



THE COUNCIL  
THE CITY OF NEW YORK  
FINANCE DIVISION  
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PRESTON NIBLACK, DIRECTOR

TO: Honorable Christine Quinn  
Speaker

Honorable David I. Weprin  
Chairman, Finance Committee

FROM: Preston Niblack, Director, Finance Division  
Tanisha Edwards, Counsel, Finance Division

DATE: June 19, 2009

SUBJECT: A budget modification (MN-5) for Fiscal Year 2009 to transfer funds between  
various agencies.

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INITIATION: By letter dated June 18, 2009, the Director of the Office of Management and Budget submitted to the Council, pursuant to section 107(b) of the New York City Charter, a request for approval to transfer funds totaling \$1,198,035,480 between various agencies in Fiscal Year 2009 to implement changes in the City's expense budget.

BACKGROUND: This modification (MN-5) implements the remainder of the expense budget changes, which were reflected in the City's Executive Financial Plan Modification, as well as changes recognized as part of the Fiscal 2010 adoption process.

FISCAL IMPACT: This modification represents the transfer of funds within and between agencies. The net effect of this modification is zero.

Preconsidered Res. No.

RESOLUTION APPROVING THE MODIFICATION (MN-5) OF UNITS OF APPROPRIATION AND THE TRANSFER OF CITY FUNDS BETWEEN AGENCIES PROPOSED BY THE MAYOR PURSUANT TO SECTION 107(b) OF THE CHARTER OF THE CITY OF NEW YORK.

By Council Member Weprin

**Whereas**, at a meeting of the Committee on Finance of the Council of the City of New York (the "City Council") on June 19, 2009, the Committee on Finance received a communication, dated June 18, 2009, from the Office of Management and Budget of the Mayor of The City of New York (the "Mayor"), of a proposed request, attached hereto as Exhibit A (the "Modification"), to modify units of appropriation and transfer city funds in the amount of \$1,198,035,480 between various agencies in the Fiscal Year 2009 expense budget as adopted by the Council on June 29, 2008, pursuant to Section 107(b) of the Charter of the City of New York (the "Charter"); and

**Whereas**, pursuant to Section 107(b) of the Charter, the City Council has thirty (30) days after the first stated meeting of the City Council following such receipt within which to act upon the Modification;

**NOW, THEREFORE**, The Council of The City of New York hereby resolves as follows:

- 1. Approval of Modification.** The City Council hereby approves, pursuant to Section 107(b) of the Charter, the actions proposed by the Mayor as set forth in the Modification.
- 2. Effective Date.** This resolution shall take effect as of the date hereof.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by The Council of The City of New York on June 19, 2009 on file in this office.

**Clerk of The Council of The City of New York**

## THE COUNCIL

### REPORT OF THE COMMITTEE ON FINANCE

#### RESOLUTION APPROVING THE MODIFICATION (MN-5) OF UNITS OF APPROPRIATION AND THE TRANSFER OF CITY FUNDS BETWEEN AGENCIES PROPOSED BY THE MAYOR PURSUANT TO SECTION 107(b) OF THE CHARTER OF THE CITY OF NEW YORK

The Committee on Finance, to which was referred the above-captioned resolution, respectfully submits to The Council of the City of New York the following

#### REPORT

Introduction. At a meeting of the Committee on Finance of the City Council of the City of New York on June 19, 2009, the Committee on Finance received a communication, dated June 28, 2008, from the Office of Management and Budget of the Mayor of The City of New York, of a proposed request, (the "Modification"), to modify units of appropriation and transfer city funds between units of appropriation in the Fiscal 2009 Expense Budget (as defined below) pursuant to Section 107(b) of the Charter of the City of New York (the "Charter").

Analysis. The Council annually adopts the City's budget covering expenditures other than for capital projects (the "expense budget") pursuant to Section 254 of the Charter. On June 29, 2008, the Council adopted the expense budget for fiscal year 2009 (the "Fiscal 2009 Expense Budget"). This modification (MN-5) implements the remainder of the expense budget changes, which were reflected in the City's Executive Financial Plan Modification, as well as changes recognized as part of the Fiscal 2010 adoption process. Specific changes in MN-5 include the following: an advance deposit of \$225.0 million to the Retiree Health Benefits Trust Fund and an increase of \$278.9 million to the Budget Stabilization Account to prepay debt service. Appendix A details the State, Federal and other funds impacted by these changes.

If the Mayor wishes to transfer part or all of any unit of appropriation to another unit of appropriation from one agency to another or such that the transfer results in any unit of appropriation being increased or decreased by the greater of five percent or \$50,000, Section 107(b) of the Charter requires that the Mayor must first notify the Council of the proposed action. Within 30 days after the first stated meeting of the Council following receipt of such notice, the Council may disapprove such proposed action. If the Council fails to approve or disapprove such proposed action within such 30-day period, the proposed action becomes effective and the Mayor has the authority to make such transfer.

Description of Above-captioned Resolution. In the above-captioned resolution, the Council would approve the Modification pursuant to Section 107(b) of the Charter. Such resolution would take effect as of the date of adoption.