AGENDA FOR THE MAYOR'S MANAGEMENT ADVISORY BOARD, SEPTEMBER 18, 1975

I. Presentation of Super Agency Reorganization
   - Project Status Report: Dismantling of Super Agencies
     Finance Administration, P.R.C.A. and E.P.A. (Tab #1)
   - Transition Fact Book: Finance Administration (Tab #2)
   - Transition Fact Book: P.R.C.A. (Tab #3)
   - Transition Fact Book: E.P.A. (Tab #4)

II. Report on the Preparation of the Three-Year Financial Plan
   - Background (Tab #5)
   - Discussion by Mr. Axelson

III. Discussion of the Pension Study
   - Outline (Tab #6)

IV. Preliminary Materials on the Office of the Mayor
   - Organization Charts (Tab #7)

V. Discussion of Agenda and Date for Next Meeting (September 25, 1975, tentative)

VI. Housekeeping
   - Executive Director (Tab #8)

VII. Reading Materials (Tab #9)

A Study of the Studies: An Analysis of the Work and Recommendations of a
Generation of Task Forces on New York City's Fiscal Crisis. New York City
Commission on State-City Relations, December 1971.

"Management Survey Advise Applied to Present Problems", Dr. George Hallett,


(continued)

Please make the following change in your data book prepared for the Mayor's M.A.B. meeting of September 10, 1975:

Add Under Tab 2:

The membership of the Temporary Commission on City Finances should include:
Dr. Edward Mortola, President of Pace University

Change Under Tab 2:

John McGillicuddy is President of the Manufacturers Hanover Corp. -
not of Pace University, as indicated.

Add Under Tab #2:

Members of the Emergency Control Board are:

Hugh L. Carey, Governor of the State of New York
Abraham D. Beame, Mayor of the City of New York
Arthur Levitt, New York State Comptroller
Harrison J. Goldin, New York City Comptroller
Governor's designees:
William M. Ellinghaus, President of the New York Telephone Co.
Albert Vincent Casey, Chairman & President of American Airlines
David I. Margolis, President of Colt Industries, Inc.
project
status report

Dismantling of Super Agencies

Finance Administration

Parks, Recreation and Cultural Affairs Administration

Environmental Protection Administration

Office of Management and Budget

September 9, 1975
SUMMARY

This is the first in a series of specific recommendations regarding the dismantling of the superagencies. This proposal encompasses three superagencies - the Finance Administration, the Environmental Protection Administration and the Parks, Recreation and Cultural Affairs Administration.

The proposals will result in the elimination of 60 unnecessary executive and administrative positions for a savings of $1,189,247.

<table>
<thead>
<tr>
<th>Superagency</th>
<th>Positions Eliminated</th>
<th>Annual Savings</th>
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<tr>
<td>Finance</td>
<td>4</td>
<td>$112,432</td>
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<tr>
<td>Environmental Protection Administration</td>
<td>48</td>
<td>806,389</td>
</tr>
<tr>
<td>Parks, Recreation and Cultural Affairs Administration</td>
<td>8</td>
<td>270,426</td>
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The Corporation Counsel has been requested to begin preparing the legislation required to implement these proposals.

The recommendations represent only the initial phase of the reorganization process. They will be followed by additional recommendations for consolidating the organizational apparatus which is currently being used to deliver essential City services.
FINANCE ADMINISTRATION

The present superagency structure of the Finance Administration will be eliminated with the functions being consolidated into three divisions within a new Finance Department.

There are currently four departments in the Finance Administration - Tax Collection, Treasury, Real Property Assessment and the City Register. Each department is currently supervised by a Deputy Administrator. The new Finance Department will consist of three divisions - Tax Collection, Treasury and Real Property Assessment. Each division will be headed by a Deputy Commissioner.

The Department of the City Register is being abolished with its functions being transferred to the Office of the County Clerks. Personnel working in the Office of the City Register will be transferred to the County Clerks with the exception of the City Register and the First Deputy Register. These positions are no longer needed as the management personnel in the Office of the County Clerks will be able to assume the responsibilities of these two positions.

Initial reorganization savings amount to $112,432. They result from the elimination of four top-level positions.
FINANCE DEPARTMENT

PROPOSED ORGANIZATION CONCEPT

OFFICE OF THE MAYOR

COMMISSIONER

1st DEPUTY

STAFF FUNCTIONS

- Public Information
- Legal Affairs
- Planning
- Data Processing
- Administrative Services

DIVISION OF TAX COLLECTION & TREASURY

- Tax Collection
- Investments

DIVISION OF REAL PROPERTY ASSESSMENT

- Property Assessments
- Tax Application Review
The present superagency structure of the Parks, Recreation and Cultural Affairs Administration will be eliminated with the functions being consolidated into a Parks and Recreation Department and a Department of Cultural Affairs (when legislation for the latter department is enacted by the City Council).

The Administration currently consists of three departments - Parks, Recreation and Cultural Affairs. The three departments are supervised by Commissioners, the Commissioner of Parks being also the Administrator of PRCA.

The proposed Department of Parks and Recreation will consist of two major divisions: Division of Parks Maintenance and Operation, and Division of Recreation. Each division will be headed by a Deputy Commissioner.

The Parks Maintenance and Operation Division will supervise, operate and maintain the City's parks, playgrounds, beaches and recreational facilities. The Recreation Division will conduct recreational programs in playgrounds, recreation centers, etc., as well as in the community at large. The function of planning, design and construction supervision will be continued with a slight consolidation of functions; various staff activities such as legal, community relations and public information will be continued.

Initial reorganization savings amount to $270,426. This results from the elimination of eight top-level positions.
PARKS AND RECREATION DEPARTMENT

PROPOSED ORGANIZATION CONCEPT

OFFICE OF THE MAYOR

LANDMARKS, PRESERVATION COMMISSION

COMMISSIONER
1st DEPUTY

CAPITAL PROJECTS
- Design
- Construction

STAFF FUNCTIONS
- Administrative Services
- Management Services
- Public Information
- Community Development
- Conservation

DIVISION OF PARKS, MAINTENANCE AND OPERATIONS
- Park Areas and Facilities
- Maintenance
- Park Licensing
- Horticulture

DIVISION OF RECREATION
- Recreation Centers
- Playground Programs
- Special Programs

* LEGISLATION HAS BEEN SUBMITTED TO THE CITY COUNCIL TO ESTABLISH A SEPARATE CULTURAL AFFAIRS AGENCY.
The present superagency structure of the Environmental Protection Administration will be eliminated with the functions being consolidated into a Department of Environmental Protection and a Department of Sanitation.

The new Department of Environmental Protection will incorporate functions now performed by the Department of Air Resources, the Department of Water Resources, the Energy Office and the Environmental Control Board. The Department of Sanitation will function as an autonomous Department.

The new Department of Environmental Protection will be headed by a Commissioner, who will also serve as the Director of the Energy Office and as Chairman of the Environmental Control Board. There will be a First Deputy Commissioner for Operations, a Deputy Commissioner of the Division of Water Resources and a Deputy Commissioner for the Division of Air Resources.

A number of functions of the Environmental Protection Administration will be either reduced or eliminated in the new Department of Environmental Protection. For example:

(1) The Office of Citizen Involvement, heretofore under an EPA Assistant Administrator, will be eliminated and its personnel allocated to the Communications Center, which services citizen complaints concerning flooding, sewage back-ups, and air and noise complaints on a 24 hour basis and the Office of Public Information.

(2) The Office of Public Information will be headed by a Director with reduced responsibilities in lieu of an EPA Assistant Administrator.

(3) The staff of the Office of Resource Recovery and some EPA personnel of the Solid Waste Task Force will be consolidated in the Energy Office. Representatives of EDA, Consumer Affairs, HDA, CPC and MSA (or their successor organizations) will continue to serve with the Energy Office to assure city-wide policy coordination. With the above consolidation of EPA personnel and continuing representation from other City agencies, the services of the Assistant Administrator of EPA now serving as the Deputy Director of the Energy Office will no longer be required.
During the initial reorganization period, it is recommended that administrative (fiscal, personnel, etc.) services continue to be provided from the Department of Environmental Protection to the Department of Sanitation. The target date for the creation of capacity within the Department of Sanitation to provide these services should be one year later than the date for the creation of the new Department of Environmental Protection and an autonomous Department of Sanitation.

Initial reorganization savings amount to $806,389. This results from the elimination of 48 positions.
ENVIRONMENTAL PROTECTION ADMINISTRATION
ENVIRONMENTAL PROTECTION DEPARTMENT
PROPOSED ORGANIZATION CONCEPT

OFFICE OF THE MAYOR

BOARD OF WATER SUPPLY

COMMISSIONER
1st DEPUTY

ENVIRONMENTAL CONTROL BOARD

STAFF FUNCTIONS
- Planning
- Payroll
- Personnel
- Legal

DIVISION OF WATER RESOURCES
- Water Supply
- Water Pollution Control
- Water Register

DIVISION OF AIR RESOURCES
- Engineering
- Noise Abatement
- Enforcement
SANITATION DEPARTMENT

PROPOSED ORGANIZATION CONCEPT

OFFICE OF THE MAYOR

COMMISSIONER
1st DEPUTY

STAFF FUNCTIONS
- Personnel
- Payroll
- Engineering
- Legal
- Management Analysis
- Building Management

DIVISION OF MOTOR EQUIPMENT
- Motor Vehicle Maintenance and Repair

DIVISION OF CLEANING AND COLLECTION
- Collection
- Snow Removal and Equipment
- Sanitation Police
- Field Inspection and Audit
- Safety & Training
- Street Cleaning & Personnel

DIVISION OF WASTE DISPOSAL
- Incinerator
- Land Fill
- Marine Transfer Station
Finance Administration (FA)
Transition Fact Book

Administrator

FINANCE ADMINISTRATION

Fund for the City of New York

January, 1974
Copyright 1974

Fund for the City of New York
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SUMMARY

The Administrator's Mission

To receive and disburse all city funds. In order to carry out this central function, he must maintain records of taxable property and make periodic assessments of its value and administer, audit and collect a number of personal and business income and excise taxes.

Critical Problems

To complete the conversion of the Finance Administration's operations to a modern, computerized agency capable of efficient handling of astronomical numbers of records and papers.

To study and bring about reform of the present system of property tax assessments, which has been criticized in several quarters as being uneven and inequitable.

Past Successes'

Introduction of a series of management innovations that have increased the Administration's productivity and have permitted a 25% reduction in personnel. This has been accomplished mainly through expanded use of automated data processing, establishment of work performance standards, and greater utilization of banks to do back office processing tasks.
INTRODUCTION

The Finance Department is one of three agencies that are integrally involved in the City's fiscal process. The others are the Bureau of the Budget and the Comptroller. Their functions are complementary. The Budget Bureau, as a City Hall staff unit, juggles priorities, suggests new taxes, and makes long-range plans for spending money—but doesn't actually touch any of it. The Comptroller acts as auditor, and approves the legality (as opposed to the advisability) of all expenditures. The Finance Department, by contrast, has little or nothing to say about what funds come in or to whom they are paid out. But it is the handler of all such funds—as well as data and millions of papers involved in the system.

Finance must collect all taxes due the city, and receive all state or federal aid. It must also send out all checks to city employees and to bona fide creditors. With over $20 billion a year in receipts and disbursements, the agency is one of the largest financial handlers in the country.

The city's expense budget for fiscal 1974 (July 1, 1973 through June 30, 1974) is roughly $10 billion. That money comes from:

NYC BUDGET

STATE AID

FEDERAL FUNDS

LOCAL TAX LEVY

INCOME TAX

SALES TAX

BUSINESS TAX

MISC. TAXES and OTHER

REAL ESTATE TAX

(in billions—by source)
The Finance Administration's most important job is to move the funds from the left-hand pie into the city treasury -- and from there to its ultimate legal recipients -- as quickly and efficiently as possible. It is essentially a routine, easily defined task. As one commissioner puts it, banking is banking -- whether it is performed by a public agency or a private company. As a consequence, FA's civil service staff is generally stable and professional.

Nevertheless, a transformation of the agency has begun. FA's increasing use of computers and microfilm has enabled it to double its productivity and cut its work force by one-fourth since 1966. And this automation is altering the nature of the agency. It is slowly changing from a bookkeeper's shop, balancing credits and debits, to a sophisticated processor of paper and information. Such an evolution calls for different kinds of technical expertise and management skills. The current challenge for its leadership is to streamline and upgrade its operations by means of new technological tools and more rational organization.

FA became a superagency in 1968 by absorbing two departments which -- although they were independent -- essentially performed supporting services. These departments are Real Estate Assessment and the Offices of the City Register. The agency now has 1,900 employees (down 500 from 1966). Its annual budget is $36 million.

I. Organization and Staff

The Finance Administration's five departments perform several functions.

The City Register keeps track of ownership of property in the city.

The Real Property Assessment Department maps such property and assesses it for real estate tax purposes. (These two agencies were taken over in the administrative reorganization which led to the creation of the Finance Administration.)

The Tax Collection Department bills and collects not only real estate taxes, but business, excise, personal income taxes--as well as coins from parking meters, money for water bills (from information received from the Water Department) and two dozen other categories of receipts.

The Treasury Department banks and invests city revenues and state and federal aid funds, calculating the city's cash surplus each day. It issues checks (prepared by the Comptroller) to city employees and creditors, and manages the city bail bond system and various investment trust funds.
The Fiscal Research Department projects revenues and conducts other financial studies.

Since 60% of the city's revenues come from local tax levies, it is obvious that FA's most important job is collecting and administering those taxes. Hence two-thirds of the agency's manpower and budget are devoted to the Tax Collection Department.

Except in its Tax Collection Department, FA does not need more employees. But it does need people with new technical skills to exploit the productivity potential of computers, microfilm and other sophisticated tools. It also needs managers capable of streamlining the channels through which the swelling flood of information must flow. In the most critical area, data processing, FA badly needs EDP managers, systems analysts and computer programmers. At present, there is not enough recruitment of such skills and only weak training programs. (An exception, begun this year, is the recruitment of management interns, of which fifteen have been hired since July, 1973.) This problem is exacerbated by the fact that a large proportion of the professional staff is nearing retirement, and many line managers acknowledge that there is not enough backup personnel.

In the Tax Collection Department, much of the workload cannot be handled by available machines. The processing of corporate income tax returns, which is far behind, cannot be automated at present. This department's skilled manpower shortage is critical, with 25 more accountants and 50 new auditors needed immediately. The auditors, if they could be found, would pay for themselves as each one brings in over $100,000 in uncollected taxes.

II. Key Issues and Problems

A. Continuing Management Improvements

Because the Finance Administration has already begun a program that is successfully improving its productivity, the first order of priority is to build on those innovations that have shown promise, to extend their scope, and to discover areas in which new gains can be made. Some of the most impressive recent programs are these:
1. **Improvement of Tax Collection**

The Department of Tax Collection has a staggering work load. It must process tens of millions of bills, checks and other papers each year. The department has already put much of its data into computer banks, is experimenting with optical scanning and has eliminated forty percent of paper billing of real estate taxes. This year it launched a Pay by Tape program to collect property taxes. The taxes on some one million mortgaged units are customarily paid by the mortgage holders—which consist of a relative handful of banks and loan companies. Instead of sending out approximately 500,000 bills, the department now sends computer tapes representing 25% of the bills to service bureaus or banks designated to receive such information. The taxes are machine-read to verify that the taxes are due from the service bureau's clients and paid by one check. This cuts paperwork, saves postage and eliminates errors and lost items. In a test of the program, the department collected $13 million in five days less than would normally have been required. A number of similar programs are under study.

2. **Lock Box Plan**

All taxpayers used to send their checks to the Tax Collection Department, which processed them and deposited them in one of its bank accounts. Now most taxpayers mail their checks to post office lock boxes (which also act as sorting vehicles), from which they are picked up each day by participating banks. The banks process the remittances and deposit the funds to the city's account immediately and issue a record of payment. The result is quicker processing, a lighter work-load for the Tax Collection Department,
less paperwork and increased revenues from funds more quickly banked and invested.

3. Boost

This is an IBM acronym for Borough Office On-Line System Terminals. File data on every piece of taxable real property in the city has been punched into FA's computer bank. An on-line terminal has also been installed in each borough office. At the press of a few keys, a taxpayer or agency employee can retrieve information from the file in seconds or prepare a duplicate bill. This is particularly useful when a taxpayer has lost or forgotten his bill. Previously, an employee would have been compelled to look up the information and make out a duplicate bill manually.

4. Consolidation of Borough Offices

At the recommendation of McKinsey & Co., FA has started to consolidate its various departmental offices in each borough into a single "one-stop shop." The job has already been done in Brooklyn and Queens, but has been held up in the Bronx by a shortage of suitable office space. At the same time, FA is removing many processing tasks from the boroughs and centralizing them. This makes it easier to automate paperwork. A more extreme step being discussed would consolidate all City Register offices in Manhattan. The management advantages of such record centralization are obvious, but it would create accessibility problems for residents of other boroughs. The Tax Collection Commissioner questions any need for borough offices, except to furnish information to the public. He argues that the Lock Box Plan could be extended to payment of all taxes.
5. **Pool and Satellite Banking System**

For many years, whenever a new city program was established, FA deposited the money to run it in an earmarked account. But this wasted the opportunity to profit from short term investment of the city’s daily cash flow of hundreds of millions of dollars. Under the Pool and Satellite system of cash accounts, the bulk of city funds are kept in short-term investments, with cash banked daily only in amounts required to meet current bills. The spectacular success of the program is evident in the following figures on interest earnings (in millions) on city funds:

<table>
<thead>
<tr>
<th>Year</th>
<th>Before</th>
<th>After</th>
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<tr>
<td>1968</td>
<td>$3.2</td>
<td>$16.5</td>
</tr>
<tr>
<td>1969</td>
<td>$3.9</td>
<td>$21.7</td>
</tr>
<tr>
<td>1970</td>
<td>$4.7</td>
<td>$40.0</td>
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The current figure is more than it costs to run all of FA.

The City now keeps enough cash on hand to cover demands but not much more. Satellite accounts are zero balance accounts out of which all payments are made, with each day’s clearings being made up at the close of business from the pool account in that bank. The City compensates the banks by leaving funds in their pool account sufficient to generate the required compensation (and of course never less than what will be required to cover the next day’s cash demand on the satellite accounts). Precise adjustments in balances are worked out each morning in 90 seconds of real computer time via a terminal link to a Tym-Share Corp computer outside the agency. The only management discretion required is in negotiating compensation levels with the banks, and the advice there is "be tough".
B. Management Planning

FA's transformation requires a larger and stronger management planning group. Professional assistance is needed in long-term planning, reorganization and the streamlining of operations. Department heads generally cope well with day-to-day operations, but the shift to microfilm computers, borough consolidation, bureau reorganization and other changes demand study, planning and management strategies that only a highly trained central planning staff can handle. The existing Office of Management Planning is not yet geared to perform this task.

C. Real Estate Assessment

There is only one major policy issue to concern the Finance Administrator, but it is of enormous importance. This is the longstanding demand for a code of objective real estate assessment criteria.

Property assessments in New York appear to be the product of three major influences:

1. Political considerations, such as those that hold down assessments on one and two family homes.

2. The gut feel of individual assessors, who—in the absence of firm standards and procedures—exercise great discretion. A few do their homework by studying the market, collecting and analyzing data on construction costs, rents, vacancies, rate of return, etc. The majority, however, take a look at the property and then either leave the assessment as it is or automatically increase it three percent to compensate for inflation. Assessments remain unchanged on 90% of all parcels.

3. Court decisions which consistently reduce assessments. The City usually wins these cases on appeal. This system has a number of unfortunate consequences. Assessments are incon-
sistent. In 1971, citywide assessments averaged sixty percent of market value. But one and two family homes in Queens averaged only thirty percent, while elevator apartment buildings in the Bronx were assessed at 105 percent of market value.

Virtually every large landlord appeals his assessment, over 50,000 applications are filed each year. Since the city cannot cope with this number of cases, it employs such mechanisms as the Tax Commission and tri-departmental hearings to reach out-of-court settlements. These cost the city $20 million a year in taxes that would have been collected had the original assessments stood.

There is considerable evidence that one expert cited the extreme examples of a $100,000 single family building in Riverside, assessed at 30% of market value and a $20,000 single family building in the South Bronx assessed at 60% market value.

The system has been under attack for years without effect. One case has already gone to litigation in Upstate New York, and the decision could compel a change in the entire procedure. FA's Department of Real Property Assessment is studying the problem, and the new administration should try to resolve it without waiting for the courts to force action. RPAD's chief, an old-line, experienced assessor with an acute awareness of the complexities, is well equipped to do the study.

A related, and even more fundamental issue, is the relative weight of taxation on land and improvements. Today, taxation bears lightly on land and more
heavily on improvements such as buildings. The effect is to encourage land speculation and to discourage construction, a self-defeating policy in an urban environment. The experience of some other cities suggests that changing policy to encourage development can be an effective alternative to urban renewal subsidies.

A study has been undertaken to determine the feasibility of automating a significant part of the assessment procedure. The Fiscal Research Department is in the process of preparing a proposal for a pilot project patterned after systems in use in Ramapo, New York and other areas of the country.

There is a need to fully computerize the data information used by assessors in the assessment procedure. This process has been started and should be accelerated in 1974.

There is a need to quantify more satisfactorily work performance standards for the assessor occupational group.

III. Other Issues and Problems

A. HRA Cash Flow

Some social programs--particularly those financed by the federal government--are launched before the funding is in hand. The result can be a cash flow problem until the funds come in. When the Banks were flush (and before the city drastically cut its cash balances by its Pool and Satellite system), they permitted overdrafts on HRA programs. But when overdrafts soared from less than $8 million to $52 million, the FA called a halt. The overdraft is now down to $20 million, but a spending ceiling
must be kept on HRA in this area (Department of Social Services programs are not affected). In the past, the Budget Bureau and Comptroller have sometimes shifted funds around to relieve the pressure, and they may have to do so again. In any case, FA will have to keep a careful eye on the situation.

B. Microfilming Records

Record storage is a major expense for the Finance Administration, which is required by law to hold tax records (50 million paychecks and 30 million tax returns, for a starter) for six years. Since space is the main cost element in storage, microfilming would seem to be the answer. But microfilming is also expensive, so important decisions must be made—particularly by the City Register (Harry Tishelman: 882-3933)—on which of FA's voluminous records should be microfilmed. The IRS has experimented with microfilming income tax returns, but abandoned the idea because of the high cost of disassembling forms for filming. But the Tax Collection Department is re-examining the problem, and believes it is close to a solution. Another approach is to do away with the use of paper at the outset. If city employees' pay were deposited directly to their personal accounts, for example, it would eliminate ten million checks a year. The same system could be used for tax refunds. But a 1970 survey of 2,500 city employees revealed that 61% of them showed favorable interest in the pay plan.

C. Senior Citizens' Rent Abatement

For three years, the Housing Development Administration has granted senior citizens some abatement on their rents, compensating landlords by an equivalent cut in property taxes. HDA gives out application forms for abatement which the landlord completes and submits as a deduction with his tax payments. At present, however, no one verifies the claims. FA has now agreed to take over the program, and the Tax Collection Department prepares lists of all abatements credited and submits them to HDA for review and audit. This procedure should be examined during 1974 for leakages and weaknesses.
D. **Interest-Free Deposits**

Special Prosecutor Maurice Nadjari was investigating FA's practice of holding a small cash reserve (about $7 million) in non-interest-paying accounts. He was seeking evidence of favoritism or payoffs in placement of this money. The administration feels that: it is a way of reimbursing banks that are not in the Pool and Satellite banking system for such services as distribution of food stamps; it is a means of support for struggling minority enterprises, such as the Freedom National Bank; and it is supposed to encourage the banks to involve themselves with local problems.

E. **Important Contacts**

To do its job well, FA must stay in close touch with the banking, accounting, real estate and title company communities, as well as leading lawyers specializing in these areas. In particular, FA maintains regular contact with the senior officers for government relations of its six pool banks: Manufacturers Hanover, First National City (which also processes city income tax returns), Chase Manhattan (which does much of FA's key punching), Bankers Trust, Chemical and Morgan Guaranty. The incumbent Administrator also organized two advisory committees in the early part of his term. One was made up of leading bankers, and another of accountants, real estate specialists and lawyers.

The Tax Collection Department should cultivate its present good relationship with the New York State Tax Commission. Two examples demonstrate the value of this collaboration:

Until last year, the sales tax was collected by the State Commission, although a portion of it belonged to the city. Local officials believed that substantial revenues were being lost through weak enforcement. They suggested that city auditors be permitted to check payment of tax within New York City. The State agreed, and has now authorized the city to increase its auditing
staff to 37.

The City audits a small number of personal income tax returns. The state shares with the City all of its audits of state and federal returns for persons who have also filed city tax returns. From this information, the city can simply bill for any additional tax owed, without incurring audit costs of its own.

F. Investor Tours

In 1973 Moody's raised the city's bond rating to A and, for the first time in many years, the interest rate the city had to pay on its borrowing dropped below the Bond Buyer's Index. This reflected the security market's renewed confidence in the city's credit. The improved attitude toward New York and its management was importantly bolstered by a series of FA sponsored investor tours that began in 1969. Three were held in 1972 and 1973, and two could profitably be staged each year. The cost of the tours--about $60,000 annually--is currently defrayed by purchases of New York City debt instruments. Other cities fund such tours themselves, and the Treasury Department believes that New York should, too. The program could be financed, officials argue, with a fraction of the savings the city has realized in lower interest rates (some $500,000 a year). It is essential that the new Mayor and his top administrators continue to participate enthusiastically. Direct contact with the city's political leaders is probably the most important element in generating confidence on the part of financial executives from other areas of the country.
TABLE of ORGANIZATION : LINE
FINANCE ADMINISTRATION
Created 1968

FINANCE ADMINISTRATION
Administrator:
Dick Lewisohn
$43,255

CITY REGISTER
DEP. ADMIN./COM.
Alex Weiss
$22,726

REAL PROPERTY ASSESSMENT DEPT.
DEP. ADMIN./COM.
Phil Click
$26,925

TAX COLLECTION DEPARTMENT
DEP. ADMIN./COM.
Dick Brevoort
$36,925

TREASURY DEPARTMENT
DEP. ADMIN./COM.
Mal Strickler
$32,726

FISCAL RESEARCH DEPARTMENT
DEP. ADMIN./COM.
John Fava
$34,935

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(a) Appointed position
(b) Appointed position held by civil servant, can be demoted

All these positions are appointed at the pleasure of the Mayor.

* Click's civil service line is as city assessor, the Dept's. #2 job, which he also performs.
** Plus 400 part-time
**TABLE of ORGANIZATION: STAFF**

- **ADMINISTRATOR**
  - Dick Lewison

  - **FIRST DEPUTY ADMINISTRATOR**
    - Harry Tishelman
    - $23,525  (b)

- **EXECUTIVE ASSISTANT**
  - Rosalyn Post
  - $19,589  (a)

- **ASSISTANT ADMINISTRATOR**
  - Administrative Services
    - Katherine Ungar
    - $28,359  (a)

- **ASSISTANT ADMINISTRATOR**
  - Data Processing
    - Abe Turkin
    - $33,106  (b)

  - Management Planning
    - Mel Goldstein
    - $32,726  (b)

  - Internal Audit and Inspection
    - Lou Jacobson
    - $28,359  (a)

  - Legal Affairs
    - Harry Katz
    - $35,564  (b)

  - Public Information
    - Walt Kirschendbaum
    - $28,369  (a)

---

- **(a)** appointed position
- **(b)** appointed position held by a civil servant; can be demoted.
- First Deputy appointed by Mayor; all others by Administrator.

---

*one of a board managing investment of funds

** with Mayor & Comptroller. Formal unit for dealing with the city's banking community.

*** because 90% of FA's data processing is for tax collection department. Turkin reports to its commission "operationally."
PHYSICAL LOCATIONS*

**COMPTOLLERS OFFICE**
Municipal Building 5th FL.

**ADMINISTRATORS OFFICE**
Municipal Building 5th FL.

**BUREAU OF THE BUDGET**
Municipal Building 6th FL.

**CITY REGISTER**
31 Chambers St.

**REAL PROPERTY ASSESSOR**
Municipal Building 9th FL.

**TAX COLLECTION**
139 Centre St.

**TREASURY**
Municipal Building 5th FL.

**FISCAL RESEARCH**
Municipal Building 5th FL.

**OFFICES IN 4 COUNTIES OF BRONX, KINGS, NEW YORK, AND QUEENS. IN EACH COUNTY THE REGISTER IS THE COUNTY CLERK.**

**OFFICES IN EACH OF THE 5 BOROS**

**CITY COLLECTIONS BUREAU OFFICES IN EACH BORO COMPLIANCE AND COLLECTION BUREAU 79 WORTH ST.**

**INCOME AND EXCISE TAX BUREAU 139 CENTRE ST.**

**PARKING METER DIVISION 80 LAFAYETTE ST.**

**CENTRAL OFFICE ONLY**

*FA's Departments, including the commissioners, are not centralized on the 5th Floor of the Municipal Building, but are scattered through a variety of locations.

**NOTE:** Department offices are being consolidated in each boro at a single location. So far this has been done in Brooklyn and Queens.
FINANCE ADMINISTRATION

BUDGET BREAKDOWN
(in millions)

TOTAL
CAPITAL BUDGET
$11,700 (actual dollars) (.03%)

EXPENSE BUDGET
$36.5
(99.97%)

BY SOURCE
TAX LEVY
$32.5
(89%)

(5%)
(Pending state legislation)

NUISANCE TAX*

PARKING METER REVENUES
$14
(47%)

SEWER RENTALS*

*.F.A keeps a percentage of these three revenues to cover cost of collecting them.

BY DEPARTMENT

PERSONAL/OTPS

TREASURY
$12
(3%)

CITY REGISTER

ADMINISTRATION (INC. FISCAL RESEARCH)

TAX COLLECTION
$25.6
(70%)

+2.1

+5.6

+2.1

(5%)
(6%)
(15%)

PERSONAL SERVICES
$24.9
(68%)

OTHER THAN PERSONAL SERVICES
$11.6
(32%)
**NYC FISCAL UNITS**

**EX OFFICIO MEMBERSHIPS**
- HEALTH INSURANCE BD.
- CITY EMP. RETIRMT. SYS.
- TEACHERS RETIRMT. BD.
- BD. OF REV. OF ASSESS.
- THE BANKING COMMISSION
- FIRE DEPT. PENSION FUND
- FIRE DEPT. LIFE INS. FD.
- POLICE PENSION FUND

**THE BOARD OF ESTIMATE**
- COMPTROLLER
- CITY COUNCIL
- FINANCE COMMITTEE

**FINANCE Administration**
- BUREAU of the BUDGET
- THE TAX COMMISSION

---

**THE FINANCE ADMINISTRATION and:**

- **The Comptroller:** the Comptroller's office audits the FA; the Comptroller and the Finance Administrator serve on various boards together; the Comptroller pre-audits and warrants (okays) all city expenditures and prints the checks for them, which FA counts, signs, issues, and pays; the two agencies perform parallel functions (e.g. manage various investment funds).

- **the Bureau of the Budget:** chiefly, the two relate each year on preparation (along with the Comptroller) of the revenue projections for the coming fiscal year.

- **the Tax Commission:** an independent unit hearing appeals against FA's property assessments; the head of RPAD keeps close contact with the president of the Tax Commission.
Appendix E

INPUTS

Staff
1. Jerry Swift, consultant, FCNY.
2. Leslie Elish, Director, Transition Study, FCNY; home, 737-7997.

Interviewed
1. John McCrory, Budget Examiner, BOB.
2. John McInnes, Budget Supervisor, BOB.
3. Mel Goldstein, Assistant Administrator, Management Planning, FA.
4. Philip Click, Commissioner, Real Property Assessment, FA.
5. Malcolm Strickler, Commissioner, Treasury, FA.
6. Alexander Weiss, Commissioner, The City Register, FA.
7. Edward O'Keefe, Special Assistant, Tax Commissioner, FA.
8. Richard Brevoort, Commissioner, Tax Collections, FA.
9. Harry Tishelman, First Deputy Administrator, FA.

Critical Review
2. Lew Feldstein, former Director, Mayor's Office of Neighborhood Government.
3. Steve Clifford, consultant, FCNY.

Graphics
1. Marilyn Reynolds.
2. Sarah Thatcher Suplee.
Parks Recreation and Cultural Affairs (PRCA)
Transition Fact Book

Administrator/Commissioner of Parks

PARKS, RECREATION AND CULTURAL AFFAIRS ADMINISTRATION

Fund for the City of New York
January, 1974
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SUMMARY

The Administrator's Mission

To maintain and operate the city's parks and playgrounds; to develop and operate recreational and cultural programs.

Critical Problems

Establishing improved management techniques for the deployment of men and equipment; for maintenance and repair of equipment; for processing of capital projects; and for internal audit and control of disbursements and receipts.

Developing a program for the future responsibilities and priorities of the Parks Administration, with particular emphasis on restructuring the city's recreation services.

Curtailing vandalism and abuse of park facilities.

Past Successes

Continuing expansion of the city's park lands and playground areas; an evident increase in public use of parks and facilities.
INTRODUCTION

The Department of Parks, Recreation and Cultural Affairs was created in 1968. Previously, Recreation and Cultural Affairs were divisions of the Department of Parks.

The major responsibility of PRCA is essentially the Parks Department. The PRCA Administrator also wears the hat of Parks Commissioner. In addition, there is a Commissioner of Recreation and a Cultural Affairs Commissioner.

PRCA's mandate is to maintain and operate 37,000 acres of park properties in the city -- 17% of the total city; to create and run recreational programs; to design, rehabilitate, and/or construct park and recreation facilities; to acquire and maintain parklands; to review and recommend that part of cultural institutions' budgets which receive city funds, and to develop cultural programs in all five boroughs, particularly for the summer months.

PRCA's number one problem is that it is only beginning to develop a new management system and many of its operations reflect the chaos of the past. Its second major problem is the poor performance of its capital projects division. The seven year prior history of PRCA featured two Administrators who were not primarily interested in management techniques. As park usage increased and park employees were lost through attrition, any remnants of a management system disintegrated. PRCA's capital projects division, faced not only with a major change in the nature of its functions as more work was let to outside consultants, but a rapid increase in its new workload, also lapsed into chaos.

The Administration's third major problem is clearly its role in providing recreation services. The Departments of Parks and Recreation operate more recreation facilities than any other City agency, but the recreation manpower within the Administration is inadequate in numbers and quality. Overall coordination of the City recreation agencies, with particular emphasis on the Department of Recreation and the Youth Services Agency, is mandatory.
I. The PRCA Staff and Organization

A. Budget

PRCA's total 1973-74 budget is approximately $178 million - $94.1 in the Capital Budget and $84.3 million in the Expense Budget. State or Federal matching funds form no significant part of either budget. This fact, as much as anything else, has hindered PRCA in its attempt to increase its share of the budget.

PRCA's capital budget now includes approximately $20 million in salaries for employees whose work is closely related to "capital items". This includes all personnel who design capital projects and supervise construction, all forestry and horticultural personnel, and for the first time in 1973-74, a sizeable number of park laborers. PRCA's capital budget emphasis in recent years has been on rehabilitation of existing facilities; acquisition of already developed land (particularly in Staten Island, Queens and the Bronx) for increased use as the City population shifts; and, this past year, on tree planting. Special programs carried out over the last few years, ranged from a major outdoor pool construction program to the installation of safety surfacing under every piece of playground equipment, major upgrading of the forestry and horticulture division; rehabilitation of Central Park, Prospect Park, Pelham Bay Park, Van Cortlandt Park and Crotona Park, and development of Flushing Meadow Park; and tennis courts, bicycle paths and roller hockey courts. PRCA has discouraged such projects as new indoor recreation centers, indoor pools and all weather ice skating facilities because of high construction cost and heavy labor demands for maintenance and operation. Nonetheless several large projects remain in the pipeline.

PRCA's expense budget reflects a substantial attrition in manpower and in some areas (particularly mechanics, laborers with particular skills, and motor vehicle operators) the agency
has been effectively hamstrung by manpower shortages. Day-to-day, however, park maintenance seems to be affected more by problems of deployment and supervision. PRCA feels that once it has made demonstrable headway in these areas it will be able to justify more park laborers in the budget.

Two additional developments have somewhat eased the manpower shortage problem: creation of two new job titles (park maintainer and assistant park maintainer) which has provided more jobs at the $10,000 and under range and use of from one to three thousand workers from work relief and similar income assistance programs. Neither of these steps eases the shortage of employees with special skills. Loss of the latter has cost PRCA most of its flexibility in keeping equipment in operation and facilities open and operating. The Agency has made efforts to reestablish an in-house capability in these areas.

B. Personnel

PRCA is listed in the expense budget as having 5,952 full-time and 5,571 seasonal lines. However, because the Budget Bureau requires accruals from every agency, only 4600 full-time lines are filled at one time. Recreation has 450, Cultural Affairs six, and Parks and the central administration, the rest. It is permitted 5,200 seasonal workers -- 525 in Recreation, about 25 in Cultural Affairs, and the remainder in Parks and central administration.

The Department's maintenance and operation force, fourth largest of the city's uniformed services, is oldest in average age of employees -- estimated at about 50. All personnel work their way up through the ranks. There are few relevant, open competitive exams for lateral entry. The agency is currently negotiating for this with the unions and Harry Bronstein, Director of the Department of Personnel. Each of the five park managers usually have 20-30 years experience before they reach that level. General foremen have from 14-20 years. In Recreation, leadership is largely white, Jewish and over 45 years old.
People who came into the Departments during the Depres- 
sion are now in high positions or have retired. (Three of the five 
borough managers and the Assistant 
Commissioner as well as the Director of Mainte-
ance and Operations are all of retirement age.) These people 
came in with more education than those who followed. 
PRCA should design training programs to develop the 
management skills needed to bolster operations.

C. Developing a New System of Maintenance and Operation

During the past year, it was found that agency responses 
had been ad hoc and geared directly toward emergency 
needs. It also was found that while the agency does 
some difficult jobs well, it does most routine jobs 
poorly.

At one time, the agency blamed its troubles on attri-
tion -- it had lost 1,200 employees in the last four 
years. From 40-60% of park and recreation facilities 
are unmanned or undermanned. Public complaints about 
poor maintenance and lack of programming were met with: 
"We just don't have the personnel."

The Administration now realizes that the problems are 
much deeper than the lack of personnel. It is begin-
ing to develop a new management system which will set 
work standards and maintenance goals; make a comput-
erized inventory of park facilities, equipment, and 
vehicles; develop an accurate reporting and inspection 
system for work performed and equipment use; set up 
efficient schedules for deployment of men and vehicles; 
and establish a training program.

Most initial efforts will go into a pilot system for 
Brooklyn. The experiment will be expanded to other 
boroughs later.

D. Community Involvement

Historically, Parks and Recreation personnel's co-
operation with community groups has been erratic. 
Both Departments felt that they did not have enough 
people and/or equipment to do the jobs properly. 
This "beaten down" feeling resulted in a "like it or 
leave it" attitude. Only the most organized and vocal 
community groups, which knew the local Parks and 
Recreation personnel and were familiar with red tape, 
could get anything accomplished.
A top priority of the Clurman Administration has been to get the community involved in parks and playgrounds operations, and to get the agency involved with the community. Accordingly, the Office of Community Development is being upgraded through a larger staff, new programs and a higher priority in the agency.

