

November 9, 2021 – Open Meeting Matter

To: The Board

From: Yasong Niu *YN*

Date: November 1, 2021

Re: Proposed Amendments to Board Rules Section 1-11

Charter Section 2603(a) requires that, once every four years, the Board adjust the dollar amount established in Chapter 68's definition of "ownership interest" in Charter Section 2601(16) to reflect changes in the Consumer Price Index ("CPI") published by the Bureau of Labor Statistics of the United States Department of Labor.¹ Effective January 1, 2018, the Board amended Board Rules Section 1-11 to increase this dollar amount from \$48,000 to \$50,000. Four years having nearly passed, it is time again to adjust the amount.

Based on the change in the CPI for the metropolitan New York-New Jersey-Pennsylvania region, the proposed adjustment to Board Rules Section 1-11 would increase the dollar amount from \$50,000 to \$55,000. Attached are:

1. Draft Notice of Public Hearing and Opportunity to Comment on the proposed amended rule (**Exhibit 1**);
2. Bureau of Labor Statistics data reflecting the CPI for January 1990 through September 2021 (**Exhibit 2**); and
3. The CPI and ownership interest dollar amount calculation worksheets (**Exhibit 3**).

¹ Charter § 2601(16) states in relevant part: "Ownership interest" means an interest in a firm held by a public servant, or the public servant's spouse, domestic partner, or unemancipated child, which exceeds five percent of the firm or an investment of twenty-five thousand dollars in cash or other form of commitment, whichever is less, or five percent or twenty-five thousand dollars of the firm's indebtedness, whichever is less... The amount of twenty-five thousand dollars specified herein shall be modified by the board pursuant to subdivision a of section twenty-six hundred three.

Charter § 2603(a) states in relevant part: "The board, by rule, shall once every four years adjust the dollar amount established in subdivision sixteen of section twenty-six hundred one of this chapter to reflect changes in the consumer price index for the metropolitan New York-New Jersey region published by the United States bureau of labor statistics."

New York City Conflicts of Interest Board

Notice of Public Hearing and Opportunity to Comment on Proposed Rule Regarding Ownership Interest

What are we proposing? The Conflicts of Interest Board intends to amend Section 1-11 of Title 53 of the Rules of the City of New York to adjust for inflation the dollar amount in the definition of “ownership interest” (Charter Section 2601(16)).

When and where is the Hearing? The Conflicts of Interest Board will hold a public hearing on the proposed rule. The public hearing will take place by video conference at [] on [] and is accessible by:

- **Internet Video and Audio.** To access the hearing by Zoom, use the following URL: [].
- **Telephone.** To access the hearing by telephone, dial []. When prompted, use the following access code [] and password [].

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to the Conflicts of Interest Board through the NYC rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to Rules@COIB.nyc.gov.
- **By Speaking at the Hearing.** Anyone who wants to comment on the proposed rule at the public hearing may speak for up to three minutes. Please access the public hearing by Internet Video and Audio or by Telephone using the instructions above. It is recommended, but not required, that commenters sign up prior to the hearing by contacting the Conflicts of Interest Board by phone at (212) 437-0721 or by email at hammer@coib.nyc.gov.

Is there a deadline to submit comments? Yes, you must submit written comments by [].

This hearing has the following accessibility option(s) available: The Zoom platform accommodates screen reader software. Simultaneous transcription or a sign-language interpreter are available upon request.

Do you need assistance to participate in the hearing? You must tell the Conflicts of Interest Board if you need a reasonable accommodation of a disability at the hearing, including if you need a sign language interpreter or simultaneous transcription. You can advise us by email at hammer@coib.nyc.gov or by telephone at (212) 437-0721. You must tell us by [].

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. Copies of all comments submitted online, copies of all written comments, and a summary of oral comments concerning the proposed rule will be available to the public on the Conflicts of Interest Board’s

website (<https://www1.nyc.gov/site/coib/public-documents/open-meetings-and-public-hearings.page>) as soon as practicable.

What authorizes the Conflicts of Interest Board to make this rule? Sections 1043 and 2603(a) of the City Charter authorize the Conflicts of Interest Board to make this proposed rule.

Where can I find the Conflicts of Interest Board’s rules? The Conflicts of Interest Board’s rules are in Title 53 of the Rules of the City of New York.

What rules govern the rulemaking process? The Conflicts of Interest Board must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the City Charter.

STATEMENT OF BASIS AND PURPOSE

Charter Section 2603(a) requires that, once every four years, the Conflicts of Interest Board adjust for inflation the \$25,000 amount established in the definition of “ownership interest” in Charter Section 2601(16). Since the enactment of Chapter 68 of the City Charter in 1990, the Consumer Price Index (“CPI”) for the metropolitan New York-New Jersey-Pennsylvania region as published by the United States Department of Labor, Bureau of Labor Statistics, reflects a 118.7% change to the CPI. Thus, the \$25,000 “ownership interest” amount must be adjusted to \$55,000, rounded to the nearest \$1,000.

