

Transcript: Mayor Eric Adams, Council Speaker Adams Announce Budget Handshake Agreement for Fiscal Year 2023

June 10, 2022

[...]

Mayor Eric Adams: I could just merely introduce my staff and I could just bounce.

[Laughter]

Mayor Adams: I could just bounce now, you know, and it is about teams and oftentimes you see the faces at the leadership roles. But these amazing teams that sit down and negotiate and they make us look good and we just want to thank them. As you appropriately listed off all those who were behind the scenes, I want to do just some of the team members that really nurtured us throughout this entire process.

Mayor Adams: And Jacques Jiha, just a long time expert on these issues. And the leader of our deputy mayors, just a longtime expert, Lorraine Grillo, first deputy mayor. When we talked about nonprofits, we're able to talk about it from a level of expertise because of Deputy Mayor Sheena Wright, the real emotional intelligent glue that keeps us all together in dealing with the human services. Just our amazing, compassionate Deputy Mayor Williams-Isom. And city government is complex. Not only are you dealing with the services, but you're also dealing with many people who have never fully trusted government and I knew I had it right when I made the decision, and after the first six months, I'm just so darn happy that I stayed true to where the expertise was needed. And that is my amazing, amazing chief of staff, Frank Carone.

Mayor Adams: So a solid, a solid moment, a solid moment for us. Because, there's always this subtext to these procedural things that happens. They happen in this city, but this is a solid moment. It's a symbol to so many. Right now, there are children sitting

in a public school and they are figuring out can they ever reach the level of leadership because they've moved on the public school and the CUNY course. And they thought these positions were for those who came with different levels of credentials. There are those who are dyslexic, saying it's not possible, can I do it. There are those who are civil servants, parents, correction officers, mothers, cleaners, and mothers working in the kitchen. This is a moment for them as we deal with putting things in our budget that is going to give them an opportunity to excel, it's also stating that you can look at the leadership of this city and see what the possibilities are.

Mayor Adams: Here is a person that, we were in classrooms together in Bayside High School, public school, and now we are at the leadership position of the most powerful city in the most powerful country on the globe. Think about that. And the beauty of it is that you don't have to be perfect. You could be perfectly imperfect and still remain dedicated and committed to get this stuff done. And they did something else, everyone talks about this council on how they want oversight on policing to make sure they got it right. But you missed something if you didn't hear what the speaker stated. Show me anywhere else in the country where people are talking about laws, rules, and resources to victims of crime. Victims. The only conversation is excluding those who are victims of crime. To state that you're going to allocate \$100,000 into something that the councils can go into their communities and now deal with the victims of crime.

Mayor Adams: Yesterday, the mother of Kade handed me a note after losing her son. She says "I'm not hearing anything, no one is talking to me." We have to do a better job to remember when someone is a victim of a gunshot, a robbery, a rape, they are still there hurting. And if we don't go there and deal with innocent people who are victimized and make sure they get the support they deserve, then we are missing the boat. And you said today, we're going to hold police accountable, but we're also going to be there for the victims who are living through the tragedy that we read every day. And I applaud you for that.

Mayor Adams: Also what is missing is that last weekend, we stood with Senator Salazar to talk about the NYCHA Land Trust. Now, Senator Salazar and I is about as politically opposite as you can get. But we said to ourselves, "Why are we leaning into what we disagree on? Why not lean into what we agree on?" And because we came together, we were able to get an agreement out of Albany to finally give NYCHA residents opportunities. That is what's playing out here. I disagree philosophically on many issues. You know, Crystal, you and I battle all the time on stuff.

Mayor Adams: But you know what? We both agree that we should have fair futures. We both agreed that we should ensure that mothers who are undocumented should also have access to childcare. We both agree that we should ensure that the reduced fare Metrocards should be available. So there's so much we agree on, and we're willing to say "We're gonna debate on those things we disagree on but why not start from the position of the things that we agree on?" That is what's different.