One of the first statements Clurman made was that PRCA could not go around fixing up parks in neighborhoods where the communities didn't care. He suggested selectively withdrawing services from such communities and, at the same time, beefing up services to parks with which the communities were involved. This announcement brought an outcry from the public and the press. In fact, PRCA has not withdrawn any services for this reason, but the statement increased community interest in many local facilities.

E. Department of Recreation

The Department runs recreation programs which include dance, crafts, athletics and games in senior citizen centers, playgrounds, and "play streets"; it runs tournaments and mobile vans bringing puppet theatre, swimming pools, and plays to communities without local facilities; and it runs day camps for the retarded and handicapped.

The most pressing problem facing the Department of Recreation is that it is small and only one of several city agencies with a mandate to provide recreation services. It's value as an operation can be enhanced by significant coordination with other City agencies and privately funded recreation sources.

F. Department of Cultural Affairs

PRCA and the Department play a supplementary role in the city's cultural affairs. The Department is supposed to review and make recommendations about City funds committed to cultural institutions. It also coordinates cultural affairs programs and contributes money to subsidize free programming or lower-priced tickets.

The Administrator sits as an ex-officio member on the boards of 12 cultural institutions, but usually sends the Deputy Commissioner for Cultural Affairs as his representative.
The Department needs management staff. A few years ago, it had 25 budget lines assigned to it. Now it has only six.

II. Key Priorities

A. Management System

PRCA's number one priority is a new management system. The agency has historically operated on the basis of tradition, through verbal communication, that derived its effectiveness from the personal influence of the senior staff. It worked on a crisis response basis. But the number of needed responses are now beyond its capacity. PRCA's staff has recently devised a lengthy list of goals in a memorandum called "PRCA Special Projects Inventory" under categories of Major Expectations, Important Projects, Locations and Status Questions.

A management system is being developed by the Management and Organization office which has grown from three to 17 people.

The most important components of this new system:

1. Inventories to determine what park facilities exist, how large they are and what shape they are in; and to establish the numbers, type, condition and efficiency of vehicles and equipment.

2. Work Standards were developed for maintenance and operation task through field observations and comparisons with private industry.

3. Manpower allocation has four elements.

   a. Work Days -- PRCA is working with the Department of Sanitation to allocate manpower more rationally so that on days when parks are utilized most (weekends and holidays), more men will be available to clean. About 75% of the manpower is now evenly divided from Monday through Friday. This change will involve tough union negotiations.
b. **Mobile Crews** -- This major 1970 innovation increased productivity. Each of 67 crews (three men and a pick-up truck) is responsible for five or six parks and playgrounds in the unmanned or unmanned category. The crews have worked well, and more are needed, but union problems, involving job assignments must be overcome.

c. **WREP** -- PRCA has negotiated with the Human Resources Administration to more than double -- to 2,500 -- the number of welfare recipients working part-time under the Public Works Project. This is called the Work Relief Employment Program (WREP).

d. **Seasonals** -- There are 5,200 such employees during the full season and they need better training and supervision. Part of a plan to work them in gangs, rather than individually, so they can be directed better.

4. **Vehicles**

a. "**Down time**" -- The percentage of usable vehicles out of service is quite high compared to other city agencies: 50% on weekends; 35% on weekdays, compared with 7% for Sanitation (cut from 35% in three years) and 10% for Highways (cut from 56% in one year).

b. **Maintenance repair staff** -- Large-ly due to attrition, PRCA has very few mechanics. PRCA has 70 vehicles for each mechanic. By comparison, Sanitation has a mechanic for every 18 vehicles. In the private sector the ratio is only 11.6 to one.

c. **Problems** -- The Management and Organization Office, through field
observations, determined component parts of the down time problem are:
not enough mechanics; parts not available; a variety of equipment so repairs cannot be standardized;
not enough garage space to make repairs; and poor scheduling by the dispatcher so drivers aren't available.

5. **Equipment** -- PRCA needs in-house capacity to write specifications and supervise purchases.

6. **Monitoring System** -- An information retrieval system is being established so the agency can compare work standards to work performed. PRCA is also trying to improve its supervisory performance. It sees the problem as too few supervisors without enough mobility. A general foreman supervises a district with an average 39 properties. With his other administrative duties, he has only five minutes a day to inspect each property. The 14 Assistant Borough Directors used to share one vehicle. The purchase in 1973 of an additional 12 cars tripled the number of inspections.

7. **Brooklyn Pilot Program** -- PRCA will put its reforms to work in Brooklyn beginning in the middle of December. If the pilot goes well, full city implementation could be accomplished in a year. A serious effort will be made to conform park districts to community planning board districts in Brooklyn. This $500,000 plan includes increasing the number of supervisors so each will have a manageable number of properties to inspect.

### B. Office of Community Development

This division has been upgraded. Community groups have complained for years about the lack of park and recreation programming, poor maintenance and too much red tape.

### C. Park Usage

More and more people are using the parks. This obviously strains PRCA facilities and personnel. "The parks are besieged," one top official puts it. Although vandalism
appears to be decreasing, users and maintenance and operation personnel still do not feel safe in some areas.

1. Vandalism -- The cost of repairable damage is up to $2 million a year. PRCA is working on an emergency response system to rehabilitate vandalized facilities immediately and to discourage further destruction. A vandalism squad of 15 men (three per borough) makes quick, simple repairs. Many more such squads are needed. The most positive program to fight vandalism has been to involve communities more with their local facilities. This has helped to prevent or deter vandalism in some areas. But the problem is larger than PRCA has been able to handle.

2. Security -- Generally, the agency says, the parks are getting safer. This is due largely to more police -- both visible and undercover. There are 200 auxiliary policemen, some on horseback, in both Central and Prospect Parks. The "light up the parks" program gets mixed reviews. Some feel it makes the parks safer while others say the lights encourage gatherings of "undesirables".

D. Parks Partnership

This program results from efforts to get the community involved with a park facility and they merit more services. The program started in March with 15 of the most entrenched, solid community groups. It is now up to 64 different groups, representing every type of neighborhood across the city. By January 1, PRCA hopes to have 80-85 such groups.

The program includes:

1. Giving groups some voice in hiring people from the neighborhood on seasonal lines (park helper and playground assistant).

2. Providing instruction in the capital budget process.

3. Introducing local leaders to park foremen and recreation directors.
4. Assigning a senior staff person from the central administration to act as a liaison when the group has problems that are not being handled at the local level.

5. Offering groups recognition within their own neighborhoods by putting up signs with the groups' names on the parks.

6. Assigning a mobile three-man crew to each borough to respond to the Parks Partnership group.

7. Providing extra attention to the areas where Partnerships are working well.

One example is the Windmuller Neighborhood Association in Queens. It got together in April to combat neighborhood deterioration. The local 32-acre park had been vandalized and badly neglected. This became a Parks Partnership and many changes took place. Structural repairs were made by the Parks Department. Someone from the community was hired as a seasonal worker. A mini-pool, which had become a gathering place for older kids at night and a trouble spot in the neighborhood, was kept open for older children after 3 p.m.

III. Major Reorganization Projects

A. The Horticulture Division

This division is responsible for the planting, care, pruning and removal of all street and park trees in the City and for the care of all lawn areas, gardens and other plantings in the City. The division contains two basic work forces -- climbers and pruners, and gardeners. There are 150 of each.

The problems traditionally affecting this division were poor leadership; no management system; low priority within the Agency; lack of equipment and inability to get equipment repaired; lack of training; personnel diverted to other jobs; and a conscious policy of minimal attention to park trees. A thorough reorganization was begun in mid-1973. A higher title (Assistant Commissioner of Parks for Forestry and Horticulture) was created and
a new manager installed. The reorganization is only in its formative stages, however, and should be an important continuing program. PRCA has asked for increased funding for this division in the 1974-75 Budget.

B. The Capital Projects Division

This Division deals with about 200 projects a year. It has some 200 architects, planners, designers, construction supervisors and engineers. The City approval process is cumbersome and lengthy (67 different steps), and each project takes a minimum of one year from design to completion.

The Bureau of the Budget's performance audit system indicates that Flushing Meadow is able to keep abreast of its own projected time schedules only about forty percent of the time. During the past few years, it has turned out a consistently larger dollar volume of capital projects, which speaks well for the efforts of the people who have managed it, but the ability of this Division to respond rapidly and willingly to new requests and priorities is limited.

High priorities for the new Administration should certainly include a major reconsideration of the organization of Flushing Meadow. It is currently managed by the Agency's planning staff, which means that the Agency has been deprived of any significant planning resources. As a first step, the planning staff might be moved where they can be physically overseen by the Administrator. The division's own internal performance-auditing system must be channelled directly to the Administrator so that he can determine the level of performance of this division. It has also become obvious that a major reconsideration of the assignments of personnel within the division is necessary.

In January, 1973, a team was formed in each borough of planner, designer and construction supervisor to expedite projects. Productivity rose from a bid output of $4 million (June-Dec. 1972) to $20 million (Jan.-June 1973). The question now is whether the Agency has the capacity to oversee and supervise the increased level of contracts.

A management information system has been introduced which puts all projects on a computer by borough. Previously, projects were listed by type (e.g. tennis courts), and architect, which made information retrieval difficult. If more in-house design work is done, the staff needs to be upgraded and good architects hired.
IV. Department of Recreation

A. Personnel

The Department has about 450 permanent employees, and 525 seasonals (mostly during the summer). Permanent employees are professionals with college degrees required. The Department recently hired 50 recreational directors (average age, 23) of whom 17 were members of minority races. This was a step toward infusing the work force with younger, racially and ethically mixed employees to help the force relate to changing neighborhoods.

1. Career Ladder -- The starting salary for a recreational director is $8,600 a year and the job requires a college degree. The next rank, assistant supervisor of recreation, gets $10,600. This is the only career step. It has been proposed that a new title be created: Recreation Assistant, which would require only two years of college.

2. Attrition -- Over the last three years, the Department has lost 150 people -- more than 25% of its present work force -- due to vacancy accruals. In the next year, it expects to lose another 10%.

B. Supplies and Equipment

The Department is allocated $3,000 per year for supplies and equipment for each district (serving a population of 75,000 potential users). The Department has 30 mobile units which carry puppet theatres, movies, pools, live bands and the like to neighborhoods. Each unit makes two to three visits per day, spring through fall. The fleet needs to be doubled.

C. City-Wide Recreation Programs

The Board of Education has the largest city-wide recreation programs run by thousands of teachers and others paid from the Continuing Education funds. In addition, people are paid by the Board to run recreation programs out of school facilities. Because of the Budget crunch, programs that used to operate 5 days a week, now may run two to three times.

Other city agencies with recreation programs include the Youth Services Agency, Income Maintenance, Police Department and Housing Authority.
D. Comfort Stations

The comfort stations in park facilities are the most vulnerable targets for vandalism. There are about 900 in the city -- half out of service at any one time.

Repairs are done by outside contract. Because there is no standard comfort station design, each contract is different. By the time a contract is awarded, sometimes three years after the initial damage, repair costs have risen $25,000 to $50,000 because of continuing vandalism.

PRCA has organized a 24-man specialized crew which could go from station to station doing major repairs. It will be in operation by January 1. In addition, a design contract will be awarded this year for a pre-fabricated, "vandal-proof" comfort station.

V. Central Park

The 840-acre, 100 year old park has not been renovated in over 50 years and is ready for such an effort. The Park has more than 15 million annual visitors. Use and abuse of the Park has increased with their numbers. The greenery must be saved, the lakes and ponds must be kept from being swallowed up by silt, and many of its architectural treasures (buildings, bridges) need to be restored before they are beyond rehabilitation.

PRCA recently announced a 10-year, $55 million, multi-stage plan to refurbish the Park. The first stage will include 12 priority projects. It includes rebuilding Wolman Memorial skating rink, which is sinking; rehabilitating the Duck Pond, which is overgrown with weeds; restoration of the Dairy House; reconstruction of the Belvedere Castle, restoration of the Maine Monument and its foundation; building of a playground at 110th Street, general tree maintenance and 6 other projects.

VI. Gateway National Park

This will be the first national urban park in the country. The federal government, through the National Park Service, will develop the land. Some 14,000 acres of city-owned land is involved. PRCA's responsibility is two fold.
By state law, all properties must be transferred to the federal government by May 1974. 14,000 acres of PRCA property is involved. (This represents 40% of PRCA's acreage, but less than 5% of its facilities because the property is basically undeveloped.) Three Environmental Protection Administration construction waste landfills are also included in the transfer. The federal and state governments are willing to let the landfills exist for an agreed number of years, provided EPA meets guidelines being negotiated with the federal government.

An urban park serving millions of people all over the City depends on easy access for its success. Transportation must be coordinated to provide this access without destroying surrounding communities.
VII. Calendar of Critical Events

The following shows when the Administrator must make a decision as to whether to stop, continue or charge the listed projects:

<table>
<thead>
<tr>
<th>Project</th>
<th>Jan.</th>
<th>Feb.</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget (See Budget Paper)</td>
<td></td>
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<tr>
<td>Expense Budget (See Budget Paper)</td>
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<tr>
<td>Plan for planting season, begins in May</td>
<td></td>
<td></td>
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<tr>
<td>Street Tree plantings, p. 13</td>
<td></td>
<td></td>
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<tr>
<td>Prepare facilities and plans for season</td>
<td></td>
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<tr>
<td>Transfer of Gateway city-owned parklands, p. 16</td>
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<tr>
<td>Evaluation of Brooklyn management pilot project, p. 11</td>
<td></td>
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<tr>
<td>Possible retirement of key maintenance and operations personnel, p. 6</td>
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</tbody>
</table>

ONGOING THROUGH YEAR
DEPARTMENT of PARKS

CENTRAL ADMINISTRATION

ADMINISTRATOR AND COMMISSIONER OF PARKS
(Richard Clinton)

DEPUTY COMMISSIONER OF PARKS
(Ted Mastropani)

ASSISTANT COMMISSIONER OF PARKS MAINTENANCE AND OPERATIONS
(James Linden)

DIRECTOR OF MAINTENANCE OPERATIONS
$26,000
(H. Harris)

PARK MANAGERS

BRONX (C. Ingico)
$c.22,000-$23,500

BROOKLYN (P. Urchenko)

MANHATTAN (C. Jones)

QUEENS (S. Stone)

RICHMOND

DIR. OF HORTICULTURE

5 BORO SHOP
(S. Leonoble)
$22,000

PUBLIC WORKS PROJECT
(Ed Gilaney)
$19,000

CENTRAL PARK MANAGER
(W. Pascha)
$18,000

\[ \text{a = Appointed position} \]
\[ \text{b = Appointed position held by a Civil Servant, can be demoted} \]
<table>
<thead>
<tr>
<th>OFFICE</th>
<th>STAFF</th>
<th>DIRECTOR</th>
<th>FUNCTIONS</th>
<th>EXAMPLES OF WORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management &amp; Organization</td>
<td>10 professional 10 management interns</td>
<td>Peter Ryan 360-8171</td>
<td>--reorganizes the agency by setting new work standards, equipment usage patterns, &amp; manning and supervisory tasks, &amp; information systems  --purchases new equipment  --sets up training programs</td>
<td>--Brooklyn pilot program implementing new management system  --vehicle deployment  --reorienting work hours</td>
</tr>
<tr>
<td>Inter-Agency Coordination</td>
<td>1 professional</td>
<td>Ed Skloot 360-3455</td>
<td>--does the politics  --deals with City Council, Board of Estimate, other city agencies</td>
<td>--cabaret licenses  --coordinate with Highways Dept. retraining work in Queens</td>
</tr>
<tr>
<td>Budget &amp; Personnel</td>
<td>10 policy heads 100 clericals</td>
<td>Al Wirin</td>
<td>--analyzes budget needs  --negotiates with Bureau of Budget  --directs personnel, payroll, accounting contracts, audits, office services, health and pension  --does rudimentary computer work</td>
<td></td>
</tr>
<tr>
<td>OFFICE</td>
<td>STAFF</td>
<td>DIRECTOR</td>
<td>FUNCTIONS</td>
<td>EXAMPLES OF WORK</td>
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<tr>
<td>Public Info.</td>
<td>3 professionals</td>
<td>Sam Samuels</td>
<td>--handles all press</td>
<td>--works out the doubling of public works project employees</td>
</tr>
<tr>
<td></td>
<td>1 EEA 1 clerical</td>
<td></td>
<td>--puts out written public information materials</td>
<td></td>
</tr>
<tr>
<td>Legal &amp; Labor</td>
<td>3 lawyers</td>
<td>Jerry Monash</td>
<td>--renegotiates job titles</td>
<td></td>
</tr>
<tr>
<td>Relations</td>
<td>(Labor is handled by lawyers, Mastroianni, Skloot, Wirin)</td>
<td></td>
<td>--works on contracts</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>--handles grievance proceedings</td>
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<td></td>
<td></td>
<td>--does investigations</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>--writes &amp; comments on legislation</td>
<td></td>
</tr>
<tr>
<td>Parklands</td>
<td>7 professionals</td>
<td>F. Papay</td>
<td>--plans acquisition of parklands</td>
<td>--works on jointly operated playground program with Board of Education</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>--does inter-agency negotiations over use</td>
<td>--works on negotiating with Police precinct which wants parkland for parking lots</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>--maps and demaps park properties</td>
<td></td>
</tr>
<tr>
<td>Concessions</td>
<td>2 professionals</td>
<td>Ned Foss</td>
<td>--manages on-going concessions</td>
<td>--rents out space for concerts</td>
</tr>
<tr>
<td></td>
<td>1 clerical</td>
<td></td>
<td>--develops new concessions</td>
<td>--handles carts which sell things in park properties</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>--works out contractual arrangements</td>
<td>--runs Tavern-on-the-Green</td>
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<tr>
<td></td>
<td></td>
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<td>--handles operations which gross $30 million a year (10% of it goes into the general fund)</td>
<td>--handles tennis bubbles</td>
</tr>
<tr>
<td>OFFICE</td>
<td>STAFF</td>
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<td>FUNCTIONS</td>
<td>EXAMPLES OF WORK</td>
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<tr>
<td>Capital Projects Planning</td>
<td>200 designers, architects, planners, engineers, clericals</td>
<td>Dick Bader</td>
<td>-- writes scopes for projects</td>
<td>--picked SoHo, Brooklyn Heights as districts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-- designs, plans for construction</td>
<td>--picked Grand Central Station, Woolworth Building, Ansonia Hotel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-- reviews outside consult design work</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>-- monitors and supervises construction</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>-- prepares quarterly status reports on construction projects</td>
<td></td>
</tr>
<tr>
<td>Landmarks Preservation</td>
<td>25 professionals</td>
<td>Donald Simon</td>
<td>-- designates historic districts (about 20 to date)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 PRCA liaison</td>
<td></td>
<td>-- designates individual landmark structures</td>
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<td></td>
<td></td>
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<td>-- holds hearings whenever want (pending passage of legislation before Council)</td>
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<td>-- PRCA liaison acts as advocate</td>
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<tr>
<td>Office of Community Development</td>
<td>3 professionals</td>
<td>David Billings,</td>
<td>--assigns mobile crews to repair facilities attached to community programs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 clerical</td>
<td>360-8251</td>
<td>--administers and directs the office</td>
<td></td>
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<td></td>
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<td></td>
<td>--does special projects for the Administrator</td>
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<td></td>
<td></td>
<td></td>
<td>--handles minority problems</td>
<td></td>
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<tr>
<td></td>
<td>2 professionals</td>
<td>Bill Friedman,</td>
<td>--handles day-to-day operations</td>
<td></td>
</tr>
<tr>
<td>Volunteers in Parks (VIP)</td>
<td>1 clerical</td>
<td>360-8166</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>--coordinates volunteer efforts in cleaning up park facilities</td>
<td></td>
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<td></td>
<td></td>
<td>--initiates clean-up programs</td>
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<td></td>
<td></td>
<td>--services community requests</td>
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<td></td>
<td></td>
<td>--provides equipment</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>--helps with minor repair</td>
</tr>
<tr>
<td>5-Borough Coordinators</td>
<td>5 coordinators</td>
<td>O.C. Leonard</td>
<td>--handles coordination between capital budget programs &amp; communities</td>
<td>--conducts review sessions with</td>
</tr>
<tr>
<td></td>
<td>2 clerical</td>
<td></td>
<td>--meets with community planning boards</td>
<td>community planning boards and</td>
</tr>
<tr>
<td></td>
<td>3 assistants</td>
<td></td>
<td>--handles community problems in areas other than Neighborhood Governments</td>
<td>groups on capital projects</td>
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</table>

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<th>FUNCTIONS</th>
<th>EXAMPLES OF WORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks Info. Service</td>
<td>1 professional</td>
<td>D. Guerrera</td>
<td>--answers telephone complaints</td>
<td>--did survey for street tree sites</td>
</tr>
<tr>
<td></td>
<td>9 part-time</td>
<td></td>
<td>--does special projects</td>
<td>--catalogued capital project status for each Neighborhood area</td>
</tr>
<tr>
<td></td>
<td>1 clerical</td>
<td></td>
<td>--does research</td>
<td></td>
</tr>
<tr>
<td>Office of Neighborhood</td>
<td>2 professionals</td>
<td>Chris Engle</td>
<td>--is liaison between 25 district cabinets, ONG</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td></td>
<td></td>
<td>central office &amp; PRCA</td>
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<td></td>
<td></td>
<td></td>
<td>local personnel</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>--helps provide local support services</td>
<td></td>
</tr>
<tr>
<td>Complaint Bureau</td>
<td>1 professional</td>
<td>T. Swain</td>
<td>--answers mail correspondence (couple of dozen a week)</td>
<td>--answers mail within one week</td>
</tr>
<tr>
<td>Deputy Director for Policy</td>
<td>1 professional</td>
<td>Eden Lipson</td>
<td>--deals with land use planning</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td>--shepherds Gateway National Park project</td>
<td></td>
</tr>
</tbody>
</table>
A BOROUGH PARK MAINTENANCE OPERATION

PARK MANAGER
$22,000 - 23,500

HORTICULTURIST
$16,255 - 17,795

ASSISTANT BORO DIRECTOR
$16,255 - 17,795

ASSISTANT BORO DIRECTOR
$16,255 - 17,795

ASSISTANT BORO DIRECTOR

CLIMBERS & PRUNERS
GARDENERS
$11,355 - 12,605

BORO OFFICE

SHOPS

GARAGES

BORO STORE HOUSE

GENERAL FOREMAN
PARKS and PLAYGROUNDS
$14,035 - $15,275

SENIOR SUPERVISOR
ICE SKATING RINK

GENERAL FOREMAN
PARKS and PLAYGROUNDS
$14,850 - $16,090

SENIOR SUPERVISOR
BEACH

GENERAL FOREMAN
PARKS and PLAYGROUNDS

FOREMAN
$12,975 - $13,725

LABORER
$10,870 - $12,220

ATTENDANT
$6,000

CITY-WIDE TOTALS
PARK MANAGER........... 8
HORTICULTURIST.......... 5
CLIMBERS AND PRUNERS... 150
GENERAL FOREMAN........ 80
SENIOR SUPERVISOR..... 29
LABORER.................. 1979
ATTENDANT................. 570
SKILLED TRADES.......... 199
MOTOR VEHICLE OPERATORS... 390
AUTOMOBILE TRADES..... 86
ABDS......................... 14
FOREMEN.................. 257
GARDENERS................. 129

(1) Two of the 3 ABDs in each borough supervise general foreman and Sr.
    super.

(2) All general foreman and senior super of park operations oversee foremen,
    attendants and laborers.

(3) Figures reflect July, 1973 payroll.

b = Appointed position held by a civil servant; can be demoted.
DEPARTMENT of RECREATION
BOROUGH BREAKDOWN

CITY-WIDE TOTALS
BORO SUPERVISOR........................5
ASSISTANT SUPERVISOR................36
PLAYGROUNDS DIRECTOR..............365

SEASONALS:
(STARTING SEPT. 8)
RECREATION SPECIALISTS............75
PLAYGROUND ASSISTANT.............160-180
RECREATION ASSISTANT.............11

BORO SUPERVISOR OF RECREATION
$19,589

ASSISTANT SUPERVISOR OF RECREATION
$10,000

RECREATION DIRECTOR
PLAYGROUNDS
$8,100

ASSISTANT SUPERVISOR OF RECREATION
RECREATION CENTERS
$10,000

ASSISTANT SUPERVISOR OF RECREATION
GOLDEN AGE CENTERS
$10,000

b. = Appointed position held by a Civil Servant; can be demoted.

* An A.S.R., a civil service title, could function as either head of a number of recreational facilities or head of one large recreation center. This title is always above recreation director in rank.
Appendix F

Functions of the Department of Parks

Maintenance and Operations

The Parks Department maintains and operates 37,000 acres of parkland in the city—17% of the total city. About one-third of this parkland is underwater or scrub land. Jamaica Bay, which will be transferred to the federal government for the Gateway National Park Project, comprises 9,000 acres alone.

There are 85 park districts in the city, divided into 46 regular districts and 39 special districts. Regular ones include playgrounds, parks, malls, and squares. Special ones encompass pools, beaches, ice skating rinks, and golf courses.

The Parks Department has a total of approximately 4,600 full-time permanent employees, about 3,900 of which are in day-to-day maintenance and operations. The Department hires about 5,200 seasonals who are either part-time or full-time for a period of months. This force obviously reaches its peak strength during the spring to fall months.

The following outline lists the job responsibilities of each job title in the Parks' Maintenance and Operation function. It is listed in top down order:

1. **Director of Maintenance and Operation**
   - Directs and coordinates the Park Managers.
   - Oversees operations of all park facilities.
   - Makes policy.

2. **Assistant to the Director of Maintenance and Operation**
   (Two of the three assistants spend part of their time making field inspections and part of their time on administrative work. The other assistant is the director of the golf courses in addition to some administrative work.)

3. **Park Manager**
   - Is responsible for the maintenance and operations of all park facilities in a single borough.
   - Requests personnel for his area.
   - Covers an average of 200-235 separate properties.
   - Makes some field inspections.
   - Does administrative work in borough office.
4. **Assistant Borough Director**

(One in each borough is responsible for directing the storehouse, garage, borough office and shop in the borough.)

a. Gives direction for the operations of these facilities.
b. Prepares reports and orders equipment for these facilities.
c. Is the primary administrative assistant to the Park Manager.

(The remaining ABD's do the following:)

a. Is responsible for an average of 75 facilities in the borough, usually one-third of the borough.
b. Spends 3/4 of his time in the field on inspections, making 8-12 visits per day.
c. Details men and equipment depending on problems in his area.
d. Does administrative work which includes answering complaints, drafting correspondence.

5. **Senior supervisor of Park Operations**

a. Is responsible for the direction of the care for a Parks' revenue producing facilities such as a golf course, swimming pool, ice skating rink, and beach.
b. Directs staff of laborers, foremen and attendents.

6. **General Park Foreman**

a. Is responsible for 18-35 park properties.
b. Supervises and inspects these properties. (If he has 35 properties, it is impossible to visit all in one day. It usually takes about 2 1/2 days. PRCA is trying to get more general park foremen to lessen the inspection load so properties can get inspected each day during the heavy use months.)
c. Assigns what he can get of the 14-15 mobile crews assigned to his borough for maintenance work on properties which are unmanned by permanent personnel or undermanned.
d. Assigns what he can get of the 4-5 fix-it crews assigned to his borough for repair work to fences, benches, playground equipment and paving.
e. Assigns the climbers and pruners and gardeners and makes out their work schedules.
f. Makes sure that equipment is delivered which he has requested and that his work orders are completed by the mechanical shops.
g. Works on the assignment of seasonals.
h. Checks on personnel and the time sheets in the borough office for his section.

7. Park Foreman

   a. Is responsible for a large park and sometimes an additional 2-4 properties which are usually within walking distance from his main area.
   b. Is responsible (some of them) for directing a unit of climbers and pruners.
   c. Directs laborers and attendents in cleaning operations and minor repair work.
   d. Works primarily in the field.
   e. Sets up priorities for work schedules for his area.
   f. Makes sure this priority list is adhered to as best as possible.

8. Laborer

   a. Paints, loads and unloads equipment and materials, lifting, cuts grass, digs holes, picks up garbage—all maintenance and operation functions which are generally classified as heavy labor work.
   b. Drives motorized vehicles which are not specifically assigned to motor vehicle operators. (This includes the pick-up trucks for the mobile crews, grass cutting vehicles.)

9. Attendant

   a. Picks up paper, maintains comfort stations, carries messages, acts as watchmen.
   b. Cleans up 50 feet from the building he is assigned to.

10. Assistant Park Maintainer and Park Maintainer

   (PECA is getting these two new titles. The exams will be held in September and they can expect to hire people in this category within two months. They will be able to perform many of the duties of the laborers, at a lower salary. Their responsibilities would include: cutting grass, lifting, cleaning and shoveling. The number of laborers will be reduced as a result of these new job categories.)
11. **Motor Vehicle Operator**
   a. Drives one of four vehicles--front end loader which scoops up debris; cherry pickers for pruning trees and removing dead branches; 5-yard dump truck for the picking up of garbage and the transporting of materials; and road grader.
   b. There is an agreement with the union that if a MVO has driven another kind of vehicle for at least five years straight, then only he can drive that particular vehicle.

12. **Skilled Tradesman**
   a. Works in garages making repairs on motorized equipment.
   b. Does heavy repair work such as for comfort stations.
   c. Works in shops making and repairing equipment.

13. **Horticulturist**
   a. Is responsible for all the forestry and horticulture work in a borough.
   b. Assigns through the general park foreman and park foremen.
   c. Makes up work schedules for forestry and horticulture in a borough and sets priorities.
   d. Sees that necessary equipment is delivered on time and is ordered.

14. **Climber and Pruner**
   Is assigned by the general park foreman to do the pruning and removal of trees, both in the parks and on the streets, which are not covered by outside contract.

15. **Gardener**
   Is assigned by the general park foreman to prune shrubbery, cut hedges, maintain flower beds and plant bushes and flowers.
EXPENSE BUDGET
(IN MILLIONS)

TOTAL

$84.3
(PS- $74.6
OTPS- $9.7)

.7% of
CITY BUDGET

BREAKDOWN

$53.1 - 63%
PARKS MAINTENANCE
& OPERATIONS

$26. - 30%
RECREATION
& CULTURAL AFFAIRS

$5. - 3%
CENTRAL
ADMIN.

$2. - 29%
LANDMARKS

$1.6 - 1.5%
ADMINISTRATIVE
SUPPORT SERVICES

$2.9 - 3%
DESIGN & ENGINEERING

SOURCE

$65.2
77%
TAX LEVY

$17.1 - 20%
CAPITAL FUNDS

$ .04 - .1%
FEDERAL

2.9%
REAL PROPERTY
**CAPITAL BUDGET**

**PRCA TOTAL**

$94.1 MILLION

**SOURCE**

$89.7 MILLION

95%

CITY FUNDS

SUBJECT TO DEBT LIMIT

$1 million

1%

PRIVATE FUNDS

$3.4 million

4%

FEDERAL GRANT

**BREAKDOWN**

$63.8 MILLION

67%

$23.1 MILLION

25%

LIBRARIES

$7.1 MILLION

8%

MUSEUMS & INSTITUTIONS

DEPARTMENT OF PARKS*

**PARKS BREAKDOWN**

$28.5 MILLION

45%

NEW CONSTRUCTION AND/OR DEVELOPMENT

$17.6 MILLION

28%

RECONSTRUCTION & REHABILITATION

$8.3 MILLION

13%

TREE PLANTING & MAINTENANCE

* includes Recreation budget which is not identified separately.
LISTING OF PRCA'S MAIN FACILITIES
(as of 1972)

<table>
<thead>
<tr>
<th>Parks and Playgrounds</th>
<th>Ice Skating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manhattan -- 163</td>
<td>Manhattan -- 7 (5 lakes)</td>
</tr>
<tr>
<td>Bronx -- 124</td>
<td>Bronx -- 4 (3 lakes)</td>
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<tr>
<td>Brooklyn -- 192</td>
<td>Brooklyn -- 3 (1 lake)</td>
</tr>
<tr>
<td>Queens -- 220</td>
<td>Queens -- 9 (8 lakes)</td>
</tr>
<tr>
<td>Richmond -- 66</td>
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<table>
<thead>
<tr>
<th>Pools</th>
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<tbody>
<tr>
<td>Manhattan -- 13 outdoor, 7 indoor</td>
</tr>
<tr>
<td>Bronx -- 6 outdoor, 1 indoor</td>
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<tr>
<td>Brooklyn -- 7 outdoor, 2 indoor</td>
</tr>
<tr>
<td>Queens -- 7 outdoor</td>
</tr>
<tr>
<td>Richmond -- 4 outdoor</td>
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<table>
<thead>
<tr>
<th>Beaches</th>
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<tr>
<td>Bronx -- 1</td>
</tr>
<tr>
<td>Brooklyn -- 2</td>
</tr>
<tr>
<td>Queens -- 2</td>
</tr>
<tr>
<td>Richmond -- 3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tennis Courts</th>
</tr>
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<tbody>
<tr>
<td>Manhattan -- 9</td>
</tr>
<tr>
<td>Bronx -- 8</td>
</tr>
<tr>
<td>Brooklyn -- 18</td>
</tr>
<tr>
<td>Queens -- 16</td>
</tr>
<tr>
<td>Richmond -- 2</td>
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<table>
<thead>
<tr>
<th>Golf Courses</th>
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<tbody>
<tr>
<td>Bronx -- 4</td>
</tr>
<tr>
<td>Brooklyn -- 2</td>
</tr>
<tr>
<td>Queens -- 4</td>
</tr>
<tr>
<td>Richmond -- 3</td>
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<table>
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<tr>
<th>Recreation Centers</th>
</tr>
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<tbody>
<tr>
<td>Manhattan -- 2</td>
</tr>
<tr>
<td>Bronx -- 1</td>
</tr>
<tr>
<td>Brooklyn -- 3</td>
</tr>
<tr>
<td>Queens -- 1</td>
</tr>
<tr>
<td>Richmond -- 1</td>
</tr>
</tbody>
</table>
Appendix I

PROJECTS/MILESTONES

PRCA has a working list (following) of projects which it is moving. Obviously the projects vary in size and scope, but the Administrator's office, through his Management Information Staff, tracks the progress of each project. The attached list represents the bulk of the projects, large and small, which the Administrator has directed the Agency to work on. There are, obviously additional projects carried on by the various divisions of the Agency which have not involved the direct attention of the Administrator.
Appendix I Continued

PRCA SPECIAL PROJECTS INVENTORY

I. Major Expectations
II. Important Projects
III. Locations
IV. Status Questions

I. Major Expectations

1. Management improvement system
   (same to flushing Meadow-Rec)
2. Public response/Parks Partnership
   merger with its own M&O force
3. Central Park Rehabilitation
   (Central Park citizen advisory board)
4. Flushing Meadow Park
   Development play
5. Coney Island Boardwalk
   plan to redo whole boardwalk
6. Rockaways-Beach Erosion
   and Boardwalk
7. Coney Island/Steeplechase
8. Gateway transfer of land
9. Horticultural reorganization
10. New recreation facilities
    -roller hockey
    -paddle tennis
    -portable ice rinks
11. New Concessions-Tavern on the Green
    marinas, waterfront launching ramps
12. Cultural Institutions-redefine City
    institution relationships
13. A new type comfort station
14. New vandalism program and unit
15. Central Park Stables, Horses in
    Central Park
16. Reorganization of Zoos
17. Engineering Research Facility
    for new equipment
18. New volunteer organization
19. ONG--decentralization
20. Bike paths
Appendix I Continued

21. New union relations-incentive
    pre-training academy
22. New parkland acquisition
    5 year map
23. Sailor Snug Harbor Acquisition
24. Capital Projects & Budget
    Flushing Meadow priority list
25. New productive summer employment system
    redo selection and assignment process
26. Major completions, starts etc.
    between now and January 1.
27. Coordinated, redesigned sign
    production-Graphics
28. Internal Auditing
29. Specialized hiring programs, including
    welfare recipients, former drug addicts
    and community representatives

II. Important Projects

1. Tree Planting Program
2. Parkways-new distribution of the work
3. Mural for Lasker Pool Wall
4. Telephone Co. installation of emergency
    call boxes in Central Park
5. Operation Greenbag
6. PRCA facilities inventory on computer
7. Dog Runs
8. Board of Education Liaison
9. Bloomingdale Mall
10. Comfort station repair crew
11. Ladies Pavilion-September 1, 1973
    Bow Bridge-November 1, 1973
12. A Day of Quiet-Central Park
13. New Utilization of Dairy Building
14. Vehicles Usage-immediately
15. Manager of Central Park
16. War Memorial Stadium
17. Lighting-What do we need?
18. Pattycake's Housing
19. New money for equipment-OTPS
20. Litter Basket redesign
21. Tennis Courts--escalating program
22. Bike Patrol
23. A new mini(bandshell)
    (got money before January 1)
24. Further development of Central Park North
25. Mrs. Lehman and Children's Zoo-
    Check contract at Duck Pond too
26. Bethesda Fountain
27. Hall of Science
28. New Mobile Recreation Vehicles
29. Central Park Gates
30. Renovating of Three Major Fountains
31. Greening of Columbus Circle
32. Coordination of Park Permits
33. Bow Bridge/Ladies Pavilion
34. Mobile Recreation Vehicle
35. New Recreation Design Program
36. Bike Patrols

III. Special Location Projects

1. Playground 15-Jamaica
2. Spring Creek
3. Friends Field
4. Baisley Park
5. Tompkins Park-pool and cultural center
6. Coop City Ballfields
7. Cunningham Park salt pile
8. Inwood Hill
9. Business Parks
10. Colonial Park
11. Crotona Park
12. P.S. 40 Park-Worst in City
13. Battery Park
14. Playground for Rick Caserta
15. Morningside Park
16. Bryant Park
17. Washington Park

IV. Status Questions

1. Mullaly Park
2. Nevelson Sculpture
3. Bird House-MTA
4. Water Playground-redesign of facilities taken out-Danier should call RMC
5. Seaside Bandshell
6. Police Headquarters-we're maintaining till September
7. Air Resources Measurement
8. Shea lawsuit
9. Advertising
10. Information Booth
11. Flower Market-How is it going? Plans to expand it?
12. Flushing Meadow-priority, requests form
   Arsenal-small items
13. Papp-rehabilitating Delacorte Theatre
14. Dutch Elm Announcement
15. Kilmer Park status
16. Urban greenery
17. Parks Council-$500,000
18. Marine Park
19. Lehman-Stevenson Pool
   (briefing for RMC)
20. Linwood-Elton-blitz
21. Cunningham Park tennis courts
22. Five Year Capital Budget
23. Meeting with private schools
   re: Lasker Rink and Hockey Park
24. Jefferson Pool
25. Agenda of Cultural Programs
26. Rupert Browery site
27. Jeanette Park concept
28. Staten Island Development-
   Park Managers proposal
INDEX OF CONTACTS FOR FURTHER INFORMATION

The following list includes people interviewed by the Fund staff and consultants in the preparation of this paper, and others recommended by the Administrator and/or Commissioner as good sources of information on specific topics.

These contacts are not, of course, the only people who have further information on any particular area, but they do provide a helpful beginning.

Management System

Edward Skloot, 360-3455
Peter Ryan, 360-8171
Ted Mastroianni, 360-8127

Office of Community Development

David Billings, 360-8251
Herschel Post, 360-8103

Parks Partnership

Mary McCarthy, 360-8248

The Horticulture Division

Herschel Post, 360-8103
Edward Skloot, 360-3455
Sandy Allport, 360-8103

The Capital Projects Division

Richard Bader, 699-4261

Department of Recreation

Joseph Davidson, 360-8179

Comfort Stations

James Linden, 360-8121
Peter Ryan, 360-8171

Central Park

Herschel Post, 360-8103
Donald Simon, 360-3453
Appendix K

IMPORTANT OUTSIDE CONTACTS

1. **Unions (1964-8700)**
   a. Joe Zurlo, President, DC 37.
   b. John Toto, Director, Blue Collar Division, DC 37.
   c. Andy Lettieri, Assistant Director, Blue Collar Division, DC 37.

