

#69

OFFICE OF THE MAYOR

EXECUTIVE ORDER NO. 69

AUGUST 25, 1976

ADMINISTRATION OF BUDGET APPROPRIATIONS

Whereas, The New York City Charter empowers and charges the Mayor with the responsibility of administering the Expense Budget for the 1977 fiscal year, and

Whereas, Certain itemized information and supporting schedules of appropriations, as last modified as of February 24, 1976, were contained in the Mayor's fiscal year 1977 Budget Message, in accordance with Section 117 (b) 2 of the New York City Charter, and it is necessary to provide for certain actions taken subsequent to February 24, 1976.

Now, therefore, in order to carry out and provide for an effective administration of the fiscal year 1977 Expense Budget, it is hereby ordered as follows:

Section 1. The budget appropriations of all departments and agencies shall be administered during the fiscal year 1977 under the terms of this Executive Order.

Section 2. The term "Agency" as used in this Executive Order means any office, administration, department, division, board, bureau, commission, corporation, institution or other unit of government, the expenses of which are paid in whole or in part from the City Treasury.

Section 3. Schedules of the appropriations contained in the Mayor's Message which accompanied the Executive Budget, or of such appropriations as amended by the City Council and Board of Estimate in adopting the Expense Budget for the 1977 fiscal year are hereby approved.

Section 4. (a) All actions taken in accordance with the New York City Charter, subsequent to February 24, 1976, approving modifications of the supporting schedules as contained in the Mayor's fiscal year 1977 Budget Message are hereby carried over, effective July 1, 1976.

(b) All adjustments of rates of positions in accordance with the provisions of special pay plans or reallocations, effective but not implemented prior to June 30, 1976, are hereby included in the fiscal year 1977 Budget, effective July 1, 1976.

Section 5. All of the powers of budget modification as granted in Section 124 (a) of the New York City Charter are hereby withdrawn from all agencies except for the following: the Boards of Education and Higher Education, the Community Colleges, the Office of the Borough Presidents, the Comptroller, the District Attorneys, the President of the City Council and the City Council; provided that the Mayor may, as a condition of making these exceptions, require these agencies to cooperate with the Office of Management and Budget in realizing savings required to meet potential budget deficits that may arise

during the fiscal year, and to conform to the terms of certificates governing the apportionment of Personal Service budget appropriations during the fiscal year.

Section 6. All agencies shall be governed by the following special terms and conditions in the administration of budget appropriations:

(a) VACANCIES

1. Requests for filling of vacancies and the processing of certificates will be made in accordance with Executive Order No. 24 (dated December 9, 1974) and Administrative Order No. 15 (dated January 13, 1975).

2. The Office of Management and Budget shall maintain monthly reports stating the number of positions in each agency the number filled and the number of vacancies (both regular and leave of absences). This report shall include a list of vacancies by code and line number, title and schedule line rates.

3. All agencies shall forward to the Office of Management and Budget a Monthly Hires Report which shall include a listing of all positions by payroll date, that have been filled, giving the code, the line number, the title, the schedule rate, the actual appointment rate, and funding source.

4. The reports required by Paragraphs (2) and (3) are necessary for review of requests for filling of vacancies by the Vacancy Control Board.

5. Any increases in the rate provided for employees of the competitive class, employed pursuant to Rule X of the Rules and Regulations of the New York City Civil Service Commission, shall be granted only upon approval of the Mayor.

(2) BUDGET MODIFICATION

Subject to the provisions of Civil Service Law or other applicable statutes, changes in schedules within units of appropriations may be made as follows:

1. In accordance with the provisions of the Career and Salary Plan, or any Labor Relations Order, or any special pay plan, or to provide increments not provided in the schedules.

2. Modifications increasing a rate of compensation not in accordance with provisions increasing salary scales, may not be done by the head of an agency unless approved by the Mayor.

Section 7. MANAGEMENT BY OBJECTIVE

The purpose of Management by Objective (MBO) is to improve departmental performance and adherence to Mayoral policies by increasing agency control over the management of agency operations within agreed upon broad constraints, limitations and levels of performance.

The MBO program is being administered by a Task Force appointed by the Mayor under the general direction of the First Deputy Mayor.