Mayor Adams: What this council, our teams, and this speaker and this mayor is saying to every arm of government in this country, it is time for us to move to a place of what we agree on. And not stay in the place of what we disagree on. This was easy for us. When the council stated the additional things they wanted in the budget, and Jacques came to me, I said, "Well, that sounds like me." When they started talking about increasing this area and increasing that area, these are things we advocated for. We were so much aligned that people want to spend so much energy on where we are not aligned. That's why we have this early handshake, because what we produced is what we believed in and was brought forward by this body here. And you should be proud of yourselves from what we accomplished.

Mayor Adams: And you look at the fact that this adopted budget, as the speaker stated, \$101 billion, increase of \$1.4 billion, and executive budget of April, had better tax receipts than we expected. But what we didn't say, we didn't let the dollars burn a hole in our pockets, as my mother used to say. We said "Save." Because we learned from COVID that unexpected things happen and we're not going to be prepared. That's why bonders are saying we move it from stable rating to optimistic, optimistic, about how they feel about the city's future. Our reserves, the adopted budget has record— they hear so much about [inaudible] this first time? Record level of reserves totaling \$8.3 billion. We're adding \$750 million to the Rainy Day Fund because COVID was not a shower, it was a typhoon, and we want to be prepared in the future. \$750 million to retired health benefits trust, \$500 million to the general reserve.

Mayor Adams: When you look at the priorities funded in the adopted budget, the highlights, benefits, access. Do you know how much money we sent back to Washington in the state? We leave so much money on the table because government is so bureaucratic and challenging to get the money that people deserve. So what are we doing? We're saying, "We're no longer going to wait for Miss Jones, who's eligible for some of these benefits. We're going to find them, knock on their doors, and sign them up for the benefits that they're eligible for." That is how smart government is supposed to operate. Allocating funding that's not getting the hands of people who need it is

something that I use all the time. Is called dysfunctional, and this is not a dysfunctional council, and this is darn sure not a dysfunctional mayoral administration. We're going to function and we're going to GSD, Lorraine, right? Get stuff done. That's why [inaudible] our Metrocards. Good wins. Smart. That's why EP Metrocards, we're sending children out for employment. They need Metrocards, so we put \$11 million into that.

Mayor Adams: Immigrant child care vouchers, \$10 million into that. These are immigrants who don't qualify for federal resources. We can't leave them out there. We're bringing them into and ensuring that we allocate the funding for that. Mayor's Office of Equity, \$6.5 million in addition that the Council came forward with to total with the \$7.5 million we had, with a total of \$14 million. So many issues, from LGBTQ+ community to immigrant issues. All of these issues that the Council persons are seeing on the ground, that they wanted funding. And when they were brought to our attention, I said, "That sounds like me, if anything." So we move forward with it. Thank you, for continuing to raise those important issues.

Mayor Adams: And this is a real home run, that property tax rebate. Property tax rebate. \$90 million. We are going to fight on behalf of renters. We're going to fight on behalf of renters. And I am not going to allow anyone to tell us we're not going to be there for renters. We're gonna continue to fight. We know how challenging it is to pay the rent in this city. But those who are out there that state, those small property owners are in a comfortable place, and if you own a home then you are already affluent – that is not a reality. People are struggling that are small property homeowners. And this rebate is going to go to them.

Mayor Adams: Human services providers enhancement, \$60 million to assist them in their income. Low-income childcare vouchers, \$9.2 million. Adult literacy. And you always talk about the program of those who are credits away from getting their degrees. We are going to be there for adult literacy to move people in the right direction. So these are just great things that we are placing in the budget. Because the lives that we have lived are the lives people are living now. And we're using a position of authority to make sure that we go back and we retrieve people who have slipped through the crack.

Mayor Adams: These are the promises we made. These are promises that we're going to keep. And yes, they're going to have folks who are going to say, "Why you don't have this? Why you don't have that?" Listen, we got this. We're gonna get it. We're gonna get it right. And we want to make sure that we use taxpayers dollars appropriately.