2. **State**
   a. Alexander Aldrich, Commissioner, State Parks and Recreation Department, 986-6960.
   b. Edward H. Tuck, Chairman, State Parks Commissioner for the City of New York, 986-7330.
   c. Claude Shostel, General Manager, State Park Commissioner, 986-7330.

3. **Federal** (PRCA deals with Federal government only through the State).

4. **Gateway, 264-4428**
   a. New York Area Director -- Jerry Wagers.
   b. Director of Gateway Park, Joe Antosca.
   c. Assistant to Antosca, Jane Henge.

5. **City Budget**
   a. Moses Schweber, Assistant Director, Expense and Capital, 566-1364.
   c. Burt Coller, Budget Examiner, Expense, 566-2355.
   d. Jerry Wolosenko, Budget Analyst, 566-2136 or 2543.

6. **Interests Groups**
   a. Parks Council: Robert Cook, Executive Director: Mrs. Louis Anchincloss, President, 799-6000.
   b. Friends of Central Park: Robert Makla, spokesman, WH4-5800 (office)
   c. Friends of the Zoo: Mrs. Herschel Post, President, 799,6963; Executive Director, Mrs. Marie Sexton, 933-1500.
   d. Friends of Prospect Park: Mrs. Millar Graff, 434-6687 (home).
Appendix K Continued

7. **Informal Advisers**
   
a. Henry Stern, Deputy Commissioner of Consumer Affairs (former executive director of PRCA), BU8-0750 (home).

b. Robert Moses.

c. Tom Noving, Director, Metro, Museum of Art, TR9-5500 (office).

d. Augustus Heckscher, AT9-4094 (home).

8. **Big Donors**


   b. Mrs. Herbert Lehman, primary interest Children's Zoo, Bu8-9367 (home).


   d. Mrs. DeWitt Wallace.

   e. Leonard and Evelyn Lauder.

   f. Mrs. Mary Lasker, 421-9010 (office).
Appendix J

INPUTS

Staff

1. Susan Werbe, consultant, FCNY.
2. Leslie Elish, Director, Transition Study Fact Books, FCNY.

Interviewed

1. Richard Clurman, Administrator, PRCA.
2. Ed Skloot, Deputy Administrator, PRCA.
3. Herschel Post, Deputy Administrator, PRCA.
4. Joe Davidson, Commissioner of Recreation.
5. Phyllis Robinson, Deputy Commissioner of Cultural Affairs.
6. Ted Mastroianni, Deputy Commissioner of Parks.
7. Peter Ryan, Assistant Administrator, Management and Organization.
8. David Billings, Asst. Administrator, Office of Community Development.
11. Herb Harris, Director of Maintenance and Operations, Parks Dept.
12. David Lebenstein, Special Asst. to the Administrator.
14. Jane Kosloff, Mayoral Assistant for PRCA.
15. David Plavin, Budget Examiner for PRCA.
17. Joe Noble, Director, Museum of the City of New York.

Critical Review

1. Lew Feldstein, consultant, FCNY.
2. Greg Farrell, Director, FCNY.
3. Leslie Elish, Director, Transition Study, FCNY.

Graphics

1. Sarah Thatcher Suplee.
2. Marilyn Reynolds.
Environmental Protection Administration (EPA)

Department of Water Resources (DWR)
Sanitation Department (DS)
Transition Fact Book

Administrator

ENVIRONMENTAL PROTECTION ADMINISTRATION

(EPA)

Fund for the City of New York

January, 1974
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Fund for the City of New York
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SUMMARY

The Administrator's Mission

To act as public-minded advocate for idealistic environmental concerns and as efficiency-minded manager of 19,000 people employed on such mundane tasks as collecting garbage, fixing water mains and treating sewage.

Critical Problems

Melding the broad environmental interests of a youthful, new super-agency staff with the job-oriented interests of long-established departments.

Establishing productivity standards for the services the departments perform and seeing that they are met.

Dealing immediately with the city's shrinking waste disposal facilities while the amount of waste increases inexorably.

Bringing the city into compliance with strict new air pollution standards. This involves planning and implementing controversial restrictions on cars, trucks, taxis, incinerators, oil burners, and factories. The threat of a fuel shortage this winter adds to the crisis.

Past Successes

Enactment of new environmental legislation, including noise and clean air codes. Establishment of productivity standards, particularly in the department of sanitation, where use of manpower and equipment has been made more efficient.
INTRODUCTION

The Environmental Protection Administration is the cleanup agency for the city's water, air, and streets. It must supply clean water, dispose of solid and liquid wastes, and make others keep waste out of the air. Most of its manpower and operating budget are devoted to solid waste disposal. Most of its capital budget is devoted to water supply and cleanup. Only a small fraction of its operating and capital budgets is earmarked for clean air.

EPA was created in March 1968 by executive order of the Mayor, approved by the City Council. Its inception coincided with growing public worry about the environment, and was in the vanguard of similar government consolidations of environmental agencies by the federal government and many states.

EPA brought together under its umbrella the Department of Sanitation, which dates back to 1861, and newly created Departments of Water Resources and Air Resources.

The new Department of Water Resources encompasses the water supply and registers functions of the old Department of Water Supply, Gas, and Electricity, and the plant design and construction, sewer design and construction, and sewer maintenance functions of the old Department of Public Works.

The Department of Air Resources had its beginnings in a smoke squad set up by the Health Department in the 1930's. It became an air pollution control unit in 1946 and was transferred to the Department of Housing and Buildings in 1949. A year later it became the Bureau of Smoke Control, and in 1952 a separate Department of Air Pollution Control was created. As part of EPA, its name was changed to the Department of Air Resources. The Bureau of Noise Abatement was created as an added function of the Department in 1970.

EPA now employs 19,100 people: 14,500 in Sanitation; 4,000 in Water; 320 in Air; 42 in the Environmental Control Board (ECB); and 362 in the central staff. It has an expense budget of $344 million, and a capital budget of $809.7 million. (See Appendix A for tables of organization, appointed positions, salaries, and financial data.)
I. EPA Staff and Organization

A. The Administrator

The EPA administrator is held ultimately responsible by the public, press and Mayor for seeing that the garbage is collected, snow is removed, streets cleaned, water pressure kept up, the air is clear and surrounding bodies of water undefiled. His job combines the roles of advocate and manager.

The previous two administrators, Jerome Kretchmer and Herbert Elish, emphasized these roles differently. Mr. Kretchmer stressed the advocate's role, initiating and lobbying for major environmental legislation, passage of noise and air codes, and creation of the Environmental Control Board, an administrative tribunal which adjudicates code violations. Mr. Elish stressed the managerial role, instituting a management control system to set standards and monitor the performance of the three departments, improvement of sewerage and water main maintenance systems, long-range analysis of solid waste capacity, and use of alternate techniques of solid waste disposal.

The job of the administrator, then, involves acting as:

1. Public spokesman and advocate for the environment.
2. Director of the central staff to provide pooled administrative services for the departments.
3. Manager of this staff as agents of change.
4. Manager and monitor of the day-to-day performance of the constituent departments.
5. Negotiator with unions and other city agencies.
6. Spokesman for broader environmental issues which overlap the individual departments.

B. The Central Staff

The professional central staff of 112 people deals with environmental issues which are broader than the scope of any one of the three departments. It consists of planners, managers, lawyers, industrial engineers and public relations people (see Appendix B for staff functions). These people,
mostly provisional appointees, were attracted by the last two administrators. They think of themselves as special, involved in one of the major issues of the day, dedicated to a serious attack on the problems of a deteriorating environment. Although diverse in experience and education, they are mostly young, intelligent, dynamic, idealistic and irreverent. The brightly decorated EPA offices, which contrast with the institutional green of most other city offices, emphasize their feeling of being special.

Mr. Kretchmer and Mr. Elish considered the central staff's ability to plan for, and implement change for, one of the EPA's major purposes and accomplishments. Central EPA staff people, trying to implement changes, were encouraged to work in the departments in an effort to build up trust.

C. The Departments (For detailed information see Fact Books on Departments of Water Resources and Sanitation.)

EPA employees are involved in 36 union locals, 28 of them overlapping two or more of the departments. The most important unions for EPA are:

1. Uniformed Sanitationmen, John DeLury, President.

2. Uniformed Sanitation Officers, Frank Sisto, President.

3. International Union of Operating Engineers, Tommy McGuire, President and Business Manager.

4. DC 37's Local 376 (Laborers' Chapter), Vincent Paresi, President.

Ninety-nine percent of the sanitationmen and sanitation officers belong to their respective unions. Eighty percent of the other EPA laborers are unionized, as are 55%-60% of clerical employees and engineers.

The Sanitationmen's Union contract expired July 1, 1973. Mr. DeLury's suggestion of a short-term contract into 1974 could confront the new administration with an early, critical bargaining problem. Other contracts expire on a revolving basis, usually every six months.

Both past administrators and commissioners sat in on the negotiations with Mr. DeLury. The Mayor's Office of Labor Relations dealt with the economic questions while EPA and the Sanitation Department dealt with the non-economic questions.
The past administrators feel their participation was helpful in establishing personal relations with Mr. Delury, and were useful in getting managerial productivity standards into the collective bargaining process.

II. Key Problems and Issues

A. Managing the Departments

Efficient operation of the departments is the first priority of the Administrator, since he is held publicly accountable for such departmental services as cleaning catch basins, collecting garbage, and fixing sewer backups. So measurement of performance is vital.

The performance of the departments has been measured by monthly reports, personal observation and monitoring citizen complaints. EPA is in the process of planning and implementing a new Management Control System. Daily, weekly, and monthly productivity standards will be set by industrial engineers as measures of performance.

Managing the departments also involves balancing the broad objectives of EPA with the specific interests of the commissioners and their departments.

The EPA central staff has been young, innovative, highly educated and perhaps a bit cocksure. The departments' inspectors, clerks, and sanitation men have been pragmatic, canny, and perhaps overly resistant to change. The departmental commissioners, with their own constituencies, powers, and lines to City Hall and the press, also have occasionally resented direction from the EPA administrator as unwarranted interference.

A principal problem for the administrator has been to get the relatively new central staff and the older departments to work together. The previous administrators tried to help this process through personal effort. They attended department dinners and functions, and visited garages and field offices. They sought to explain their goals and programs and to find out what the men in the departments were thinking. Direct contact with the leaders of the major union locals was also established. Frequent meetings were held with John Delury, President of the Uniformed Sanitationmen, and Jack Bigel, Delury's long-time consultant.
B. Titles and the Budgetary Process

A major management problem at EPA has been lack of central staff interest in budgetary and personnel problems of the agency. The staff felt that its mission was to deal with environmental issues and resisted spending time on what it considered routine. This resulted in the Administrator and his deputies spending an inordinate amount of time untangling bureaucratic problems.

EPA now has been given budgetary flexibility, receiving quarterly allocations to be spent for routine matters. However, if the agency wants to do something new, such as create a new title or line, it still must go through normal channels for approvals.

An added complication for the new Administrator is the fact that civil service titles and job specifications do not match, and that EPA's central staff is on department lines because no new lines were created for it. This means that when the old staff leaves it will be difficult to hire people for jobs that conform to the lines available.

C. Solid Waste Disposal

The city faces a crisis in solid waste disposal. The amount of waste is growing while disposal facilities face extinction. Long-term planning to deal with this serious problem is being done by the Program Analysis Office of the EPA central staff. A 20-year waste disposal master plan will be available by January 1.

The city disposes of 30,000 tons of refuse a day. This includes household and construction refuse collected by the Department of Sanitation and commercial refuse collected by private cartmen. Using a general growth rate of 4% a year (though unaccountably growth has been only 1% a year for the past two years), disposal capacity will have to reach 45,000 tons a day in ten years and 54,000 tons a day in fifteen years.

The present 30,000 tons is being disposed of in the following ways:

1. **Incinerators** -- 5,000 tons a day at six incinerators. Each has four furnaces of approximately 200 tons a day capacity. They operate six days a week. To meet the 1970 Clean Air Act standards, they must be upgraded by July 1975 or shut down. The status
of upgrading at each of the incinerators:

a) Gansevoort, Manhattan -- the upgrading design is completed. Before the department can go ahead with the contract, a decision, expected next spring, must be made on the West Side Highway expansion. If the decision on the highway requires demolition of the incinerator, it is understood that the federal government will provide a new facility with equal capacity.

b) Southwest Brooklyn -- upgrading contract to be awarded by 12/1/73.

c) Hamilton Avenue, Brooklyn -- upgrading contract to be awarded by 1/1/74.

d) South Shore, Brooklyn -- upgrading contract to be awarded by 1/1/74.

e) Betts Avenue, Queens -- upgrading contract to be awarded at some future date.

f) Greenpoint, Brooklyn -- upgrading under construction; completion expected by July 1974. The cost is $6.046 million; funded 50/50 between the city and state.

2. Landfills -- 18,000 tons daily. This includes household refuse picked up by Sanitation, commercial refuse picked up by private cartmen, and bulk refuse from other city departments. The Fresh Kills site is fed by barges, loaded by Sanitation trucks at nine Marine Transfer Stations. The other four landfills are fed by trucks.
<table>
<thead>
<tr>
<th>Landfill</th>
<th>Disposal Capacity Tons/Day</th>
<th>Life Expectancy</th>
<th>Criteria to be met to reach expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Kills, Staten Island</td>
<td>13,000</td>
<td>1985-1988</td>
<td>1. Mounding to 250-300 feet 2. Obtaining more land</td>
</tr>
<tr>
<td>Brookfield, Staten Island</td>
<td>800</td>
<td>July 1974</td>
<td></td>
</tr>
<tr>
<td>Pelham, Bronx</td>
<td>2,000</td>
<td>Dec. 1974</td>
<td></td>
</tr>
<tr>
<td>Fountain Ave., Queens</td>
<td>2,500</td>
<td>1985</td>
<td>New grade</td>
</tr>
<tr>
<td>Edgemere, Queens</td>
<td>300</td>
<td>1985</td>
<td>New grade</td>
</tr>
</tbody>
</table>

3. Construction Fills -- 5,000 tons of construction waste are disposed of daily.
   a) Idlewild, Queens -- 3,000 tons a day. There is a problem with flooding. This fill will be closed July 1 unless a study shows that it can be extended to June 1974.
   b) Pennsylvania Avenue, Queens -- 3,000 tons a day. Closes about 1976.
   c) South Avenue, Staten Island -- 500 tons a day. Closes about 1978.

4. Disposal in New Jersey -- approximately 7,000 tons a day.
   a) Commercial refuse -- private cartmen take about 3,000 tons a day to landfill in the Hackensack Meadows. New Jersey has terminated this practice, forcing New York City to absorb this refuse.
   b) Construction waste -- about 4,000 tons a day of this is taken to New Jersey. The status of this is unclear.
D. Future Disposal Planning

In the next 15 years, it is expected that the city will have to build $600-$700 million worth of disposal facilities to deal with 54,000 tons a day of refuse. The Environmental Bond Issue, passed by state vote in 1972, provides $70 million to the city for solid waste disposal facilities. Proposals to dispose of an additional 4,000 tons a day are in various stages of implementation. However, funding is limited and success uncertain. Here are the proposals involved:

1. Remote Disposal

   a) There is $2 million in the expense budget for rail haul of 2,000 tons of household refuse a day. This is enough money to begin building a facility and to operate it for three months, March to June 1974. It is planned to take the refuse from the Bronx, thus relieving the Pelham landfill which will be closing. A contract will be awarded hopefully by the end of the year.

   b) There is $160,000 in the expense budget to test the feasibility of subsidizing the remote disposal of construction waste. This method could begin to replace the capacity of two of the closing landfill sites. There would be enough money to operate such a facility for six months. A contract will hopefully be awarded before the end of the year.

2. Horner-Shifrin

   By June 1974 a design and analysis will be ready on this process that will embody two proposals:

   a) Conversion of one of the two boilers at Con Edison's Arthur Kill electrical plant to accept 1,000 tons a day of refuse as fuel at a ratio of 20% refuse to 80% oil.

   b) Consideration of the feasibility, environmentally, and economically, of building a new boiler to burn 50% refuse and 50%
oil. If this plan is accepted, the memorandum of understanding between the Mayor and Con Ed preventing the latter from building any new generating capacity will need to be amended.

3. Howard Beach

This new landfill space for construction waste requires construction of a trestle bridge for access. There is strong community opposition to the building of the bridge.

E. Air Pollution

The 1970 Federal Clean Air Act requires the city to make controversial, radical changes in the way people use the city. Specified standards must be met by 1975. It is vital that compliance be planned and implemented gradually.

The plan basically calls for limiting use of automobiles by placing restrictions on entry to the city, parking spaces, and trucks. It is not clear whether it can be implemented and no one knows who is responsible. But the federal and state governments can sue the city if it is not enforcing procedures to meet the standards. The city's plan, submitted to the federal EPA through the state, and approved by both, covers the following areas:

1. Mobile Sources

a) Carbon Monoxide -- motor vehicles are responsible for 98% of this problem. The plan to deal with it concentrates on Manhattan from the Battery to 60th Street. The standard of 9 parts per million (ppm) for an 8-hour average is to be met by December 31, 1976.

b) Hydrocarbons and Oxidants -- 50-60% comes from motor vehicles, the rest from industrial sources, creating an area-wide problem. The standard of .08 ppm for a 3-hour average is being negotiated with federal EPA.

To meet the standards, restrictions are to be placed on taxis, cars, and trucks. Because 50% of taxi travel is without passengers, the plan calls for taxi stands on major streets, to limit cruising and hopefully reduce
empty miles traveled by 20% before the end of 1973. Other steps include three-a-year inspections and compliance with the California emission standards for the 1975 model year as part of the Taxi-Limousine Commission specifications.

Passenger car entries to Manhattan would be cut by 50% by imposition of tolls on bridges, enforcement of existing parking and traffic regulations, and reduction of off-street parking with jitney bus service from peripheral parking under the West Side and East River highways. Yearly inspection of cars would be required. Permits would be needed for every new black-top parking lot sought from the City Planning Commission. New state legislation would be required for the inspection and bridge toll changes.

Many trucks are only 10% full and average routing is five times greater than point-to-point distance. The plan would encourage evening and night deliveries, and require retrofit with emission devices (which would need new state legislation). A federal grant of $200,000 is expected for study of further strategies with the states of Maryland and Virginia, and with New York City.

In addition to the new state laws required, new regulations requiring the added taxi inspections would be needed from the Taxi Commission and the Traffic Department. New licensing and zoning regulations must be negotiated with the City Planning Department, the Department of Consumer Affairs and the Transportation Department.

2. **Stationary Sources**

The two major types of air pollution involved here are particulates and sulfur dioxide (from fuel used for heat and power).

The federal EPA has extended the July 1, 1975 deadline for meeting the standard of 75 micrograms of particulate per cubic meter on a 24-hour average. The Department of Air Resources has catalogued 23,000 oil burners and 17,000 incinerators, with the following percentages expected to be upgraded by the end of 1973:

a) Private residential — 70% of oil burners and 75% incinerators.
b) Housing Authority -- 80% of incinerators and all oil burners.

c) Board of Education -- 75% of incinerators and 40% of oil burners.

d) Sanitation Department -- see incinerators under Solid Waste Disposal, Part C of this chapter.

e) Health and Hospital Corporation -- 75% of incinerators and 90% of oil burners.

Enforcement of air pollution regulations for industrial sources of particulates has been hampered by a lack of staff and resources. The inspection staff was zero in 1971 and grew to 18 in 1973. Cataloguing of these sources is just beginning. An estimated 5,000 to 7,000 of the city's 20,000 companies have air pollution problems aside from heating emissions. Con Edison, of course, is a special problem. The Department of Air Resources is working on a proposal with the utility that should be ready by January 1974.

The sulfur dioxide standard of .03 parts per million is to be met by July 1, 1975. Eighty-five percent of the city complies now. Sulfur content of fuel oils must be limited to meet the standard. An imminent crisis for the new Mayor and his administration is a possible shortage of heating fuel to meet these standards this winter.

In January 1973, major suppliers of fuel oil alleged they would be four million barrels short of low sulfur fuel oil. By the end of January, 20 Housing Authority projects had just one day's supply of fuel on hand and the Board of Education was also running low. To solve the crisis, the city granted a variance from the low sulfur content of fuel, but also provided an economic surcharge per barrel of fuel above the limit so no one would make an economic windfall from delivering or receiving the cheaper, higher sulfur content fuel. The shortage lasted 45 days. Only 1.7 million barrels of non-conforming fuel came into the city with an average content of 1% sulfur. The city added $1.5 million to its general fund from the economic surcharge provision. It is anticipated that this may occur again. However, President Nixon, in a recent pronouncement, proposed that sulfur dioxide restrictions be lifted to avert a heating oil shortage.
New criteria for upgrading oil burners in residential buildings were put into effect July 1, 1973. They dramatically reduce the amount of fuel burned.

Natural gas is a much cleaner fuel, but is also in short supply nationally. Liquid natural gas storage tanks are potentially unsafe and unpleasant to have around.

III. Other Issues and Problems

A. Impoundment of Federal Water Pollution Control Funds

In 1972 the Federal Water Pollution Control Act authorized the Federal Government to finance 75% of the cost of sewage treatment plant construction. However, the President impounded more than half of these funds. New York City sued the Federal EPA to release the impounded monies and won a landmark decision that the Federal Government will appeal. The city has a lot at stake in pursuing and winning this case. (For more detailed information, see Fact Book, Department of Water Resources.)

B. Hydrant, Water Main, and Sewer Maintenance

Standards of performance are being set for this department. It is especially important to oversee their implementation in the opinion of the outgoing Administrator, who thinks this Department has had poor productivity. The New York Post did a series of articles last year monitoring Water's performance. Some improvements have occurred since 1972 but continued monitoring by this newspaper is likely.

C. Environmental Review Procedures -- CEPA (City Environmental Policy Act)

The Mayor is expected to issue an executive order giving EPA the power to review all major decisions related to development made by other city departments. It is important that this review power be effectively utilized.

A large staff will be required to enforce the regulations established by CEPA when the Mayor signs the executive order. The staff will be needed to evaluate all major public and private construction projects, do the necessary paperwork,
and to coordinate among other city agencies. Money will also be needed to hire outside consultants for the large amount of highly scientific evaluatory work which will be necessary.

Budget and staff requirements will not be determined until the end of 1973.

D. Legislation

The following legislation is at varying stages in the legislative process and will require attention:

1. Sanitation Code, Water Code, Air Code Amendments and the City Environmental Policy Act will be submitted and filed by the end of 1973 in City Council.

2. Water metering and drainage legislation (submitted and introduced as separate bills, but also incorporated into Water Code) will also be considered before the City Council early in 1974.

3. Dog litter clean-up bill was introduced and had hearings in 1972. It is most likely dead, but up to new administration to decide where to go with it.

4. Bill submitted to Albany to give the ECB power to docket fines, to increase its follow-through on fining power. This was not considered in the past session, but will come up in 1974.

E. Noise

A report due in October dealt with problems of noise from subways, airplanes and railroads. Primary interest is in subways, particularly funding priorities of the MTA. Department's staff would like to see MTA submit its budget to the City Council's Environmental Protection Committee, to make sure that noise standards are met in new subway cars to be purchased, and money is included for retrofitting old cars to make them quieter. The city has jurisdiction over non-commercial airplanes, and noise regulations for them are in the October report. Railroads are under the Interstate Commerce Commission and there is not much the City can do about them.
Noise levels of City and private sanitation trucks must be reduced by 1974. An amendment to the administrative code is needed to regulate the hours that private sanitation trucks can make pickups. Noise restrictions are greater in late evening and early morning hours when most private sanitation trucks work.

Implementing the Noise Code creates some staff and budget problems.

An inspection force of 22 is enforcing regulations on air compressors, pavement breakers, sirens, horns and alarms. But regulations on noisy vehicles on the streets are not being enforced for lack of staff and vehicles to catch offenders. The EPA has requested four vehicles with emergency lights in the 1974-75 capital budget. The inspection force will also need to be increased to 40 by July 1, 1974 to close this gap in enforcement.

Construction noise regulations on air compressors and pavement breakers were the only ones enforced until August, when a study of 25 commonly used pieces of construction equipment was finished. Included were new regulations, which would require more staff to enforce.

There is now no way to measure results of the noise program, the way air pollution is measured. EPA is asking for $2 million worth of equipment in the 1974-75 capital budget to measure street noise. The technology exists for this "dosimetric noise system," but the equipment has never been built. About 40 stationary measuring devices would be put in place.

F. Development, Land Use Planning

Often the growth of the city invades the environment. Energy requirements, sewer systems, destruction of neighborhoods, and transportation difficulties do not play an important role in decisions on whether something should be built. This puts the EPA administrator in conflict with City Housing and Economic Development officials. There needs to be a forum where the environmental impact of land development can be assessed and pressures from the real estate interests can be met.
G. Transportation

In order to meet the requirements of the 1970 Clean Air Act, traffic patterns and transportation habits will have to change. This will require co-ordinated planning with the Department of Parks, Highways and Traffic, the Taxi Commission, and City Planning. The City (and EPA in particular) does not have control over the Mass Transit Authority, the auto industry or the gasoline industry. These interests are strong and beyond city authority, further exacerbating the problem.

H. Environmental Control Board

When the passage of the new Sanitation and Water Codes occurs, there will be an additional load of cases of the ECB to handle. It will need a larger staff of hearing officers and lawyers. Because it takes so long to get lines from the Bureau of the Budget, ECB's expansion should be planned before the passage of the Codes is expected.
**CALENDAR OF CRITICAL EVENTS**

The following shows when the Administrator must make a decision as to whether to stop, continue or change the listed projects:

<table>
<thead>
<tr>
<th>Event</th>
<th>Jan.</th>
<th>Feb.</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
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<tbody>
<tr>
<td>Union Contract-Uniformed Sanitationmen</td>
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<td>Appointments</td>
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<td>Capital Budget (See Budget Paper)</td>
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<td>Expense Budget (See Budget Paper)</td>
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<td>Howard Beach Construction Landfill</td>
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<td>Remote Disposal Contracts</td>
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<tr>
<td>New Technology, General</td>
<td></td>
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<tr>
<td>Horner-Shifrin Proposal</td>
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<tr>
<td>American Thermogen, Inc.</td>
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<tr>
<td>Fuel Crisis</td>
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<tr>
<td>San. &amp; Water Codes-City Council Action</td>
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<tr>
<td>ECB-Power to Docket-Albany</td>
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<tr>
<td>ECB Expansion</td>
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<tr>
<td>Dog-Litter Bill</td>
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<tr>
<td>EPA Authority to Implement Air Code</td>
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</tr>
</tbody>
</table>
I. EPA total employees = 19,200
   a. EPA Central = 362
      staff functions = 112
      services = 250
   b. Sanitation Department = 14,500
      civil servants = 2,300
      uniformed = 10,500
      officers = 1,700
   c. Water Resources = 4,000
   d. Air Resources = 320
   e. Environmental Control Board (ECB) = 42

I. The Environmental Control Board is an administrative tribunal created in August 1971 to adjudicate code violations. It is independent from EPA, but receives its administrative services (payroll, supplies) from EPA budget. The Administrator, the Commissioners of Air, Water, Sanitation and Buildings sit on the ECB Board along with four citizen members appointed by the Mayor and approved by the City Council.

II. See separate booklets for detailed information on the Departments of Sanitation and Water.
TABLE of ORGANIZATION

DEPARTMENT of AIR RESOURCES

EPA

COMMISSIONER
Fred Hart
$35,000  a.

DEPUTY COMMISSIONER
E. Sadownick
$29,050  a.

ADMINISTRATION
ASSISTANT COMMISSIONER
H. Goldstein
$21,184  a.

STAFF-17

NOISE ABATEMENT
DIRECTOR
R. Gerson
$24,609  a.

STAFF-17

ENFORCEMENT
DIRECTOR
B. Radzka
$22,038  a.

STAFF-105

ENGINEERING
DIRECTOR
M. Saed
$24,609  a.

STAFF-101

TECHNICAL SERVICES
DIRECTOR
E. Ferrand
$27,860  b.

STAFF-98

a: appointed
b: appointed position held by a civil servant; can be demoted
## PERSONAL STAFF

<table>
<thead>
<tr>
<th>OFFICE</th>
<th>STAFF</th>
<th>DIRECTOR</th>
<th>FUNCTIONS</th>
<th>EXAMPLES OF WORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Analysis</td>
<td>15 provisionals</td>
<td>Heather Ruth 566-4450</td>
<td>- gives flexibility to administrator to analyze, initiate and plan new projects</td>
<td>- newspaper recycling projects</td>
</tr>
<tr>
<td></td>
<td>1 non-competitive title</td>
<td></td>
<td>- manages projects</td>
<td>- negotiated Environ. Bond Issue</td>
</tr>
<tr>
<td></td>
<td>5 civil service</td>
<td></td>
<td>- gives cost-analyses of projects</td>
<td>- evaluated water pollution control plant priorities</td>
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<td></td>
<td>(total includes</td>
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<td>- designs performance standards for new contracts</td>
<td>- developed contracts for Monsanto &amp; American Thermogen, Inc. plants</td>
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<tr>
<td></td>
<td>18 professional, 3 clerical)</td>
<td></td>
<td>- analyzes new technologies</td>
<td>- Marine Transfer Station (MTS) sites</td>
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<td></td>
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<td>- analyzes cost-effectiveness of current &amp; future waste disposal systems</td>
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<tr>
<td>Citizen Involvement</td>
<td>12 provisionals</td>
<td>Anna Lou Pickett 566-5376</td>
<td>- works with community create partnership between neighborhoods &amp; Department</td>
<td>- ran Mollie Parnis Dress-Up-Your Neighborhood Contest</td>
</tr>
<tr>
<td></td>
<td>1 non-compet.</td>
<td></td>
<td>- informs community groups about capital budget projects and negotiates major disagreements</td>
<td>- negotiated to save trees along sewer construction route</td>
</tr>
<tr>
<td></td>
<td>5 civil service</td>
<td></td>
<td>- expedites solution of complaints</td>
<td>- negotiated working hours for the North River Water Pollution Control Plant</td>
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<tr>
<td></td>
<td></td>
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<td>- represents citizen point of view within agency when policy decisions on new programs &amp; projects being made</td>
<td>- organized community group to work with Sanitation Department on Cleaner Streets Program</td>
</tr>
<tr>
<td>OFFICE</td>
<td>STAFF</td>
<td>DIRECTOR</td>
<td>FUNCTIONS</td>
<td>EXAMPLES OF WORK</td>
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<tr>
<td>Citizen Involvement</td>
<td>for Complaint Center</td>
<td>- runs 24-hr., 7-day a week phone complaint answering &amp; logging service - transmits to proper departmental bureau for action</td>
<td></td>
<td></td>
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<tr>
<td>(continued)</td>
<td>- Randi Brehm</td>
<td></td>
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<tr>
<td></td>
<td>431-4766</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Labor Relations</td>
<td>1 non-comp. 3 civil serv.</td>
<td>Roland Savage 566-1643</td>
<td>- maintains liaison between union &amp; administration/departments - deals with productivity and grievance issues</td>
<td>- sets up department's bargaining position and prepares responses to union's negotiating demands - resolves grievances at hearings - wrote non-economics issues in union contracts and submitted union demands to departments</td>
</tr>
<tr>
<td>Industrial Engineers</td>
<td>18 provisionals 4 civil service</td>
<td>Jim Moar 566-1403</td>
<td>- establishes performance standards - establishes operational procedures</td>
<td>- plotted out the most efficient street sweeping routes - plotted out the best water register meter reader routes to generate the greatest productivity</td>
</tr>
<tr>
<td>OFFICE</td>
<td>STAFF</td>
<td>DIRECTOR</td>
<td>FUNCTIONS</td>
<td>EXAMPLES OF WORK</td>
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</tbody>
</table>
| Legal       | 6 provisionals 5 non-compt. 4 civil service (11 profess. 4 clerical) | Jim Keegan  566-5240 | - writes new legislation  
- defends and initiates lawsuits  
- provides legal analysis of bills submitted by other agencies  
- drafts EPA contracts  
- provides legal expertise to interagency committees of which EPA is a part |
|             |                                |             | - investigates allegations of wrong-doing within the departments                                 | - wrote Air & Noise Codes which are now laws  
- prepared Water and Sanitation Codes to be introduced into City Council  
- drafted the City Environmental Policy executive order for Mayor                |
| Public Info | 3 provisionals 2 non-compt. 3 civil service (6 profess. 2 clerical) | Jim Marshall 566-0108 | - writes speeches & testimonies  
- writes educational material for public  
- answers questions from public and press  
- decides how to publically demonstrate new programs or information  
- runs speaker's bureau                                                          | - designs and prints all posters for public & on Sanitation trucks  
- published three brochures on the departments  
- arranges public tours of facilities & meetings with agency officials         |
<table>
<thead>
<tr>
<th>OFFICE</th>
<th>STAFF</th>
<th>DIRECTOR</th>
<th>FUNCTIONS</th>
<th>EXAMPLES OF WORK</th>
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</thead>
<tbody>
<tr>
<td>Budget Analysis</td>
<td>1 non-compt.</td>
<td>Sally Streiter</td>
<td>-analyzes budget needs in terms of personnel, equipment, productivity</td>
<td>-decides if Water Resources request for more money to get more water mains repaired is necessary through field representatives without going to Bureau of Budget to make decisions</td>
</tr>
<tr>
<td></td>
<td>6 civil service</td>
<td>566-3366</td>
<td>1</td>
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<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
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<tr>
<td>Fiscal Services</td>
<td>2 provisionals</td>
<td>Julius Bernstein</td>
<td>-prepares documents for new lines, modifications, salary raises with Bureau of Budget &amp; City Hall</td>
<td></td>
</tr>
<tr>
<td></td>
<td>18 civil service</td>
<td>566-5768</td>
<td>8</td>
<td></td>
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<tr>
<td></td>
<td>(8 profess. -</td>
<td></td>
<td>28 Civil Service</td>
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<tr>
<td></td>
<td>130 clerical)</td>
<td>Sal Salamone</td>
<td>-runs computer services for agency</td>
<td>-automated payroll system so Sanitation men can receive back pay quickly</td>
</tr>
<tr>
<td></td>
<td></td>
<td>566-3586</td>
<td>8 provisional</td>
<td>-controls dumping of construction waste in city landfills through computerized ticketing system</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(12 profess. -</td>
<td>-implemented system for automatic billing by Water register on its frontage accounts</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>14 clerical)</td>
<td>-studies pattern of public complaints from complaint center data</td>
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<tr>
<td>OFFICE</td>
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<td>DIRECTOR</td>
<td>FUNCTIONS</td>
<td>EXAMPLES OF WORK</td>
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</tbody>
</table>
| Administrative Services| 151 Civil Service
17 provisionals
(30 profess., 138 clerical) | Jim Flynn 566-1393 | -directs personnel, payroll, accounting, contracts, audits, office services, health and pension |                                                                  |
| Federal/State Grants   | 3 Civil Service
(1 profess., 2 clerical) | Richard Penton 566-0120 | -maintains liaison with Federal & State agencies which provide EPA with aid
-submits applications and advises those preparing applications on aid programs
-represents EPA with federal & state auditing offices | -received three grants from federal government under the Federal Highway Safety program for sanitation
-received eligibility for Water Dept. to get operations & maintenance grants from state
-restored eligibility for water pollution control plant construction program to receive federal and state funds |
| Emergency Employment   | 2 provisionals
147 eca/pwp* | Kevin Sheehan 566-1282 | -locate jobs for those qualifying under two acts
-tries to then find permanent lines for them within agency | -finds full-time position from clerical ($5,200) to systems analyst ($15,000) under EEA
-finds part-time, meaningful employment for those on welfare under PWP |
| Act Public Works       |                             |                     |                                                                           |                                                                 |
| Program                |                             |                     |                                                                           |                                                                 |
EPA

Financial Breakdown
(in millions)

Expense
(from 4/27/73 expenditure & budget report)

- $277 personal services
- $73 other than personal services (OTPS)

Capital
(proposed 73-74 budget figures)

- $184.5

Department Budget
**EPA EXPENSE**

**IN MILLIONS**

**TOTAL:**

$344 million

(278.5 personal services)

(65.5 other-than-personal services)

**FUND SOURCE:**

$262.7

76%

**TAX LEVY:**

$45.9

13%

**CAPITAL:**

$22.7

7.5%

**STATE:**

$10.9

3%

**OTHER:**

$1.8

5%

**FEDERAL:**

**BREAKDOWN**

$232.7

68%

**SANITATION:**

$92.4

28%

**WATER:**

**COLLECTIVE BARGAINING:**

$5.1

1.1%

**ADMINISTRATION:**

$96

2.5%

**ADOPTED 73-74 BUDGET**
EPA CAPITAL
1973-74 BREAKDOWN

TOTAL
$809.7 million

SOURCE BREAKDOWN
- Federal $511.7 63%
- City $56.1 7%
- State $113.5 14%
- Outside Debt Limit $128.2 16%

DEPARTMENT BREAKDOWN*

TOTAL WATER BUDGET $755.5

WATER POLLUTION CONTROL $669.7
- Sewers
- Water Mains
- Sanitation
- Air Resources
- EPA
- N.Y. State

* IN MILLIONS
Appendix D

INDEX OF CONTACTS FOR FURTHER INFORMATION

The following list includes people interviewed by the Fund staff and consultants in the preparation of this paper, and others recommended by the administrator and/or commissioner as good sources of information on specific topics.

These contacts are not, of course, the only people who have further information on any particular area, but they do provide a helpful beginning.

Managing the Departments

Charlie Tucker, Deputy Administrator: 566-8561.

Titles and Budgetary Process

Sally Streiter, Special Assistant for Budget Analysis: 566-3366.

Solid Waste Disposal

David Finnegan: 566-0303.

Incinerator Upgrading

Peter Pranconeri: 566-5447.

Air Pollution

Fred Hart: 566-2720.
John Simpson: 566-3366.

Impoundment of Federal Water Pollution Control Funds

Martin Lang: 566-3340.

Legislation

Jim Keegan: 566-5240.

Noise

Ray Gerson: 566-2943.
Appendix D Continued

Development, Land Use Planning

Herbert Elish

Transportation

John Simpson: 566-3366

Environmental Control Board

Charlie Tucker: 566-8561
IMPORTANT OUTSIDE CONTACTS

1. Consolidated Edison, Charles Luce, Chairman, (460-4800). Establishing credibility with Con Ed without giving up important environmental considerations can be very valuable. The Ketchmer-Elish Administrations made Con Ed as worried about them as they were about Con Ed, and feel it is necessary to immediately establish some dominance. Con Ed has a great deal of power with the real estate industry, and therefore the Mayor.

2. Union Leaders: John Delury, President, Uniformed Sanitation men's Union, (964-8900); Victor Gotbaum, Director, D.C. 37, (964-8722). (See the Sanitation and Water Resources Departments' Fact Books for other union leaders.)


4. Federal Environmental Protection Agency: Gerald Hansler, Regional Director, (264-2525).

5. Abraham Lindenbaum, (875-8000); Rex Thompkins, President of Real Estate Board, (OX 7-8800); Jack Bigol, consultant to Delury and the Association for a Better New York, (594-2600). These men can talk to anybody, so they can organize people to talk to the Mayor and the Administrator.


