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**RUSH TRANSCRIPT: MAYOR DE BLASIO, SPEAKER MARK-VIVERITO, CITY COUNCIL
REACH EARLY AGREEMENT ON BALANCED FY2016 BUDGET**

Mayor Bill de Blasio: The Fiscal 2016 budget – an honor to be here with Speaker Melissa Mark-Viverito and all of our colleagues in government from the City Council.

This has been a great process – people working together over these last weeks in common cause to get to a budget that was good for the people of this city. This budget will be over \$78.5 billion dollars, with a strong focus on fighting inequality, on strengthening our city and its future, and lifting up all New Yorkers.

I'll give a quick overview, then introduce the Speaker, and then, after that, the Chair of the City Council Finance Committee. And then, as we take questions and answers in a bit, we'll be joined by the OMB director, Dean Fuleihan. But tonight, we'll give you the quick overview on the budget. There will be a lot more information provided in the next few days leading up to the formal budget adoption process.

This budget, as always, is a statement of our values. The focus has been on being fiscally responsible, on continuing to build a progressive vision for this city, and being honest about what it really costs and how we have to do it.

And I'm proud to say this budget is not only on time – it's early. A great effort.

[Applause]

And that's because of the cooperation with all the Council Members and the administration – all the staffs, the constant work that went into this. Even when there wasn't total agreement, there was an atmosphere of cooperation and respect. And the result is quite clear.

Speaker Melissa Mark-Viverito and Chair Julissa Ferreras led this process with great energy and professionalism, and that's why we've gotten to the result we have. I want to thank them and their staffs – of course, Dean Fuleihan and his staff – everyone who's been involved.

And what is clear is we share values. We share strong values, and that animates this budget. It doesn't mean everything went easily. Sometimes there were some tough conversations. But we got through them, because we had a common resolve to help our communities. We also knew we had to secure the fiscal future of this city.

I'm going to mention just three highlights of this budget. I know the Speaker will mention some others before we take your questions – we'll hear from Chair Ferreras, and then take your questions.

First item I want to highlight – very near and dear to my heart – we have continued to deepen our investments in the future of our children. We are focusing on some of the schools that need help the most – they're in the

process of being turned around – our Renewal Schools, 94 schools that we plan to turn around and make strong. We are including \$12.7 million dollars in this budget for extended learning time in those Renewal Schools, \$2.2 million dollars for school-based health centers in those Renewal Schools – bringing our total investment into the Renewal School effort to over \$163 million dollars for Fiscal ‘16. And that number signifies a true commitment to making schools that were often ignored the strong schools for all children they should be.

Second – and this is an area where the Council strongly urged action – we are expanding access to one of the core elements of all our communities – our libraries. You can clap for that.

[Applause]

In cooperation with the Council, \$39 million dollars will be added to the budget for libraries. This will allow us to get to universal six-day library service all over New York City –

[Applause]

And will allow for extended hours at libraries in many locations.

Third, we’re making a critical investment in the future safety of all New Yorkers and in the relationship between police and community, and the need to turn that into a deeper partnership.

It’s well known the Council has been advocating over the last two years to increase the number of police on our force. There have been long conversations, particularly over the last few weeks, on what was the right thing to do in terms of the future of this city – in terms of safety, in terms of the police-community partnership, in terms of our fiscal health. All of these factors were a part of the conversation. And, through a lot of work, we came to a plan that allows us to strengthen our police force while encouraging deepening of reform, while finding key reforms on the fiscal front.

And I’ll outline quickly – we’ll be adding 1,297 uniformed officers to the ranks of the NYPD. That will take our force from approximately 34,500 officers today to nearly 35,800 officers by July 1, 2016, the end of the new Fiscal Year.

These officers will be devoted to two key efforts – first, a new counterterrorism effort, focused on our critical response vehicles. This will be a dedicated, trained, and carefully equipped force to focus solely on counterterrorism efforts. No longer will officers be pulled out of precincts for these types of count terror patrols – there will be a dedicated, trained force that’s solely focused on that area.

And second, officers for our precincts will be part of a pioneering neighborhood policing strategy. This will be a brand new thing in this city – something that’s been talked about in various forms for decades, but will now happen for the first time in a full and high-impact way. And we believe it will help us achieve our shared vision of bringing police and community together while keeping crime low. Details of this vision will be unveiled over the next few days, but what it means is, really, a comprehensive new approach that revolutionizes the way we bring police and community together, and the way we police our streets.

The administration and the Council have been equally committed, at the same time, to fostering real fiscal reform when it comes to the police budget. Two areas have historically been a focus of the Council – I commend them for that – civilianization in our police force and creating real caps on overtime spending, and real reform in that area. Well, that’s been achieved.

We will secure over \$70 million dollars in savings when this plan is fully phased in. That will come from a cap on overtime – a very public and clear cap on overtime spending – and through the civilianization effort, moving

415 officers from desk jobs to work on the streets of our city – so the Police Department is using all of its personnel most effectively.

These are targeted investments that we know are going to make a huge difference in the future of our city, and they came together after weeks of hard work. And we think this is a plan that really works for New York City. Quickly in Spanish, before turning to the Speaker –

[Mayor de Blasio speaks in Spanish]

With that, I want to thank a leader who has been a tremendous partner in this process – she’s worked extraordinarily hard to bring us all together for this good result. I want to thank her – Speaker Melissa Mark-Viverito:

[Applause]

[...]

Mayor: Alright. Thank you, everyone. We welcome your questions.

