construction and demolition removal. BIC’s revenue is projected to be \$1.7 million or 47 percent more in Fiscal 2022. Due largely to the agency’s license/registration application process which is on a two-year renewal cycle, the Fiscal 2022 application renewal will be higher than Fiscal 2021.

Additionally, \$411,000, or six percent of total revenue generated in Fiscal 2022 will be from charges for services related to wholesale market registration.

Approximately \$1 million, or 14.6 percent of the total projected revenue for Fiscal 2022 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 2022 Preliminary Plan remains unchanged at 83 positions when compared to the Fiscal 2021 Adopted Budget.

Fiscal 2021 Preliminary Mayor’s Management Report

The section below highlights five BIC indicators in the Fiscal 2021 Preliminary Mayor’s Management Report with significant variance in the first four months of Fiscal 2021 when compared to Fiscal 2020.

- Violations Issued to Private Waste Haulers.** In the first four months of Fiscal 2021, the number of violations BIC issued to haulers operating without a license or registration increased considerably from 41 in the first four months of Fiscal 2020 to 68, due to increased enforcement.

- **Approval Time for Waste Hauling Applications (days) – New and Renewal.** During the first four months of Fiscal 2021, the average time to approve a waste hauling application increased by 27 percent to 293 days, from 231 days in the same period in Fiscal 2020.
- **Waste Hauling Applications Pending.** In the first four months of Fiscal 2021, the number of waste hauling applications pending increased to 801, from 597 in the same period of Fiscal 2020.
- **Approval Time for Public Wholesale Market Applications (days).** The average time to approve a public wholesale market application increased by 50 percent from 238 days in the first four months of Fiscal 2020, to 356 days in the same period in Fiscal 2021.
- **Average Age of a Public Wholesale Market Application (days).** The average age of a public wholesale market application increased to 264 days in the first four months of Fiscal 2021, from 151 days in the same period in Fiscal 2020.

Appendices

A: Budget Actions in the November and the Preliminary Plans

| <i>Dollars in Thousands</i> | FY21 | | | FY22 | | |
|---|----------------|--------------|----------------|----------------|------------|----------------|
| | City | Non-City | Total | City | Non-City | Total |
| BIC Budget as of the Adopted FY21 Budget | \$9,213 | \$0 | \$9,213 | \$9,424 | \$0 | \$9,424 |
| Other Adjustments | | | | | | |
| Citywide Wireless Services | (\$3) | \$0 | (\$3) | (\$8) | \$0 | (\$8) |
| OTPS Forfeiture Fund | 0 | 154 | 154 | 0 | 0 | 0 |
| PS Forfeiture Fund | 0 | 76 | 76 | 0 | 0 | 0 |
| Managerial Furlough | (43) | 0 | (43) | 0 | 0 | 0 |
| Office Supplies | 1 | 0 | 1 | 0 | 0 | 0 |
| Subtotal, Other Adjustments | (\$45) | \$230 | \$185 | (\$8) | \$0 | (\$8) |
| Savings | | | | | | |
| OTPS Savings | (\$39) | \$0 | (\$39) | (\$52) | \$0 | (\$52) |
| PS Accruals | (316) | 0 | (316) | (150) | 0 | (150) |
| Subtotal, Savings | (\$355) | \$0 | (\$355) | (\$202) | \$0 | (\$202) |
| TOTAL, All Changes | (\$400) | \$230 | (\$170) | (\$210) | \$0 | (\$210) |
| BIC Budget as of the Preliminary FY22 Budget | \$8,812 | \$230 | \$9,042 | \$9,214 | \$0 | \$9,214 |