7. Association for a Better New York, Lewis Rudin, President, (838-9320); Irving Schneider, Executive Vice-President, Helmsly-Spears, (MU 7-6400). They have a good public relations man, so they have the ability to get the Mayor good press and would be formidable opponents on any given project.

8. Automobile Companies. There is a natural conflict with them in the progress of the job. They also have access to the Mayor.

9. County Leaders and State Legislators: In the first days of the job, they will call for patronage jobs, favors. If alienated, they can make it tough for the Administrator to get laws passed by City Council and in Albany.
10. Robert Rickles, Institute for Public Transportation, (833-5035); Theodore Kheel, (YU 6-8330); Glen Paulson, National Resources Defense Fund, (737-7302); environmental advocates, and there are others, with some amount of power either with public or people they know or with organizations.

11. Ad Hoc or Community Groups: The Clean Air Campaign and Citizens to Clean Air, Marchy Benstock, (865-9380); Volunteers to Improve Third Avenue (VITA), Mary Holloway, (737-4145); Downtown Brooklyn Association, Margo Wellington, (522-7200); West Side Federation of Block Associations, Mort Berkowitz, (PL 1-1000). These are a few of the major examples.
Appendix F

INPUTS

Staff

1. Leslie Elish, Director of FCNY Transition Books for Administrators/Commissioners; office, (575-5244).
2. Susan Werbe, consultant, FCNY; home, (362-7730).

Interviewed

1. Herbert Elish, Environmental Protection Administrator.
2. John Simpson, Deputy Administrator.
4. Heather Ruth, Assistant Administrator for Program Analysis.
5. Jim Marshall, Assistant Administrator for Public Information.
6. Anna Lou Pickett, Assistant Administrator for Citizen Involvement.
7. Roland Savage, Director, Office of Labor Relations.
8. David Finnegan, Director, Solid Waste Disposal Section of Program Analysis.
9. Peter Franconeri, Engineer, incinerator upgradings.
12. Sally Streiter, Special Assistant for Budget Analysis.
13. Jerome Kretchmer, former Environmental Protection Administrator.

Critical Review

1. Lew Feldstein, former Director, Mayor's Office of Neighborhood Government.
2. Jerome Kretchmer, former Environmental Protection Administrator.

Graphics

1. Marilyn Reynolds.
2. Sarah Thatcher Suplee.
PREPARATION OF THREE-YEAR FINANCIAL PLAN

The State Legislation establishing the Emergency Financial Control Board requires that the City prepare and submit to the Board a three-year financial plan by October 15, unless the Board extends the time administratively. This plan must provide month-by-month estimates of revenues and expenditures. It must be both a standard budget and an account of cash flow, including borrowing and debt service. By 1977-1978, the City must have balanced its budget and wiped out a projected deficit of approximately $800 million.

By September 30, the Board must give the City a statement of estimated revenues for the City and all covered organizations. Based on these estimates, the City must include in its financial plan not only the costs of mayoral and non-mayoral agencies but also of such public authorities as the Battery Park City Corporation, the Convention Center Corporation and the MTA. It must also cover all services required by law such as welfare and Medicaid.

The Emergency Financial Control Board has the power to approve and modify the City's proposal.

There are three problems of special note:

- The Legislation gives the Emergency Control Board the authority to review and approve all City contracts. To make this task manageable, the law also permits the Mayor to propose standards for determining which contracts merit review and which should be excluded from that process. These proposals, which may use substantive criteria or dollar limitations, must be submitted by September 29. If the Board does not approve these standards, it will promulgate its own regulations.

- The Financial Plan must address itself to the problem of rolling-over more than $1 billion in short-term Mitchell-Lama debt.

- The law says that the City must incorporate into its Plan the budgets of non-mayoral agencies and certain public benefit corporations. Responsibility for obtaining this information rests with the City and the law gives us the necessary leverage. But the City must immediately establish lines of communication.

Prime responsibility for preparing the financial plan is now vested in the new Deputy Mayor for Finance. He will have a small staff and assistance from a cabinet consisting of the Finance Administrator, Budget Director and Chairman of the City Planning Commission. Their staffs will aid in the effort as
required.

The Plan will be prepared in consultation with other key advisors, including the City Comptroller, the Mayor's Management Advisory Board, MAC, top State officials, the Temporary Commission on City Finances and the Default Committee.

By its nature, the Financial Plan is a policy statement of the highest importance. The stakes are high and the allowed time crushingly short.
Meeting Materials
Sept. 18, 1975
File 2 of 2
PROPOSED WORK PROGRAM OF NEW YORK CITY PENSION TASK FORCE

A. Review of the history of the five separate New York City Retirement Systems, i.e., City Employees, Teachers, Policemen, Firemen and Board of Education.

B. Review of the Management of the Systems, including the role of the Board of Trustees, the Secretary and the Actuary.

C. Review of level of benefits under each System:
   1. Retirement after twenty years
      " " thirty "
      " " forty "

   2. Ratio of benefits @ 62 and @ 65 to final pay, including Social Security.

D. Comparison of Benefit levels with Typical Employer Plans.

E. Review of actuarial assumptions as to mortality and interest rates, including comparison of New York City experience with tables used for Municipal Plans generally.

F. Computation of annual costs in accordance with funding standards prescribed under ERISA (Employees Retirement Income Security Act).

   Computation of Unfunded Vested Liability under ERISA.

G. Forecast of pay-out amounts over the next 15 years.

H. Review of investment performance.

I. Consideration of best methods for an external review of operations.

J. Task Force Make-up:

   2 actuaries (Metropolitan Life and Equitable Insurance Co.)
   2 corporate employers (General Electric and General Motors)
   1 labor representative
   1 City actuary (Jonathan Schwartz)
   1 pension consultant (Siegel)
   1 City representative (Scott)
   1 New York State Insurance Department representative
PRESS SECRETARY

Frigand

Deputy Press Secretary
Fenichel

Executive Assistant Press Secretary
Marchese

Special Assistant to the Mayor
Walter
RESUMES OF CANDIDATES FOR EXECUTIVE DIRECTOR
BIOGRAPHICAL SUMMARY
JACOB B. UKELES

Brooklyn College, B.A. 1959
University of Pennsylvania, M.C.P. 1961; PhD 1971

2 Washington Square Village
New York, New York 10012

Date of Birth: November 17, 1937
Married, 3 children

Professional Activity

Current: Professor and Chairman, Department of Urban Affairs and Policy Analysis,
New School for Social Research (from its inception in 1971)*

---developed and implemented new curriculum for training for
the urban public service as first Departmental Chairman

---has taught courses in: Applied Concept of the City, Issue
Analysis, Programming and Budgeting, Needs Analysis, Compre-
hensive Strategy Development

Chairman, New York City Rent Guidelines Board

---is responsible for rental policy in Rent Stabilized Housing
in New York City (Approximately 700,000 Apartments)

Previous Government Service

Deputy Director, Office of Comprehensive Planning/Community Renewal
Program, New York City, Department of City Planning (6/67-8/68)

---liaison to the Mayor's Policy Planning Council

---liaison to the Budget Bureau (Capital Budget and PPBS)

---directed staff work on governmental functions, expenditures,
and resources

* on sabbatical 1975-76
Biographical Summary (cont'd.)

Ukeles

Director, Division of Citywide Analysis & Programming, and Assistant Director, Community Renewal Program, New York City Department of City Planning (8/65-6/67)

--developed analytic model for assigning priorities to capital projects
--directed staff work on long-range capital facilities planning

Planner, New York City Community Renewal Program (6/62-8/64)

--directed study of New York City's housing needs
--developed methods for allocating urban renewal resources among the City's neighborhoods

Previous Government Consultation

on economic development: Philadelphia Partnership (Fall, 1974)
on housing: member, Beame Housing and Land-Use Task Force (Fall, 1973)
on neighborhood decentralization: Temporary New York State Commission on Local Government (Summer, 1972)
on urban strategies: Ministry of State for Urban Affairs, Government of Canada (Spring and Fall, 1972)
on Planning-Programming-Budgeting Systems: Computer Applications, Inc. (Spring, 1966)

Previous Academic Experience

Project Director, Evaluation of Tax Exemption Program for New Residential Construction, for N.Y.C. Housing and Development Administration (Spring, 1975)

(Research) Associate Professor, Department of City and Regional Planning; and Director, Urban Strategies Project, Center for Urban Research and Experiment, University of Pennsylvania (1969-70)

Lecturer, Columbia University (1968-69)

Academic consultant to Department of Urban Studies, Howard University (1975); Public Management Program, Boston University (1974); United Methodist Planning Seminar (1973)
Biographical Summary (Cont'd.)
Ukeles

Publications and Reports

Senior Author, An Assessment of the Section 421 Limited Tax Exemption Program, Interim Report, (April, 1975)


An Exploration of Political Decentralization, Report No. II: The Impact on Direct Participation for the Wagner Commission on Local Government (Summer, 1972)


Senior Author, Towards the Development of Alternative Urban Strategies - The Dilemma of Race, Poverty, Slum and Ghetto, Center for Urban Research and Experiment, University of Pennsylvania (four volumes, mimeographed, 1970)

Contributor, Plan for New York City - Critical Issues, New York City Planning Commission, 1969


Major Contributor, Between Promise and Performance, especially Chapters 5,6,8 and 9, Community Renewal Program, City of New York, December, 1968

Contributor, New York City's Renewal Strategy, Community Renewal Program, City of New York, December, 1965

An Analysis of Current Housing Needs (N.Y.C. Department of City Planning, 1965)

The Consequences of Municipal Zoning (Urban Land Institute, Washington, D.C., 1964)

Study Awards

Resources for the Future Doctoral Fellowship (1968-1969)

Fulbright Fellowship, New Delhi, India (1961-1962)
A Study of the Studies:

An Analysis of the Work and Recommendations of a Generation of Task Forces on New York City's Fiscal Crisis

The City of New York Commission on State-City Relations

December, 1971
COMMISSION ON STATE-CITY RELATIONS

The City of New York

Members:

William J. vanden Heuvel
Chairman

Irving S.K. Chin

Mario Matthew Cuomo

Emilio P. Gautier

Dick Netzer

R. Peter Straus

Jacqueline Wexler

Franklin H. Williams

Dr. Jewel Bellush

Staff Director
The Commission would like to express its appreciation to Horace Z. Kramer, John Heintz, and Arthur Schiff for their invaluable assistance in the preparation of this report.

The Commission would also like to thank Anne Carr, Lesley Rosen and Ronald Soloway for their participation in this effort.
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IV. CONCLUSIONS----------------------------------------------------------29
I. INTRODUCTION

Like most large American cities, New York has witnessed an incredible growth in its annual expense budget over the last twenty years. In fact, the rise in the cost of City government has resulted in a budget deficit in each of the last ten years. This persistent fiscal crisis is, perhaps, the most fundamental of all the City's problems, directly affecting the City's capacity to cope with the major problems of poverty, health care, housing, crime, transportation and pollution.

At the same time, the City's fiscal crisis constitutes one of the key factors shaping the nature and character of state-city relations. Recent State budgetary problems have placed an additional strain on those relations. Given the constitutional framework in which the City operates, the State plays a predominant role in the budgetary process of the City. The City cannot change its tax structure without State legislative and gubernatorial authorization. Its contractual agreements with municipal unions are often subjected to State approval. It must assume additional costs mandated by various State actions. And it cannot accurately determine City revenue needs until the State determines the amount of local assistance to be provided in any given fiscal year. Clearly, state-city relations are and will remain a key determinant in developing solutions for the fiscal crisis of New York City.

Because the City fiscal crisis affects the State as well as the City, and because it affects the delivery and quality of all municipal services, it has been the subject of numerous studies commissioned by the State, the City and by private organizations. These studies, when taken together, have covered virtually every aspect of the fiscal crisis: the efficiency and adequacy of City tax policy, the efficiency and efficacy of local government administration, and the role of the State and Federal governments in local fiscal policy.
The Commission on State-City Relations has reviewed eight major fiscal studies conducted over the last twenty years. The Commission undertook this study for five reasons:

1) To understand how other similar study groups have perceived the role of the State and City governments in confronting the City's fiscal crisis;
2) To define the nature of the City's fiscal problem;
3) To identify the recommendations suggested;
4) To discern how the State and City have responded to these recommendations to judge whether any of the levels of government could take new action based on these findings; and
5) To determine whether the findings and proposals of past studies might serve as guidelines for this Commission.

Throughout this review, the Commission on State-City Relations has been concerned that too often, the findings and recommendations of conscientious study groups are easily forgotten. The Commission believes that those recommendations which have not been enacted and which remain relevant must now be reasserted and given immediate consideration by both the State and City governments.

The major studies considered in this review are:

1) The Financial Problem of the City of New York, A Report to the Mayor's Committee on Management Survey, directed by Robert M. Haig and Carl S. Shoup, June 1952. (referred to as the Haig and Shoup Report);
3) **Four Steps to Better Government of New York City**, A Report of the Temporary State Commission to study the organizational structure of the City of New York, Devereaux S. Josephs, Chairman, September, 1953. (referred to as the Joseph's Report)

4) **Buttenweiser Committee Report**, A Report of the New York State-New York City Fiscal Relations Committee, Benjamin Buttenweiser, Chairman, November, 1956. (referred to as the Buttenweiser Report)


6) **Financing Government in New York City**, A Report of the New York University Graduate School of Public Administration, Dick Netzer, Director, June, 1966. (referred to as the NYU Report)

7) **Better Financing for New York City**, Final report of the Temporary Commission on City Finances, Earl B. Schwulst, Chairman, August, 1966. (referred to as the Schwulst Report)

I. SYNTHESIS OF FINDINGS: ANALYSIS OF THE CITY FISCAL PROBLEM

Each major study the Commission reviewed sought to define and analyse causes and parameters of New York City's fiscal crisis. The Commission has found that these reports are not only perceptive and articulate but are still relevant to the problems of New York City in 1971.

Indeed, the Commission found a remarkable degree of consensus among the reports concerning the causes and factors involved in the City fiscal crisis. The reports are in general agreement on the following main points:

1) The inevitable yearly growth in municipal expenditures is far greater than the yearly growth in revenues from the City's tax structure;

2) The City's tax structure was and remains predominantly non-growth responsive and regressive, contributing to the revenue-expenditure gap;

3) The City's revenue structure is severely constrained, and more so than other local governments in New York State, by tax and debt limits imposed by the State Constitution;

4) Managerial deficiencies in City government have magnified the fiscal crisis but are not a direct cause of it;

5) The City of New York has assumed a greater range of responsibilities than any other local government in New York State and than any other large city in the country; and

6) The State government has assumed less responsibility for the total range of state and local governmental services than most states in the Union and has failed to respond adequately to the City's fiscal crisis.

A discussion of these points follows, highlighting specific findings of the various studies conducted over the last twenty years.
A. Statistical Background

While the nature of the City's fiscal crisis has remained relatively constant, the size of the City's budget has grown considerably during the period 1951-1971. In order to provide a clear picture of this growth, a table describing the City's expenditures for the fiscal years 1952-53, 1961-62 and 1971-72 is included on page 6.

B. Expenditure-Revenue Gap

Several of the studies examined by the Commission noted the steadily increasing rate at which City expenditures were growing after 1951. In addition, they recognized that City revenues were expanding at a much slower rate. These conclusions have been at the very heart of New York City's growing fiscal disaster for at least twenty years.

In 1952, the Haig and Shoup Report concluded that only full employment and stable prices during the 1952-56 period would prevent a sizable expenditure gap for each of the four fiscal years in question if no increases in existing taxes and no new taxes were imposed. Indeed, Haig and Shoup estimated that if the inflationary pace of the 1948-52 period continued, the City would face an annual budget gap of over 10% and would require new sources of revenues each year. In formulating this estimate, the authors found that inflation would increase City expenditures far faster than it would City tax revenues. Haig and Shoup concluded that "the City's financial problem is fundamentally conditioned by the broad inflationary movements" in the country, that the cost of maintaining the level of city services and the yield of the existing City tax structure is directly affected by "what happens to prices and wages, by the level of business activity and by the level of unemployment."

Ensuing studies confirmed the findings of the Haig and Shoup report. The 1966 Schwulst Commission Report found virtually the same situation existing in the early 1960's. The Schwulst Commission pointed out that during the
NEW YORK CITY EXPENSE BUDGET:
MAJOR APPROPRIATIONS 1952-1971

Legend

Social Services (Welfare)

Education

Police, Fire, Sanitation
(Environmental Protection)

Health and Hospitals

Debt Service

Pensions

All Other

(in millions)

1952-53

1961-62

1971-72

(projected)

$8,000

$7,000

$6,000

$5,000

$4,000

$3,000

$2,000

$1,000

$254

$1,469

Source: Budgets of the City of New York
five year period from 1961 to 1966, "City expenses have gone up over 75% and their rate of increase has nearly trebled". The Commission reported that the natural growth of real estate taxes, business and sales taxes and other established City revenues, leaving aside the new taxes (or higher rates) added almost every year, has only been one-third that of expenditures. The Commission attributed the growing budget to four major factors:

1) The rise in labor costs of city government;
2) Severe inflationary trends in the economy;
3) The increasing numbers of low-skilled, low-income people settling in the City due to national social and economic changes and the failure to provide commensurate increases in employment opportunities for the newcomers; and
4) "Greater sensitivity to the conditions of life of all the City's people, and an unwillingness to place the entire costs of assimilation on the newcomers themselves."

Without question, the expenditure-revenue gap of New York City, identified in 1952, further confirmed in 1966, remains the fundamental dilemma of the City fiscal crisis. Indeed, continued rising costs and revenue shortfalls are affecting most local governments throughout the State and the country.

C. Non-growth Responsive and Regressive Tax Structure

As indicated in the previous discussion, most studies have revealed that City tax revenues have a slower natural growth than expenditures. Since increased taxation is the most frequently utilized strategy for meeting budget gaps, the studies have focused on the nature of the City tax structure. Two characteristics have evoked the most comment and concern. One is the non-growth responsiveness of the tax structure. Generally,
a tax is considered to be non-responsive if the growth in revenues from that tax is not faster than the growth in the City economy, usually measured in terms of income generated. The second characteristic is the regressive nature of the tax structure, i.e. it's tendency to place a heavier burden on low-income groups than on high income groups.

In 1953, Haig and Shoup estimated that municipal expenditures would grow twice as fast as revenues during the period 1952-56 should inflation persist in the national economy. Thus, they projected a 35% increase in welfare payments, a 70% increase in pension costs and a 500% increase in the operating deficit of the City transit system. Furthermore, the authors warned that if a recessionary period occurred in 1955-56, as a result of reduced national military expenditures, the City could expect an even slower growth in revenues during those two years, without sufficiently slowing the rise in costs.

The Schwulst Commission anticipated that the 1965-66 tax structure, if unchanged, would yield "an average increase in City raised revenues of almost $140 million per year." However, the Commission also estimated that expenditures would rise at a far faster pace forcing the City to look for new sources of revenues every year.

The Schwulst Commission attributed the expenditure and revenue gap to the non-growth responsiveness of the City tax structure. It found the City's existing excise taxes to be the most inadequate of all the City taxes. It estimated that revenue from those taxes would grow only about two-thirds as fast as income generated by the City's economy. Those taxes include the sales tax with a large number of exemptions for consumer services, the commercial occupancy tax and the real property conveyance tax, plus other taxes on the sale of goods or services.
The NYU study revealed that the City's excise taxes and its general business or gross receipts tax were non-growth responsive. Excise tax revenues rose .9% and business tax revenues .7% for every 1% rise in income generated in the City. The study considered the excise tax structure non-growth responsive because it excluded many aspects of consumer services from taxation and because it encouraged decentralization of retail sales activity throughout the metropolitan region. The business tax structure was inadequate because it did not impose taxes on business activity which would reflect accurately economic growth. The NYU study found the City's real estate tax to be slightly growth responsive, but not sufficiently so to make up for the slow growth in revenues from other taxes.

The NYU study showed that the City's tax structure was regressive because it placed the greatest relative burden on lower income groups. Based on data for 1961-62, the study indicated that the City tax burden, as a percentage of family income, was twice as great for people in the lowest income bracket (under $2,000) than for people in the $15,000 or over range. The study also identified the City's real estate tax, passed on to tenants in the form of rent, to be the primary cause of this inequitable distribution of City tax burden.

D. Strict Constitutional Property Tax and Debt Limits

All the studies concurred that the State's Constitutional limits on property tax rates and on the debt-incurring powers of localities severely constrained the City's fiscal capacity and flexibility. The tax limit sets a ceiling on the rate of property taxation based upon the five year average of the aggregate full valuation of taxable property within a locality. The debt limit is also a ceiling based on a percentage of the same computation.

In 1953, the tax limit on real estate was 2% of the five year average. The limitation, Haig and Shoup found, was unfair to the City of New York
because of the consolidation of City government, including such special
districts as schools. In fact, they believed that a strong case could be
made for no Constitutional limit at all.

The 1958 Peck Commission believed that the local finances section of
the Constitution, setting forth the limits on taxation, was inflexible,
constraining, and discriminating as it applied to New York City. Most
localities with separate school districts could actually tax twice the
constitutional limit because their school districts benefitted from sepa-
rate tax authorizations. New York City, on the other hand, because it
had incorporated the city schools into the general budget could not benefit
from a separate school authorization.

The debt limit has also been the subject of criticism. Generally,
the City's debt-incurring capacity is limited to 10% of the five year
average of the aggregate of full valuation of real property. The Haig
and Shoup report revealed that other New York State localities and cities
benefitted from overlapping counties and school districts which are granted
their own authorization for debts: "The net result is that the limit for
New York City is 10% while that for other cities with populations of 125,000
or more is 16% and that for cities with populations under 125,000 is at
least 19%." 

The Schwulst Commission was particularly concerned about the City's
ability to circumvent the tax limit by financing operating expenses through
short-term loans. This tactic was possible because the debt limit re-
stricted the amount of debt which could be incurred but not the rate of
taxation imposed to meet debt-service costs. Thus, if the City made short-
term loans to pay for operating expenses it could raise the rate of the
property tax as high as it wanted in order to finance debt service costs.
While the Schwulst Commission believed this practice to be unwise and harm-
ful, the group concluded that it was unavoidable because of the structure of
the tax and debt limits as set by the Constitution. The tactic could only be terminated if the pressures on the operating budget were eased through other income.

E. Managerial Deficiencies in City Government

Every study of the past twenty years has commented on the quality of administration of the City government. Specifically, criticism focused on four aspects of City government administration:

1) The City failed to coordinate overlapping responsibilities among its agencies and departments in order to realize economies;
2) The City's personnel machinery inadequately adapted to rising personnel costs and growing personnel management problems;
3) The City's fiscal policies were often detrimental to its stability and its credit ratings; and
4) The City failed to adequately communicate its specific problems and needs to the State and federal governments.

In effect, the City had failed to maximize its resources. However, the studies concur, the administrative and managerial shortcomings, while important, were not central to the City's fiscal problems. While the various study groups urged continued attention to these and similar problems, they believed that fiscal relief would result only by confronting the primary problem of rising costs and lagging revenues.

F. Scope of City Responsibilities

As noted above, broad social changes, inflation, economic trends, rising municipal personnel costs, managerial deficiencies in city government, and an inadequate city revenue structure all contributed to the City's fiscal crisis. Yet, these factors alone, past studies asserted, did not fully explain the reasons behind the City's fiscal plight. The studies observed that the crisis was further compounded by the size and scope of the
City's budget, second in size only to the Federal budget. Indeed, the studies indicated that New York City provided a broader range of services than any other major city in America.

For instance, Haig and Shoup found that only Boston, Baltimore and Washington, like New York, assumed fiscal and administrative responsibility for both education and public assistance. The only other city to maintain a municipal university system was Cincinnati. And no other city in the country subsidized its mass transit facilities as provided by New York.

In 1956, the Buttenweiser Report likewise recognized the unique role of the City in assuming costly responsibilities long before other urban governments were willing to bear similar burdens.

In addition, the Schwulst Commission pointed out that the City shouldered obligations which, while regional, statewide, or national in scope, were not assumed by higher levels of government. The Commission cited the extensive range of City services—free higher education, one of the broadest municipal parks programs, an unequalled public hospital system, and an extensive array of welfare services. Two factors further contributed to the heavy burdens of City government. New York City had become increasingly sensitive to the complex problems of urban life and its residents had demanded higher standards of public service. As a result, the City has sought to provide a wider range of services at a higher level of quality, but at the expense of burgeoning budgets.

The NYU study further documented these findings. It revealed that, while most local governments provided about 25% of all hospital beds within their jurisdiction, New York City provided 40%, and, in addition, made large reimbursements to voluntary hospitals for the care of disadvantaged patients.
The study also revealed that, among cities with populations of over one million, New York ranked first in police per 1000 of population, third in firemen per 1000, first in hospital beds, first in pupil-teacher ratio, first in park acreage to total City acreage, and first in the frequency of garbage collection.

Thus, the studies indicate, New York City has sought to provide more services to its citizens and at higher standards of quality, than any other city in the country.

G. Inadequate State and Federal Support

The fact that the City assumed responsibilities which were accepted by few other municipalities and which were regional, statewide or national in scope, has direct implications for the role of the State and Federal governments in meeting the urban fiscal crisis.

Indeed, past studies have called for expanded state and federal responsibilities in meeting the problems of urban America. The Haig and Shoup report did not find that New York City was discriminated against by state aid formulas—rather that it received state aid proportional to the aid received by the other six urban areas of the state. But the report did conclude that New York City residents bore a double burden in higher education and that the City did not receive its due share of state highway dollars.

The Buttenweiser Committee, after its study of state-city fiscal relations, concluded that the State had a responsibility to recognize the fiscal interdependence of the two levels of government. The Committee was critical of the manner in which State aid was administered and the effect the aid process had on decision-making at both levels of government. The Committee felt that State grants-in-aid centralized decision-making at the State level by encouraging local government to develop programs in areas for which State grants were available. At the same time, the grant-
in-aid program did little to rectify the overall fiscal imbalance in the City's budget. The Committee thought that state assistance should be allocated in a manner which would allow localities greater freedom to determine their own program and fiscal priorities.

The Schwulst Commission in 1966, focused on a different aspect of the pattern of state-city fiscal relations. The Commission observed that while New York State allocated more dollars to its localities through its local assistance fund than most other states, that aid did not offset the substantial burdens initially placed on New York local communities. "Local government responsibilities", the Commission emphasized, "are relatively heavier [in New York State] than in any other state in the country" despite the large amounts of state aid to localities. Consequently, on a percentage basis, the State's share of all state and local government services was less than the share of total services assumed by any other state in the Union.

The Schwulst Commission cited three major areas where New York local governments assumed a substantially greater burden than localities in other states. One such function was welfare. In few other states, did localities shoulder as great or greater share of the fiscal responsibility for public assistance than in New York State. In 25 states, the state government assumed virtually all the costs of this function. As pointed out by Haig and Shoup, New York City shouldered a greater burden for higher education than any other city in the country. No other city could boast such an extraordinary college system. The third area of unique city responsibility was its operation of an extensive mass transit system. It was clear to the Schwulst Commission that New York City, as a pace-setter, had assumed responsibilities usually assigned to state governments.
III. RECOMMENDATIONS FOR IMPROVEMENT

A. Criteria for Tax Policy

Each study reviewed in this report concluded that New York City could not expect any reversal in its consistently expanding expenditure-revenue gaps and would be forced to enlarge its revenue sources and reform old tax structures. In developing recommendations to help New York City meet its ever-growing revenue needs, the various study groups drew upon certain standard criteria of sound public finance. Two studies, the 1952 report developed by Haig and Shoup, and the 1966 NYU report actually discussed such criteria at some length. A review of the principles developed in those two reports is provided here not only as a framework for consideration of the various proposals suggested during the last twenty years, but also because they remain relevant guidelines for shaping policy directed at the needs of New York City in the 1970's.

Perhaps the single most important criterion for taxation is adequacy. Simply stated, a tax structure must have the capacity to produce sufficient revenue consistently. The NYU study concluded that any tax which has little growth potential would not be adequate. The recurring expenditure-revenue gap, evident almost yearly since 1951, revealed the inadequacy of the City's tax structure during most of the last twenty years. It lacked the capacity for revenue growth commensurate with the growth in expenditures.

The second important tax policy criterion is equity. Haig and Shoup, in 1953, and NYU in 1966 agreed that equity was essential in any revenue structure. Haig and Shoup told: "a tax that takes account of all aspects of an individual's economic situation is more equitable" than one which taxes a single aspect of his situation or a particular economic behavior such as the purchase of cigarettes. While they admitted that no one tax could be truly equitable, it was important that the affect of the total mix of taxes be equitable.
The NYU study further elaborated on the principle of equity. The report defined a tax structure as equitable "when individuals and families of similar circumstances have tax burdens which differ in some reasonable relation to their circumstances." This principle implies that the burden of taxation on a taxpayer should be determined by his ability to pay, and further that the ability to pay increases somewhat more than proportionately as his income rises.

Both studies defined a second aspect of the equity principle—specifically stated in the NYU study: "Some public services should be paid for by those who benefit from the particular public services, with individuals' payments bearing some relation to the public service costs their particular uses of the service occasion." This principle does not apply to programs which are intended to aid those with little ability to pay. Rather, the benefit theory assumes that while some public services are available to all, they are utilized by and are a major benefit to certain, relatively easy to define, segments of the population which have the ability to pay.

The last important criterion concerns the economic effects of taxation. Haig and Shoup raised broad questions concerning the local, regional, and national ramifications of local tax policy. Obviously, a locality would be most sensitive to the local detrimental effects of a certain tax. But Haig and Shoup questioned whether New York City should impose a tax considered beneficial to its own economy, if that tax might be harmful to the regional and national economy. In fact, Haig and Shoup were inclined to consider any "tax-induced change" in the economy, local or otherwise, to be a disadvantage, unless a strong argument could be made for the change. Obviously, budgetary pressures have made it difficult to adhere to their advice.

The NYU report elaborated on the economic affects of taxation. Fourteen years had made the role of city taxes in the evaluation of the region's
economy a more critical consideration in 1966 than in 1952. Ideally, the report asserted, all taxes should be economically neutral. Unfortunately, the reality of the nature of the economy precludes that possibility. Preferably, City tax policy should induce positive economic effects. The report concluded that the City's limited tax options make it difficult for the City to avoid adverse effects. Thus, the NYU study warned against New York City imposing new or higher taxes which might have negative, if not detrimental, impacts on its economy or fiscal position. The City must avoid any taxes which, despite short term revenue gains, encourage substantial out-migration from the City or discourage economic expansion.

Both studies urged the City to give these criteria--adequacy, equity, and economic effect--full consideration when contemplating new taxes. With the need for new revenue sources still with us, these basic fiscal principles remain relevant today.

B. City Revenue Structure

1. Tax and Debt Limits

As discussed above, most studies found that the Constitutional tax and debt limits imposed on New York City and other localities, discriminated against the City. Before the turn of the century, the City of New York consolidated most local government functions ordinarily performed by town, county and special district authorities and, as a result, lost considerable fiscal resources provided by the State Constitution. Organized under one central administration, New York City has operated within a more constrained context caused by the tax and debt limits of the Constitution than any other community in the State. In 1953, Haig and Shoup recommended that the tax limit be increased from 2% to 3% thereby providing substantial additional revenue to New York City. Haig and Shoup also found the 10% debt limit extremely restrictive and confusing because of
numerous qualifications and exemptions. Innovations, they concluded, made in years just preceding their study should be given extensive trial before further changes were proposed.

In 1958, the Peck Commission viewed the tax and debt limits set by the Constitution as inequitable and inflexible. They recommended that both limitations be removed from the Constitution and placed in the Local Finance Law. This shift would grant the State Legislature greater flexibility to reform the limitations as changing conditions warranted. Additionally, the basic inequities could be eliminated without having to resort to the cumbersome process of Constitutional amendment. To alleviate the discriminatory impact of the Constitution's limits on New York City, the Peck Commission proposed that City school districts be granted fiscal autonomy and the school property tax be separated from the general municipal tax. Given autonomy, the school districts would then qualify for independent tax and debt limits, thus, in effect, doubling the City's total tax and debt authorization.

The Schwulst Commission recommended a different approach. Specifically, it proposed that there be a single 15% debt limit for all tax-supported debt. This limit would include debt for housing which has its own 2% debt authorization, and all other exempt categories. To meet unforeseen needs without amendments to the State Constitution, the Commission recommended that the City be permitted to issue additional debt up to 2% of the valuation base with the approval of the Mayor, the City Council, and the State Comptroller. This would, they concluded, rectify the present situation under which each debt limit exemption must be ratified by the State electorate in accordance with the Constitutional amendment process.

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2. **City Taxes**

**Real Estate Taxes:** The City real estate tax remains the primary source of City revenues. However, the revenue produced by the tax, as a proportion of all City income, has declined during the last twenty years. Most observers have criticised the City's dependence on the property tax as a major revenue producer and have called for some reform of the tax to modify its detrimental social and economic effects.

Haig and Shoup recommended that assessments of all taxable property be brought up to full valuation. This would, they argued, reduce some of the inequities existing in the tax while producing increased revenues for the City without actually increasing the rate of taxation. The Management Survey Report concurred with Haig and Shoup and incorporated the recommendation in their final report.

Haig and Shoup also recommended that special assessments be levied against property enhanced in value by such City improvements as highway, street paving and sewer construction. This method would be based on the benefit principle of taxation and would produce sufficient revenues to relieve some of the burdens on the property tax.

In 1966, the NYU study considered the increasing burden placed on the City by special exemptions from the real estate tax. In the course of investigation, however, they concluded that much of the exempt property was serving public functions accepted by a broad consensus of the population. Most of these properties were owned by the City, state and federal governments and academic, cultural and philanthropic institutions. The study urged the City to collect taxes on those exempt properties not clearly serving public purposes, and to enter into negotiations with other governmental bodies for in-lieu payments for City services rendered. The Schwulst Commission agreed with the findings and conclusions of the NYU study and reasserted the recommendation in their final report.
Sales Taxes: The sales tax was found by the NYU study to be non-growth responsive and therefore inadequate for producing revenues at a rate greater than the economic growth of the City. In addition, it was generally agreed by the studies, that the City actually encouraged the migration of retail activity to the suburbs by imposing and increasing sales taxes. Thus, every study has recommended some changes in the sales tax structure.

Haig and Shoup, for instance, proposed that cigarettes and beer be included in the sales tax base and that an increase be made in the hotel room tax of 10%. The Management Survey Report proposed taxing the sale of beer, while suggesting that the 1953 3½ tax rate be maintained.

The NYU study recommended that increases be imposed on spending considered more or less harmful—specifically on liquor and cigarettes.

Business Taxes: In 1953, the existing business tax was a levy against the gross receipts and gross income of businesses in the City. Haig and Shoup found this tax to be acceptable at its current level but concluded that any increase in the tax would encourage consolidation of businesses in the City. Since they believed such a development would be harmful, they recommended that no increase in the gross receipts tax be adopted for the period 1952-56.

In 1966, however, the Schwulst Commission and the NYU study recommended that the gross receipts tax be replaced with a gross margins or value-added tax, as a measure which more adequately determined the burden business activity placed on public functions. This tax would reach a firm's gross receipts less the value of the goods purchased by that enterprise from other businesses. Simply stated, the tax would impose levies on the value a business adds to goods. The NYU study while observing that any tax on business would encourage out-migration, argued that a gross margins tax would have a less detrimental impact on City
business, than the existing business tax.

**Income Tax:** In 1953, Haig and Shoup recommended that the City not adopt an income tax during 1952-56, objecting particularly to the administrative burdens such a tax would place on the City and the additional hardship of a third such tax on citizens. They recognized that a surcharge on the State Income Tax, collected by the State and remitted to the City, would avoid both these problems. However, Haig and Shoup recognized that an income tax had great potential as a major revenue producer for the City and urged further investigation. The Management Survey Report suggested that the income tax "should" be an important new revenue source in the future.

Fourteen years later the NYU study strongly urged the adoption of a City income tax on both residents and commuters, because it satisfied the basic criteria of adequacy, equity, and benefit. Of the two most feasible methods of taxing income, the study preferred a flat rate tax over a 50% surcharge on the State Income Tax, because, it was argued, the latter could place an undue burden on taxpayers in higher income brackets. The NYU study, however, believed that either method was far superior to any other form of taxation it had investigated.

**Gambling Taxes:** Many observers in recent years have noted that gambling, if legalized, might provide a major source of revenue. The Management Survey Report recommended, for instance, a 5% tax on all parimutual betting. The NYU study urged the City to initiate off-track betting on an experimental, small-scale basis to test the feasibility and viability of such a mechanism for raising revenue. The Schwulst Commission also urged consideration of gambling as a source of revenue.

3. **Special City Charges**

**Water:** In 1953, the Management Survey Report recommended that the City raise water rates sufficiently to make the water system self-support-
ing. The Committee also proposed that the City launch a program of universal water metering in order to aid implementation of this recommendation. The NYU study also urged universal metering and an increase of 50% in water rates. The Schwulst Commission, while not suggesting a specific rate increase, also called for a significant increase in water rates and urged that similar policies be implemented for sewer rates.

**Transportation:** Haig and Shoup recommended that the fare structure of the mass transit system be altered in order to increase the revenues from the fare box. Fares would range from 5¢ to 25¢ depending on the length of the ride and the time period in which it occurred. The NYU study recommended some form of zonal fare structure with differentials based on the time of day, the direction of travel, and the distance of the ride.

Haig and Shoup proposed that an overnight parking tax be adopted, that the use of parking meters be extended and that a review be made of the adequacy of all license fees, including automobile fees. The Management Survey Report concurred with these recommendations and further proposed that the fare on the Staten Island ferry be increased. The NYU study group called for an annual $25 automobile tax and the imposition of tolls on the free bridges across the East River. In its discussion of these proposals, the NYU study urged greater long-range consideration be given to the relationship of these various transportation fees to the use of automobiles and mass transit in the New York metropolitan region.

C. State-City Fiscal Relations

1. **State Role In City Tax Policy:** The State plays a major role in shaping the City's tax policy. Most importantly, implementation of all tax proposals previously discussed, would necessitate state legislative approval and City support. Furthermore, the State Constitution and Local
Finance Law prescribe certain basic requirements with which all localities must comply. In 1958, when the State was considering changes in the State Constitution, the Peck Commission made a series of recommendations which would have given localities greater freedom in determining their own fiscal policy. Specifically, the Peck Commission recommended that:

1. All tax and debt limits be removed from the Constitution and placed in the Local Finance Law;
2. City School districts be granted fiscal autonomy with a separate school property tax authorization;
3. Cities be authorized by the Constitution to levy any tax not prohibited by the Constitution, State statutes or not pre-empted by the State;
4. Cities be permitted to join with other units of local government in the establishment of area-wide revenue structures so as to permit metropolitan taxation; and
5. The State Legislature be limited in mandating increased local government expenditures without making available provisions for fiscal support.

The Buttenweiser Committee also urged the State to assume leadership in restructuring intergovernmental relations, built on the concepts of interdependence and decentralization, to maximize the capacities of local government and to allocate functions along more rational lines. The Committee believed that it was the State's obligation to develop a new system of shared powers, sufficiently flexible to meet the special needs of New York City.

The Peck Commission and the Buttenweiser Committee made, perhaps, the most fundamental recommendations concerning state-city relations. Both groups urged the State to assume greater leadership responsibilities by granting greater power and flexibility. They further believed that the State must assume greater local responsibilities for what they
concluded were state-wide, if not national, problems.