Text of Proposed Rule

New material is underlined. [Deleted material is bracketed.]

§ 1-11 Adjustment of Dollar Amount in Definition of “Ownership Interest”

Effective as of January 1, [2018]2022, the dollar amount in the definition of “Ownership Interest” in subdivision (16) of § 2601 of the New York City Charter shall be adjusted from [~~\$48,000~~]\$50,000 to [~~\$50,000~~]\$55,000.

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUURS12ASA0

Not Seasonally Adjusted

Series Title: All items in New York-Newark-Jersey City, NY-NJ-PA,

Area: New York-Newark-Jersey City, NY-NJ-PA

Item: All items

Base Period: 1982-84=100

Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011	242.639	243.832	245.617	246.489	248.073	248.505	249.164	250.058	250.559	250.051	249.317	248.307	247.718	245.859	249.576
2012	249.322	250.285	251.887	252.349	252.652	252.406	252.016	253.472	254.554	254.277	254.285	253.555	252.588	251.483	253.693
2013	254.807	256.234	256.589	255.967	256.270	256.911	257.326	257.659	258.504	257.069	257.377	257.284	256.833	256.130	257.537
2014	259.596	259.019	259.971	259.985	261.225	261.350	261.498	261.075	261.074	260.500	259.382	258.080	260.230	260.191	260.268
2015	258.376	259.240	259.647	259.959	261.066	261.512	261.199	261.347	261.887	261.515	261.009	259.941	260.558	259.967	261.150
2016	260.342	260.875	261.508	262.619	263.312	263.877	263.722	264.160	264.602	264.738	265.203	265.421	263.365	262.089	264.641
2017	266.917	267.662	267.582	267.948	268.183	268.666	268.051	268.657	270.059	269.575	269.381	269.564	268.520	267.826	269.215
2018	270.771	272.214	272.196	272.950	274.001	274.170	274.073	274.441	275.455	275.101	274.478	273.836	273.641	272.717	274.564
2019	275.144	275.823	276.570	277.441	278.068	278.802	278.817	279.428	279.338	279.255	279.468	279.816	278.164	276.975	279.354
2020	282.020	282.577	281.975	280.623	282.092	282.333	283.624	283.478	284.551	284.121	283.291	284.350	282.920	281.937	283.903
2021	285.525	286.474	287.481	289.493	290.991	293.872	293.553	293.927	295.488						288.973

Ownership Interest - Dollar Adjustment

<u>Date</u>	<u>CPI</u>	<u>\$</u>
Jan-90	135.1	\$25,000
Jan-94	156.0	\$29,000
Jan-98	172.1	\$32,000
Jan-02	188.5	\$35,000
Oct-05	216.6	\$40,000
Aug-09	238.8	\$44,000
Aug-13	257.7	\$48,000
Sep-17	270.1	\$50,000
Sep-21	295.5	\$55,000

Calculation from January 1990 to January 1994:

$\frac{\$25,000}{135.1} = \frac{X}{156.0}$	135.1 X = 3900000	X = \$28,868	~ <u><u>\$29,000</u></u>
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Calculation from January 1990 to January 1998:

$\frac{\$25,000}{135.1} = \frac{X}{172.1}$	135.1 X = 4302500	X = \$31,847	~ <u><u>\$32,000</u></u>
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Calculation from January 1990 to January 2002:

$\frac{\$25,000}{135.1} = \frac{X}{188.5}$	135.1 X = 4712500	X = \$34,882	~ <u><u>\$35,000</u></u>
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Calculation from January 1990 to October 2005:

$\frac{\$25,000}{135.1} = \frac{X}{216.6}$	135.1 X = 5415000	X = \$40,081	~ <u><u>\$40,000</u></u>
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Calculation from January 1990 to August 2009:

$\frac{\$25,000}{135.1} = \frac{X}{238.8}$	135.1 X = 5970000	X = \$44,189	~ <u><u>\$44,000</u></u>
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Calculation from January 1990 to September 2014:

$\frac{\$25,000}{135.1} = \frac{X}{258.5}$	135.1 X = 6462500	X = \$47,835	~ <u><u>\$48,000</u></u>
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Calculation from January 1990 to September 2017:

$\frac{\$25,000}{135.1} = \frac{X}{270.1}$	135.1 X = 6751475	X = \$49,974	~ <u><u>\$50,000</u></u>
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Calculation from January 1990 to September 2021:

$\frac{\$25,000}{135.1} = \frac{X}{295.5}$	135.1 X = 7387200	X = \$54,679	~ <u><u>\$55,000</u></u>
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