The administration of MBO is subject to the provisions of the Management by Objective Memorandum of Understanding dealing with Budget and Personnel Administration, the Performance Plan, and the Resource Plan, by and between the Office of Management and Budget, the Department of Personnel and affected Agencies.

The Memorandum of Understanding is subject to revocation upon notification given to the affected Agencies and the Office of the Comptroller by the Office of Management and Budget if the terms of the Agreement are not being met.

Section 8. All agencies shall be subject to the following general terms and conditions in the administration of budget appropriations.

(a) CHANGES IN APPROPRIATIONS

Any change in appropriations by transferring funds between Personal Service and Other Than Personal Service shall be done only upon approval of the Mayor.

(b) CLASSIFICATION OF LABORERS

The provisions of Interpretive Memorandum No. 6, issued by the City Director of Labor Relations and dated June 26, 1969 on Classification of Laborers, are to be fully complied with in filling vacant "A", "B", "C", "D", "E" positions of Laborer.

(c) SCHEDULE MODIFICATIONS

Any modification changing any schedule as allowed by these terms and conditions, shall be on a schedule basis, and not on a cash basis, unless otherwise directed by the Mayor.

**(d) SALARY ADJUSTMENTS AND INCREMENTS FOR POSITIONS COVERED BY CAREER AND SALARY PLANS**

Salary adjustments and increments are to be provided in accordance with the provisions of a resolution adopted by the Board of Estimate on June 23, 1955 (Cal. No. 498), as amended.

**(e) SALARY ADJUSTMENTS FOR POSITIONS UNDER COLLECTIVE BARGAINING AGREEMENTS OR SPECIAL PAY PLANS**

Positions for which salary adjustments are provided in accordance with Collective Bargaining Agreements or Special Pay Plans, are to be provided in accordance with the provisions of the Personnel Orders, Implementing Personnel Orders, Labor Relations Orders, and Court Orders approved by the Mayor covering such positions.

**(f) SKILLED AND UNSKILLED LABOR**

1. The supporting schedules contained in the Mayor's fiscal year 1977 Budget Message, contain provisions for the employment of certain positions for a specific number of days. A payroll certificate shall be submitted in such form as the Comptroller may prescribe, establishing the fact that employees of such positions are working the required number of days, and the compensation of employees not working such number of days shall be reduced proportionately. It is not the purpose of the condition to deduct compensation for absences due to vacation, sick leaves, holidays, weather or other permissible cause.

2. No skilled laborer whose position is provided for in this budget at a prevailing rate and on per dem basis shall be permitted to work in excess of five days in any one week, or two hundred and fifty days in one year, except in case of seasonal work or in an emergency, and then, only upon approval of the Mayor authorizing an increased number of days. The foregoing general provision shall be superseded by any special provision attached to any particular line or code in this budget.

3. Where the number of days of employment is indicated, each day shall constitute such working hours as specified in the "Notes on Terms of Employment" in the Supporting Schedules contained in the Mayor's fiscal 1977 Budget Message.

**(g) SNOW AND ICE REMOVAL**

Funds provided for this purpose in Code 098-98-901 "Snow and Ice Removal" shall be allocated only upon approval of the Mayor, and payment to all persons engaged in Snow and Ice Removal shall be made in accordance with the terms and conditions contained therein. All laborers or skilled mechanics and all other employees whose duties are appropriate thereto, shall upon request of the Commissioner of Sanitation, be required to work, consistent with their titles, upon or in connection with snow removal, and if their compensation is fixed upon a per annum basis, no extra compensation shall be paid them for such work for that number of days upon which their per annum compensation is based. If any such employee shall fail or refuse to work upon or in connection with snow removal, his per annum compensation shall be reduced proportionately to the number of days during which he fails so to work.

**(h) MAINTENANCE CHARGES**

Incumbents receiving full or partial maintenance are to receive full compensation and increments in accordance with the Career and Salary Plan and other special pay plans approved by the Board of Estimate. Such employees are to reimburse The City of New York in accordance with the schedules of charges heretofore approved by the Board of Estimate on February 23, 1956 (Cal. No. 217), or any amendments thereto, in the following manner:

1. Charges shall be debited against the total compensation the incumbent is entitled to (inclusive of increments and other differentials), and shall be paid for by the incumbent from such total compensation received.