2. **Enlarged State Responsibilities**

*Increased State Aid:* It was clear to all the study groups that the state was obligated to assume a greater share of the fiscal burden of local governments. Generally, they recommended that the State provide increased aid for specific functions which over-burdened localities.

Haig and Shoup, for instance, recommended that the State defray the net operating costs of the City colleges. They argued that New York City residents should not have to support two public higher education systems, while residents of the rest of the State supported one.

Welfare constituted another function which, according to many observers, placed an unjust burden on New York and other major cities. In 1953, the Management Survey Report called upon the State to increase its public assistance and health grants to the City.

In addition, that Report recommended that the State allocate special assistance to school districts with large percentages of disadvantaged students. The Report argued that because no one school district could be faulted for the incidence of poverty within its jurisdiction, it should not shoulder the full responsibility for overcoming the special educational problems poverty creates.

The NYU study similarly concluded that State aid formulas and ceilings did not reflect accurately the high costs of quality education in central cities. It called upon the State to readjust its aid formulas to enable large cities to meet the growing costs of maintaining quality educational systems.

As mentioned previously, the State grant-in-aid program was criticized by the Buttenweiser Committee. The Committee believed that the program did not allow the City sufficient flexibility to determine its
fiscal and program priorities and, failed to alleviate the City's fiscal crisis. A shift to general purpose grants would overcome these inadequacies, the Committee asserted.

The Buttenweiser Committee also criticized the fiscal imbalance in transportation policy. Financing highway and rail facilities, the Committee believed, must be integrated and balanced. It urged the State to expand its highway system to include City arteries and secondary highways. The Committee reasserted the proposal, made earlier by Haig and Shoup, that the City share in motor vehicle tax revenues. The Schwulst Commission made similar recommendations in 1956.

Other State aid proposals developed by the Schwulst Commission included: State assumption of responsibility of all long-term prisoners and extension of the state parks system to include parks in the City.

Transfer of Responsibility: While the call for increased State aid was oft-repeated, a consensus for another approach to intergovernmental fiscal relations has evolved during the last twenty years. This approach calls for a realignment of functions and responsibilities among the three major levels of government.

For example, in 1953 the Management Survey Report went one step beyond the proposal of Haig and Shoup concerning higher education. While Haig and Shoup called for increased State aid for City colleges, the Management Survey Report called upon the State to incorporate the City higher education system into the State system and grant equitable fiscal support to City colleges.

The debate concerning the State's responsibility to the City university system has been complicated in recent years by the City's free tuition policy. The Schwulst Commission believed this problem could be overcome by combining the State and City systems and by establishing a special City scholarship program geared to the City's low-income students.
In another area, the new State Constitution proposed in 1967 would have provided for full state fiscal support of the State Court system, replacing the existing system which mandates substantial contributions from New York City.

Many analysts also discussed the proper governmental location for the welfare function. In 1966, the Schwulst Commission recommended complete State assumption of all non-federal welfare costs throughout the State. The rationale for this transfer was developed in the NYU study. It argued that many of the special burdens of large cities were the result of national economic and broad societal trends—increased urbanization, the migration of rural poor to central cities and growing congestion and deterioration in older cities. In addition, the NYU study noted that sensitivity to social problems and the increased demands for more and better public services had compounded the special burdens of large cities.

A whole range of programs had been developed to cope with the increased problems of urban life. Ultimately, these programs sought to redistribute income. The burden of these efforts, however, had fallen most heavily on cities like New York which had neither the resources nor a broad enough jurisdiction to successfully achieve the policy goal of income redistribution. The NYU study concluded that the State had both a broad enough tax base and a wide enough jurisdiction to implement the welfare function effectively. The new State Constitution, proposed in 1967, included a section which would have effectuated State assumption of all non-federal welfare costs over a period of ten years.

Generally, the NYU study concluded that the transfer of responsibility for selected governmental services from the local level to the
state and Federal levels was the most crucial reform in mitigating the City fiscal crisis. Only such a realignment could both ease the municipal revenue gap and improve the delivery of services provided at all levels of government.

D. Response to Recommendations

1. Adopted

The total list of recommendations made over the last 20 years by various studies, constitutes an extensive agenda for change. Indeed, many of the proposals have been adopted. The City has received authority for an additional budget and has imposed a variety of new taxes including: increased sales taxes, especially on cigarettes; a city income tax varying from 0.7% to 3.5% in rate; a hotel room tax, and a stock transfer tax. In addition, the City has increased its transit fares from the 10¢ level of 1953. It has recently received authorization to assess in-lieu charges on tax-exempt properties. The tax on business was changed from a tax on gross receipts to a tax on net income and the City has established an off-track betting corporation.

The State has responded to calls for increased state support of public services by increasing its local assistance fund and by establishing a limited revenue sharing program with its localities and municipalities.

2. Not Adopted

On the other hand, real property remains underassessed in the City and throughout the State. The City, as a matter of policy, has not utilized special assessments on properties benefitting from capital improvements.

The Constitutional debt limit is still fixed at 10%, though the number of exemptions which reduce the base figure has increased. The
The tax limit is still 2 1/2% and the State has not removed other restraints which limit the fiscal flexibility of localities.

Finally, the most significant area of recommendation not yet adopted is the transfer of responsibilities. The City of New York still shoulders an inequitable share of the fiscal burden of welfare, of the City University, of elementary and secondary education, of State courts in the City and of metropolitan mass transportation.
IV. CONCLUSIONS

Despite a generation of study by eight separate, non-partisan, independent Commissions which included the work of a total of 128 distinguished members, countless staff hours, thousands of pages of printed findings and millions of dollars of study costs, it is clear that the City's fiscal crisis has persisted and continued to deteriorate because fundamental solutions developed by these studies have been largely ignored by the State of New York.

The studies consistently asserted the following points:

1- The inevitable yearly growth in municipal expenditures is far greater than the yearly growth in revenues from the City's tax structure;

2- The City's tax structure was and remains predominantly non-growth responsive and regressive, contributing to the revenue-expenditure gap;

3- The City's revenue structure is severely constrained, and more so than other local governments in New York State, by tax and debt limits imposed by the State Constitution;

4- Managerial deficiencies in City government have magnified the fiscal crisis but are not a direct cause of it;

5- The City of New York has assumed a greater range of responsibilities than any other local government in New York State and than any other large city in the country; and

6- The State government has assumed less responsibility for the total range of state and local governmental services than most states in the Union and has failed to respond adequately to the City's fiscal crisis.
Indeed, these studies repeatedly warned that the fiscal crisis would develop into disaster unless each level of government was willing to assume far greater responsibility for meeting the critical needs of the City.

The studies urged:

1- The City of New York to substantially increase its tax effort and reform its tax structure;

2- The State of New York to substantially increase its fiscal support for local government in the State; and

3- The State and Federal governments to assume full and proper responsibility for local public service costs generated by national economic and social forces.

New York City has responded, and in fact, has significantly expanded its own tax effort and reformed its tax structure. The City has adopted every major tax recommendation made during the last two decades, including, most importantly, a progressive city income tax and a substantial sales tax.

New York State, in contrast, while increasing its aid to New York City and other localities, continues to lag significantly behind other urban states in assuming its proper share of state and local governmental costs. Despite the increasing amounts of state aid, the studies concluded, local government responsibilities are relatively heavier in New York State than in any other state in the nation.

More recently, this finding has been dramatically documented by a United States Bureau of the Census report, entitled Governmental Finances in 1969-70. That report reveals that in New York, the State's percentage of the total statewide amount spent to provide direct services is the lowest of any state in the Union.
New York State has too frequently acted like a philanthropic foundation rather than a State. The State has failed to assume the responsibility which its own sovereignty implies and has proven unwilling to confront problems which it, through its constitutional powers of taxation, has the fiscal capacity to solve.

The Commission recognizes that the State, given its present revenue structure, faces its own budget crisis. But the fact that New York State raises funds insufficient to meet its statewide sovereign responsibilities can no longer serve as an acceptable excuse for its failure to respond to the urgings of a generation of Commissions.

Time and again, with Cassandra-like regularity, previous Commissions have warned of the need for state and/or federal absorption of welfare costs, of regional funding for mass transit, for state assumption of public education financing, of state responsibility for funding the court system, and for the State assumption of the costs of the City University of New York. These basic recommendations have been talked about, debated, praised and supported—but left wholly unimplemented.

The inadequate response to the works and recommendations of past Commissions should be a warning to the people of this State that the efforts of five existing Commissions, (including this one) may only be marginally productive.

The time has come to do more than commission studies. The time has come to act upon the consensus of a generation of experts.
Management Survey Advice
Applied to Present Problems

Dr. George Hallett
State Charter Revision
Commission, Staff Paper

1973
The most extensive study of New York City in management problems ever undertaken was that of the Mayor's Committee on Management Survey discussed briefly in the last chapter. It was appointed by Mayor O'Dwyer and continued by Mayor Impellitteri over a three-year period from January 10, 1950, to March 30, 1953, under the Chairmanship of Comptroller Lazarus Joseph with Luther Gulick as Executive Director. It is frequently referred to as the Gulick Report. Its work was supplemented and some of its key recommendations emphasized for priority implementation by the Temporary State Commission to Study the Organizational Structure of the Government of the City of New York (the "Josephs Commission"), also discussed in the last chapter. This commission was created by act of the Legislature in 1953, which worked under the chairmanship of Devereux C. Josephs with Wallace S. Sayre as Director of Research. The Commission submitted "A Plan for Action" in two installments, September 30, 1953 and February 1, 1954.

The influence of these two competent reports on the recent history of New York City management was outlined at some length in the preceding chapter. Both of them made recommendations which were adopted in considerable part but never completely implemented. They have substantial relevance to today's problems. It is the purpose of this chapter to identify some of the most important recommendations and to consider their meaning not only for the central city government but for such decentralized geographical divisions of the City government as the Charter Revision Commission is now considering, since there is no basic conflict between the
two management reports, they will be considered together.

Each of the management principles discussed will be considered as to its applicability (1) to the central city government and its operating agencies, (2) to decentralized governmental units on a community level for areas comparable to those of the present official community districts (smaller than boroughs), (3) to decentralized units on a borough level, and (4) to a combination of community and borough units with the community units exercising the decentralized service and control operations and the boroughs giving them management services of various kinds.

The Management Directorate Principle

The central idea of the Gulick Report was that the government of New York City is too vast to be run with any efficiency entirely from a central point. It recommended consequently that each operating department or agency be equipped and authorized to render its services and exercise its controls with a considerable degree of autonomy and that the top management agencies of the City be a central management directorate making no attempt to run the line departments in detail.

"Under this program," says the Report, "each major department becomes a management unit, and each commissioner becomes a city manager in his own field of action." This "does not mean that the departments will be independent of
the general direction of the Mayor on matters of broad policy and co-ordination, or that they will be free to depart from City-wide standards on budget, finance, personnel, and procurement. But it does mean that the departments, within these policy controls and procedural standards, will have the utmost freedom to act and the administrative tools which are required for effective work."

With this approach the City's chief executive should have a top management staff with professionally trained personnel in organization, budget, personnel, program planning and physical planning and an adequate reporting system from the operating departments to enable him to develop overall policies, standards and directions. At the same time each operating agency should have corresponding trained personnel to enable it to operate without central direction in details.

Degree of Realization. To a large extent the present Charter, developed with the benefit of these management reports, makes this approach possible. It does not, however, mandate it. In actual practice neither the central management agencies nor the operating departments have been organized or equipped adequately to realize the goal. To a large extent the operating agencies are still standing in line for central directives in matters of detail and are not the creative developers of City policy that the
Mayor's Committee on Management had envisaged. As in 1953 many of the City's failures and difficulties still "arise from the effort of central government agencies of the City to run the departments directly."

The question then raised must now be reconsidered. Can and should the City Charter be modified to mandate the management directorate principle?

**Application to Superagencies.** It may be noted that the principle now has a new application to the superagencies which have been created under the present City administration with the purpose of coordinating related activities and reducing the number of agencies which have to report to the Mayor and his staff directly. The Mayor's Committee on Management Survey recognized the problem and had a word of caution as to its solution which seems not to have been sufficiently heeded.

The study stated the maxim, "Make certain that there is one major function for every department, and one department for every major function." It then noted that "A major management problem arises when the work of a large and complex business is divided into one-function departments as we recommend, because it results immediately in the establishment of more independent departments than any top chief executive can personally manage effectively.... This has led some people to advocate grouping all activities
under 10 or 12 large departments. While this would solve the span-of-control problem, it would turn many departments into bushel baskets, each with various functions actually unrelated, and would produce within these multifunctional departments many orphan activities. Only through the 'government directorate' approach do we see an effective way of limiting the span of control and at the same time setting up departments which are streamlined to one function."

Actually the superagencies appear to have been set up without the government directorate principle sufficiently in mind. To be sure, a good deal of the thinking which went into the creation of the superagencies envisaged a subsidiary management directorate at the top of each such agency equipped to give the separate operations within it the benefit of management, budget, personnel and planning expertise without unnecessary overlapping and to provide necessary coordination for their activities and consolidated reporting to the central staff agencies under the Mayor. However, the actual charter revisions did not stop there. They were so worded as to give the superagency head all the responsibilities and prerogatives of an operating department head over all the operations under him and to downgrade the authority of the department heads within his agency. This increased the new personnel required at the top of each superagency and decreased the usefulness and perhaps the calibre of the subdivision heads
within it, as well as creating the bushel-basket effect foreseen by the Management Report.

An important possible application of the management directorate principle now to consider, therefore, is its application to the superagencies. If the Charter confined each superagency to management directorate status instead of giving it the detailed direction of all operations under it, and at the same time established semi-autonomous departments within each superagency, one department for each recognizably separate function, the original purposes of the superagencies might be achieved without their unfortunate side-effects.

Application to Decentralized Government. If now the district City is to be divided into governments with defined powers, the management directorate principle has other applications.

Assuming that each sub-government, whether on a community or on a borough level, has some administrative as well as legislative responsibilities, it will need to have the same kind of top management personnel and expertise that is envisioned in the Management Report for the City and each of its departments and agencies. To the extent that each sub-government is required to conform to City-wide decisions and policies and to cooperate with City-wide agencies in their administration, the top management of the sub-government will need to be related to the top management of the City
This could be either a direct City-sub-government relationship, giving a new responsibility to the City's top management staff or possibly to the Board of Estimate or a successor governing body, or a three-way relationship with a borough service and coordinating agency as intermediary between the City and the community. Wherever fields of service are divided between City and sub-government, there will need to be coordination too between the City departments and superagencies (if these are retained and the sub-government administrative units working in related fields.

Just how these management arrangements might be worked out will be considered more at length under the different kinds of management involved.

**Administrator-Manager**

Both the Gulick and the Josephs Reports emphasized the importance of having a professionally trained administrator who could be the Mayor's alter ego in co-ordinating, controlling and directing the vast operating machinery of the City government. The approaches of the reports were slightly different, however. The Gulick Report envisaged a Director of Administration who, with an adequate professional staff skilled in management techniques, would keep in touch with all agencies under the Mayor, give the Mayor all the information he needed for wise decisions, and see that the Mayor's decisions were carried out. The Josephs Report envisaged an Administrator who would also actually make the administrative decisions for the Mayor, subject to the Mayor's general
policies and directions, to the extent that the Mayor did not wish to make the decisions himself or did not get around to doing it.

The preceding chapter outlined New York's experience to date with a City Administrator and some of the lessons to be learned from it. It will be remembered that Mayor Wagner created the office along the lines of the Gulick Report and appointed Dr. Gulick as the first Administrator to give the office an auspicious start. Demetrios Caraley in his 1966 comprehensive report on "New York City's Deputy Mayor City Administrator -- Accomplishments, Problems and Potentialities," summarized the experience which followed during Mayor Wagner's twelve years as Mayor:

"...the City Administrator's Office has, in fact, made significant contributions both toward filling the Mayor's staff needs and to the general effectiveness of the City government. These contributions have been most impressive in improving the organization and management practices of the different departments and agencies, in advising on and recruiting candidates for appointment by the Mayor as commissioners, in resolving conflicts between and among departments, and in promoting better integration of inter-departmental activities affecting common problems."
But... because of the Office of Administration's lack of sufficient formal authority, because of its inattention to certain key functions, because of its chronic shortage of personnel, and because of the less than full support given to it by the Mayor himself, the Office has not brought about the kind of major improvement originally thought possible."

Under Mayor Lindsay the office continued to decline in influence, though it always did useful work, and the actual reliance for top management direction shifted more and more to the Bureau of the Budget, the other Deputy Mayor (for the Executive Office), and outside consultants.

In April, 1972, when Deputy Mayor City Administrator Timothy Costello retired and was replaced by Edward Morrison, the new situation that had developed was recognized formally. The roles of the two Deputy Mayors, as suggested in section 7 of the Charter subject to modification at the Mayor's discretion, were almost exactly reversed. Deputy Mayor City Administrator Morrison, who had been the Mayor's principal liaison with the City Council and Board of Estimate, continued in that role, along with the representation of the Mayor on various boards and committees which had also been tentatively assigned by the charter to the Deputy Mayor for the Executive Office. That Deputy Mayor, Edward Hamilton,
the City's former Budget Director, became the Mayor's actual administrator, so far as there is one, with a sizable amount of the power originally contemplated for the City Administrator's Office. Meanwhile the Budget Bureau, which by Charter is assigned to the Executive Office of the Mayor under Mr. Hamilton, had developed a Management Service Unit largely paralleling the original prescribed management functions of the City Administrator.

Even before the formal exchange of responsibilities the City Council Committee on Charter and Governmental Operations (quoted at length in the preceding chapter) called for a Charter change to adjust to the actual developments and combine the functions of budget and management in an Office of Program Planning, Budget and Management under a single official with the title of Deputy Mayor. This suggestion would combine the offices now held by Budget Director David Grossman and Deputy Mayor Edward Morrison. It would clearly make the Deputy Mayor for the Executive Office the most important officer under the Mayor in the field of management and give him more power than any of the titular City Administrators have managed to achieve.

Unless the Deputy Mayor for the Executive Office were also made Personnel Director and City Planning Director, however, it would tend to downgrade other vital arms of management. And even if this were done, it might impel
a Deputy Mayor who was made personally responsible for all the entrenched contacts of the Budget Bureau to give top priority to the economy side of the city management at the expense of planning for the people's needs. It seems better to keep the Deputy Mayor position one of general oversight, with separate units under him for at least budget, personnel, and program planning -- perhaps all the staff functions of the City administration.

Even this change would still fail to create by Charter requirement an official who would be in clear command of the whole administrative side of the Mayor's super-human responsibilities except in so far as the Mayor finds it desirable and possible to give this his personal attention.

The Mayor's Burdens

Yet the need for such an official is as great as ever, perhaps greater than ever as the needs of the City become more complicated and technical. More than in any other city, the Mayor of New York is beset with responsibilities of such magnitude that he cannot possibly do credit to them without delegating to others with adequate capacity and power. The people look to him for leadership on all the great issues of the City's life. This is a responsibility he cannot escape, since he is a full member of one of the two major policy-determining bodies of the City (the Board of Estimate) and has a veto power over the acts of the other (the Council).
Increasingly he must deal with other governmental bodies, federal, state and municipal, as the City's representative, to get the sort of aid and cooperation that the City cannot now get along without. This is a responsibility he cannot wholly delegate without lessening the City's chances. He must be accessible to the City's leaders in many fields and make appearances at many functions. Having been elected as a community leader with ideas as to what should be done, these are all responsibilities he is anxious to meet and for which he is likely to be well prepared.

But on top of all this he is the responsible administrative head of one of the greatest governmental businesses in the world. It is a lucky accident if he is well prepared for this responsibility also in his own person, for it is seldom the determining factor in popular elections. It is unlikely to get a commensurate share of his attention, for it is much less glamorous and immediately visible to the public than his other functions. Yet it is the quality of administration -- the quality of services which everyone knows he has a right to expect -- which most directly affects the public and is most likely to affect its judgment of the City government.
City Manager Option

One answer to this dilemma would be to take this administrative responsibility out of the Mayor's hands by adoption of the city manager plan. Under this plan the Council or the Board of Estimate would employ a professionally trained manager to head the administration and carry out the City's policies. He could devote full time and special expertise to this job, leaving the Mayor free to give full attention to his role as public leader. The manager would serve at the pleasure of his employers, who could release him if he proved inadequate to the job. A whole large profession of experienced city managers, some of them serving successfully in cities of middle rank, would be available for appointment in addition to New York's unequaled reservoir of managerial talent in private enterprise.*

The city manager plan is widely employed in smaller cities and some adaptation of it may well be desirable and useful for local district governments here in New York, but the negatives of the city manager approach to the special problems of this great cosmopolitan city on a city-wide basis are substantial. It seems very unlikely that a majority of the voters would be willing to entrust the control of the delivery of their manifold City services to an appointee of either the Council or the Board of Estimate.

* This alternative was suggested for eventual consideration in a minority report printed as Appendix 7 of the Report of the Mayor's Committee on Management Survey.
Theoretically any Mayor could approximate the virtues of the city manager plan even under the present Charter, by giving the appropriate authorizations to one of the Deputy Mayors and directing all other agencies under his direction to respond to the Deputy Mayor's requests. But voluntary acceptance of this formula seems too much to expect of most Mayors, even though it might tremendously improve the product of their administrations and enhance their own reputations accordingly. When a Mayor has clear power to order something, people who want it will demand it of him and hold him responsible if he fails to comply. It would probably take a Charter directive to make a Mayor feel easy about saying No to most requests for intervention in administrative details. Also a Mayor might fear a loss of his own prestige if people got the habit of taking everything to his subordinate. These seem to be among the reasons why the City Administrator has been less than fully effective.

A few changes in the Charter might suffice to make the concept a reality. The right of the Deputy Mayor who is to become Administrator to appoint and remove the heads of most agencies with the Mayor's approval, as recommended by the Josephs Commission, would let the Administrator speak for the Mayor with great authority. Just the right to remove, with the Mayor's approval, might have much the same effect.
The heads of all the agencies under the Administrator's supervision might also be directed by the Charter to respect directives from the Administrator as if coming from the Mayor. There might be a Charter directive that the Administrator be chosen on the basis of his administrative training and experience.

The Josephs Commission recommended that the job be given a prestige that would be guaranteed by prescribing for him seven-eighths of the Mayor's salary (not counting residence and other special perquisites).

If this option -- a strong administrator -- is written into the Charter, it should include a provision that the administrator serve at the Mayor's pleasure -- to make clear that the Mayor is still the chief executive. It should also be specified that his controls are subject to the Mayor's directions so far as given.

Management Leadership for the Second Tier. If a second tier of autonomous or semi-autonomous units is set up on a community level, it will need the same sort of overall management control. Here the manager plan should be seriously considered for adoption. Under that plan a manager is employed by the legislative body on a professional basis to see that the policies of the local legislature are carried out and the regular municipal services delivered. He appoints and removes all other administrative officers. He serves at the pleasure of the legislative body and can be replaced after a public hearing if he fails to give satisfaction. There should be no difficulty in operating on this pattern and finding superior administrative talent to hire from the wealth of local governmental and business talent or the city manager profession.
In the special circumstances of community government one important variation from the usual pattern suggests itself. Since the community governments would need to mesh their activities on some pattern with those of the central city government, the suggestion has been made that each community board might be required to appoint its manager with the approval of the Mayor. This would be an important limitation on community autonomy, but possibly not more than the overall unity of the City makes desirable.

A council of local managers might be convened regularly for discussion of common problems under the chairmanship of the Deputy-Mayor-City Administrator. The City Administrator might be charged with making available to all the community managers the results of management, budget, personnel and planning studies related to their work and pertinent information about all the operations of the city to which they would need to relate. He could be required to assist also in working out coordination and cooperation among managers in problems that overlap particular community districts. To the extent that city-wide standards and policies were mandatory for the communities to follow, he could make sure that the community managers and governments were properly informed and monitored.
Presumably there would be some fields of service whose administration would be shared between community and city-wide units. In such situations the community manager might be required, before appointing officers in charge of the local administration of a service, to consult with the heads of the city-wide agencies with which they would have to work, including superagencies and departments within them.

Deputy Mayor-

One of the more important duties of the City Administrator might be to work out, and revise as necessary, the machinery through which the City and local agencies coordinate their activities in shared fields of service. In some instances the City participant might be just a management team, with all the actual service operations performed through community personnel.

For each community district there will be a need for a local cabinet of district administrators such as Mayor Lindsay has created in the experimental districts now used by several City agencies and has recommended for all districts when local service districts are made coterminous.* This district would be appropriately headed by the community/manager. It would consist not only of his own appointees but also of any local administrators of city-wide agencies whose operations

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had not been decentralized. It would be helpful if district superintendents of the affected school community districts could be included. The cabinet meetings would be for exchange of pertinent information and working out of cooperative plans.

Each community manager would need to have his own staff of management experts. They would include among them the necessary expertise in budgeting, personnel, and planning.

**Borough-Level Management.** If the City government were decentralized on the borough level, most of these observations for a community tier of government would apply except as affected by the fact that the boroughs are now headed by elective Borough Presidents.

To be sure, the present plan of borough government could be replaced by a borough manager plan, in which case the whole preceding discussion would remain pertinent. There would simply be a smaller number of units to deal with.

If elective Borough Presidents are retained, they might still not be put back into the business of direct administration of city services, from which they were almost completely removed by the 1961 Charter. Their present role of representative of borough interests on the Board of Estimate and elsewhere might be retained and the management of direct services within the borough, so far as decentralized, be put in the hands of a borough manager. Such a manager could be employed on a professional basis by the
borough Councilmen acting as a borough legislature, with the Borough President as its head.

If the Borough Presidents were made in effect Borough Mayors, with executive responsibility for all decentralized services within the borough, there would be need for a borough administrator under the Borough President, corresponding generally to the City Administrator under the Mayor. The argument for giving the elective Borough President this kind of expert assistance would be much the same.

One option might be to require that the Borough President select his administrator with the approval of the Mayor, for purposes of coordination. And the cooperative arrangements between the City and borough administrators and their staffs and appointees might be much the same as described between the Deputy Mayor-City Administrator and the community district manager.

Under the borough-level alternative of two-layer decentralization, the community districts and boards might be continued for closer liaison between the City and borough governments on the one hand and the people in the communities where they live on the other. And the City and borough services might be further decentralized administratively into coterminous community districts, with community cabinets cooperating with community district boards.
Borough Services to Operating Communities. A compromise between the community-level and borough-level decentralizations which seems worth considering is community-level delivery of services and borough-level services to community governments, including help with their necessary cooperation. This would continue the administrative decentralization and community involvement in areas smaller than the boroughs that have already been developed.

Under such a plan the Borough President might preside over a management-service unit for the community district governments within the borough. It could include specialists in various fields of management, budgeting and program and community planning whose services would be available to all the borough's districts as needed and make it unnecessary for every district sub-government to duplicate them. Such a staff might be particularly useful in working out cooperation between adjacent districts on common problems. The borough government might also have a monitoring function, with advice to central and community governments as occasion arose.
Theoretically such services might be given by city-wide Deputy Mayor-experts under the City Administrator, as already suggested. But it might be advantageous as a practical matter to break them down on a borough level so that related problems needing special emphasis in different parts of the city could receive appropriate staff attention in their respective boroughs, and the district governments within a borough would deal with experts having special familiarity with their problems.

Under such a plan, as under a plan of direct borough operations, it would probably be helpful to have the Borough President appoint a top management head under his general direction, with overall responsibility for the work of the management-consulting staff. This would leave the Borough President, who would usually not be a management expert by training or experience, free to devote his main attention to his other responsibilities on the Board of Estimate, if continued, and as an ombudsman and top community leader for his borough.

A variant of this plan would be to have a combined top management service for the city agencies and the community sub-governments under the aegis of the Board of Estimate, which represents both city-wide and borough interests in its composition. Under such a plan the actual administering should presumably be done on the City level by the Mayor and Deputy Mayor—City Administrator appointed by him, and on the community level by a community manager appointed by the community board, not by the management service supplied by the Board of Estimate. This would preserve the principle of
Special Budget Considerations

The central importance of budget development and administration in all management considerations has been indicated throughout the previous discussion. However, there are a few special budget considerations -- aside from other aspects of management -- to which the Mayor's Committee and Josephs Commission alluded and which have special relevance to the decentralization of City operations and other problems before the present Charter Revision Commission.

Agency Budget Officers. This report has already discussed the two management reports' emphasis on having a trained budget specialist not only in the Mayor's management cabinet (whether under a City Administrator or not) but in each operating department or agency of the City, and we have suggested the natural extensions of this idea to decentralized units of City government. The Mayor's Committee report pointed out (page 26 of Volume I) that the heads of agencies may often, and appropriately, not be budget experts. This same consideration applies, of course, to the manager or administrator of a geographical subdivision of City government. If in a particular case a subdivision manager happened to be a budget specialist in his own right, he might be able to fill both positions for the time being and this should not be ruled out. The same would be true of a small city department.
The Josephs Commission recommended specific Charter provisions (pages 51 and 52 of Part 2) requiring that "The head of each agency shall designate a budget officer for the agency" and that the budget officer assist the agency head in the preparation, administration and reporting of the agency's budget and related matters. It suggested that there should be a budget council, meeting "under the leadership of the Director of the Budget for the purpose of developing improved budget administration." There might similarly be a council of budget officers of boroughs or districts for the purpose of improving and coordinating the budget activities of the several district sub-governments and the City. Such a group might meet at regular intervals with the central government Budget Director to align and correlate matters of common concern.

The Mayor's Committee suggested for the City's top management "a budget and finance office with a management research unit." There would always be a need for a management research unit, and its resources should always be available to the Budget Director, but it might perhaps be under a Deputy Mayor supervising both offices, since its work should relate to City needs and efficiency of services as well as their financing.
Program or Performance Budget. Both management reports inveighed against the line item expense budget as a major hindrance to efficient operations and recommended instead a program budget, with performance standards wherever feasible. The City with the help of its Budget Bureau proceeded to develop a program arrangement of the budget and a considerable array of performance standards, and the 1961 Charter revision required program items of appropriation instead of line item appropriations. However, these wholesome innovations were superimposed over line item operations instead of being substituted for them. The present Charter still requires the budget message to give "itemized information and supporting schedules of positions, salaries and other-than-personal service expenses" and, more important, provides in section 123 the general rule that "no unit of appropriation shall be available for expenditure by any agency until a schedule fixing positions and salaries or setting forth other expenses within such unit of appropriation...shall have been approved by the Mayor." These line-item schedules then form the basis of budget administration.

The Charter gives the Mayor and his Budget Director more flexibility in the handling of the budget than they used to have by permitting them to transfer funds within the same agency, and to allocate funds not assigned to any agency, without further action by the Board of Estimate or Council, but the agency heads are not much better off then at the time the management reports were written.
They cannot transfer funds from one item of appropriation to another within the same agency without the Mayor's (and so the Budget Director's) approval. More significantly, they cannot ordinarily transfer funds from one line item to another within the same program item of appropriation without such approval, for while the present Charter permits the Mayor to give such latitude to agency heads, neither Mayor Wagner nor Mayor Lindsay has done so.

Thus the management directorate approach to City government efficiency which would let most of the detailed decisions be made by agency heads subject to overall policies and standards seems nearly as far off as ever. The Mayor's Committee finding is still substantially true that "Under our city budget system, as now operated, the judgment of the budget examiner and the Bureau of the Budget is too often in effect substituted to a very large degree for that of the professional staff and the top management of the departments because of budget control over departures from line items in appropriations...The mass of detail which these minute controls carry into the Bureau of the Budget inevitably results in endless delays in the approvals which are needed for action, so that it often requires months to get things done which should have been done in a few days, and many required approvals never come through in any form...Finally our budget system, as it has come to operate, thrusts on the Budget Director a mass of policy decisions which belongs on the desk of someone else." If the questio
are departmental and technical, they belong on the desk of the commissioner; if they are policy, they belong on the desk of the Mayor and of the elected officials."

In line with this finding, the Mayor's Committee report recommended:

Transform the Bureau of the Budget of the City into a small, high-powered, top-level, fiscal agency for policy and program planning, reviewing, reporting and control. This could be done by getting rid of the minutiae of detail in its present work (which are transferred to the departments under our program) and by placing emphasis on major budgetary and management problems and departmental interrelations.

There is something to be said for leaving out of the Charter any requirement as to line items within units of appropriation and instead authorizing the Mayor to institute any additional controls of expenditures he may think desirable. One kind of control which was recommended by the Josephs Commission is the fixing of quarterly or other periodic allotments of appropriations after consultation between the Budget Director and the heads of the agencies concerned.

Accruals. One specific pitfall to avoid, according to the Mayor's Committee report, is the practice of forced "accruals." Accruals are savings realized by the temporary or permanent non-filling of vacancies. A certain amount of such accruals is inevitable, for vacancies can hardly ever be filled immediately. Beyond that, every vacancy provides an opportunity
for careful management to take stock of the personnel situation involved and to ascertain whether, by re-grouping of the remaining manpower, the job to be performed by the agency can be done just as well or better by one less person.*

To arrive at budget allotments with allowance for normal accruals is to be simply realistic. Where there is evidence of excess manpower, something more might be required to force an agency head to "squeeze out the fat." But there is a long-standing practice of budget-making with forced accruals, going beyond any such reasonable requirements, as a means of forced saving without assessing the effects on the quality and efficiency of service. This has resulted in budget allotments which did not mean what they appeared to mean as to the adequacy of personnel -- the Budget Director gave with one hand and took back with the other. To some extent it has meant that the accidents of where vacancies occurred have determined what skills were available, no the needs of the service.

Among other things the forced accruals and the resulting shortages of manpower have contributed to the inordinate delays in making payments and in getting things done for which this and other city governments have been notorious. The Mayor's Committee report commented:

"The one point at which delay has in the past been intentional is in the making of decisions on

* The possibility of substantial savings with improved morale by this approach was indicated in the Mayor's Committee's chapter on "Program for Economy."
budget matters relating to the filling of vacancies and the adjustment of line items during the course of the year. It is reported to us that these actions are delayed as a matter of policy as an economy measure in the enforcement of budget controls. We have indicated above that we regard this as the wrong way to achieve a desirable objective...

"We do not need to point to the end result of all these delays. They add to the bill of management inefficiency. They frequently increase the bids on purchase contracts. They place obstacles in the way of every administrator, they make more work for every employee, and they throw on the citizen the burden of inconvenient service."

If, as suggested above, there are no line-item controls in the administration of the budget, there would be no enforced delay in the filling of any particular vacancy. This is another argument for dispensing with line-item controls. It would still be important to avoid any direct freeze on the filling of vacancies. If there have to be cut-backs in expenditures, the agency head should decide where to make them.

Community Budgets. If semi-autonomous units of government are established within the city, their budgets will presumably be part of the City budget, since they will presumably be supported by revenues collected on a city-wide basis. Various alternatives present themselves, giving the sub-governments more or less freedom in allocating the funds.
allotted to them and involving different methods of making the allotment. Under any alternative it will be well to bear in mind the budgetary problems and difficulties that have beset the City and not to proliferate them. Any attempt to keep for the sub-units the same kind of tight city-wide central controls over all details that we have had for the city-wide departments would seem to invite disaster.

With such a division of the city, the management directorate approach seems even more mandatory.

The City expense budget will presumably have a separate section for each community (or borough) district. This could either be a lump sum allotment, arrived at by some formula or on an ad hoc basis, or it could be broken down into a few items of appropriation for each community corresponding to the services to be rendered by the community government. If the latter, freedom to transfer funds from one service to another could either be left to the community or it could be subject to city-wide control. There could even be some machinery for transferring funds from one community to another during the year to meet unforeseen emergencies and developments, as now funds can be transferred from one department or administration to another by action of the Council and Board of Estimate, but with separate community governments this might be asking for trouble.

The idea of a formula for allotment of funds to the several community districts is appealing, because if an
equitable formula could be arrived at and generally accepted it might be the best way to avoid inter-community jealousies and recriminations. The attempt to arrive at such a formula, however difficult, should be undertaken.

One approach is to assess the needs of the several communities afresh each year in much the same way that department needs are assessed. The closest analogy might be that of the Department of Education, which draws up its own budget request and has a public hearing on it before it goes into the hopper for consideration in competition with the needs of other departments. The community manager (or borough administrator if the service unit is the borough) might be required, starting early, to draw up a proposed community budget. This could then be presented to the elective community board (or borough council through the Borough President) for public hearing and action before going to the Budget Director for consideration with the departmental requests.

This corresponds roughly to what is now being proposed by the Mayor and City Planning Department for community board involvement in the capital budget -- a procedure which could easily be transplanted to more independent community units in connection with the capital budget. The capital budget, however, may not be administered on the community
level beyond getting community advice because so many of its projects are of wider interest than that of any one community.

Once a sum of money is allotted to a community in the expense budget, it could be spent, under management arrangements here suggested, by the community manager with the aid of his budget officer. His use of the money would have to conform to budget terms and conditions and to applicable actions of the community board and city-wide policy bodies.

If the community received a single lump sum appropriation, it would presumably be spent in accordance with a community budget or plan adopted by the community board. If it involved several items of appropriation, this might still be so, but it might require some kind of city-wide action to justify a shift of funds from one unit of appropriation to another.

Under a permissive plan not very different in effect from a lump sum allotment, such a shift might require only a separate action by the community board. Under a plan corresponding to the present Charter's treatment of shifts within agencies, it might require also simply the approval of the Mayor.

Under a more cautious plan with tighter controls, it might require action not only by the community board but by the Board of Estimate or City Council or both.
Personnel Matters

Personnel arrangements like budget, are central to all management. They were naturally given a key place in both the Culick and the Josephs reports. The former emphasized their importance at the beginning of its Personnel Management chapter with this arresting statement:

"The gap between indifferent service and vigorous loyal service is very large, even measured in dollars and cents. A normal healthy person who really fits his job and is interested in getting results may easily do two to three times as much as one who is not. This is especially true in administrative and clerical work which involves a lot of brain work (rather than machine tending), and demands accuracy, initiative, and intelligent and cooperative self-direction."

A number of the basic personnel recommendations of the two reports have since been implemented. Civil service administration has been taken from the semi-independent Civil Service Commission and put in the hands of a Personnel Director appointed by the Mayor, the Commission retaining rule-making, appellate, and investigatory functions. A career and salary plan has been established, as urged by the Mayor's Committee.

* This was the recommendation of an 11-member minority of the Mayor's Committee (see statement in Volume II, Chapter VI, Section 8 of the Report). It was also the proposal of the Josephs Commission except that the latter would have had the Personnel Director appointed by the City Administrator with the approval of the Mayor and the Municipal Civil Service Commission. The majority position of the Mayor's Committee was to leave the Commission in charge of the Department of Personnel but have the Commission appoint a Director of Personnel with the approval of the Mayor.
A personnel officer has been appointed for each City agency, and a personnel council consisting of the personnel officers under the chairmanship of the Personnel Director, in line with both reports.

**Community Personnel Arrangements.** The natural extension of these developments to community sub-governments would be a personnel officer for each, appointed by the community manager if there is one, and a council of community personnel officers under the chairmanship of the City Director of Personnel for exchange of ideas and coordination of City and community personnel plans.

For some purposes communities might want to recruit their personnel as largely as possible from their own areas in order to increase the interest of their local public servants in the quality of local services. To some extent this could be done under the present Civil Service Law. It presumably should not be mandated by Charter because of the frequent difficulties of getting quality personnel in particular neighborhoods.

