

Bronx Community Board Four District Manager's Report
General Board Meeting May 2008
Submitted by: José Rodriguez, District Manager

With June only a few days away and as we approach, the City's Fiscal Year 2010 Budget Process I felt it necessary to briefly review the Mayor's Executive budget, believing it will assist us as we begin the thirteen month preparation process for next year's budget (which begins on *July 1, 2009*) reviewing FY 09, I believe will not only assist with Our District Consultations but will allow us to be more efficient in our efforts. These meetings are the foundation for boards and agencies as they get ready for the more detailed borough level consultations in September and early October which leads to decisions about our capital and expense budget priorities.

The Mayor just recently outlined his executive budget where he outlined the following Fiscal Year (FY) 2009 Executive Budget and presented an updated four-year financial plan for New York City.

The almost \$60 billion budget maintains the City's firm financial footing in the near term by controlling and guiding expenditures across the city, with city-funded spending expected to only grow by 0.1 percent. Because of this restraint in spending and higher than projected revenues, the budget the Mayor presented on May 1st will continue the \$400 property tax rebate and the 7 percent property tax rate reduction for this fiscal year. In addition, the Mayor included \$600 million in savings in FY 2008 and \$1.3 billion in FY 2009 from reductions in planned agency spending and it will produce out-year savings of \$1.1 billion annually. Unfortunately, the executive's financial plan shows deficits of \$1.3 billion in FY 2010 and \$4.6 billion in FY 2011.

Furthermore the Mayor believes that through a combination of reductions in agency budgets and current revenue receipts, we will once again return tax dollars to New Yorkers who today face their own budget problems.

Economic Outlook:

Nationally the economy is slowing, as GDP growth decelerates and the labor market continues to soften. Locally, New York City's economic outlook is uncertain. Wall Street firms have announced hundreds of billions of dollars of write-downs and thousands of planned layoffs. After posting a record \$21 billion in profits in 2006, Wall Street firms had over \$11 billion in losses in 2007. Large commercial real estate transactions have already begun to decline and are forecast to fall further. Tourism remains a bright spot, with New York City recording an increase in overseas visitors of 33% since 2000, while the rest of the country has seen a 20% decline in overseas visitors during this period.

Program to Eliminate the Gap:

The City will realize savings of 3%, or more than \$600 million, in FY 2008 and is proposing savings of 6.4% of City funded expenses, or more than \$1.3 billion, in FY 2009 through the Agency Program. The reduction program includes actions to help close the budget gaps in Police, Fire, and Education as well as all other major agencies. The Department of Education will actually see an increase of more than \$200 million from FY 2008 to FY 2009 because of additional City funding.

Tax Relief:

While tax revenues are running higher than expected currently, they are forecast to decline by 6% in FY 2009. Although the City will be able to continue the \$400 property tax rebate for homeowners, the plan the Mayor released today only anticipates the 7% property tax rate reduction being included in FY 2009 and not in FY 2010 and beyond.

Capital Program Commitments:

The City is stretching four years of City-funded capital program commitments into five years, thereby reducing the City-funded portion of the capital commitment program by 20% annually FY2009-2012. The City will now meet the City-funded capital goals we had set for ourselves one year later, in 2013, rather than in 2012. The capital commitments for FY 2009-2012 total \$55.7 billion with this reduction. Details of this measured slowdown will be made available in the September update to the capital commitment program. I do want to mention that the Administration has eliminated the 153rd Street Bridge Project for the Mayor's Capital Budget program an estimated \$91 million. We raised the issue with the

Administration and the Borough President's office and have drafted a resolution for the Board to approve and submit on behalf of Board Four Community.

Out Year Budget Gaps:

The City is using resources from FY2008 to help close the budget gaps in the out-years of the financial plan. Additionally, the City will make an early payment on outstanding debt to help reduce the budget gap we are facing in FY 2010. The City will use \$3.2 billion of FY 2008 resources to help balance FY 2009 and another \$1 billion of these one-time resources to reduce the budget gap in FY 2010, and an additional \$350 million to help close the budget gap in 2011. Even after these actions, in FY 2010, there is a projected \$1.3 billion budget gap. The budget gaps grow to \$4.6 billion in FY 2011 and \$4.5 billion in FY 2012.

As you all knew, the Mayor's Preliminary Budget for FY 2009 reflected a budget cut of \$10,000 for each community board to be effective July 1, 2008. In addition, to the \$10,000 cut each community board received an additional \$6,000 cut was proposed and again we were asked to further trim our already stretched budgets. Although the initial reduction budget is subject to adoption by the City Council, it was included in the Mayor's Executive Budget which was release May 1st of this year.