2. Administration for the collection of charges shall be the responsibility of the department or agency employing the incumbent, subject to audit by the Comptroller.

**(i) PAYMENT OF OVERTIME FOR CITY EMPLOYEES**

The planning and payment of overtime shall be authorized pursuant to Executive Order No. 56, dated April 2, 1976.

**(j) LIMITATIONS ON EXPENDITURES**

No liability is to be contracted for in excess of funds available for the purpose. The head of a department or other agency shall be held strictly accountable for exceeding appropriations without specific itemized approval of the Mayor. All balances of appropriations for which no contract liability is registered on the books of the Office of the Comptroller shall expire six months after the close of the 1977 fiscal year and disposed of pursuant to law, except for encumbered balances in General Purchase Fund accounts, which shall expire one year after the close of the 1977 fiscal year. The Department of Purchase shall accept no requisitions encumbering appropriations after June 30, 1977, and for purposes of efficient operation may set an earlier date. Agencies shall place neither orders chargeable to, nor further encumbrances on, annual requirement contracts issued for the fiscal year 1977 after June 30, 1977.

**(k) SPECIFICATIONS**

1. All contracts and open market orders, except those of the Board of Education, for supplies, materials, and equipment, chargeable to appropriations classified as "Other Than Personal Service", shall be based upon specifications which have been approved by the Board of Standardization in accordance with the New York City Charter. In the absence of such Standard or Tentative Standard Specifications for the particular supplies, materials or equipment required, contracts and open market orders shall be based upon specifications which are definite and certain and which permit of competition, as required by the New York City Charter, or which comply with Section 12 of the regulations of the Board of Estimate adopted June 30, 1949 (Cal. No. 318-A), as amended.

2. The head of the agency awarding the contract shall, at the time the contract is transmitted to the Comptroller for registration, certify that such contract is based upon specifications which comply with the above provisions. All open market orders issued shall contain a certificate by the head of the agency issuing the orders that such order is based upon specifications which comply with the above provisions.

3. No contract chargeable to this budget shall, after an award is made, be cancelled, nor shall any contract be modified in a manner materially affecting the substance thereof, unless such cancellation or such modification is approved by the Mayor or his duly authorized representative. This rule, however, shall not apply to a case where the terms of the contract reserve to the head of an agency the right to void a contract for default or abandonment of the work by a contractor.

#### (1) APPROVAL OF CONTRACTS

1. No contract or proposal for work to be performed chargeable to this budget, except for work to be performed for the Board of Education, the cost of which is estimated to be in excess of \$20,000, shall be advertised until such contract and specifications or proposal shall have been submitted to and approved by the Director of the Office of Management and Budget. No contract or proposal for work to be performed chargeable to this budget, for the Board of Education, the cost of which is estimated to be in excess of \$50,000, shall be advertised until such contract and specifications or proposal shall have been submitted to and approved by the Director of the Office of Management and Budget.

2. When specifications have been approved, addenda to such specifications also must be approved by the Director of the Office of Management and Budget. The specifications for the supplies, materials, and equipment in such contracts shall comply with the requirements of subdivision (k) herein.

3. Contracts for professional services must be submitted to the Mayor for his approval.

4. The provisions of Paragraph 3 of subdivision (1) of this section shall not apply to the Board of Education.

5. All contracts in accordance with Section 343 (a) of the New York City Charter to be awarded without public letting, must be submitted to the Mayor and approved by the Board of Estimate.

6. All contracts to be awarded in accordance with Section 349 of the New York City Charter, must be approved by the Board of Estimate.

7. For expense budget contracts of \$100,000 or more, which require approval by the Emergency Financial Control Board, the procedures set forth in the memorandum issued by the Office of Management and Budget dated April 26, 1976, should be followed.