**Presumably it would not be economical or desirable to proliferate separate civil service establishments for the proposed community districts throughout the City beyond having a personnel officer in each district to help with the application of City-wide and State-wide rules to the local situation. General standards of employment should presumably remain uniform for all parts of the City, at least to the**
extent of having a City-wide code with perhaps a few exceptions,* and the conditions of employment are likely to be City-wide as a result of collective bargaining.

Other Essentials

Comprehensive city management, sound budgeting and sound personnel policy are the three related components of efficient government most emphasized in the two management reports, but certain other elements are also essential.

Program Planning. The Mayor's Committee, in the first of its twelve management recommendations listed in Chapter II, "make Each City Department an Effective Operating Unit in Itself," stressed the importance of having in the top management staff of each agency "men and women competent and experienced...in the technologies involved in the work of the department" and "equipped to deal with the program and planning problems of the agency."** Planning in this context is obviously much broader than just physical planning. It corresponds to the planning in the original name of our present "community planning boards," which are charged with developing plans for all the services as well as physical

* In the decentralized school system community districts with below-average achievement records are allowed special latitude in the hiring of teachers. This was a compromise answer to a controversial problem which may not be acceptable as a general precedent.

** See also Recommendation 9, page 26, which recommends for each major agency "a program planning office, together with some kind of citizen policy advisory board where appropriate."
improvements of the community. If local district councils are now to be elective and given responsibilities for actual policy decisions, they will need expert staff guidance in dealing with their communities' specific problems. Part of this should be supplied by the community planner, if there is one, and some communities may want to include in their management staffs specialists in the problems of poverty areas, industrial or housing development, or whatever. But since the range of problems faced by every community is bound to be broad and varied, this is the sort of expertise for which the communities may wish to be able to draw on a pool of experts on a borough or city-wide level.

Neither of the two management reports we are now considering developed a city-wide counterpart of this program planning requirement for agency staffs. The Moore "Commission on Governmental Operations of the City of New York" suggested such a counterpart, however, in its final reports on a proposed Charter issued in January and February 1961. In its proposal for the Executive Office of the Mayor, to be presided over by a Deputy Mayor with the broad responsibilities of a City Administrator as envisaged by the earlier management reports, the Moore Commission recommended four major divisions: "budget, program planning, management and intergovernmental relations," in that order. Its paragraph on program planning reads:
"The Director of Program Planning will assist the Mayor in developing long-range plans for meeting major city problems.

"As the government's center of leadership and accountability under the proposed charter, the Mayor will require new staff assistance to formulate, analyze, and develop broad policy programs. The Director of Program Planning will make special studies in cooperation with other city agencies to prepare such programs for the Mayor."

The proposed Charter draft for the Bureau of Program Planning reads:

"Bureau of Program Planning

"Section 10. The head of the bureau of program planning shall be the director of program planning, who shall be appointed by the mayor. The director shall:

"1. Gather data, conduct studies and prepare reports and recommendations concerning current and long-range problems of major concern to the people and government of the city.

"2. Make recommendations for the implementing of city programs and policies."

Such an agency, if established, would be in a position to offer expert advice on problems as they arise not only to the Mayor and his departments but to community or borough level sub-governments, including borough assistance units to advise communities.

Long-range Fiscal Planning. The long-range aspects of program planning necessarily involve long-range fiscal planning. As the Mayor's Committee said in the introduction to its Chapter VII of Volume I on "Financial Program:"
"Finances underlie all other problems of City management. Every activity, big or little, is limited by finances, and the City's financial picture reflects every problem with which the Mayor's Committee on Management Survey deals in this Report. Thus a program of efficient modern management, which is the goal of the Mayor's Committee, draws its force from the financial needs of the City and finds its long range justification in its effects upon the City's financial program."

This agreed state of affairs has led various groups to urge creation of a special unit in the City's top management team to devote itself to the long-range fiscal problems of the City, including threatened budget gaps and alternative ways of filling them by new revenues or economies. This has usually been accompanied by a recommendation that, as part of the expense budget process, a five-year fiscal plan be developed and published corresponding to the capital improvement plan now prepared in connection with the capital budget.

This sort of planning would not be exclusively financial. It would have to concern itself with the City's prospective needs quite as much as with the means of financing them. Hence a special unit for this purpose would not ideally be placed in a budget bureau or a program planning bureau but under the overall head of a top city management team, cooperating closely with both bureaus.

Such a long-range fiscal planning unit should cooperate as closely as possible with appropriate agencies of the Federal and State governments, from which much of the City's financing
must continue to come. If continuing cooperative relations are established, they might do much to avoid the City's recurring fiscal crises.

There have been many arguments as to whether making public speculative figures as to the City's future might do more harm than good, but blundering into one fiscal impasse after another without an adequate opportunity for public or official discussion may arguably be even more dangerous. This would appear to be one of the more serious problems for the Charter Revision Commission to consider.

**Physical Planning.** "In important respects the function of city planning parallels the functions of budget and personnel administration," says the second Josephs report. "It affects nearly all departments and agencies of the City. It is vital to a successful City administration. The Mayor ought to be able to lean heavily on the city planning agency in all matters affecting the City's physical development."

Accordingly the Josephs Commission recommended that the City Planning Department, like the Personnel Department, be brought under the control of the Mayor; the Planning Commission being continued for quasi-legislative matters such as zoning, the City Map and the Master Plan. This was done by the 1961 Charter revision, which kept the City Planning Department in the hands of the City Planning Commission's Chairman, the City Planning Director, and made him serve at

the pleasure of the Mayor instead of for a fixed term.

The Josephs Commission also recommended that the Planning Director serve under the Mayor's City Administrator, being appointed by him with the approval of the Mayor instead of directly by the Mayor, in order to make more certain that planning is closely coordinated with budget and personnel and the other arms of management.

Both the Josephs Commission and the Mayor's Committee recommended that there should be "a planning officer in each of the departments having major construction responsibilities"* and that "the most detailed program and improvement planning will be a responsibility of the individual departments, not of the City Planning Commission. The Commission should deal only with those planning activities which are appropriate for the 'directorate' operations."**

This last admonition would apply also to any community sub-governments that are established. To carry out the philosophy of the management reports each such community unit should have its own professionally qualified planner. In view of the prospect that elective community boards will be asked to give advice on the city-wide capital budget, as the present appointive community boards are being asked already,

** Mayor's Committee Report, Volume I, page 25.
and the obvious importance of coordinating local planning with city planning, consideration should be given to having each community planner appointed with the approval of, or at least after consultation with, the City's Director of City Planning. And since community advice to the City on planning matters will naturally come from the community board, the community planner might be appointed either by the community board on the recommendation of the community manager or by the community manager with the approval of the community board.

It has often been suggested that for each community there should be a Master Plan, coordinated with the City Master Plan, for the community's physical development. This would naturally be a major responsibility for the community planner in cooperation with the staff of the City Planning Department and the community boards. Actual adoption and subsequent amendment might be on recommendation of the community board and ratification by the City Planning Commission.

Each community planner should also work with the City's planning staff on all matters related to his district.

Business Management. In discussing the top management equipment of individual agencies the Mayor's Committee noted:

"If the agency is responsible for the operation of considerable properties, or other business activities, a separate property or business unit to deal with these matters will be required..."*

This would apply to a considerable number of agencies. Some property management and business capacity would presumably be required in the management team of every community sub-government also, though it might not take the form of a separate unit.

One business operation which would probably be required to some degree everywhere would be purchasing. However, the district governments might be required to do most of their purchasing through a City Department of Purchase, as the City agencies are now, in order to take advantage of mass purchase economies and to avoid the necessity of proliferating purchasing proficiency. If a local community could purchase supplies or equipment more cheaply than the City can, it should have the power to do so.

Legislative Liaison. The administrative side of city government leads inevitably to many needs for legislative action, which even in city manager cities requires the administrative head to work closely with the city legislature and to originate many of its enactments. In a strong-mayor city the head of the administration is also looked to for top leadership in broad city policies and the whole field of legislation, state and federal as well as local.
 Appropriately, therefore, the two management studies here reviewed devoted some of their attention to these responsibilities of the Mayor. In describing an appropriate staff for the Mayor's office the Mayor's Committee included:*  

"A Deputy Mayor to assist the Mayor in his Board of Estimate activities and to sit for him on the Board, and on other boards, when the Mayor is absent or otherwise occupied, and to appear for him at public functions...  

"A legislative representative of the Mayor and the City to handle Albany relations...  

"A public relations officer to handle press relations, bring together speeches, and arrange all major public appearances and the circulation of official reports."

The Josephs Commission repeated the first of these proposals as the second of its four major recommendations, following its top priority of a City Administrator: **  

"That the present office of Deputy Mayor be continued and that the Deputy Mayor perform two important functions: first, that he represent the Mayor, when the Mayor has other and higher priority duties, at meetings of the Board of Estimate and at the meetings of other boards or commissions whenever the Mayor desires to be represented; second, that the

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** Part 2, page 3.
Deputy Mayor assist the Mayor by representing him or arranging for another official to represent him on the many public occasions at which the Mayor should be represented by a high-ranking deputy or City official."

These recommendations have been well implemented. They are the sort of admonition in which any elected mayor will take an active interest on his own momentum. Added to the specifics mentioned have been close liaison with the City Council, a New York City office in Washington, and close cooperation with the Mayors of other great cities across the country on urban problems, including the rest of the "Big Six" cities of New York State. There have been serious suggestions, by the Moore Commission and others, that a high official under the Mayor be assigned to specialize in intergovernmental relations,* and for a short time Mayor Lindsay had a third Deputy Mayor for that assignment. Such an office has merit, but it need not necessarily be headed by a Deputy Mayor.

If community or borough sub-governments with elective boards are established, the Mayor's local legislative liaison officer, by whatever title, will have a number of additional bodies to deal with and will need additional staff for that purpose.

A final word on administration. Much of the presently

* In its final report and draft of a proposed new charter early in 1961 the Moore Commission recommended a Director of Intergovernmental Relations in the Mayor's Executive Office to "advise and represent the Mayor in dealing with federal, state, regional, and local agencies."
pertinent advice of the two management studies here reviewed could be implemented under the present Charter. This does not mean that it is unworthy of charter revision consideration. One of the clearest lessons of the intervening years is that Mayors are not likely to make all of the major management improvements available of their own accord, even though they would profit by doing so. The Charter can with profit be made more specific.
FINAL REPORT
OF THE
STATE CHARTER REVISION COMMISSION
FOR NEW YORK CITY

ROY M. GOODMAN, Chairman
EDWARD N. COSTIKYAN, Vice Chairman

RICHARD R. AURELIO
ALBERT H. BLUMENTHAL
CHARLES J. CARRERAS
JOHN F. HAGGERTY
ALBERT V. MANISCALCO

MAURICE J. McCARTHY, JR.
ROBERT J. MILANO
BASIL A. PATERSON
ZELIA P. RUEBHAUSEN
LEONARD P. STAVISKY

DENNIS ALLEE, Executive Director
FINAL REPORT
of the
STATE CHARTER REVISION COMMISSION
FOR NEW YORK CITY
ACKNOWLEDGMENTS

The members of the Charter Revision Commission wish to express deepest appreciation to the Commission staff for two and one-half years of intensive effort. We are profoundly grateful to Mr. Dennis Allee, our Executive Director. With selfless devotion, energy, and intelligence he has been an exemplar and inspiration to his talented colleagues.
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SECTION I

INTRODUCTION

The Charter Revision Commission for the City of New York presents herewith its final recommendations to the public for improving the structure and operations of city government. These recommendations will be submitted to the voters in the form of amendments to the existing Charter at the general election to be held on November 4, 1975.

This report is issued at a time when the City is endangered by the worst fiscal crisis in its history. The work of the Commission is directly relevant to the deep-seated municipal problems revealed by recent events as it is the Charter which prescribes the budgeting and accounting processes for the City and the framework of its management and service operations. While City officials, the Municipal Assistance Corporation, and others have concentrated on immediate solutions to avert an imminent fiscal calamity, the Charter Commission has analyzed in great depth the fundamental causes of the current crisis and long-range changes in City government needed to place the City’s fiscal and managerial affairs on a sounder footing. We believe that our proposals, if enacted and implemented, will help to prevent a recurrence of similar fiscal crises in the future. We believe they will make New York City more governable, efficient, and responsive to the needs of its citizens.

We believe that the public deserves the right to vote on a document that creates new machinery to cope with the problems, issues and realities of New York City today and for the foreseeable future. For that reason, the Commission is submitting to the voters a new kind of Charter that will bring fundamental reform to the City’s accounting, budgeting and management. Such basic changes are, we believe, essential if the City is to regain its vitality and preeminence.

New York City has long represented our highest aspirations. It has been a showcase of American democracy and a home for diverse groups; it has been a national symbol of success; and the financial, cultural and communications capital of the world. Unhappily, the last decade has brought new and overwhelming problems to the City and to other urban centers. Many of these problems have evolved from underlying social and economic trends and attitudes of the State and Federal government over which the City had no control. But the seeds of trouble have been nourished for over a decade by a City government that is inadequately structured and organized to cope effectively with its difficulties.

The years since 1961 have been swift moving ones that have telescoped time, packing in enough turbulence and unrest for decades. It has been a period of vast and extraordinary change. The City has undergone massive demographic shifts. The City's expense budget has quintupled. The welfare rolls have tripled. The City's costs have skyrocketed and unsound fiscal and accounting practices have seriously compounded its fiscal problems.

These developments and others, including the alienation of citizens in their communities from a distant City bureaucracy, have created deep citizen disaffection with government. Frustration and apathy – and at times hostility – have marked the mood of the body politic.

In mid 1972, the State Legislature decided that the fundamental legal document governing this City -- its Charter -- had not changed to meet the challenges of the time. The last time the Charter was revised through public referendum was in 1961, and that revision took effect on January 1, 1963.

In response to widely expressed citizen dissatisfaction with municipal government, as presently structured, an act was passed with bipartisan support creating the Charter Revision Commission. To assure a nonpartisan and representative commission, its twelve members were appointed by the Governor, the Mayor, the leaders of the State Senate and Assembly, the City Council, and the five Borough Presidents.

The commissioners are a diverse group with three things in common: all are residents of New York City; all have practical governmental experience; and all care deeply about the health and future of the City.

The Commission was granted total independence to recommend the form of a revised charter. Its final proposals are not subject to ratification by any political official or body. They will be presented directly to the voters on November 4, 1975.

The act which created the Commission set forth three specific mandates to guide its work:

"Encourage genuine citizen participation in local government;"

"Ensure that local city government is responsive to the needs of its citizens;"

"Achieve effective local self-government."

During the past two and one-half years the Commission has conducted the most extensive review of New York City government ever undertaken by any group. It has issued more than forty major reports. It has held two rounds of public hearings in each of the boroughs and has heard from many hundreds of witnesses in their own neighborhoods and scores of representatives of civic and other groups. It has interviewed hundreds, of past and present City officials and experts in municipal affairs.
who contributed immensely to its deliberations. It toured neighborhoods both here and abroad. It amassed statistical materials, dissected previous studies of the City and sifted through numerous proposals and reform alternatives. It weighed priorities and debated conclusions for countless hours. Out of this prodigious effort has emerged the conviction, shared by all members of the Commission, that its consensus proposals are responsive to the mandates of the legislature and are fundamentally sound and achievable.

Charter revision by itself cannot cure the City's ills, and the Commission has never deluded itself into thinking otherwise. Nevertheless, the Charter is the City's basic compact of government. It determines how authority is distributed within the government by defining the relationships between the Mayor, the City Council, the Board of Estimate, the Borough Presidents, City agencies, and the communities. It spells out the fundamental budgeting, planning and control mechanisms by which the City determines its priorities and manages its affairs. It fixes the methods by which the essential checks and balances of any democratic government are to be carried out to avoid undue concentration of power. It creates opportunities for citizen participation in government.

The work of this Charter Revision Commission will be contained in nine separate ballot propositions which all voters will be able to accept or reject at polling places on November 4, 1975. Each proposition relates to detailed segments of the Commission's work contained in the proposed revised or amended chapters of the Charter filed with the City clerk on August 5, 1975.

The first six propositions have the unanimous support of the twelve Commissioners. The last three propositions are more controversial both within the Commission and among the numerous witnesses who testified in the five boroughs. The Commission has decided that the public's interest in these propositions is of a magnitude to justify their placement on the referendum ballot without recommendation.

Six Propositions Supported by Unanimous Vote of All Members of the Commission*

1. Shall the City of New York adopt fiscal reforms designed to assure a balanced budget, the elimination of fiscal gimmicks in budgeting, sound accounting methods, control of spending, and scrutiny of City programs for efficiency and economy?

2. Shall the City of New York adopt management reforms designed to enable its service agencies to deliver services more efficiently, to eliminate delays and duplication, to make the City's work force more productive, and to make its managers accountable for performance and expenditures?

3. Shall the City of New York adopt governmental reforms to improve the performance of the office of the Mayor, the City Council, the Board of Estimate, the Board of Ethics, the Board of Correction, the Department of Investigation, and other City agencies and to enhance their availability and responsiveness to the public?

4. Shall the City's processes for deciding planning and land use issues be made more responsive to the needs and desires of citizens in their local communities consistent with the preservation of City-wide interests?

5. Shall the City adopt a plan of administrative decentralization designed to create common boundary service districts ("coterminality") for agencies within local communities, to strengthen the managerial capacity of agencies at borough and community levels, and to enable citizens to affix responsibility for service delivery?

6. Shall the City increase opportunities for citizen participation in government by strengthening appointed community boards and borough boards in the areas of planning, budgeting, and service evaluation?

Three Propositions to be Presented to the Voters Without Recommendation

7. Shall the City have an appointed professional Comptroller removed from the political climate of the Board of Estimate in order to strengthen the auditing and fiscal capabilities of the office to prevent future fiscal crises?

8. Shall the Borough Presidents be assigned responsibility for the design, construction, maintenance, and repair of local streets and sewers?

9. Shall eleven- to fifteen-member elected community boards replace the present appointed community boards and be given power to deliver services of a local nature, including local parks and playgrounds, local recreation programs, local neighborhood preservation and related housing rehabilitation programs, and neighborhood inspectional services?

We believe that Charter revision will make a significant difference in the City's ability to solve its problems and to manage its affairs. Such revision seems especially appropriate on the eve of the nation's bicentennial which, after all, celebrates the sovereign power of a free people to shape their own governmental institutions.

*The actual technical language of the ballot propositions appears in Appendix C.
SECTION II

FISCAL AND COST IMPLICATIONS OF BALLOT PROPOSITIONS ONE THROUGH SIX

Since its inception in 1972, the Charter Commission has carefully assessed the cost/benefit impact of any proposed reforms to be presented to the voters. In the past year this emphasis has become paramount as the City's fiscal situation has deteriorated.

The fiscal and management proposals listed in the preceding section are targeted at a City budget out of control, financial and accounting practices that have resulted in huge short-term borrowing at exorbitant interest rates, primitive systems of accounting and cost control, and archaic management practices that immobilize the City's service bureaucracies. Simply stated, the Commission's major proposals are designed to save the City money and to require the City to adopt basic changes in its budgeting, accounting and management practices that will give taxpayers increased value for their dollars.

No precise dollar amount can be assigned in advance to the potential savings inherent in the Commission's fiscal and management recommendations. This will be determined largely by the force and commitment with which the City's administration moves to implement them. Moreover, the Commission refuses to affix a definite dollar amount to potential savings because it believes the public is fed up with phony projections. What is important, however, is the scale of magnitude of the economies embodied in the Commission's proposals relative to the projected costs of achieving them. In dollar terms, if enacted and implemented, the Commission's overall package relating to accounting, budgeting and management reforms could bring about economies and savings of the magnitude of hundreds of millions of dollars at an annual investment of $10 to $20 million.

Any public assessment of the cost/benefit impact of the Commission's proposals must be made within the context of a City whose credibility has been undermined and whose fiscal fundamentals are in dire need of organizational overhaul. New York City has stepped to the brink of fiscal collapse in large part because of unsound fiscal practices and inadequate accounting, budgeting and personnel management and information systems.

Several of the Commission's proposals involve increments of costs and these are identified in Section A below. The Commission recognizes that any additional costs in a time of fiscal crisis must have convincing justification as every dollar spent means that something else must be cut. The issue for the voting public is therefore clear: Does it believe the City—in its present condition—should make a modest investment to accomplish the following short-term and long-term objectives: (a) to put the brakes on an undisciplined budget that has produced runaway costs; (b) to stop the City from mortgaging its future through deficit financing; (c) to eliminate accounting and budget gimmickry and to force the City to produce honest budgets; (d) to open up the secretive budgeting and collective bargaining processes to public scrutiny; (e) to provide the City with an accounting system able to control spending and produce essential management information; (f) to use budgeting as a management tool by forcing agencies to justify their performance and programs as part of the budget process; (g) to improve the capacity of City line agencies to deliver services and to eliminate red tape and detailed overhead restrictions that hamstring their operations; and (h) to make the City's elected officials and agencies fiscally accountable for their actions.

The Charter Commission has squarely faced this issue and concluded that the ills that afflict the City cannot be cured by rhetoric, political mirrors or cosmetic solutions. Far-reaching remedies are essential.

The Commission's proposals will not burden an already overloaded city with new programs or agencies. Rather, their entire thrust is to restructure and improve those procedures and entities that already exist. No new agency or department is being proposed in the consensus recommendations. In fact, the Commission has specifically proposed that the "superagencies" of the City, created in 1966, be evaluated by the Mayor and continued only if he affirmatively decrees their continued existence by December 31, 1976.

A. Costs to Implement Reforms.

The vast majority of the reforms proposed by the Commission will involve no incremental costs or very modest increases. The Commission estimates that the great majority of the reforms summarized in Section II are "no cost" items. This is because most of the proposals involve improvements in the existing processes of City government or adjustments in the powers of existing agencies and entities. For example, at the heart of the Commission's expense budget proposals are a series of reforms to open up the process and provide increased information, to
discipline the budget by strengthened legislative review, and to introduce into budgeting sound accounting principles. None of these basic changes will cost the City more money.

In several other areas, the Commission believes that cost increments can be substantially offset by the use of existing personnel or by savings attributable to the elimination of red tape and duplication of effort. Two specific areas illustrate the point:

1. **Appointed community boards**: On a City-wide basis the Commission has projected an annual gross cost increment of approximately $3 million ($60,000 per district X 50 = $3,000,000) to provide each new community board with one professional manager and minimal support. However, this cost can be substantially offset by giving to the boards the funds already appropriated for their use in the budget (in excess of $900,000) which are siphoned off in substantial part to the Borough Presidents, and by transferring to the boards, or eliminating altogether, existing personnel in the Office of Neighborhood Services. In addition, each office of Borough President maintains a number of “community board” assistants (Staten Island, for example, has five) who could be assigned to the community boards.

2. **Agency administrative units**: The largest portion of incremental costs associated with the Commission’s proposals relate to strengthened professional management, fiscal planning and budgeting, accounting, and personnel capability in the City’s line agencies. Many agencies already employ a number of specialists capable of assuming new administrative duties. In addition, the superagencies have accumulated sizeable support units that could be redeployed into the departments. The Environmental Protection Administration, for example, maintains approximately 400 positions in support units, of which over 200 are assigned to budgeting, auditing and accounts, contracts, procurements, payroll and personnel work. Much of the Administration’s budgeting and personnel work interferes with or duplicates the activities of its constituent departments.

In one area, audit and accounting, the incremental transitional and incremental costs projected by the Commission are already mandated by the legislation creating the Municipal Assistance Corporation in recognition of the fact that a root cause of the City’s unsound fiscal practices and operational inefficiency is the lack of adequate accounting systems within the agencies.

Against this backdrop, the major cost items projected by the Charter Commission are as follows:

<table>
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<th>Forms</th>
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<th>Annual Costs Minimum ($ millions)</th>
<th>Annual Costs Maximum ($ millions)</th>
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<tr>
<td>New Accounting Systems</td>
<td>$5–8</td>
<td>$1.5</td>
<td>$3.0</td>
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<tr>
<td>Coterminality</td>
<td>3–4</td>
<td>1.9</td>
<td>3.0</td>
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<td>Agency Personnel Management</td>
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<td>3.5</td>
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<tr>
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<td>2.5</td>
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<tr>
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<td>.5</td>
</tr>
<tr>
<td>Service Planning</td>
<td>0</td>
<td></td>
<td>2.0</td>
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<tr>
<td>Council Office of Budget Review</td>
<td>.3</td>
<td></td>
<td>1.0</td>
</tr>
<tr>
<td>Community Boards</td>
<td>1.5</td>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$8–12</strong></td>
<td><strong>$9.6</strong></td>
<td><strong>$20.0</strong></td>
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</table>

These projections are based on staff and consultant analyses prepared over the past two years for the Charter Commission. The major item, a new accounting system for the City, is largely based on projections of Peat, Marwick, Mitchell & Co., and another major item, coterminality, is predicated on studies for the Commission undertaken by McKinsey & Co. Cost projections in the areas of planning, personnel management, budget administration and pre-audit are probably high in view of the considerable potential for transferring existing City employees to perform these functions under an improved organizational structure which eliminates duplication among departments and administrations and which uses existing personnel more efficiently.

Offsetting savings can also be projected in several specific areas. Elimination of the superagencies could save the City as much as $10 million per year and possibly more. Streamlined processing of payments can lead to a projected annual savings of over $10 million. Elimination of capital items from the expense budget over a ten-year period—in a period of self-imposed or mandated budget limits—can mean as much as $75 million in reduced interest costs for the City on an annual basis.

In summary, the identifiable savings generated by the Charter should be sufficient to cover additional costs while the probable savings, more difficult to calculate, could total hundreds of millions of dollars annually. The nature of these economies is discussed in the next section.

### B. Savings and Benefits

The potential savings and improved productivity inherent in the Commission’s proposals are best understood against the fiscal and management
problems that have forced the City into its present predicament. These problems, and the Commission proposals addressed to them, are summarized below.

1. A proliferation of agencies and programs with no cost/benefit justification.

Commission Proposals:

a. Elimination of superagencies by July 1, 1977 unless the Mayor justifies their continued existence in a reorganized plan approved by the Council.
b. Management Report filed by the Mayor justifying and explaining the service goals and performance of each agency.
c. Public hearings during the budget process where agency administrators must explain and defend their budget requests and account for their performance and productivity.
d. Quarterly spending allotments to keep spending within budget appropriations.
e. Performance audits by the Comptroller to assure economy and efficiency of agency programs.

2. Insufficient accountability for spending public monies.

Commission Proposals:

a. Requirement that all funds be budgeted and appropriated before they are spent. No longer can the Mayor and/or the Comptroller expend “special” funds outside of budgetary controls.
b. No expenditure of funds in excess of appropriations. The Comptroller is mandated to enforce this provision.
c. Comptroller to audit that agencies’ expenses are charged to the proper program, ending the practice of evading budgetary controls by “loaning” personnel from one program to another.

3. Hiding huge deficits through fiscal gimmicks; financing these deficits by piling up debt.

Commission Proposals:

a. Prohibition of new capital funding of expense items.
b. Phase-out of existing capital financing of non-capital projects over ten years.
c. Prohibition against charging wage and salary settlements against the capital budget.
d. A balanced budget based upon sound accounting principles:
   - Recognizing revenues on an accrual basis only if they can be measured precisely and will, in fact, be received. Recognizing all other revenues when they are received.
   - Recognizing revenues on an accrual basis only if they can be measured precisely and will, in fact, be received. Recognizing all other revenues when they are received.
e. Prohibition against issuing debt against revenues which are not immediately identifiable, and against “receivables” which are more than two years old.

4. Insufficient control exercised by legislative bodies over capital and expense budgets.

Commission Proposals:

a. Preliminary budget hearings on both capital and expense budgets.
b. Council and Board of Estimate to submit single budget.
c. Mayor no longer votes on adoption of budgets.
d. Mayor may not veto reduction or eliminations in budgets.
e. Legislative review of budget modifications.
f. Legislative appropriation of all revenues.

5. City’s capital budget is often a “wish list” containing projects which will never be built.

Commission Proposals:

a. Inclusion of projects in capital budget must encumber funds in three-year capital programs.
b. Inclusion of funds in budget constitutes authorization to proceed with project.
c. Projects dropped from capital budget that are not initiated within two years.

6. City budget processes closed to public scrutiny.

Commission Proposals:

a. More time for Board of Estimate and Council to review the budget.
b. Increased community and borough participation in budget preparation.
c. Publication of terms of collective bargaining agreements.
e. Detailed budgetary information on program costs and three-year budgetary forecasts.
f. Geographic reporting of expenditures by local service districts.

7. City line agencies with inadequate authority to manage their programs and personnel.

Commission Proposals:

a. Delegation of increased personnel management responsibilities to the agency.
b. Transfer of pre-audit to the agencies.
c. Transfer of detailed budget administration to the agencies.

d. Agency-based accounting systems and management information systems.

e. Agencies to participate in planning for collective bargaining negotiations.

8. A City lacking critical management tools and personnel.

Commission Proposals:

a. Strengthened agency operations in the areas of budget, fiscal planning, accounting, personnel, management, purchasing, legal.

b. Strengthened agency field units through coterminality of local service districts.

c. District service cabinets.

d. Geographic reporting of expenditures as a management information and control tool.

e. Agency service statements for local service districts.

f. Refocus of overhead agencies from detailed control of individual's transactions to control of major program and spending abuses.
SECTION III

SUMMARY OF MAJOR CHARTER REVISIONS
GROUPED BY BALLOT PROPOSITION*

Proposition One: Fiscal Reforms

Expense Budget

1. The budget shall be balanced using the State Comptroller’s accounting principles for municipalities.

2. The Council and Board of Estimate shall hold preliminary hearings to review agency budget needs, programs, and performance. The current Charter provides for a hearing by the budget director but does not require agencies to defend their budget requests or their performance in public.

3. The Mayor shall submit a preliminary executive budget to the Council and Board of Estimate on April 15th to provide more time to evaluate proposed expenditures. Under present system Mayor’s budget submission is generally suspended until late May or early June when the State Legislature completes action on the Mayor’s budget. Accordingly, the Council and Board have insufficient time to review requests for both spending appropriations and tax increases.

4. The Mayor’s budget message shall be expanded to contain detailed information about the fiscal and economic condition of the City, a three-year forecast of costs and revenue sources for each program, and a breakdown of agency expenditures by local service districts.

5. The Mayor shall not vote on the adoption of his executive budget by the Board of Estimate. This will eliminate the present conflict in his role as both proposer and disposer on budgeting matters.

6. The Board of Estimate and Council shall adopt a single budget after formal conference to resolve any differences. This will preclude the Mayor from choosing between two separate budgets, a possibility under the present system.

7. The Mayor may not veto reductions or eliminations in the executive budget made by the Board of Estimate and Council. The Mayor is presently permitted to expend funds over the opposition of the majority of both bodies.

8. A veto by the Mayor may be overridden by a two-thirds vote of either the Board of Estimate or Council with the concurrence of a majority of the other body. Currently, a two-thirds vote of each body is required to override a veto. This reform strengthens the Council and Board of Estimate relative to the Mayor in budget matters.

9. The Council and the Board of Estimate must approve all City spending. No longer can the Mayor and/or Comptroller administer and expend funds which have not been budgeted.

10. The Council and Board of Estimate may review and disapprove transfers of funds from one program (unit of appropriation) to another, limiting the Mayor’s ability to rearrange the budget after adoption.

11. Funds appropriated for a program shall not be used for any other program. This will eliminate the “borrowing” of personnel between programs and even agencies. The Comptroller shall audit compliance.

12. Agencies shall submit quarterly expenditure plans to the Mayor for review, revision and approval. Agencies must then administer budgets and expend funds within quarterly spending allotments established by the Mayor. Thus, the agencies shall control the details of spending while the Bureau of the Budget shall focus on controlling overall quarterly totals. Detailed line-item controls may be transferred back to the Budget Bureau by the Mayor in a period of fiscal crisis and for abuse.

13. Non-mayoral agencies, public and private, shall submit quarterly reports of their expenditures of City funds to the Mayor in such form as the Mayor may prescribe.

14. The Mayor shall issue a report each year comparing actual revenues to estimated revenues for the previous fiscal year accompanied by a detailed explanation of any variances. At present, the Mayor need never formally account for past over-optimistic revenue estimates.

Capital Budget

1. Expense items shall not be charged to the capital budget, and where that has already occurred, the practice shall be phased out.

2. The City Council and Board of Estimate shall hold preliminary hearings on agency budget requests and performance. Same reason as expense budget, item 2.

3. The Mayor shall no longer vote on the adoption of his executive capital budget. Same reason as expense budget, item 5.

*Note: The basic effective date of the new Charter, if adopted, is January 1, 1977, unless otherwise specified.
4. The Board of Estimate and Council shall adopt a single budget after formal conference to resolve any differences. Same reason as expense budget, item 7.

5. The Mayor may not veto reductions or eliminations in the capital budget made by the Board of Estimate and the Council. Same reason as expense budget, item 7.

6. A veto by the Mayor may be overridden by two-thirds vote of either the Board of Estimate or the Council with the concurrence of a majority of the other body. Same reason as expense budget, item 8.

7. The Board of Estimate and the Council shall adopt a three-year capital program to discipline the capital budget and to be used for fiscal capital planning. No project shall be included in the capital budget for which funds have not been reserved in the capital program. This should curtail the present practice of making the capital budget a "wish list" containing projects which will never be built.

8. The Board of Estimate shall provide increased scrutiny of capital project costs by review of overall standards (example: permissible cost per square foot of school buildings) and cost limits for types of projects and detailed plans (scopes) for individual projects. These critically important decisions are presently delegated to accountable individuals.

9. The present multiple and duplicative approvals required by overhead agencies for capital projects and capital spending are reduced.

10. Projects shall be eliminated from the budget that are not started within two years.

Audit and Accounting

1. The Comptroller shall perform performance audits of productivity, management effectiveness, proper allocation of manpower, etc. They will assure that City funds are utilized efficiently and economically and determine whether benefits of agency programs are being realized.

2. The Comptroller shall no longer pre-audit, on the basis of inspection of goods, but he shall continue to pre-audit for availability of funds. Agencies, which are in the best position to know if payment is proper, shall perform pre-audit. This will enable the Comptroller to focus on performance and post-audit functions where major savings are possible.

3. The Comptroller's audit powers shall be clarified to apply to all expenditures of City funds by any public or private agency. The present Charter is not explicit on this power.

4. The Comptroller shall assist the Board of Estimate and the Council, upon request, in investigations of the City's fiscal and economic affairs or of agency programs and service performance.

5. The Comptroller shall establish a system of uniform accounting and reporting within City agencies to enable them to control spending and to develop essential management information.

6. The Comptroller shall maintain major budgetary accounts (examples: police patrol, sanitation cleaning and collection) coinciding with budgetary appropriations to control agency spending and to prevent agencies from exceeding appropriations.

7. The new accounting system for the City shall be based on sound accounting principles (similar to those set forth in the State Comptroller's uniform system of accounts), including (a) accounting for all expenses, excluding debt service and pension fund contributions, on an accrual basis (i.e., when the expense is incurred rather than when it is paid) and (b) recognizing revenues on an accrual basis only if the revenues are both measurable and available; recognizing all other revenues when they are received.

8. The City's books shall be audited annually by the State Comptroller or an independent certified accountant.

9. The financial soundness and probity of the City's pension funds shall be audited biennially by an independent outside actuary.

10. The Comptroller's annual report shall include (a) the average daily collected balances in bank accounts, (b) the investment performance of City pension and other investment funds, (c) the reserve for estimated uncollectible taxes, and (d) an itemization of receivables due from the state and federal sources.

Short-Term Debt Of The City

1. The City shall be prohibited from issuing short-term debt against a specific tax revenue receivable which is not clearly identified by source and fiscal year or which has been outstanding for more than two years.

Proposition Two: Management Reforms

Mayor

1. There shall be a Deputy Mayor to supervise and coordinate the introduction of the fiscal and management reforms mandated by the Charter in the areas of budget, accounting, personnel, and related management practices.

2. The Mayor shall change City agencies or departments by issuing reorganization plans approved by the Council.

3. The Mayor is mandated to review the "superagencies" which shall be continued after July 1, 1977, only if the Mayor explicitly requests their
retention in a reorganization plan submitted to the Council.

4. The Mayor shall submit semiannual management reports to the City Council and Board of Estimate that contain detailed information on the program objectives and performance of each City agency. The Council and the Board of Estimate shall hold public hearings on the management reports at which agencies shall be required to defend their performance.

5. A criminal justice coordinator shall be established in the Mayor's office to improve coordination among units of the criminal justice system under the Mayor's jurisdiction and to review the budget requests of all agencies for criminal justice activities.

Officers and Employees

1. Each agency shall assign to one deputy commissioner or senior officer reporting to the agency head management responsibility for personnel and budget administration functions of the agency and for financial planning and management in the areas of budget, payroll, purchasing, vouchersing, and accounting.

Municipal Service Administration

1. The Municipal Service Administration shall oversee the storehouse operations of all City agencies.

2. The Municipal Service Administration shall be responsible for enforcing efficient salvage operations in City agencies.

3. The Real Estate Department shall undertake comprehensive programs of efficient space management for the City.

4. The Municipal Service Administration shall establish procedures and standards for the expedient processing of payments by City agencies and, along with the Comptroller, oversee compliance.

Law Department

1. Agencies shall be authorized and encouraged to conduct routine legal affairs essential for effective agency operations subject to overall control by the Corporation Counsel.

Personnel

1. The Personnel Director shall assume the administrative duties and rule making authority of the Civil Service Commission to eliminate divided responsibility for personnel administration.

2. Agency heads shall be responsible for personnel management functions essential for efficient agency operations in the areas of position allocation, recruitment, evaluation of qualifications, conduct of promotion examinations, incentive programs, training, performance evaluation and equal opportunity programs. Agency plans for the assumption of personnel functions shall be approved by the Mayor, monitored by the Personnel Director and withdrawn for abuse. The Personnel Department shall promulgate standards and guidelines for delegated functions, post-audit compliance and be empowered to reverse specific agency actions based on a finding of abuse.

3. All provisional appointments shall be reviewed by the Personnel Department within sixty days to ensure compliance with the Civil Service Law and all rules and regulations.

4. A City-wide management service shall be established for all agencies pursuant to a plan prepared by the Personnel Director and approved by the Mayor.

5. The Bureau of the Budget shall be removed from certification of positions to eliminate red tape and unnecessary duplication with the Personnel Department.

6. The one-in-three rule for the appointment of persons from eligible lists shall be reinstated in accordance with the State Civil Service Law.

Comptroller

1. The Comptroller shall be prohibited from using his mandated duty to register all contracts to obstruct agency programs. Contracts must be registered within thirty days.

2. The Comptroller may provide for the submission of disputes arising under contracts to impartial arbitration.

3. The Comptroller shall be prohibited from revising the terms of a contract with the City after its execution.

4. The Comptroller shall undertake cost benefit analyses of purchases of goods and services by agencies that use City funds for purchasing.

Finance Administration

1. Preparation and disbursement of payroll checks shall be done by the Finance Administrator upon master warrant proposed by Comptroller.

Collective Bargaining

1. The full terms of executed collective bargaining agreements shall be made public together with an analysis of the costs and future budgetary consequences of each agreement.

2. Collective bargaining agreements shall be executed prior to the commencement of the fiscal
year during which their provisions shall become effective, where practicable, to enable fiscal implications to be considered during budget adoption.

3. No retroactive wage or salary settlement shall be charged to the capital budget.

4. The heads of City agencies shall assist in the development of the City's position with respect to work rules and practices of employees in advance of collective bargaining negotiations.