As I had indicated to you back in March all 12 Community Boards in the Bronx attended the first hearing by the Committee on Government Operations regarding the proposed budget cuts to Bronx Community Boards on March 13, 2008. During that hearing the following was outlined and presented to the Council.

- Rescind proposed reduction to the FY 2009 operating budgets of the community boards:
- These cuts would further adversely impact the manner in which community boards are able to carry out their charter-mandated duties. Community Boards provide a strong and passionate voice for their communities as they manage issues affecting the quality of life of their residents.
- This proposed reduction to the relatively small budgets of the community boards cuts directly into their ability to provide direct services to their communities.
- The elimination of the proposed cuts would enable each community board to provide the necessary oversight and City-service advocacy envisioned by the City Charter.

As stated by the Bronx Borough President “Chapter 70 (City Government in the Community), Section 2800,d. of the City Charter clearly requires each community board to perform 21 enumerated functions in areas such as budget, land use and service delivery.”

The role of the community board is to accurately reflect the concerns of the communities they represent to city, state and federal agencies. The Community board is responsible for monitoring the delivery of city services, formulating the community’s budget priorities, and is an essential part of the land use and planning and development processes.

And as we all know Bronx Community Boards continue to be, more often than not, the first line of contact to the government. We coordinate city services and are the advocates for our communities. Our staffs sit on the front line for intake, mitigation, referrals, as well as follow-up on all 311 calls. Without our staff and full office services, we would be unable to continue to provide full liaison services to the city agencies. Without our offices and staff, another serious area that would be affected would be our work with developers and maintaining the character and cultural content of our Bronx neighborhoods.

While the Community Boards struggle to meet these needs on a limited budget, our staff continues to provide expertise in interpreting complicated agency procedures, regulations, laws and practices. And so, yet again, we went to City Hall all 59 Community Boards and our respective Borough Presidents standing together and presenting a united front we held a press conference outlining the importance of Community Boards in City governance. District Managers and Board Chairs again testified at the Council’s hearing only this time showing a show of force unseen by our civic and elected leaders.

Although the Executive Budget did include the initial \$10,000 the City however, did not include the additional \$6,000 proposed cut.

As with the Community Boards many of our Borough’s local services also faced difficulties. As outlined in the Mayor’s executive budget geographic reporting for local service districts by program, here are some of agencies of interest.

44th Precinct

Total budget of 420, 978,749 with 402 full time positions remain the same as last fiscal year.

Bronx FDNY

Total budget Engine and Ladder companies. Batt, Div, BC \$170,030,420 and 1,845 full time positions actually received an increase of \$10,984, 746.

Bronx Fire Prevention

The Program sub-borough total received for \$171, 012, 699 an increase of \$10, 930,840.

HPD-Bx Boro and Field Offices

Borough Total \$3,516, 456 with 62 full time positions and increase of \$9,049.

Department of Parks and Recreation

Parks and Playground Maintenance received \$16,923,472 with 295 full time positions a decrease of \$1,211,058.

Recreation Services Boro-Wide received \$1,854,512 with 39 full time positions a decrease of \$325,595.

Bronx Vehicle Repair Shop Borough Total \$21,395,492 with 376 full time positions a decrease of \$1,094,595.

However, in summation, I do want to provide you with a brief from the New York City Independent Budget Office. The IBO reported that although their latest forecast indicates that the city will lose about 60,000 jobs in calendar year 2009 and that tax revenues will fall by nearly \$2 billion next fiscal year, they project no budget shortfalls in 2009 and 2010.

According to IBO "the main reasons for this near-term balance, despite the slowing local economy, are fourfold: 1) IBO projects the city will end the current fiscal year with a surplus of \$4.6 billion, an amount sufficient to help close the underlying shortfalls in 2009 as well as help with 2010 and 2011; 2) the Mayor has proposed annual spending reductions of more than \$1 billion; 3) the decision to use a portion of resources from last year and this year, over and above the reported surpluses, for early retirement of debt has also eased the fiscal pressure for the next two years; and 4) IBO's projection of tax revenues for 2010 is \$1.2 billion higher than the Mayor's. "

They do believe however that the fiscal outlook dims somewhat in 2010 even though they, as many expect moderate local economic recovery and modest growth in tax revenues. Spending will continue to rise while revenues fall short there may be no sizable surplus to cover the gap between 2011 revenues and expenditures. IBO believes that there will be about a \$3.3 billion deficit in 2011 and about \$4.3 billion in 2012.

And so again Community Boards are the vital link between the people and government. Especially with respect to our charter mandated responsibilities to monitor the delivery of City services, zoning, land use and the budget. And with the reduction in service and personnel by many agencies, more people will

depend on Community Boards to fill that void. And as always the Board Four Community will continue to call on the Administration and the Council to not only restore funding but to increase funding so that Community Boards can adequately conduct their responsibilities and compensate their staff accordingly.