B: BIC Contract Budget

| <i>Dollars in Thousands</i> | | | | |
|---|--------------|---------------------|------------------|---------------------|
| Category | FY21 Adopted | Number of Contracts | FY22 Preliminary | Number of Contracts |
| Cleaning Services | \$8 | 1 | \$8 | 1 |
| Contractual Services - General | 59 | 2 | 5 | 2 |
| Data Processing Equipment Maintenance | 39 | 1 | 142 | 1 |
| Maintenance and Repairs - Motor Vehicle Equip | 11 | 1 | 5 | 1 |
| Office Equipment Maintenance | 7 | 1 | 11 | 1 |
| Prof. Services - Other | 15 | 1 | 11 | 1 |
| Training Program for City Employees | 20 | 1 | 20 | 1 |
| TOTAL | \$159 | 8 | \$202 | 8 |

C: BIC Miscellaneous Revenue

| <i>Dollars in Thousands</i> | | | | | | |
|-----------------------------|----------------|----------------|----------------|------------------|----------------|-----------------------|
| Revenue Sources | FY19 Actual | FY20 Actual | FY21 Adopted | Preliminary Plan | | *Difference FY21-FY22 |
| | | | | FY21 | FY22 | |
| Investigation Fees | \$159 | \$165 | \$122 | \$122 | \$122 | \$0 |
| Wholesale Markets | 425 | 374 | 202 | 202 | 411 | 210 |
| Administrative Violations | 540 | 547 | 1,000 | 1,000 | 1,000 | 0 |
| Federal Reimbursement | 7 | 7 | 0 | 0 | 0 | 0 |
| Asset Forfeitures | 94 | 71 | 0 | 230 | 0 | 0 |
| Licenses | 3,741 | 4,475 | 3,600 | 3,600 | 5,300 | 1,700 |
| TOTAL | \$4,996 | \$5,639 | \$4,924 | \$5,154 | \$6,834 | \$1,910 |

*The difference of Fiscal 2021 Adopted compared to Fiscal 2022 Preliminary Budget.

D: Financial Plan Summary

| <i>Dollars in Thousands</i> | FY19 | FY20 | FY21 | Preliminary Plan | | *Difference |
|-------------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|
| | Actual | Actual | Adopted | FY21 | FY22 | FY21-FY22 |
| Personal Services | | | | | | |
| Full-Time Salaried - Civilian | \$5,675 | \$6,121 | \$6,395 | \$6,030 | \$6,247 | (\$147) |
| Additional Gross Pay | 152 | 133 | 202 | 201 | 199 | (2) |
| Overtime - Civilian | 113 | 172 | 24 | 106 | 24 | 0 |
| SUBTOTAL | \$5,941 | \$6,426 | \$6,621 | \$6,338 | \$6,471 | (\$150) |
| Other Than Personal Services | | | | | | |
| Contractual Services | \$193 | \$220 | \$159 | \$175 | \$201 | \$43 |
| Fixed & Misc Charges | 4 | 0 | 0 | 0 | 0 | \$0 |
| Other Services & Charges | 2,443 | 2,001 | 2,279 | 2,329 | 2,397 | \$117 |
| Property & Equipment | 129 | 81 | 17 | 97 | 17 | \$0 |
| Supplies & Materials | 61 | 82 | 138 | 103 | 128 | (\$10) |
| SUBTOTAL | \$2,830 | \$2,384 | \$2,593 | \$2,704 | \$2,743 | \$150 |
| TOTAL | \$8,771 | \$8,809 | \$9,213 | \$9,042 | \$9,214 | \$0 |
| Funding | | | | | | |
| City Funds | | | \$9,213 | \$8,812 | \$9,214 | \$0 |
| Federal - Other | | | 0 | 230 | 0 | \$0 |
| TOTAL | \$8,771 | \$8,809 | \$9,213 | \$9,042 | \$9,214 | \$0 |
| Budgeted Headcount | | | | | | |
| Full-Time Positions - Civilian | 76 | 81 | 83 | 81 | 83 | 0 |
| TOTAL | 76 | 81 | 83 | 81 | 83 | 0 |

**The difference of Fiscal 2021 Adopted Budget compared to Fiscal 2022 Preliminary Budget.*