5. Supervisory employees shall not belong to the same collective bargaining unit as their subordinates for purposes of collective bargaining.

Proposition Three: Governmental Reforms

City Council

1. A districting commission shall be established to prepare a plan for reapportionment of councilmanic districts to be approved by the Council. Members shall be bipartisan and reflect the political and geographic and ethnic composition of the City.

2. The President of the City Council shall oversee the coordination of City-wide citizen information and service complaint programs and review multi-borough complaints.

3. The Mayor and the President of the Council shall be linked for purposes of election.

4. Standing committees of the Council shall have the power to conduct investigations and to issue subpoenas.

5. Standing committees of the Council shall review on a regular and continuous basis the service goals and performance productivity and management efficiency of City agencies.

6. A Legislative Office of Budget Review shall be established to assist the Council and Board of Estimate to analyze the proposed budgets and to carry out their other fiscal responsibilities. The office shall be headed by a professional director appointed by the Council and Board of Estimate after public hearing.

Board of Estimate

1. The Comptroller shall be removed from the Board of Estimate to eliminate conflicts with his auditing role.

2. The Board of Estimate shall be reconstituted to include the Mayor (with four votes), the City Council President (with four votes), the Majority Leader of the Council (with four votes), and the Borough Presidents (with two votes each).

3. Members of the public shall be guaranteed the right to be heard before any final vote is taken by the board.

Investigations

1. On completion of any matter involving allegations of criminal conduct, the Commission of Investigation shall forward a copy of his written report or statement to the appropriate prosecuting attorney.

2. Jurisdiction of the Department of Investigation shall extend to employees of the City as well as to persons or entities doing business with the City or who receive money from or through the City.

3. No person shall prevent, interfere with, obstruct or otherwise hinder any study or investigation being conducted by the Commissioner of Investigation.

4. Appointments of inspectors general of City agencies shall be approved by the Commission of Investigation.

Department of Corrections

1. The Board of Corrections shall establish minimum standards for the care, custody, correction, treatment, supervision, and discipline of persons incarcerated under the jurisdiction of the Department of Corrections.

2. The Board shall establish procedures for the hearing of grievances, complaints or requests for assistance by incarcerated persons or employees of the department.

Ethics

1. The Board of Ethics shall have Charter status and shall be empowered to request the Commissioner of Investigation to investigate and report on any matter within its jurisdiction.

2. The Board of Ethics shall be empowered to render advisory opinions on its own initiative, on the basis of an investigation by the Commissioner of Investigation or on the written request of the officer or employee involved or of any supervisory official.

3. The conflicts of interest provisions of the Charter shall be strengthened by eliminating vague exceptions to the current standards and by prohibiting City Council members, officers and employees, paid or unpaid, from (a) having any financial or private interest which is in conflict with the proper discharge of official duties, (b) attempting to use any position to obtain financial gain or private advantage for himself or any other person, (c) attempting to influence the course of any proposed legislation without disclosing the extent of any direct or indirect interest in the legislation, (d) coercing any City employee to engage in political activities.

4. Former officials of the City are barred for three years from appearing before any City agency on any matters with which they were involved during their City service and for eight years in relation to
any matter which would be adverse to the City's interest.

**General Provisions**

1. The public shall be entitled to attend executive sessions or meetings of the Board of Estimate, the City Planning Commission, the Art Commission, the Environmental Control Board, the Board of Health, the Landmarks Preservation Commission, the Board of Standards and Appeals, the Tax Commission, and the City Council whenever items on the calendar of such agencies are to be considered and acted upon in a preliminary or final manner. Executive sessions may be closed to the public by a three-quarters vote of all the members of a body.

**Proposition Four: Planning Reforms**

**City Planning Commission**

1. The Planning Commission shall have at least one member from each borough.

2. The Master Plan shall be eliminated and replaced with flexible requirements for City-wide and local plans for the development and improvement of the City. Plans may be initiated by the Mayor, City Planning Commission, borough boards and community boards. All plans shall be reviewed by the City Planning Commission and approved by the Board of Estimate.

3. Advance notification of all preliminary and final plans of public agencies, public benefit corporations and private agencies and developers for the use of City land shall be provided to the affected community boards and borough presidents.

4. A uniform procedure shall be established for the review of land use subject to City regulation. The procedure shall apply to changes in the city map, designations of zoning districts, housing and urban renewal projects and plans, site selection, franchises and revocable consents, special permits and such other matters specified by the Board of Estimate and the City Planning Commission. The uniform procedure shall involve initial review by the affected community board, discretionary review by any borough board if a matter involves two or more districts, and central review by the City Planning Commission and Board of Estimate.

**Board of Standards and Appeals**

1. The Board shall be enlarged to include a professional planner.

2. Applications to vary the building zone resolution and for special permits shall be reviewed locally by community boards and borough boards pursuant to the uniform review procedure.

3. Decisions by the Board of Standards and Appeals on hardship variances shall contain detailed findings indicating whether there is compliance with each requirement of the zoning resolution for the granting of a variance.

4. The Board of Estimate shall have discretionary authority to review a decision of the Board of Standards and Appeals to determine compliance with the requirements of the zoning resolution. The Board may approve or disapprove such decision but must act within sixty days. Final review by the courts is preserved.

5. The Planning Commission shall be a party to every proceeding involving a variance and shall appear before the Board of Standards and Appeals, the Board of Estimate and the courts to appeal any application which in its view violates the building zone resolution.

**Proposition Five: Administrative Decentralization**

1. New community districts shall be created that (a) coincide with the historic, geographic and identifiable communities from which the City has developed and (b) are suitable for efficient and effective organization and service delivery by City agencies with local service operations. A community district map shall be prepared by the Mayor and approved by the Board of Estimate.

2. The following City agencies shall organize their local service districts to be coterminous with (coincide) the new community districts: police patrol services, local parks and recreation, street cleaning and refuse collection, and specified social services, including community services, community development, youth services, child development and special services for children. Coterminality with individual community districts, where practicable, and aggregates of community districts in other cases shall be required for housing code enforcement, housing and neighborhood preservation, highway and street maintenance and repair, sewer maintenance and repair, and health services, other than municipal hospitals.

3. Each agency with coterminous service districts shall assign to each district an official with line authority over agency operations in the district.

4. A district service cabinet shall be established in each community district whose membership shall include agency representatives, Council members from the district, a representative of the department of city planning, a district manager, and the chairperson of the local community board.

5. So far as is practicable, each agency which delivers services within the borough shall designate a
Proposition Five Proposes Coterminal Service Districts
To Avoid The Sort of Hodgepodge Illustrated Here
qualified official of the agency with line authority as borough representative of the agency.

6. Each borough shall have a service cabinet chaired by the Borough President whose membership shall also include the senior officials of each agency within the borough.

7. Each agency shall prepare an annual statement of its service objectives, priorities, projected activities and programs within community districts and boroughs.

8. Each agency shall report its direct expenses for operations within community districts and boroughs to the community board and borough board.

9. Each agency shall provide community boards, borough boards, and the Borough President with current information on its operations and programs within each community district and borough.

(c) participation in the planning of individual capital projects funded in the capital budget and review of scopes and designs for projects.

(d) initial review of all applications of public and private agencies and developers for use of land in the community district.

(e) assistance to agencies in the preparation of service statements for the community district and evaluation of the quality and quantity of service.

(f) dissemination of information about City services and programs and the processing of complaints and inquiries of district residents.

4. A district service manager shall be appointed by each community board with responsibilities for processing service complaints and presiding over meetings of the district service cabinet.

Borough Level

1. The head of the topographical bureau in each borough shall also serve as construction coordinator and consulting engineer for the borough. Such official shall be a licensed professional engineer and shall monitor capital projects in the borough, be available to serve as expeditor on construction projects and provide technical assistance with respect to construction projects.

2. Each borough shall have a new borough board whose members shall include the Borough President, the Council members elected from the borough, and the chairperson of each community board within the borough.

3. Each borough board shall:
   (a) assist agencies in the preparation of service statements for the borough.
   (b) prepare plans for the growth, improvement and development of the borough.
   (c) submit a comprehensive statement of the expense and capital budget priorities of the borough.
   (d) evaluate the progress of capital developments within the borough and the quality and quantity of services.

Proposition Six: Local Units of Government

Community Boards

1. Existing community boards shall perform the new powers and duties under the revised Charter until the new districts are established.

2. New community boards shall be created in 1977. Up to fifty members shall be appointed by the Borough President with one-half selected from nominees of the district Council members and Council members at large from the borough. The Borough President shall assure adequate representation from the different geographic sections and neighborhoods within the community districts. Community boards, civic groups and other community groups may submit nominations.

3. The powers and duties of each new board shall include:
   (a) preparation of plans for the growth, improvement and development of the community district.
   (b) submission of capital and expense budget priorities.
SUMMARY OF SEPARATE PROPOSITIONS TO BE PRESENTED WITHOUT RECOMMENDATIONS

Proposition Seven: Appointed Comptroller

1. A qualified professional Comptroller shall be appointed by joint action of the Board of Estimate and Council based on recommendations of an advisory panel that shall include professionals in accounting, finance, budgeting and public administration.

2. The appointed Comptroller shall not be a member of the Board of Estimate.

3. The Comptroller shall serve a six-year term and may be reappointed for one additional six-year term.

4. The Comptroller shall have all the powers and duties of the present Comptroller and those proposed under the fiscal and management reform propositions.

Proposition Eight: Local Streets and Sewers

Borough Presidents to Design, Construct, Repair, and Maintain Local Streets and Sewers

1. The Borough President shall be responsible for the design, construction, repair and maintenance of local streets and highways, other than parkways and arterial highways.

2. The Borough President shall assume responsibility for the location, design, construction, repair, maintenance, and operation of local sewers.

3. Management of local street and sewer services under each Borough President shall be assigned to a licensed professional engineer.

4. The Borough President shall issue permits for the use of the streets as well as street openings and closings in order to avoid conflict and duplication in the work schedules of public agencies and private utilities.

5. Each Borough President may proclaim special emergencies in the event of catastrophes when the responsible City agency, after notification, has failed to take action. The Borough President may use personnel under his jurisdiction to deal with the emergency.

Proposition Nine: Elected Community Boards with Authority to Create Services

1. In 1977 the appointed community boards shall be replaced by elected community boards in each community district. Each board shall have 11 to 15 members elected from geographic units within each community district.

2. The community councils shall assume responsibility for the following services of a local nature: the operation and maintenance of local parks and local playgrounds; the operation of local recreation programs; the operation of local neighborhood preservation and related housing rehabilitation programs; and the operation of local code enforcement programs related to the environment, including inspections of vacant lots and sanitation inspections and other environmental inspectional functions.

3. Funds shall be allocated to the community boards to create services on the basis of equitable formulas based on objective measures of need.

4. A local government transition commission shall be created to plan for, implement and supervise the orderly transfer of service functions to the elected community boards. The Mayor, Board of Estimate and Council shall each designate one member of the commission.

5. Community boards may be authorized to deliver additional services of a local nature with approval of the Board of Estimate.

6. There shall be coterminality of services with community districts pursuant to proposition 5 on administrative decentralization.

7. There shall be a district service cabinet in each community district pursuant to proposition 5 on administrative decentralization.

8. Each community board shall appoint a professional district manager to administer services transferred to the district and to preside over the district service cabinet.
## SECTION IV

### A COMPARISON OF PROPOSED AND CURRENT CHARTER PROVISIONS

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<tr>
<td><strong>Deputy Mayors</strong>&lt;br&gt;Mayor to appoint one or more deputy mayors including one to supervise and coordinate under Mayor’s direction the fiscal and management reforms mandated by Charter in budget, accounting, personnel and management.</td>
<td>Mayor may appoint two or more deputies, whose duties are suggested but not mandated.</td>
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<tr>
<td><strong>Executive Branch Organization</strong>&lt;br&gt;Mayor is authorized to organize and reorganize agencies, transfer agency functions and services and reduce overlapping functions, subject to Council veto within ninety days. The Mayor also must study the existing superagencies which will be continued after July 1, 1977 only if he submits reorganization plans by December 31, 1976 providing for continuation.</td>
<td>Existing agencies and nine “administrations” (superagencies) fixed by Charter. Mayor has limited power to reorganize Charter agencies, but can effect changes through executive orders not subject to any review.</td>
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<td><strong>Coordinator of Criminal Justice</strong>&lt;br&gt;A new Coordinator of Criminal Justice to be established to assist the Mayor in planning for increased coordination among criminal justice agencies, and to advise the Mayor on budget priorities among criminal justice programs.</td>
<td>No comparable provision.</td>
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<tr>
<td><strong>Succession to the Mayoralty</strong>&lt;br&gt;First, President of City Council; second, Vice Chairman of Council, for balance of mayoral term. Comptroller removed from succession.</td>
<td>Succession to the Mayoralty is first, President of City Council; second, Comptroller, until special election.</td>
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<td><strong>Mayor’s Management Report</strong>&lt;br&gt;In addition to annual statement to Council, Mayor required to submit to Council and Board of Estimate published management reports covering program and performance targets and accomplishments for each agency, including information on local service delivery.</td>
<td>Only annual statement is required.</td>
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### Terminology

- "Council member" used instead of "Councilman."  "Councilman."  
- No comparable provision.  

### City Council Districting Commission

Council establishes a non-partisan districting commission to draft a plan for dividing the City into councilmanic districts, commencing at the general election of 1977. Plan acted upon by Council by local law.
Proposed

President of the Council
Mayor and President of City Council chosen by a single ballot (after separate nominations in primary). President of the Council given additional job of coordinating City-wide citizen information and service complaint programs.

Oversight and Investigation
Standing Council committees authorized to conduct investigations.

Council standing committees review service performance of mayoral agencies.

Annual Council and Board of Estimate hearings on the Mayor’s management report.

Legislative Office of Budget Review
A new legislative office of budget review established to serve the Council and the Board of Estimate. Analyzes proposed budgets and departmental estimates, requests for taxes, and related fiscal matters, and has subpoena power. Headed by professional director, appointed by the Council and Board.

Advice and Consent
Formal City Council advice and consent required for mayoral appointments of members of nine boards and commissions, including City Planning Commission, (except for Chairman who serves at Mayor’s pleasure), Board of Standards and Appeals, Taxicab and Limousine Commission and public members of the Environmental Control Board, Civil Service Commission, and Board of Health (except for Chairman, who serves at Mayor’s pleasure.)

Current Provisions

Elected separately both in primary and in election.

Council President’s only required duties are to preside over Council and to serve as a member of the Board of Estimate.

Special committees may be established to conduct investigations.

No comparable provision.

City Council advice and consent required for Taxicab and Limousine Commission, and the public members of the Environmental Control Board. For most other boards and commissions, Mayor has unrestricted power of appointment. (Some have qualification requirements.)

Board of Estimate

Chapter 3

Composition of Board of Estimate is altered. Vice Chairman of the Council, with four votes, replaces Comptroller. Remainder of Board remains the same.

No final vote may be taken on any resolution or amendment without a public hearing.

Has final authority on matters affecting use, development, and improvement of City land and approval power for standards, scopes, and final designs of capital projects.

Meetings required every other week (monthly in July and August). Additional meetings as Board directs.

Board consists of Mayor, Comptroller, and President of Council, with four votes each, and the five Borough Presidents, with two votes each.

Clarifies existing practice.

Extent of review dependent upon particular provisions of relevant sections.

Meetings held as Board directs.
Borough Presidents
Chapter 4

Proposed

Topographical Bureau for each borough is headed by a professional engineer, appointed by the Borough President, who serves as construction coordinator and consulting engineer for the borough, monitors capital projects within the borough, and expedites construction projects.

Borough Boards
Members: Borough President, borough Council members, chairperson of each community board within the borough. Increased duties include: reviewing land use issues which cross community district boundaries, preparing plans for the growth and development of the borough, reviewing service delivery plans and the performance of agencies within a borough, submission of borough budget priorities, mediation of disputes among community districts, fostering cooperation among community boards.

Use of Streets and Public Places
Written notice required to construction coordinator of an intent to open or close a street due at least ten days prior to the intended action. In the event of an emergency, notification could be made in person or by telephone.

Current Provisions

Each Borough President is authorized to maintain a Topographical Bureau, but no provision as to who heads it.

Borough Improvement Boards
Members: Borough President; Council members from borough. Duties include: hearings and reports to Board of Estimate, Council, Mayor, and City Planning Commission.

No comparable provision.

Comptroller
Chapter 5

Comptroller pre-audits vouchers only for availability of funds. Agencies may not spend funds except for purposes for which funds have been appropriated.

Comptroller establishes auditing, payroll, and uniform accounting systems in City agencies. Agencies perform these functions and forward bills to Comptroller for payment. Comptroller may conduct spot-check pre-audit or suspend or withdraw these powers if any agency fails to exercise them properly, subject to Board of Estimate approval.

In conjunction with his audit of City agencies, Comptroller emphasizes performance audits to determine if funds are being utilized efficiently and productivity goals are being achieved rather than pre-audit.

Comptroller publishes annual statement including average collected bank balances in banks, and the performance of investments; the reserve for estimated uncollectible taxes and parking violations fines; and an itemization of receivables due from federal and state sources.

Comptroller pre-audits all vouchers, inspects goods.

Comptroller prescribes methods of recording, reporting, and accounting in the several agencies. No specific mandate for agency to perform these functions.

Charter authorizes the Comptroller to “make such recommendations, comments and criticisms in regard to the operations, fiscal policies and financial transactions of the city,”; there is no specific mandate for the Comptroller to evaluate agencies’ fiscal performance.

Comptroller publishes certain fiscal information but is not required to include this information.
Proposed

Comptroller establishes a uniform accounting and reporting system for his office and all City agencies in accordance with State Comptroller’s uniform system of accounts for municipalities, including accounting for expenses basically on an accrual basis and for revenues on an accrual basis only if they can be precisely identified; if not, on a cash basis.

Comptroller must register contracts for payment within thirty days.

Requires independent annual audit of City’s books by CPA firm unless performed by State Comptroller.

Requires biennial independent actuarial audit of City’s pension funds.

Comptroller audits all expenditures of City funds by any public or private agency.

Current Provisions

Comptroller establishes for his office and City agencies a system of accounts which shall, so far as practicable, be uniform.

No time requirement for performing this ministerial act.

No comparable provision.

No comparable provision.

Not explicitly stated.

Expense Budget

Chapter 6

Local Participation

Community and borough boards hold hearings and submit priorities in budget formulation; agencies delivering local services in a community must consult with community boards as part of preparing budget estimate. All agencies submit departmental estimates.

Preliminary Hearings

Joint Council and Board of Estimate hearings on departmental estimates with right of agencies, community boards, and borough boards to be heard. Review is of agency needs, programs and performance.

Preliminary Budget

A preliminary budget is presented to the Council and Board of Estimate one month before submission of the final budget to allow more time for consideration.

Budget Message; Proposed Budget

Mayor’s budget message requirements expanded to include general economic condition of the City, its tax and fiscal base, and intergovernmental fiscal relations. Message must give specific details regarding revenues, expenses, forecasts, comparisons, and proposed expenditures within localities. The Mayor must consult with the Comptroller in preparing itemized statements of general fund receipts and all other revenue sources.

Borough improvement boards report to Mayor, Council, Board of Estimate, and City Planning Commission on borough programs and proposed capital projects. No provision for community consultation.

No comparable provision.

No comparable provision.

Proposed budget is submitted with budget message, which includes explanation of budget emphasis and objectives, itemization of salaries. Consultation with Comptroller regarding revenue sources is not required.
Proposed

Board of Estimate and Council Review

Board of Estimate and Council may add to, amend, increase, or decrease budget; they adopt a single budget by separate, concurrent votes. The Mayor may not participate in any budget action or vote taken by the Board of Estimate. The Mayor may veto only an increase or change in terms. Either body, by a two-thirds vote (the Mayor abstaining when the Board of Estimate acts) may override the Mayor's disapproval provided the other body concurs by a majority vote.

Transferring Funds

During any fiscal year, Mayor may not transfer funds between agencies or between units of appropriation where transfer involves an increase or decrease of more than 5 percent of the original budget amount, without giving thirty days' notice of the proposed transfer to the Board of Estimate, Council, and Comptroller. The Board of Estimate or the Council, or both, may disapprove the proposed action.

Limitation on Budget Increase

If the Mayor requests a budget amendment involving an increase in total expenditures, he must accompany it with a statement indicating the revenue sources which will provide funding for such increase.

Quarterly Reports

Agencies must submit quarterly expenditure plans including line item schedules, quarterly spending allotments, and aggregate position and salary limits for each unit of appropriation. Detailed line item control is performed by agencies. Mayor may assume direct responsibility for administration of schedule when fiscal condition of City so warrants or there are violations of agency authority.

Mayor issues annual report comparing actual revenues for previous fiscal year accompanied by detailed explanation of variances.

No money may be spent which is not budgeted and appropriated. Additional or amended appropriations may be made by normal budget adoption procedure during budget year if unappropriated funds become available.

All public and private agencies receiving City funds to file quarterly reports indicating amount of expenditure of such funds.

Current Provisions

Subject to Mayor's veto Board of Estimate or Council may amend budget. On due date, any item not amended is deemed adopted. Mayor may disapprove increases or decreases and return budget to both bodies. Mayor excluded only from voting on veto overrides. Unless both bodies, acting separately but in identical terms, override the Mayor's action by a two-thirds vote (the Mayor abstaining), the Mayor's veto stands.

Mayor may transfer during any fiscal year part or all of any unit of appropriation within an agency to another unit of appropriation within the agency. He may also transfer any unit which had not been assigned to an agency for the purpose for which the unassigned unit was established. Ten days' notice must be published in the City Record and given to the Comptroller.

No comparable provision.

No requirement for quarterly expenditure plans. Budget Bureau performs detailed line item control. No unit of appropriation may be expanded until a schedule of positions and salary is approved by Mayor.

Annual budget message requires itemized statement of general fund receipts for past four years and first seven months of current year estimated receipts, but no explanation required of variances.

No comparable provision.

No comparable provision.
City Planning
Chapter 8

Proposed

Unchanged except that each borough must have at least one of its residents on the Commission and members other than the Chairman are appointed with advice and consent of City Council.

Uniform procedure for most land use development or improvement, including designation of zoning districts, special permits under zoning resolution, changes in City Map, site selection for capital projects, housing and urban development plans, franchises, and city acquisitions and disposals of real property.

1. First consideration by Community Board with public hearing (also Borough Board when more than one community district involved.)
2. Review and action by City Planning Commission.
3. Final action on appeal by Board of Estimate.

Site Selection Board abolished.

Space management and use functions transferred from Board of Estimate direction to Municipal Service Administration. Board retains ultimate control over disposition of City property.

Master Plan requirement repealed. Long-term plans for City and local development replace Master Plan. Plans initiated by Mayor, City Planning Commission, Borough Board, or Community Board. Plans initiated by others reviewed by City Planning Commission. Final action by Board of Estimate.

Current Propositions

Director of City Planning, appointed by Mayor and serving at his pleasure, heads Department and serves as Chairperson of City Planning Commission. Six other members of Commission appointed by Mayor for eight-year overlapping terms.

Various procedures for land use controls, as indicated below.

Zoning (controls of private uses of land): normally first action by City Planning Commission after public hearing; Board of Estimate may disapprove or modify within sixty days, otherwise Planning Commission decision stands.

Changes in City Map: must be referred to City Planning Commission before final action by Board of Estimate. Planning Commission can be overridden only by three-fourths vote.

Housing and urban renewal plans not mentioned in Charter but determined by Board of Estimate without required local involvement.

Site Selection by a Site Selection Board, consisting of Budget Director, Comptroller, Municipal Service Administrator, and affected Borough President.

City acquisition and disposal of City property controlled by Board of Estimate.

Master Plan for development of City required.

Capital Projects and Budget
Chapter 9

Reform Practices

Defines capital project to conform with State Comptroller's uniform municipal accounting systems in order to exclude expense items. For purposes of initiating and implementing authorized and approved capital projects adds definition of scope of project and "standard".

Expense items may not be charged to the capital budget, and existing debt financing on non-capital projects will be phased out over ten-year period. Capital debt for capital projects not in budget continues to be prohibited.

Definition of capital project does not include any standard of reference to exclude expense items.

No comparable provision.
Proposed

Consultant contracts properly included only in expense budget under accepted municipal accounting practices and may not be paid from obligations of the City which would increase debt of the City.

Eliminates reference to draft capital budget by City Planning Commission.

Departmental estimates of capital projects and priorities cover four years and are required to be made upon consultation with local community boards.

Each community board and borough board required to hold public hearings on departmental estimates and submit budget priorities.

Increased Reporting

Mayor's executive capital budget and program required to cover ensuing fiscal year and following three years, including estimated annual and maintenance costs, cost of all estimated future expenditures for existing projects, and new projects, as established by the Mayor. Message must include detailed fiscal and economic forecasts and explanation of proposed capital projects and their impact.

Capital projects listed by community district and borough.

Comptroller's report requires reserves to be included in report, which is projected four years.

City Planning Commission compiles agency, community board, and borough board proposed capital projects and priorities and submits report to Mayor, Board of Estimate, and Council.

Revised Adoption Procedures

Board of Estimate and Council hold joint hearings on departmental estimates, community board and local board priorities, and City Planning Commission report. Representatives of community boards and borough boards authorized to be present and be heard.

Board of Estimate and Council must agree on a single budget and three-year capital improvement program. They may increase or decrease amounts or omit or add new items or change terms and conditions of capital projects.

Mayor barred from voting on Board of Estimate to approve budget or in veto override.

Mayor authorized to veto increases and additions; barred from vetoing decreases or omissions.

Either Board of Estimate or Council may override Mayor’s veto by two-thirds vote if other body concurs by majority vote.

Current Propositions

No comparable provision.

City Planning Commission formulates draft capital budget and program. Public may be present at departmental hearings conducted by City Planning Commission, at which agency heads explain departmental estimates, but public has no right to be heard.

Departmental estimates cover six years. No requirement for consultation with local boards.

No comparable provision.

Mayor's executive capital budget covers ensuing fiscal year. No detail required beyond first year. City Planning Commission's five-year capital improvement plan is allowed to become a "wish list" of projects which is not seriously considered by agencies and officials.

No district-by-district reporting of capital projects required.

Comptroller's report comments in detail on City's financial conditions and as to maximum amount of debt which City may soundly incur for six succeeding years.

No comparable provision.

Board of Estimate and Council hold hearings which need not be joint on executive capital budget. Council may hold hearings as a body or through its Finance Committee. No provision authorizing local board representatives to be heard.

Either Board of Estimate or Council may amend the budget. No action on City Planning capital improvement plan for future years.

Mayor barred only from voting to override veto.

Mayor authorized to veto decreases, omissions, increases, and additions.

Two-thirds vote of both Council and Board of Estimate (other than Mayor) required to override Mayor's veto.
Amendment
Upon recommendation from the Mayor, the Board of Estimate and the Council may amend the capital budget in the same manner as the budget was adopted, provided funds are available.

Commitment of Funds
No City obligations to be authorized for any capital project not included in capital budget or for which funds have not been reserved in a program category.

Approval of a capital project in capital budget is authorization to proceed with preparation and approval of scope of project (within terms of "standard" for capital projects), preliminary designs, and final design.

A capital project included in a capital budget must be initiated within two years or it shall be eliminated from the budget.

Current Propositions
On receipt of a recommendation from the City Planning Commission, approved by the Mayor, the Board of Estimate and the Council may amend the capital budget in accordance with the recommendation.

City obligations not authorized for any capital project not included in the capital budget.

No comparable provision.

Obligations of the City
Chapter 10
Limits the City’s authority to issue short-term (temporary) debt obligations in anticipation of taxes and revenues. Prevents the City from issuing tax or revenue anticipation notes against receivables which are not clearly identified by source and fiscal year or which have been outstanding for more than two years.

No comparable provision.

Contracts and Purchases
Chapter 13
Establishes limit on all purchases made without competitive bidding at $500 and on purchases through informal bidding at $5,000. Permits further increases by joint action of Board of Estimate and Council, and specified exceptions for emergencies. Within these requirements an agency can purchase up to $1,000 and up to $5,000 with approval of Municipal Service Administrator and Mayor. New dollar limits may be raised by Board of Estimate and Council.

Municipal Service Administration to prescribe qualifications for bidders.

Permits agency pre-audit of goods for pre-auditing purposes subject to central standards.

Purchase may be made through U.S. General Services Administration if price is lower.

Present limit of $2,500 on purchases without competitive bidding is geared to past conditions and lower than is considered prudently required, as is $500 limit without bids for emergency purposes.

Board of Estimate prescribes qualifications for bidders.

Comptroller performs inspection and pre-audit of goods and funds availability.

No comparable provision.
Law Department
Chapter 16

Proposed
Authorizes agencies to have staff counsel and permits delegation of routine legal authority to agencies authorized by Mayor and monitored by Corporation Counsel.

Current Provisions
Corporation Counsel may assign assistants to an agency.

Department of Correction
Chapter 25

Board of Correction
Three members appointed by Mayor, three by City Council, three by Mayor from joint nominations of Presiding Justices of Appellate Division, 1st and 2nd Departments.

Board appoints executive director and staff.

Board establishes minimum standards for custody, care, and treatment.

Board establishes grievance procedures and hears complaints on behalf of prisoners and employees, and is granted subpoena power.

All nine members of Board of Correction appointed by Mayor.

Board uses staff assigned by Department of Correction.

No comparable provision.

No comparable provision.

Board of Standards and Appeals
Chapter 27

Board of Standards and Appeals continued with a sixth member required to be a professional planner.

Zoning variances and special permits integrated with new uniform land use planning procedure by giving community boards and borough boards right to review applications and make recommendations after public hearing before Board of Standards and Appeals takes action. Community Boards and the borough boards may be heard by Board of Standards and Appeals, and may appeal its decisions to Board of Estimate. City Planning Commission made a party to all such procedures, with right to appeal and right to appeal to Board of Estimate and the courts.

Five members with specified technical qualifications.

Act on appeals for variances from zoning, housing, or other regulations, and perform additional duties specified by law. Extent of variances granted may affect extent of zoning effectiveness, but City Planning Commission and local community representatives have limited standing before the Board of Standards and Appeals.

Department of Investigation
Chapter 34

Commissioner to be a member of New York bar and has five years' law enforcement experience.

Reports must be forwarded to requesting party and to prosecutors when criminal conduct is alleged during investigations.

Commissioner to be a member of New York bar.

No comparable provision.
Proposed
Reports must be forwarded to Board of Ethics when unethical conduct is alleged during investigations.

Jurisdiction includes people and companies doing business with the City and any person or company paid by or receiving money from the City.

Approves appointment of agencies' inspectors general, sets standards, and monitors performance.

Current Provisions
No comparable provision.

No comparable provision.

No comparable provision.

Department of Personnel
Chapter 35

Director of Personnel, removed as Chairman of Civil Service Commission, assumes rule-making powers of that body as well as its administrative responsibilities. Commission becomes a five-member body; members appointed by the Mayor subject to Council approval. Commission has power to hear appeals and analyze personnel administration in the City.

A City-wide managerial service is established to improve middle management, provide special recognition for qualified technical, professional, management, and supervisory personnel.

Agency heads are delegated responsibility for personnel management in the areas of position allocation, recruitment, evaluation of personnel, training, performance evaluation, equal opportunity. Personnel Department to issue standards and guidelines for delegated functions, and may overrule agency actions on finding of abuse.

Provisional appointments reviewed by Personnel Department within sixty days to assure compliance with Civil Service Law and rules.

Agencies may select one of three eligibles certified for position, in accordance with State Civil Service Law.

Bureau of Budget is removed from certification of positions to eliminate red tape and duplication with Personnel Department.

Director of Personnel is Chairman of three-member Civil Service Commission. He also is responsible for recruitment of personnel, conduct of examinations, and administration of other employee-related matters.

No comparable provision.

Agency heads have limited authority in personnel administration, subject to detailed oversight and control of Budget Bureau and Department of Personnel.

No comparable provision.

Personnel Director certifies eligibles, who must be appointed according to position on eligible list unless Mayor approves variation. Budget Bureau certification is required.

Art Commission
Chapter 37

In addition to authority to approve or disapprove immediate removal or relocation of works of art, Art Commission must be notified before alteration, demolition, or relocation of art work belonging to the City, and with Mayor's consent may order its preservation.

Commission to advise agencies on maintenance of art works and maintain a register of preserved works.

Authority limited to approval or disapproval of immediate removal or relocation of works of art.
Officers and Employees
Chapter 49

Proposed
Each mayoral agency head designates a deputy commissioner or senior officer to supervise personnel, budget, and administration.

Current Provisions
No comparable provision.

General Provisions
Chapter 52

Executive sessions of eleven agencies including Board of Estimate, Council, City Planning Commission, and Board of Standard and Appeals are open to the public, except if three-quarters of members vote for closed session. No final action on any matter may be taken in a closed meeting.

No comparable provision of general applicability.

Collective Bargaining
Chapter 54

Retroactive wage or salary settlements will not be charged to capital budget.

No comparable provision.

Mayor required to publish within sixty days collective bargaining contracts, and statement of cost and long-range management implications.

No comparable provision.

Supervisory or professional employees may not belong to same bargaining unit as their subordinates.

No comparable provision.

Heads of City agencies participate in developing City's position with respect to work rules and other matters affecting agency management.

No comparable provision.

Finance Administration
Chapter 58

Tax rate shall be such as to produce a balanced budget.

No comparable provision.

Municipal Service Administration
Chapter 59

Requires comprehensive programs of space management and stores control for the City.

No comparable provision.
Ethics
Chapter 68 (New)

Proposed
Board of Ethics becomes Charter agency with present composition and may appoint a counsel.

Board of Ethics gives advisory opinions to City employees, supervisors, or former employees, on request or on own initiative.

Board may request investigation and report from Commissioner of Investigation.

Conflicts of interest provisions strengthened and vague exceptions to current standards eliminated.

Board of Ethics to review Code of Ethics once every five years and recommend revisions to City Council.

Current Provisions
Board of Ethics established by local law. Board consists of three public members appointed by Mayor, Corporation Counsel, and Director of Personnel.

Board of Ethics gives advisory opinions on conflicts of interest and matters related to Code of Ethics only on request.

No formal Charter connection between Board of Ethics and Department of Investigation.

Conflicts of interest sections in both Charter and administrative code.

No comparable provision.

Coterminality
Chapter 69 (New)

New community district lines will be drawn as basis for new community boards and to achieve coterminality in service districts of specified line agencies. These lines for coterminous service districts will be designed to coincide with existing historic, geographic, identifiable communities, and to be of a size sufficient to effective service delivery by municipal agencies. The districts will have a population range of 100,000 to 250,000.

The districts may serve as a basis for City Council election.

The Mayor is mandated to prepare a map of community districts in consultation with concerned agencies. This map will be subject to public hearings and be adopted by the Board of Estimate by January 1, 1977.

Services which fall within the coterminous service scheme are police patrol; local parks and recreation; street cleaning and refuse collection; and specified social, community, youth, and child services. Other services, including highway and street maintenance, housing code enforcement, health services (other than hospitals), and sewer services, will be made coterminous within aggregates of community districts.

Each district will have a community board and a district service cabinet composed of agency official with line authority and the community board chairperson. Cabinet will act to coordinate service delivery functions, deal with inter-agency problems, and cooperate with community board. It will be chaired by a district manager.

No comparable provisions.
Proposed

Each borough will have a service cabinet chaired by the Borough President and including ranking agency officials within the borough.

Each agency will prepare an annual statement of its programs, priorities, and expenditure of funds within community districts and boroughs.

Current Provisions

Community Boards

Chapter 70 (New)

Present community boards are continued until new districts are established. New community boards created in 1977. These boards, consisting of up to 50 members, appointed by Borough President for two-year overlapping terms; half of membership appointed from lists submitted by Council members serving any part of district and the Council Member at Large from the borough. Community groups may submit nominations. Council members serve as non-voting members on the boards.

New boards assume additional functions, including:

1. Information and complaint services for the district.

2. Prepare plans for district development, for review by City Planning Commission and adoption by Board of Estimate.

3. Initial review of applications and proposals for land use changes under proposed uniform land use planning procedure. These include district changes and variances, City Map changes, public improvement site selection, housing and urban renewal plans, City property acquisition and disposition.

4. Advise at an early stage in the development of expense and capital budgets and submit priorities. Opportunity to be heard at preliminary budget hearings.

5. Review of detailed plans for local public improvements.

Employ a district service manager to preside over district service cabinet.

Community Boards of up to 50 members appointed by Borough President for each of 62 community districts. Council members serving any part of a district’s area are ex-officio members. Board members serve for two-year overlapping terms, removable for cause.

Boards consider community problems and make plans for community development and service. They may advise any public officials on request or on their own initiative. Many public decisions must be referred to them prior to official action.

Consider need of the district and develop plans for the district’s welfare and orderly development. No stated method of implementation.

No comparable provision.

No comparable provision.

No comparable provision.

No comparable provision.
ALTERNATIVE PROPOSITION

Comptroller
Chapter 5

Proposed
Beginning January 1, 1978, the Comptroller is appointed by the City Council and Board of Estimate. His term of office is six years, renewable for one additional term. Appointed Comptroller does not sit on Board of Estimate or succeed to Mayoralty. Nine-member panel of fiscal experts advise Council and Board of Estimate in selection of Comptroller.

Current Provisions
Comptroller elected. Serves four-year term. Sits on Board of Estimate with four votes. Next in line, after City Council President, to succeed to the Mayoralty.

ALTERNATIVE PROPOSITION

Borough Presidents
Chapter 4

Borough President assumes jurisdiction over design, construction, and maintenance of streets and (nonarterial) highways, location, construction, and maintenance of sewers. He also may proclaim emergency and take action by reassigning his employees to act in case of emergency.

Jurisdiction over streets and sewers now rests with mayoral agencies, i.e., Transportation Administration and Environmental Protection Administration.

ALTERNATIVE PROPOSITION

Elected Local Boards
Chapter 71

Beginning in 1977, and every four years thereafter, community boards will be elected by the residents of districts. Elected boards will consist of 11 to 15 members.

Service delivery functions will be transferred to local elected community boards in 1979. These functions include operation of local parks, recreation, cultural affairs; local housing rehabilitation and neighborhood preservation programs; local inspection activities.

Board of Estimate may withdraw functions of elected local board upon finding of law violation or improper exercise of authority.

Community boards may be authorized by the Board of Estimate to deliver additional local services within districts based upon detailed budget and personnel plan.

Funds allocated to community boards will be on the basis of equitable formulas geared to objective measures of need.

Appointed community boards.

Jurisdiction now in mayoralty agencies.

No comparable provision.
Proposed
A transition commission will be appointed to arrange for orderly transition of service functions.

Each community board will appoint a professional district manager to administer services and preside over a district service cabinet.
APPENDIX A

MEMBERS OF THE STATE CHARTER REVISION COMMISSION FOR NEW YORK CITY

Chairman:

State Senator Roy M. Goodman, former N.Y.C. Finance Administrator, Chairman Senate Committee on Housing and Urban Development, member Committees on Finance, Education, Cities, Banks, Crime and Correction.

Vice Chairman:

Edward N. Costikyan, an attorney and the head of Special Task Force on Jurisdiction and Structure of New York City Government, former New York County Democratic Chairman.

Members:

Richard R. Aurelio, former New York City Executive Deputy Mayor, former Principal Administrative Assistant to Senator Jacob K. Javits.

Assemblyman Albert H. Blumenthal, Majority Leader of the New York State Assembly, former Deputy Minority Leader.

Charles J. Carreras, attorney.