Mayor Adams: So we watched what happened in Washington, D.C. as we are debating over the firearms that are really destroying our cities. Just a few days ago there was another mass shooting. We watched the bickering in the debate. That's not who you are, and we want to make sure that is not what our city represents. With this, demonstrating the collaboration that's needed to come together during these difficult times, we know that in order to improve this city, the speakers and I believe that we have to get stuff done.

Mayor Adams: I want to thank, also, Finance Chair Justin Brannan for playing his role. So we are able to announce an early budget. This Fiscal Year '23 adopted budget is something that we're able to do early because we came to the table – how do we get to yes. Not how do we stay at no. This is a city that is going to become a city of yes. And when you look at the items that we pointed out, the budget builds off the framework of our preliminary budget.

Mayor Adams: Throughout the process we stayed focused on the basics: building reserves, responsible planning, and cautious management. The Council and I shared many budget priorities, and we were able to reach a period we were together on that. After living two years of this pandemic – decimated our economy, decimated our educational system, decimated our healthcare system – we knew we had to say the number one thing we learned and that is be prepared and plan ahead. So today, I'm proud to announce that together we have increased our reserves and we continue to plan ahead and be ready for the future.

Mayor Adams: Labor negotiations are on the horizon and we doubled down on replenishing the reserve funds that are needed and to be prepared on how do we make sure we have a fair contract negotiation with our labor brothers and sisters. We achieved nearly \$300 million in savings at the adoption over the Fiscal Year 22 and 23, and smart savings planning and efficient use of resources have allowed us to close the budget gap and make the important investments in New York. That includes prioritizing public safety. No one should be threatened or harmed because of their race, religion, their national origin, or ancestry. It's unacceptable, and so, together with the Council, we are allocating resources to prevent hate crimes and bias-related crimes. It's a real win for people who are living in fear in their city based on who they are. Not in our New York.

Mayor Adams: Also to make sure we are helping New Yorkers get on the right path, we are funding not only dyslexia screenings in every school, we're going to fund it in the Department of Corrections. People are coming home from jail still feeling broken on why they can't learn. We're going to the correctional facilities and we're going to screen for dyslexia, so they can learn that they just learn differently. Let's not only engage in a conversation about closing the building of Rikers Island. This Council and this mayor, we want to close the pipeline that feeds the building of Rikers Island.

Mayor Adams: And New Yorkers, we heard you and we listened. The streets are too darn dirty. We agree with the City Council, safe and clean parks and spaces. We know how important they were, a safe haven during the pandemic. Realized how important it is to maintain and improve these spaces, and now part of the adoption agreement, we will have more rangers in parks who will provide outdoor recreational programming, staff nature visits, and patrol parks. We will also do more planting and trail management and will be removing more than 2,500 stumps across the five boroughs.

Mayor Adams: We are doubling down on investments in the sanitation services as well. No one wants dirty streets or to live across from an unkempt lot or garbage and pests, and it's just unpleasant to live and that's something that we don't like. Let's be clear: I hate rats, and we have too many of them and we have to get rid of them. Overflowing trash bins, rubbish on our streets, not pick up. We're going to be putting 1,000 more rat resistant baskets on our streets.

Mayor Adams: Then we want to lean into our nonprofits. Sheena, Deputy Mayor Wright talks about it all the time. The pandemic disproportionately impacted many of our nonprofits. The years of inequity. Nonprofit service providers were on the front lines helping New Yorkers. I saw them all the time when I was out during the pandemic. We're going to make sure they are able to keep doing their vital work. So today we're announcing we have partnered with the Council to baseline a new investment of \$60 million in contract adjustments for human and legal service providers. A real win.