#### (m) TELEPHONE SERVICE AND DATA PROCESSING EQUIPMENT

1. Modifications of telephone service contracts with the New York Telephone Company require prior review by the Office of Management and Budget as to cost impact on the Expense Budget and shall not be effective without the approval of the Mayor, except that such modifications which incur additional costs not in excess of \$40 monthly, plus the one-time installation charges, may be processed without the approval of the Mayor. No call directors, automatic switchboards, leased lines, except for Civil Defense services, etc., shall be contracted for unless approved by the Mayor.

2. All contracts or provisions in contracts for new or major modifications of communications systems, including telephone communications, shall not be processed without the approval of the Mayor.

3. Telephone Service Orders issued by the New York Telephone Company will reflect the required installations, deletions and changes, but not the cost thereof. Where approval is required of the Mayor the estimated cost of the modification shall be submitted with the Telephone Service Order. The using agency shall certify the charges reflected on the telephone bills and certify the bills for payment in accordance with the tariff chart. These certified bills are to be forwarded promptly to the Comptroller's Office for payment. If there are discrepancies holding up certification of a previous month's bill, an agency shall process subsequent monthly bills without delay where such bills can be certified. Where questionable toll charges appear on a bill, such charges shall be deducted from the bill processed for payment immediately.

4. All contracts for the rental of Data Processing and auxiliary Data Processing equipment shall be restricted to the equipment provided for under the contract in force when this budget takes effect. Modifications or proposals involving additional equipment shall not be effective except and in the manner approved by the Mayor.

5. The provisions of subdivision (m) shall not apply to the Board of Education.

#### (n) GENERAL PURCHASE FUND

Subject to the provisions of subdivision (k) herein, the appropriations provided for the various agencies for supplies, materials, equipment, and certain contractual services, are hereby made to the Department of Purchase to the extent of the amounts set forth in the amended schedules of the Mayor's Budget Message for this fiscal year and as also indicated in brackets opposite departmental appropriations for Other Than Personal Service, and the Comptroller is hereby authorized and directed to transfer from the respective appropriations the amounts stated in the said schedule to the General Purchase Fund herein established for the Department of Purchase. The balance remaining in the said appropriations, after the amounts stated in the said schedule have been transferred to the General Purchase Fund, shall be under the jurisdiction of and control of the various agencies.

Certain allowances set up in this budget which are payable from other than tax levy funds appropriated to agencies, subject to the provisions of law, for supplies, materials and equipment, shall be made upon requisitions for purchase by the Department of Purchase.

#### (o) AUTHORITY FOR PETTY CASH EXPENDITURES

Requests for permission to draw upon the Comptroller and the Finance Administrator by requisition for such amounts as may be required to defray the cost of minor and incidental expenditures chargeable to appropriations included in the Budget for this fiscal year, may be made upon the Comptroller on vouchers filed by the agency for the amount required.

#### (p) FEES

Appropriations to the various agencies for Witness Fees and Expenses, Juror Fees and Expenses, and Stenographer Fees (including minutes) shall be subject to administration by the Comptroller who is authorized and directed to adjust such accounts of the various agencies when necessary to provide for expenditures; but the total of such appropriations shall not be exceeded. In addition to the foregoing, the Comptroller is authorized to dis-

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tribute the budget appropriations for Judgments and Claims to Other Judgments and Claims Accounts, namely, Accounts 710 to 719, inclusive.

(q) TRAVEL EXPENSES

Expenditures for out-of-town travel are not to exceed the appropriation in Code 405. Form 1-2 must be completed for every trip, and, in a case where the Director of Management and Budget must approve a trip, the form is to arrive at his office not later than two weeks prior to the start of the trip. Each agency must conform to the Comptroller's regulations in regards to out-of-town trips. Also, documents and records must be maintained for every expense incurred.

The following guidelines are to be followed:

1. Trips in excess of \$500 (regardless of the number of parties travelling) are to be approved by the First Deputy Mayor.

2. Trips may be self-approved only: (a) if the total cost does not exceed \$200 per person; (b) if the trip does not exceed 3 days (2 nights); (c) if the trip does not involve more than 2 employees.

3. Any trips, under \$500, not meeting the criteria for self-approval must have the approval of the Director of Management and Budget.

4. Trips to Washington, D.C. and Albany, N. Y. require the approval of the Deputy Mayor for Intergovernmental Relations.

5. Quarterly reports for all trips (self-approved and others) must be sent, within 15 days of the end of the quarter, to the Deputy Budget Director.