John F. Haggerty, Counsel to the Senate Majority, Adjunct Professor of Government, City University of New York.

Albert V. Maniscalco, former Borough President of Richmond, former New York City Councilman, former Borough secretary, former New York State Assemblyman, former member of the Community School Board of Staten Island.

Maurice J. McCarthy, Jr., attorney and former chairman of the Finance Committee of the New York City Council.

Robert J. Milano, New York City industrialist and member of the Temporary State Commission to Study Governmental Operations of the City of New York.

Basil A. Paterson, former State Senator and President of the Institute for Mediation and Conflict Resolution, Vice Chairman of the Democratic National Committee.

Mrs. Zelia Ruebhausen, former member of the Board of Directors of the League of Women Voters.

Assemblyman Leonard P. Stavisky, Chairman, Assembly Committee on Education, member of Rules Committee and member of Ways and Means Committee, Professor of Government, former duputy to the President of the New York City Council.

Resigned in December, 1973 due to change in residence:

General Lucius D. Clay, Former Commander of United States Military Forces in Europe; member of the Temporary State Commission to Study Governmental Operations of the City of New York.
RESEARCH AND LEGAL STAFF

Dennis Allee
Francis Angelino
Susan Baxt
Clare Beckhardt
Janet Beller
William A. Bennett
Kenneth Birnbaum
Forrest Broman
James Carberry
Joseph Chesonis
Anna Clark
Dr. Rosemary Clemens
Steven Clifford
Cynthia Curran
Maurice Feldman
Hon. Lewis Feldstein
Micho Fernandez
Meyer Frucher
James Garnett
Dr. John Gaudette
Glenn Gerstell
Dr. Diana Gordon
Paul Greenberg
Dr. George Hallett
Hon. Edward Hamilton
Sarah Jo Hamilton
Hon. Frederick O'R. Hayes
Prof. Stanley J. Heginbotham
Bonnie Bottger Helms
Hon. Solomon Hoberman
Prof. Raymond Horton
Belle Horwitz
William Josephson
John Kaiser
Hon. Samuel Kearing
Kenneth Kemper
Hon. Andrew Kerr
Imre Kovacs
William Kroeger
Werner Kuhn
Dr. Jacob Landers
Louis Lauer
Hon. Thomas Laverne
Prof. Maxwell Lehman
Henry Levenson
Nancy Lilly
Howard Mantel
Lynn Marks
Jerome Mechling
Hon. Edward Morrison
Hon. Milton Musicus
John O'Leary
Marjorie Printz
Dr. Joseph Rappaport
Hon. W. Bernard Richland
Edward Robin
Prof. John Russell
Heather Ruth
Hon. Emanuel Savas
Jack Scherer
Allen Schick
Robert Schur
Dena Seiden
Yvette Shiffman
Francine Sieflecki
Dr. Gelvin Stevenson
Shani Taha
Hon. Juan Villanueva
Christine Webb
Iris Weintraub
Roger Ziman

Sandra Silverman, Public Information Officer
Lisa Radoyevich, Administrative Officer

CONSULTANTS

American Foundation on Automation and Employment
Bristol, Leaver, Litynski, Tarbox, Hollister, and Moore
Cambridge Opinion Studies, Inc.
Columbia University Bureau of Applied Social Research
Institute of Public Administration
Marshall Kaplan, Gans, and Kahn
McKinsey & Co.
The New York State Legislative Institute of the Baruch College
Oliver Quayle and Company
Peat, Marwick, Mitchell & Co.
Research Foundation of the City University of New York
WHK Communications Associates, Inc.
APPENDIX B

BALLOT QUESTIONS

Proposals Recommended by the
Charter Revision Commission for the
City of New York

Question 1—Fiscal
Shall the fiscal, budget, audit and accounting changes proposed as amendments to Chapters 5, 6, 7, 9, 10, 51, 52 and 58 of the City Charter be adopted?

Question 2—Management
Shall the personnel, collective bargaining, contract and purchasing and other management changes proposed as amendments to Chapters 1, 2, 13, 16, 35, 49, 51, 52, 54 and 59 of the City Charter be adopted?

Question 3—Government Structure
Shall the changes in the City Council, Board of Estimate, Board of Ethics, Department of Investigation, Board of Correction and other City agencies proposed as amendments to Chapters 1, 2, 3, 5, 25, 34, 37, 49, 51, 52, 57, 63-A and 68 of the City Charter be adopted?

Question 4—Planning
Shall the planning and land use changes proposed as amendments to Chapters 8, 14, 15, 27, 51, 52 and 56 of the City Charter be adopted?

Question 5—Coterminality
Shall the administrative reorganization of City agencies through service cabinets in both community districts and boroughs and by coterminality of services in the community districts proposed as amendments to the City Charter in Chapters 51, 52 and 69 be adopted?

Question 6—Local Boards
Shall new appointed community boards and borough boards with planning, budget and service evaluation duties proposed as amendments to the City Charter in Chapters 2, 4, 51, 52 and 70 be adopted?

Propositions Submitted Without Recommendation
of the Charter Revision Commission
for the City of New York

Question 7—Appointed Comptroller
Shall there be an appointed Comptroller as enumerated in amendments to Chapters 1, 3, 5, 51 and 52 of the City Charter?

Question 8—Borough Services
Shall the Borough Presidents be given responsibility for the design, construction, operation and maintenance of local streets and sewers as enumerated in amendments to Chapters 4, 51, 52, 57 and 63-A of the City Charter?

Question 9—Elected Community Boards
Shall community boards be elected and given responsibility to operate local parks and local playgrounds, local recreation programs, neighborhood preservation programs, and local environmental inspectional services as enumerated in amendments to the City Charter in Chapters 4, 51, 52, 69, 70 and 71?
APPENDIX C

STUDIES AND REPORTS OF THE COMMISSION

Background Study Reports

Capital Construction Process
Central Budget Issues Under New York City
Charter Reform of New York City's Planning Function
City Council of New York and the President of the City Council
Community Action Experience
Community Boards
Expense Budget Under Decentralization
Financial Reporting for Decentralized Localities in New York City
Impact of Coterminous Service Districts on the Delivery of Municipal Services
Implications of Decentralization on Collective Bargaining and Labor Relations in New York City
Information Requirements for Local Units of Government
Office of the Comptroller of the City of New York
Office of Neighborhood Government
Personnel Reforms for New York City
Public Benefit Corporations
Recommendations for Improved City Purchasing
Reforming the Municipal Labor Relations Process in New York City
Report on Model Cities
School Decentralization in New York City
Structural Issues for Local Units of Government; Local Council and District Executive Structure, Powers and Functions of New York City's Board of Estimate

Preliminary Recommendation Reports

Expense Budget
Capital Budget
Charter Economy Measures and Fiscal and Financial Recommendations to the State Legislature
The Mayor
The Comptroller
City Council
Board of Estimate
Personnel
Planning for Land Use
Real Estate
Franchises
Construction, Repair, and Maintenance
Department of Investigation
Ethics
Criminal Justice
Law Department
Purchasing
Coterminality of Services in Community Districts
City Government in the Community

Internal Staff Reports, Studies, and Working Papers

A Brief Historical Survey of New York City: Politics and Governmental Institutions
Belgrade, Stockholm, London: Administrative Summary
Budget Administration and Spending Control
Can the City Be Tamed? Options for a New Charter
Charter Commission Study Tour: Three European Cities
Charter Revision, Local Laws and Referendum
Charter Transition
Charter Treatment of Line Functions
Citizen Participation in New York City
Citizen Participation in Other Cities
Citizens' Advice Bureaus in London
City Boards and Commissions
City Management in a Two-Tier Government
City Marshalls and Sheriff
City-State Relations: Internal Staff Papers
Civic Charter Activity Before, During and After the 1961 Revision
Costs Related to Implementation of Coterminality
Creation and Elimination of Agencies
Decentralization of Municipal Services and Citizen Grievance Procedures in 15 Major Cities in the United States and Canada
Decentralization of Municipal Services in 15 Major Cities in the United States and Canada
Economic, Demographic Profile of Brooklyn
Economic, Demographic Profile of Manhattan
Economic, Demographic Profile of Queens
Economic, Demographic Profile of Staten Island
Economic, Demographic Profile of the Bronx
Education Chapter of the Charter
Ethics in Government
"Free" Funds for Districts
Geographic Budgeting—City-Wide Incremental Costs
Historical Survey of New York City
In a City of Districts, an Association of District Councils
Land Use—Some Practical and Legal Aspects of District Initiation and/or First-Instance Decision
Local Districts: Paper on Services and Functions
Management Survey Advice Applied to Present Problems
Mayor and Deputy Mayor
Memorandum on Home Rule
Misconduct in City Government
New Kind of Borough President: A Major Consequence of the 1961 Charter
New York City 1973: Places, People, Economy
New York City Management Processes
Notes on New York City's Economy: 1960-1974
Office of the Mayor
Ombudsman Papers
Papers on Proportional Representation
Parks, Recreation and Culture: Study of the Agency
Past Charter Commissions, Predecessor Charters
Possible Budgetary Savings: Beginning Survey
Predecessor New York City Charters
Proposal for a Department of Information
Public Benefit Corporations
Purchase of Services in Los Angeles County
Residual Powers of the Mayor
Service Decentralization: Feasibility and Implications for New York City: An Overview
  Decentralizing Social Services in New York City
  Decentralizing Parks Services in New York City
  Decentralizing Housing Services in New York City
  Decentralizing Public Works-Type Services in New York City: A Proposed Package of "Street Services"
Summaries of Recent Proposals for the Re-Structure of New York City Government
Summary of Current Planning Systems and Alternatives for Planning Control
Summary: Major Officers in the Four New York City Charters
Training of New York City Employees
Two-Level Central-Local Government System for New York City: A Simplified Model
Voter Participation in New York City
Water Resources, Highways, Sewers: A Draft Paper
"Zone Management" of Services
HIGHER SKILLS FOR THE CITY OF NEW YORK

Report of

Study of Professional, Technical, and Managerial Manpower Needs of the City of New York

David T. Stanley, Director

THE BROOKINGS INSTITUTION

March 1963
CHAPTER I

WHAT THE CITY NEEDS TO DO

The Problem

The City of New York faces a crisis in skilled manpower. Its ability to get and keep expert people to run its programs is inadequate. These are the people who prevent epidemics, heal the sick, aid the needy, engineer the sewers, plan the water supply, and direct other vital services for citizens—the City's thirty thousand professional, technical, and managerial employees.

The situation may not seem threatening to the average citizen. The City is rendering services, and no municipal function has collapsed. But here are the problems:

Vacancies are numerous.
Young professionals have little interest in working for the City.
The City is not recruiting "the cream of the crop."
There are serious shortages in the occupations needed.
The selection system is slow and inflexible.
Employees' morale is indifferent.
Salaries for some jobs lag behind those paid by other employers.
Employee training is insufficient.

As a result there is a danger that services rendered the citizen will decline in quality.
This report is a critical report--a report which portrays an undesirable situation. It is not an attack upon officials who are managing the City. The report is critical rather of systems, built up over the years, with which they have to work:

- A system of organization that divorces personnel responsibility from program responsibility.
- A civil service system that claims to be a merit system, but in many ways impedes recognition of true merit.
- A salary system that lags behind the market for some important positions.

This report makes constructive recommendations for improvement--recommendations which will free or redirect City officials to use their capacities in other ways and under different concepts so that better results will be obtained.

The problems discussed in this report have been recognized by the Mayor and his advisers. This Study may be regarded as another step in a constructive series by the Mayor to strengthen and modernize the City's management. Like the work of the Mayor's Committee on Management Survey, the establishment of the Division of Administration, the reorganization of the personnel functions, the installation of the Career and Salary Plan, and now the new City Charter, this Study represents another opportunity to improve City administration.

The City's personnel program has made encouraging progress in recent years, but far more remains to be done.

This chapter summarizes both the elements of the problems and what needs to be done about them. Later chapters will develop the problems and the solutions in detail.
The Elements of the Problem

In a difficult manpower market the City is not meeting its needs for professional, technical, and managerial employees, and the situation is getting worse. There are grave nationwide shortages in the supply of people needed to provide some of the most important and sensitive services to citizens of New York. Psychiatrists, psychologists, physical therapists, x-ray technicians, nurses, dietitians, social caseworkers, engineers, architects, planners, and statisticians are all in short supply. And the shortages are reflected in thousands of vacancies in City government employment. About one position out of every five is vacant in professional, technical, and managerial categories.

To make matters worse, there is heavy turnover in some of the most needed of these occupations (city planners, junior engineers, dietitians, nurses, social caseworkers). Turnover is heaviest among the younger people who have been with the City the shortest period of time. This makes it even harder to recoup the losses.

Age is another problem. There are heavy age concentrations in the fifties and sixties among accountants, civil engineers, administrative officers, and attorneys. Some of these people will take optional retirement at age 55, or soon after that. All are getting to the age where death or disability is statistically closer and the need for replacement nearer.

The City has little appeal as an employer. A survey of seven thousand to eight thousand people\(^1\) revealed that the City of New York State, the Port of New York Authority, voluntary hospitals, and welfare agencies; students and recent graduates of local colleges; and people who resigned from City jobs.
York is not as attractive an employer as other employers. City employees are clearly less satisfied with their jobs than are employees of other organizations surveyed. These other employees, too, think poorly of City employment. Students and recent graduates of local colleges and universities (people one would expect to be the source of the City's future skilled employees) have little interest in working for the City. They think that the pay is not good and that opportunities for advancement are poor.

The people who run the City's programs have little control over its personnel. The commissioner who runs the traffic program or the health program or the welfare program has little to say about who gets appointed, who gets promoted, and what they are paid. The Bureau of the Budget decides what positions may be filled, and when, and essentially at what salary rates. The Department of Personnel decides who shall be appointed and who shall be promoted. The commissioner who runs the program is put in the position of being a claimant or a pleader before these agencies. The department head (usually an outstanding expert in his field) does not exercise full management authority and has not had the chance to develop management competence in his staff.

The City cannot and does not compete for the new excellent people it needs on anything like equal terms with other employers. When City recruiters go to colleges and universities or to professional meetings, or to other recruiting points, they are not now able to compete with other employers in pay, in variety of jobs, or in ability to make early commitments. The effort to "sell" City employment to the public and to sources of skilled manpower must be
The City's "merit system" is slow and often ineffective in selecting and promoting able employees. In many cases, the highly-skilled citizen who wants a City job applies for it—waits—takes a written test—waits—finds his name on a list—and waits. Instead of waiting, he may go elsewhere. If he is a good worker and a poor test-taker, he will not even be on the list. Promotions also pose problems. The employee who shows by his work that he most deserves promotion may or may not get promoted.

Some provisions of the City's "merit system" carry over from the days when able people waited in line for government jobs and when the main purpose of a personnel system was to resist partisan politics. In administrations dedicated to program need, an efficient personnel system should counteract "spoils" tendencies.

The City often fails to use people to best advantage. There is no system to make sure an employee's skills are being used on the job in the way they can contribute most. Many an employee is working beneath his skills because of lack of supporting staff or lack of equipment. Many another cannot be moved to the job where he would be most valuable because of blocks in the personnel system.

Many salaries are too low. The City is paying "below the market" for physicians, engineers, statisticians, and many other skilled people. Other employers pay more for the same duties, especially for experienced workers. Low salaries also hurt the City
in recruiting for college graduates. City salaries often lag behind the rest of the market.

The system for adjusting pay is irregular. Salary levels are adjusted after group appeals, job by job, occupation by occupation. First one group of employees pulls ahead, then another. The "horse race" is never over. In another unfavorable aspect, the system tends to keep the City from paying an efficient worker more than a mediocre one.

Training of employees has too low a priority. In general, employee training needs stronger policy support and more resources. Training staffs are meager, and little money is available for this purpose.

**Summing Up**

Such considerations haunt municipalities from coast to coast because the city, as the offspring of the state, often lacks the means or the authority to take corrective action.¹ Yet these factors are magnified many times in the City of New York by virtue of its very size.

Certainly these problems present a very grave situation for the City at this point. There is real danger that these difficult questions of personnel administration will keep out or drive out persons of excellence in professional, technical, and managerial categories at the very time when the City's need is great.

What Needs To be Done

Organize a Community Effort to Upgrade City Service

This crisis is so serious that nothing short of a community-wide effort will solve the problems. This calls for a total plan to improve the quality and the repute of the public service of the City of New York. The citizens of New York should understand clearly and emphatically that the vital programs of health, water, engineering, highways, welfare, and all the rest, must be run by highly qualified, highly dedicated people and that, under present circumstances, the City may lose such people and not be able to replace them.

This effort should involve all segments of the community. The political leaders of the City, in their public pronouncements and in the decisions they make, should keep in mind the City's need to get and keep able people. The press, in its news coverage and in its editorials, should be urged to emphasize the need for superior City employees and to report positive achievements by City personnel.

Educational institutions, professional organizations, citizen groups, churches—all these need to lend their voices and their efforts to this cause. Perhaps, like the Federal government's Peace Corps, this effort needs an attention-getting name. The program and the effort must be positive. All these groups must be sold on—and must sell—the necessity of getting able people into City service and paying them, training them, using them in ways that will obtain the full measure of their cooperative effort and reward them for work well done.
This effort is vital, but it will succeed only if there are major improvements in management and personnel administration.

Revise the City's Management Philosophy and Methods

This second biggest government in the country needs to overhaul the overcentralized aspects of its system of total management. It has to relearn the lesson of management in America that the way to get things done effectively is to get the ablest man possible, put him in charge, fix goals for him, and give him the resources and staff help to get the job done. Thus central fiscal leadership for the departments and agencies should be concerned with major trends and overall limits, rather than with details of administration. The Department of Personnel should become a planning, facilitating, standard-setting, and guiding agency, rather than one which seeks to control in detail or to do centrally the greater part of the City's personnel work. Each department head needs to be given more freedom to use the money appropriated for his programs and more freedom in hiring, training, using, and promoting the people these programs need.

These management changes make it necessary for the City to develop a corps of able administrators to help the department heads take on these increased responsibilities. These administrators must be career people with a stake in management and high professional competence and interest.
Adopt a New Merit System Philosophy

A merit system must keep partisan politics and favoritism out of government administration--no question about it. But a merit system is not necessarily achieved through a series of written civil service tests, resulting in eligible lists which are used up one name at a time. It is not a tightly controlled, narrowly conceived mechanical system of promoting people. A merit system is a plan which gives citizens equal opportunity to compete for public jobs on the basis of their qualifications and their merit. It also gives them the opportunity to compete for promotion against their fellow employees on the same basis. In short, it is a system which assures, so far as humanly possible, that the best man gets the job, the best man stays in the job, the best man gets promoted when there is a vacancy, and the best man gets the highest pay. And the main decision as to who the "best man" is must be made by the person responsible for program results--the department head. He should seldom make such decisions alone or without advice, but should have the authority to make them.

Apply Sound Statistical Work, Sound Planning, and Sound Research to City Personnel Problems

In order to plan effectively its recruitment, selection, and training activities, the City government needs accurate, comprehensive personnel statistics. It should have efficient methods for counting its job vacancies, for finding out why people leave City employment, for planning to replace them, and for projecting
needs for the future. There should also be research and evaluation studies to see how well personnel processes have worked and how they can be revised and improved.

Make Recruitment Fully Competitive

In today's manpower market for professional, technical, and managerial people, aggressive, resourceful recruitment is a necessity. Recruitment has to be a part of every department's work, and the professional people involved in that work have to find others to serve with them. All the large departments need full-time recruitment officers, working on the basis of a specific plan: how many people they are going to try to get, where they are going to get them and when, and what materials are needed. Such plans have to be tied together, coordinated, and led by a larger, better-financed recruiting staff than the Department of Personnel has had in the past. The City should also join in the efforts of professional societies to get young people to enter shortage occupations.

Yet much more is needed than a recruitment system: The jobs have to be there. There is a need for more positions that can be filled by college graduates without work experience. In particular, there is value in bringing "fresh blood" into administrative work instead of limiting administrative opportunities entirely to persons promoted from the ranks of clerks.
Overhaul Methods of Selecting and Placing Professional, Technical, and Managerial Employees

To speed the selection process and its responsiveness to program requirements, the City needs to reduce its emphasis upon time-consuming written tests. Use of "rapid recruitment" methods should be increased. Written tests where used, must be developed on the basis of thorough analysis and research. They should be broad tests of general competence for entry into the City service. Those who pass can be guided later into the type of work they can do best.

Strong measures are also needed to give department heads more freedom of choice among candidates for professional, technical, or managerial jobs. They should be able to choose from a larger number of candidates on civil service lists, to select from wider promotion areas, and to fill jobs by appointment from outside the service instead of by promotion.

Make More Detailed Studies of Organization, Management, and Procedures in Order to Plan the Best Use of Employees' Capacities

The time and ability of professional employees are wasted if they are required to do work which could be done by a clerk, or if they are working with inadequate equipment, or if their records and procedures are obsolete. The City's current program of placing management and planning staffs in every department should be speeded in order to make sure that every program operation is using the most efficient possible combination of human resources, space, equipment, and supplies.
Modify the Salary System to Make It Adequate
Both in the Levels of Salaries Paid and in
the Process for Making Salary Changes

The City needs to make an annual survey of prevailing salaries
to determine adjustments which should be made and then make them
at the same time each year.

The Career and Salary Plan for white collar employees should
be strengthened by revising class specifications, delegating
considerable classification authority to department heads, eliminat-
ing participation by the Bureau of the Budget in the classification
process, revising the graded salary range plan to provide fewer
ranges and higher rates, and making more use of salary increases
to reward merit.

Although the City's fringe benefits compare well with those
of other employers, studies should be made of the desirability of
providing group life insurance and major medical insurance.

Emphasize Training and Development of Em-
ployees as a Major Aspect of City Management

As a matter of policy, training and development programs must
be provided to give employees the skills and knowledge needed to
do their present jobs best and to prepare them for advancement. This
requires a strong policy position to be taken by the Mayor, money to
pay for training courses, effective training units in the large de-
partments and agencies, and an increase in the training organization
of the Department of Personnel. All training and development activ-
ities should be carefully planned and based on studies of needs.
Department heads should also be given the authority to use money in their budgets for training employees outside the government, if this is needed. In order to meet the urgent need for people trained in City planning, urban renewal, and other aspects of municipal administration, the City should immediately start study of the best way to establish an institute for training in urban and metropolitan affairs.

In order to prepare City employees for effective service in managerial and executive positions, it is important that executive development activities continue and that each department establish a program to determine its need for high supervisory employees and to train employees to advance to these levels. Vigorous, effective training programs should also be provided for recent college graduates appointed to City service as "trainees."

**Will Recommendations Increase Costs?**

The recommendations in this report will of course cost money. Gross costs will be relatively small: less than three-quarters of one per cent of the total City expenditures for personal services. In many of the fields covered, the City is already increasing its expenditures to raise salaries to levels paid by other employers and to strengthen recruitment and training programs. Costs of
some recommendations will be at least partly offset by savings: costs of test research and development can be offset by economies from nonrelease of test items; costs of personnel utilization studies should be more than offset by economies from more efficient operation. The most important savings, however, are those which are difficult to find and count—savings resulting from reduced turnover and from use of better-qualified, more productive employees.

**Agenda for Progress**

This chapter has summarized the City's need to do a better job of managing professional, technical, and managerial personnel. The following chapters contain more detailed findings and recommendations. It is important to note that the recommendations at the end of each chapter are not of equal importance; some will be more time-consuming and difficult than others; some will require more basic changes than others. They fit together, however, as a series of signposts that point the way to an improved program of getting, keeping, utilizing, training, and properly recognizing and rewarding an indispensable resource of the community: the City's professional, technical, and managerial employees.

The next step is for the Mayor to assign responsibility to appropriate officials for planning and following up an action program to put these recommendations into effect.
City Service and Modern Management

The City's departments and agencies have necessary and important purposes: That citizens may live, grow, and serve one another in health, order, decency, and self-respect. City department heads can run their programs with zeal and effectiveness if adequate resources are provided and if they are well used. At present, the City's difficulty in getting and keeping professional, technical, and managerial employees is a factor that gets in the way of attaining program goals.

This report outlines a number of ways to overcome this difficulty and to speed progress in achieving a more up-to-date, flexible personnel system for professional, technical, and managerial employees. Such a system is a vital factor in rendering community services needed by "the greatest City in the world."
IMPLEMENTATION PLAN FOR
MAYORAL ACTIONS

ANNOUNCED JULY 31, 1975

SEPTEMBER 12, 1975
PROJECT STATUS REPORT

IMPLEMENTATION PLAN FOR MAYORAL ACTIONS

ANNOUNCED JULY 31, 1975

This report summarizes the progress and the current status of the implementation plan for Mayoral actions announced July 31, 1975. Progress as reported here is based on the project plan dated August 6, 1975 and covers the period August 23 to September 11, 1975.

1. PROJECT DESCRIPTION AND OBJECTIVES

The objective of this project is to implement the plans for reorganizations, rescindments and revenue increases as ordered by the Mayor on July 31, 1975. There are 16 individual projects monitored in this report.

2. PROJECT PROGRESS AND CURRENT STATUS

Nine of the sixteen projects are on or ahead of schedule. Five projects are behind schedule and two has been completed.
1.1 ELIMINATE DEPARTMENT OF COMMERCE

This project was scheduled to be completed by October 31, 1975. It should be completed on time. The mechanism for elimination of C & I has taken the form of a Mayor’s message to the City Council which takes effect by the end of October unless modified by the Council. Termination of personnel and physical transfer cannot take place until that time.

By October 19, twenty-nine (29) positions will be identified for elimination, attributable both to the elimination of C & I and the dismantling of the EDA superstructure, at an estimated savings of $508,675. Of this amount $365,675 represents tax levy.

(1) Activities Completed

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestones</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Submit plan to OMB for eliminating or redistributing functions, staff and facilities</td>
<td>8/15/75</td>
<td>EDA</td>
</tr>
<tr>
<td>2.0</td>
<td>Prepare for elimination of functions</td>
<td>8/22/75</td>
<td>EDA</td>
</tr>
<tr>
<td>3.0</td>
<td>Submit 60 day message to City Council eliminating the Department of Commerce and Industry</td>
<td>8/28/75</td>
<td>Mayor</td>
</tr>
</tbody>
</table>

(2) Activities Behind Schedule

None
This project was scheduled to be completed by September 15, 1975. It should be completed on time.

There are 17 positions in OECEB, 13 of which will be dropped from the Maycralty and 4 which will be transferred to the Police Department. There are also 6 positions which will be dropped from the Department of Social Services. The re-organization will eliminate a total of 19 positions and save a net of $401,080, of which 50% is Tax Levy after allowing for a transfer of $215,000 to the Police Department.

The projected saving for this fiscal year is $175,750 in Tax Levy funds.

By Friday, September 19 all personnel to be eliminated will have been notified.

(1) Activities Completed

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Issue Executive Order rescinding Executive Order No. 51</td>
<td>8/29/75</td>
<td>Mayor</td>
</tr>
<tr>
<td>2.0</td>
<td>Reduce OTPS Budget in OECEB</td>
<td>8/15/75</td>
<td>OECEB</td>
</tr>
<tr>
<td>3.0</td>
<td>Submit Permanent Personnel Retention Lists</td>
<td>9/5/75</td>
<td>OMB</td>
</tr>
<tr>
<td>6.0</td>
<td>Terminate Lease on Warehouse</td>
<td>8/20/75</td>
<td>Real Estate</td>
</tr>
</tbody>
</table>
(2) **Activities Behind Schedule**

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Due Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.0</td>
<td>Consolidate Office Facility at 305 Broadway</td>
<td>8/23/75</td>
<td>OECB</td>
</tr>
<tr>
<td>5.0</td>
<td>Eliminate Personnel</td>
<td>8/29/75</td>
<td>OMB/OECB</td>
</tr>
</tbody>
</table>

(3) **Revised Schedule**

The schedule was revised from August 29, 1975 to September 15, 1975, in order to enable the Police Commissioner to review the Executive Order and Personnel eliminations.
1.3 STREAMLINE THE DEPARTMENT OF RELOCATION.

This project was scheduled to be completed by December 31, 1975. It should be completed on time.

Notices terminating 28 employees will be given by Friday, September 22. Ten provisional employees in HDA will be terminated. Ten permanent employees in HDA will be transferred to HMA to fill these positions. The balance of 18 employees will be dropped from HDA.

Budgetary savings of $570,000 including fringe benefits and $8,400 in capital funds will be obtained as a result of these actions. A savings of $162,400 in capital funds will accrue. The balance of the money, $387,600 is provided through federal funds. These funds, however, will not be lost since they can be transferred to other programs which are eligible for funding under the Community Development Act.

(1) Activities Completed

All activities shown below are sub-tasks of the major milestone: 1.0 Restructure Overhead functions.

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2</td>
<td>Create list of personnel affected</td>
<td>8/15/75</td>
<td>HDA/DoR</td>
</tr>
<tr>
<td>1.5</td>
<td>Combine Business and Industrial Services with Residential Relocation</td>
<td>8/29/75</td>
<td>Comm. Gomez</td>
</tr>
<tr>
<td>1.6</td>
<td>Transfers Research &amp; Program Analysis to Residential Relocation</td>
<td>8/29/75</td>
<td>Comm. Gomez</td>
</tr>
</tbody>
</table>
(2) **Activities Behind Schedule**

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Due Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Eliminate Social Services Functions</td>
<td>8/15/75</td>
<td>HDA</td>
</tr>
<tr>
<td>1.3</td>
<td>Notify Department of Personnel</td>
<td>8/29/75</td>
<td>HDA</td>
</tr>
<tr>
<td>1.4</td>
<td>Modify Budget</td>
<td>8/29/75</td>
<td>HDA</td>
</tr>
</tbody>
</table>

(3) **Problems**

Both milestones have been rescheduled to September 26, to allow OMB time to effect the transfer of 28 positions from HDA to HRA.

(4) **Corrective Action**

Milestones 1.1, 1.3 and 1.4 should be completed by September 26, 1975.
1.4 STREAMLINE DEPARTMENT OF DEVELOPMENT

This project was scheduled to be completed by October 31, 1975. It should be completed on time. The milestones listed below are not affecting the overall completion time since this action will be coordinated with the dismantling of the super-agency.

(1) Activities Completed

None

(2) Activities Behind Schedule

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Due Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Close Urban Renewal Field Office</td>
<td>8/27/75</td>
<td>HDA-DD</td>
</tr>
<tr>
<td>1.2</td>
<td>Move staff and equipment to Central Office</td>
<td>8/22/75</td>
<td>HDA-DD</td>
</tr>
<tr>
<td>2.0</td>
<td>Office of Housing Production - Funding Decision</td>
<td>8/15/75</td>
<td>OCM &amp; HDA</td>
</tr>
<tr>
<td>3.0</td>
<td>Centralize Neighborhood Preservation Offices - Obtain approval of Mayor</td>
<td>8/15/75</td>
<td>OCM &amp; HDA</td>
</tr>
<tr>
<td>4.0</td>
<td>Evaluate Staffing of ONP and obtain funding decisions</td>
<td>8/15/75</td>
<td>OCM &amp; HDA</td>
</tr>
</tbody>
</table>

(3) Problems

Milestones 2.0, 3.0 and 4.0 cannot be implemented until Mayoral decisions are forthcoming in two critical areas:
- the level of Municipal Loan and Neighborhood Preservation mortgage money that will be available in 1975-76

- the level of Mitchell-Lama mortgage money that will be available in 1975-76.

(4) Corrective Actions

Milestones 1.1 and 1.2 are being implemented according to plans which were finalized on August 20, 1975. The Office of Community Development is closing all its field offices effective September 15, and all employees are reporting to the Central Office for their new assignments.
1.5 ELIMINATE OFFICE OF STATEN ISLAND DEVELOPMENT

This project was scheduled to be completed by October 3, 1975. It should be completed on time.

Seven positions of which one is vacant, will be eliminated on September 13 at a total saving of $200,071 ($180,871 in personal service and $19,300 in OTPS).

(1) Activities Completed

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Issue Executive Order rescinding Executive Order No. 27, creating Office of Staten Island Development</td>
<td>8/26/75</td>
<td>Mayor</td>
</tr>
</tbody>
</table>
2.1 COMBINE PORTS AND TERMINALS WITH MARINE AND AVIATION

This project was scheduled to be completed by October 3, 1975. It should be completed on schedule. The OMB study has been redirected to focus on the potential consolidation at the City's dock building and pier maintenance function, and determination of the preferred administrative structure for these functions.

(1) Activities Completed

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestones</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Initiate OMB Study</td>
<td>8/15/75</td>
<td>OMB</td>
</tr>
<tr>
<td>2.0</td>
<td>Determine Purposes and functions of the agencies</td>
<td>8/29/75</td>
<td>OMB</td>
</tr>
</tbody>
</table>

(2) Activities Behind Schedule

None
2.2 **ELIMINATE THE MAYOR'S OFFICE FOR VETERAN ACTION**

This project was scheduled to be completed by September 5, 1975.

By Friday September 19, the Office of the Mayor will have reviewed recommendations contained in the Office of Management Services report.

When MOVA is eliminated 17 employees will be terminated at a tax levy savings of $366,591.

(1) **Activities Completed**

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Complete OMS Report</td>
<td>9/10/75</td>
<td>G. Antipas</td>
</tr>
</tbody>
</table>

(2) **Activities Behind Schedule**

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Due Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>Issue Executive Order</td>
<td>8/22/75</td>
<td>OOM</td>
</tr>
<tr>
<td>3.0</td>
<td>Implementation Activities</td>
<td>9/05/75</td>
<td>Various Offices</td>
</tr>
<tr>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(3) **Problems**

Milestones 3.0-8.0 can be implemented rapidly following issuance of the Executive Order.

(4) **Corrective Actions**

None
REORGANIZATION OF YOUTH SERVICES PROGRAMS

This project was scheduled to be completed by November 14, 1975. It should be completed on time. Activity No. 1, "Conduct Management Audit of YSA" has been rescheduled for completion by September 30, 1975.

(1) Activities Completed

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>Identify functions of other agencies in providing youth services</td>
<td>9/08/75</td>
<td>OMB/OMS</td>
</tr>
</tbody>
</table>

(2) Activities Behind Schedule

None
2.4 CONSOLIDATE BOARD OF WATER SUPPLY WITH DEPARTMENT OF WATER RESOURCES

This project was scheduled to be completed by April 30, 1976. Achievement of this target depends on timely enactment of legislation which will be introduced in the legislative session starting January 2, 1976.

Savings of about $3.6 million per year will be achieved through a reduction of approximately 60 positions, discontinuance of rented space and transfer of some design staff to projects funded in part by non-City sources.

(1) Activities Completed

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| 1.0 | Inform BWS of Impending      | 8/12/75| OMb/Om
    | Management Audit             |       |                |

(2) Changed Assumption

When this project was first planned, it was assumed that legislation necessary to amend the Administrative Code might be taken up by the special session of the State Legislature which has now convened. However, the special session will not take up this matter.

(3) Revised Schedule

Milestones 4.0 and 5.0, the drafting and review of the legislation, have been rescheduled to reflect introduction of and enactment by the regular legislative session starting January 2, 1976.
CONSOLIDATE THE OFFICES OF MIDTOWN PLANNING AND DEVELOPMENT AND LOWER MANHATTAN DEVELOPMENT.

The project was scheduled for completion by October 15, 1975. It should be completed on schedule.

(1) **Activity Completed**

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Submit a report to City Planning Commission</td>
<td>9/01/75</td>
<td>MP &amp; D, LMD</td>
</tr>
</tbody>
</table>

(2) **Activities Behind Schedule**

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Due Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>Review report, submit decision to Mayor, OMB</td>
<td>9/05/75</td>
<td>City Planning Commission (CPC)</td>
</tr>
<tr>
<td>3.0</td>
<td>Review report, submit statement to Mayor</td>
<td>9/10/75</td>
<td>OMB</td>
</tr>
<tr>
<td>6.0</td>
<td>Create lists of permanent, provisional employees</td>
<td>9/02/75</td>
<td>CPC</td>
</tr>
</tbody>
</table>

(3) **Problems**

None

(4) **Corrective Actions**

A decision will be made on implementation of the consolidation plan on Tuesday, September 16, at a meeting with Deputy Mayor Gibson.
3.1 TRANSFER $30 MILLION FROM CAPITAL TO EXPENSE BUDGET

This project was completed.
3.2 IMPLEMENTATION OF CAPITAL BUDGET RESCINDMENTS

This project was scheduled to be completed by October 31, 1975. It should be completed on schedule.

(1) Activities Completed

<table>
<thead>
<tr>
<th>NO.</th>
<th>Milestones</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Establish a list of all realistic potential rescindments</td>
<td>8/18/75</td>
<td>OMB</td>
</tr>
<tr>
<td>2.0</td>
<td>Present a package of rescindments totalling $375 million to the Board of Estimate, City Council and Mayor</td>
<td>8/29/75</td>
<td>OMB</td>
</tr>
</tbody>
</table>

(2) Activities Behind Schedule

None.
3.3 ESTABLISH NEW CASH FLOW REPORTING SYSTEM

This project was scheduled to be completed by August 20, 1976. It should be completed on time.

(1) Activities Completed

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestones</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Design and implement preliminary Expense Budget Reporting System</td>
<td>Comp.</td>
<td>OMB</td>
</tr>
</tbody>
</table>

(2) Activities Behind Schedule

None.
4.1 MTA FARE INCREASE FROM 35¢ to 50¢

This project was scheduled to be completed by September 1, 1975. It has been completed.

(1) **Activities Completed**

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Implement fare increase</td>
<td>9/1/75</td>
<td>MTA</td>
</tr>
</tbody>
</table>
4.2 IMPLEMENT $64 MILLION CUT IN CUNY FUNDS.

This project was scheduled to be completed on August 29, 1975. It is now scheduled for completion on September 27, 1975.

(1) **Activity Completed**

None

(2) **Activities Behind Schedule**

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Due Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Remove $32 million tax levy funds on preliminary basis</td>
<td>8/8/75</td>
<td>BHE</td>
</tr>
<tr>
<td>1.2</td>
<td>Call a meeting of the Board with the Mayor on policy alternatives</td>
<td>8/15/75</td>
<td>BHE</td>
</tr>
<tr>
<td>1.3</td>
<td>Make budget adjustments</td>
<td>8/29/75</td>
<td>BH &amp; OMB</td>
</tr>
</tbody>
</table>

(3) **Problems**

The $32 million reduction in tax levy funds translates into a $64 million reduction in all funds.

This reduction in funding will have a serious impact on CUNY educational programs. It will require an extensive plan having impact on the status of tuition, open admissions and the consolidation of colleges within the City University system.

(4) **Corrective Action**

The Board of Higher Education is meeting on September 16, to take up the issue of the mandated cuts.
5.1 DEVELOP AND IMPLEMENT AGENCY PLANS TO INCREASE PRODUCTIVITY

This project was scheduled to be completed by October 17, 1975. It should be completed on time.

(1) Activities Completed

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Direct Agencies to prepare and submit Plans</td>
<td>8/01/75</td>
<td>OoM</td>
</tr>
</tbody>
</table>

(2) Activities Behind Schedule

<table>
<thead>
<tr>
<th>No.</th>
<th>Milestone</th>
<th>Due Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>Prepare and Submit Plans</td>
<td>9/05/75</td>
<td>CPC NYCERS ONS OLS BS&amp;A</td>
</tr>
</tbody>
</table>

(3) Problems

Five out of fifty agencies had not submitted plans as of September 12, 1975.

(4) Corrective Action

Agencies which have not responded are being contacted.