Mayor Adams: So when you do an analysis of this budget we're going into those areas of concern. Just as we did in Albany with the Earned Income Tax Credit, we're placing real money in the pockets of New Yorkers. Real money in the pockets of New Yorkers. From childcare vouchers for low-income New Yorkers, immigrant families. We are putting money with people needing something simple as a Metrocard. That's the difference between a lunch or that dinner or that breakfast. We're placing that money

back into the pockets of New Yorkers while providing a service with our transit system to get it up and operated.

Mayor Adams: We just want to finally- thanks to the advocacy of so many of the Council we are proud to deliver an additional \$40 million to our cultural institutions. So important. They were the hardest hit during the pandemic. We acknowledge that, and we are stating that we heard you and we are responding. I am really proud of this budget. I think it defines us as who we are and what we say we're going to be. It also states that we are going to charter a course of leaning into not our differences, but what we want for the people of this city.

Mayor Adams: The people of this city want safe streets, affordable living, gainfully employed, and be able to ensure that they can raise their children and families in a city that defines them and is representative of them. That is why, so I can beat Michael on asking the question, why I'm wearing my gala-

[Crosstalk]

Mayor Adams: Guayabera. Cause he was going to ask me that, you know that?

[Laughter]

Mayor Adams: I'm saving you so you could have your second question. Because if we stay traditional, we're going to do traditional things. And traditional things can't help us. So I hear everyone say I wanna go back to the city the way it was before COVID. I don't, because pre-COVID 65 percent of Black and brown children were not reaching proficiency in the Department of Education. Pre-COVID, immigrant families cannot get childcare. Pre-COVID, crime was relegated to certain parts of the city. So I don't want to go back to the way it was. I wanna go to the way it ought to be, and if we're going to do that it cannot only be verbalized, it has to be actualized in what we say, how we spend, and how we look.

Mayor Adams: So I'm going to stand at this podium some days wearing my Pakistani attire. Imma stand here wearing my Egyptian attire. Imma stand here wearing my AAPI attire. Folks need to know that this is not a city of just a suit and tie. Now I love my suits and ties, but seeing me at this podium today is saying to my Latin, Spanish speaking

community that I'm a man for you. That's what I'm saying. So when I rock their clothing I'm saying I'm gonna rock for you as the mayor.

[...]

Question: Hi, there. What are the out year budget gaps? And can you, this is just, sort of, a two part question. And can you explain why the budget grew by \$1.4 billion instead of paying down those gaps. I know you put a record amount in reserves, but you know, there's still uncertainty ahead.

Mayor Adams: Yes, one [inaudible] budget gaps which are manageable. [Crosstalk]. Okay, \$4 billion on average. We had unexpected tax increases, we had a better Wall Street than we thought we were going to have. But what the speaker and I did not do is to take those additional funds that we didn't believe we were going to get, and just spend them. We put more money into the reserves, and then we looked at those important areas that we want to improve upon like hiring and parks cleanliness. And so while we receive additional tax receipts, we made sure that we put some in the reserves, and at the same time looked at some of those things that we had to drill down and pay additional on.

Question: Hi, Mr. Mayor.

Mayor Adams: How are you doing, Liz?

Question: Good. I have a question about the education funding. Will principals be getting updated school budgets in the coming weeks and months, or do the same cuts based on enrollment stand?

Mayor Adams: No, we're going to, and the speaker has made it clear, she says, "Eric, we are not going below the Fair Student Funding." We had a major drop in student population in the Department of Education. So what we're doing, we're not cutting, we are adjusting the amount based on the student population. We're in a very dangerous time right now that many people are not realizing. We're dropping students so much, this may impact our federal funding, and we better now start making these smart decisions. So we're taking the money that we got from the federal government, and we

are making sure that we keep everyone at the Fair Student Funding level and to adjust as we look at the adjustments that is going to take place in education in the future.