(r) PURCHASE OF EQUIPMENT

Expenditures for the purchase of office furnishings, equipment and special items (items, regardless of amount, deemed sensitive by OMB examiners per 4-26-76 Revised Memorandum for obtaining Approval of Contracts—pg. 3), whether made from the General Purchase Fund, Old System or from Imprest Funds, require approval by the Office of Management and Budget. Also, expenditures for the purchase of motor vehicles must be approved by the Mayor.

(s) REPORTS ON FEDERAL, STATE AND OTHER GRANTS AND AID

1. Any agency making an application for a Federal, State, Foundation or other grant or aid, shall submit to the Office of Management and Budget, Attention Mr. William Sharkey, Room 1019, Municipal Building, pertinent information including a copy of the application prior to submitting such application to the grantor.

In addition, any application for a Federal Grant shall include a provision for claiming indirect costs as provided by Federal Management Circular 74-4 (formerly A-87).

2. In addition, any agency making an application for a Federal, State, Foundation or other grant or aid, receipt of which involves a commitment of City funds (for example, in the form of matching commitments of cash or personal services), shall submit a copy of such application to the Office of Management and Budget for its comments as to the availability of City funds before the application is filed with the grantor.

3. In addition, any agency having any grant awards or aid shall submit monthly reports on such grants or aid on forms which will be provided by the Office of Management and Budget in accordance with the instructions relating to such forms. Such reports shall be submitted to the Office of Management and Budget, Attention Mr. William Sharkey, Room 1019, no later than 5 working days after the end of each month.

(t) FORMS

All modifications and changes in units of appropriations shall be transmitted to the Director of the Office of Management and Budget (Revised Form M).

1. The Departmental Modification form submitted by a department in accordance with Section 124 and Section 124 (b) of the New York City Charter shall be approved or validated, as appropriate, by the Director of Management and Budget or his authorized representative and distributed as follows: two (2) copies to the Office of the Comptroller, one (1) copy returned to the Department for payroll entry, and one (1) copy to be retained by the Office of Management and Budget and used to update the Master Budget.

2. The Department Modification form submitted by a department in accordance with Section 124 (c) of the New York City Charter shall, after review and examination, be attached to the necessary Calendar Memos and Reports for submission to the City Council and the Board of Estimate and forwarded to the Mayor for his signature and processing. After action by the Mayor, the Board of Estimate and the City Council, a certificate of the Director of Management and Budget shall be issued and distributed as follows: two (2) copies to the Office of the Comptroller, one (1) copy to the Office of Management and Budget for updating the Master Budget.

3. All modifications of appropriations for which proportionate supplementary revenue such as state and federal aid is anticipated shall reflect the changes in such supplementary revenue in addition to the changes made in the tax levy.

4. Personal Service expenditures, etc., made pursuant to this Executive Order are to be reported periodically as required by the Director of the Office of Management and Budget on forms provided by his office.

Section 9. The Comptroller shall not pay any compensation to any person appointed on or after July 1 of this year unless the Mayor or his duly authorized representative shall approve such payment.

Section 10. QUARTERLY ALLOCATION AND PERSONNEL CEILING CONTROL SYSTEMS

The provisions of Executive Order No. 61, dated June 30, 1976, on Quarterly Allocations and Personnel Ceiling Control Systems are to be fully complied with by all agencies.

Executive Order No. 61 provides that the Mayor may establish for any agency a quarterly allotment plan which may set forth for the quarter of the fiscal year during which it is to remain in effect,

1. rates of expenditures for personal services,
2. ceilings on the total number of personnel,
3. the total amount of funds to be spent by the agency during the quarter.

Section 11. FINANCIAL PLAN

The provisions of this Executive Order are subject to any applicable provisions of the New York State Financial Emergency Act for The City of New York, as amended, and any orders or regulations issued in pursuance thereof. The aforementioned Act requires that all liabilities, obligations and disbursements of the City and covered organizations be in accordance with the Financial Plan approved by the Emergency Financial Control Board.

Section 12. This Executive Order shall take effect immediately.