Mayor Adams: Now we have to look at class sizes. That's a \$20 billion capital and a \$500 million course. If we don't do this right, this city can be in a real fiscal crisis and we have to make the smart decisions. And so, the number of students dropped, we're adjusting based on that drop, but we will never go below the Fair Student Funding. Now some people say, "Well you have the money already, why don't you spend the money that you have?" Wrong, no. Just because you see money in my bank account doesn't mean that I didn't write a check against it somewhere. It's just people didn't cash it yet. Every dollar we have is allocated, and it's going somewhere. So we take away from those dollars, we're gonna take away from some of the programs that are in place and they're paying for.

Mayor Adams: Katie, how are you?

Question: Good, how are you?.

Mayor Adams: Good.

Question: I want to ask, I know you talked about the property tax rebates for small property owners and then you also mention renters. Could you go into a little bit more detail about what you're doing for rentals and increase any of the vouchers or anything for people who are maybe getting subsidized rental or anything else for renters in the city.

Mayor Adams: Who's my voucher person? Come on, Joe.

[Crosstalk]

Mayor Adams: But Joe was the one that really pushed on the property tax.

Council Member Joseph Borelli: I already started texting for next year, so...

[Laughter]

Mayor Adams: Good job.

Question: How does that compare to previous rebates the city has offered to small property tax owners? I don't know if you know.

Mayor Adams: What's the dollar amount?

[Crosstalk]

Jacques Jiha, Budget Director, Mayor's Office of Management and Budget: \$150 for people making less than \$250,000.

[...]

Question: I wonder if you expand on the -

Mayor Adams: When did you get both your earrings done? I thought you only had one.

Question: You gotta go both, double.

Mayor Adams: Okay [laughter].

Question: I wonder if you could expand on the NYPD budget. I know you talked a little bit about transparency at the beginning, Is this going to help actually cut down on overtime overspending or is this just so we know there's overtime overspending?

Mayor Adams: The goal here, as the speaker stated with units of appropriation. Listen, look at our books, find the problems. As I said to Brad, the comptroller, find the problems. We want to fix the problems. That's the goal. And I always stated that there's a major problem with the deployment of police personnel. I don't know if you have noticed, when you go to the parades now, you don't see five cops standing on the corner all clustered together. And then if you find it, let me know. Because when you have parades where you don't have a history of issues or don't have a high level of threat, you don't need that type of manpower. If I'm doing the parade we did this weekend when we did the Pride parade in Queens, it was a different flow of manpower.

If you have the Sikh parade, you don't need five cops at every corner. If you have the Japanese Day parade, you don't need five cops at every corner. And so we are going to shift the use of manpower based on the, either threat level or the history of issues, that a small number would disrupt parades. So we want to make sure we can get it right.

Mayor Adams: Now, when I did my analysis of the overtime, there are some parades where we were having, with no incidents historically, not a large crowd, but 90 percent of the officers were on overtime. It just didn't make sense. We were so used to doing things the same way, and I stated, "That's not how we're going to do that." We need to make sure we deploy our police personnel the right way to bring down those overtime costs. I believe we can save a substantial number based on what the police commissioner and I are doing around the deployment of personnel.

Question: [Inaudible] NYPD budget allocated this year approximately the same as last year?

Mayor Adams: Yes it is, although we have the same manpower.

Question: I know you mentioned for the early handshake, congratulations [inaudible]. In contrast, the state was a little late. Do you see this, for the speaker or the mayor, as setting a good example for the state?

Adrienne Adams, Speaker, New York City Council: I love this question. This is our first budget together. I keep saying as a historic City Council, the mayor and I thought it was very important, as he stated in his remarks, that we find our common space first and then build out that way and in doing that he's absolutely correct. We had much more in common when we started bringing the demands of the Council to the administration, to the mayor's attention. There wasn't too much to argue about because my colleagues know their districts. We all understand New Yorkers, and the mayor and I were pretty much on par. As far as the state is concerned, can take notes for today.

Question: Would you both briefly discuss what impact, if any, inflation had on the budget you guys crafted or is this pressure that was gonna have to contend with in the future [inaudible].

Jiha: We have allocated resources for increased energy costs and oil prices, talking about gas prices, everything that we buy has increased so we basically accommodate for this.

Mayor Adams: But in addition to that, Nolan, what we're doing in our Chief Efficiency Office is we're looking at all of these contracts. We have a greater leveraging power, what are we paying for phones? What are we paying for gas? What are we paying for tires? What are we paying for food? These contracts, when was the last time we negotiated saying, "We're New York City, we have amazing buying power." So our Chief Efficiency Officer is now going in and we're gonna look at all of these contracts that the city have basically just been renewing, renewing, renewing. No. We need to go back to the table. We're probably the only place that has a data plan on phones. I don't pay for data on my phone. And so we're going in now and saying, "How do we spend better and wiser?"

Question: [Inaudible] housing is a huge issue in the city, rents are soaring. The state didn't renew 421a, kept housing spending flat at \$2.2 billion. Was there any thought about increasing the city's own funding for affordable housing in light of the expiration of 421a?

Mayor Adams: Hopefully we can come up with some type of plan. Our position from the Mayor's Office is that we could come up with some type of plan to deal with 421a or come up with 485w, whatever letters and numbers they wanna accumulate together. We have to build and I think we can get there to make sure we get the affordable ratio that people are looking for. Now, we are investing an additional \$5 billion compared with the \$17 billion, \$22 billion, that's the largest. These numbers are unprecedented. But there's something else, we had 2,500 units that were sitting empty, and so our Chief Housing Officer, Jessica Katz, is now, they're giving me a flow chart and we're identifying, "Where's the sticking point?" Spending without efficiency is just wasting taxpayers' dollars and we are going to put our heads together, how to continue to help renters as we saw the increase in the FEPS vouchers. But also we have to go after those, our Human Rights Commission is going to go after those who are ignoring people who have vouchers. There's far too many people who have vouchers in homeless shelters because people are discriminating against them. We're going to do tests and we're going to identify who they are and we're going to hold them accountable.

Question: Mr. Mayor, may I ask you about funding or lack thereof for corrections officers and how much you [inaudible] those for Rikers or elsewhere?

Mayor Adams: The funding for the correction officers? This is, I'm telling city agencies that every agency must do more within their budget. That was the message that the council gave us and we agreed on. As we look at how we do the housing for those who have a high level of violence, are we gonna stretch it out a little longer, but we're gonna stay on track with the funding. We wanted to bring on, I believe it was 500 more additional officers but we told the commissioner, Commissioner Molina, who I believe is one of the best commissioners we've ever had in corrections and we told him to see how we can keep those numbers down and continue to give the safety that he has shown in the last few months.

Question: To follow up on Emily's question, so are you no longer hiring the 500 additional correction officers and how does the size of this year's DOC budget compared to the last year?

Mayor Adams: I don't know the exact, you could do the comparison, Jacques could get you that. But no, we're not doing the 500.

[...]

Question: Can you give me the details on replenishing the labor reserve, and just a follow up, do you think inflation is going to create any larger raises than have happened in the past?

Mayor Adams: Well, one thing we can't do is negotiate at the podium, we have to negotiate at the union table. We're going to be fair, and of course inflation and every other aspect of it is going to come in place, and you know the team is going to sit down and negotiate that. The first part of your question—

Question: Just the numbers, you said that you put some of, I think -

Mayor Adams: What was the increase in the labor reserve?

Jiha: Right now we have about 1.25 throughout the plan.

[Inaudible]

Jiha: Four years, yeah.

Question: [Inaudible] between the April budget and now, what are you accomplishing growing the off year deficit with the larger economic issues [inaudible]?

Mayor Adams: Well, it's within the historical regions, so we feel comfortable, we're gonna do this again and we're gonna sit down and out, yes, sit down and negotiate, put our heads together, be transparent and honest, here's what we have, and move forward to be prepared. We're going to be prepared for the future, we're excited.

[...]