Question: Mayor, you said repeatedly that you didn’t think hiring additional officers was necessary. Is that something you changed your mind on? And if so, when and why?

Mayor: It’s been a process since the Executive Budget, so it’s really been over the last six weeks. A lot of discussion with the Council – and I remind you, the Council is our partner in this process. Their voice matters a lot – that was a key factor. Obviously, a key factor was the cost savings that this Council and I both, for a long time, have been seeking – major reforms that we wanted to see in the NYPD. We’re now going to reach a level of civilianization that is absolutely historic. And also, for the first time in memory, there’s going to be a firm overtime cap, which is something I know the Council has been working on for many years – and I’ve believed in for many years. So, this is about some historic and crucial fiscal reforms – as we say, they will save us upwards of about \$70 million dollars a year as this plan is fully phased in. And then lastly, I think the vision for a different relationship, and a better relationship, between police and community that Commissioner Bratton has been working with us on – he, as you know, over the last year and a half, did a full reevaluation of the Department and its capacity, and what was working well, and what had to be improved. He’s been talking with the Speaker and I over the last weeks about this vision. And the more we heard, I think, the more we saw a pathway to something truly pioneering – the beginning of real neighborhood policing in this city – something that has never really been achieved on a sustained basis. I think when you add all those factors together, it made sense to me that we should make this move.

Question: Mr. Mayor, how did you reach that number, though? It’s so far above what even the Council originally asked for.

Mayor: Well, again, I think two of the building blocks – and you’ll get more details on the plan over the coming days on the way to budget adoption – but two of the building blocks are pretty straightforward. The Council had felt for a long time that 1,000 new officers was the right direction to go in. Again, their voice matters a lot in this process. The second big factor – the Commissioner has talked about, over the last couple of months, the vision of having over 300 officers devoted to anti-terrorism duty in a very dedicated fashion, through our critical response vehicles. This, on one level, is a combining of those two concepts. As I said, you’ll have more detail played out over the next few days.

Question: Mr. Mayor, is the reserve funds – the [inaudible] reserve funds – are they intact?

Mayor: Yes.

Question: [inaudible]

Mayor: They're intact. Obviously, we were able to bring in some additional revenue. The reserve funds are intact. And as the next few days progress and we fine tune the budget, we'll give you an update on those funds.

Question: I understand you've – you're going to be saving money with overtime, but what is the total cost of those 1,300 cops with pension costs, with the lifetime [inaudible]?

Mayor: We'll get you – again, as they'll be some very detailed briefings over the next couple of days – we'll get you that play out. But we believe, when you look at the cost of the officers and the impact we think it will make, and then look at the savings we achieve simultaneously, we think it's a good fiscal deal, as well as one – obviously, a plan that will make a big impact on safety and police-community relations.

Question: Can we just get a ballpark [inaudible]?

Mayor: Again, I want to make sure we make sure we give you the details. Dean Fuleihan will do that with you separately. But again, the key thing – the one thing we can say for sure is, as the plan plays out, we expect about \$70 million dollars in savings a year.

Question: Right now, there's obviously an outstanding issue with disability pensions. And, given that you're hiring hundreds more officers, does that concern you that Albany has not come to resolution and they don't support your plan?

Mayor: I think Albany should recognize that we have to really put a high priority on our long term fiscal health. Again, that was a crucial factor in everything we did in this budget here. And I remind you that everything that happens at the federal level and at the state level ultimately comes down to here – and we often are the ones who end up paying the bill. So, I'd like Albany to respect the will of this city, as expressed by a vote of the City Council and by the plan that I put forward, and recognize that we've offered an alternative that really will protect our first responders when they're disabled, but will not create such a pressure for taxpayers in the future. We don't want to mortgage the future. We don't want to put all the problems of the future on the next generation. We have a plan that we think really protects people, while being fair to the taxpayer.

Question: Mayor, there's been a lot of talk in this budget season [inaudible] about, you know, the budget dance being over. But do you think it's indicative that there is some level of a budget dance if, two weeks ago, you were saying that you didn't think there needed to be any new police officers [inaudible]?

Mayor: I was here for the golden years of the budget dance – obviously, the Speaker can offer her views. My experience of it was that it was a game everyone understood, where, you know, every year, fire houses were going to be closed – and then they weren't. Teachers were going to be laid off – and then they weren't. People's attentions were directed toward fake cuts, and that's where the energy went. Well, this process was about real additions and real improvements. But there was a real debate about which choices to make – how to make them, what kind of offsets we needed. As I said, we were both adamant about cost savings when it came to that police plan, for example.

Council Speaker Melissa Mark-Viverito: Those of us that are here for our second, and not even our third, term know what a budget dance is. This is definitely not the budget dance. We put forward a response to the preliminary budget, which was taken into account seriously. We saw \$148 million dollars added in the Executive Budget that was presented to us based on information and feedback we provided on our preliminary. So, this is a serious engagement that we're in. Our thoughts – our process is being taken seriously by this administration, and factored into the Executive Budget. And since the Executive, there's been additional

negotiations on issues where we maybe have had different points of views. But again, we've arrived at a point of agreement. And, again, it's not – definitely not the budget dance as we've seen in prior iterations.

Question: Mayor, do you specifically think that this increase is going to do something to [inaudible] the increase in shootings and murders that we've seen? And did that happen to play any role in your decision to agree to this?

Mayor: I want to give you the numbers as they are at this moment, and then let me answer the question. But I want to just first frame it – you've heard me say more than once, crime down 6.7 percent now from the same point last year. I think a number of you have followed the events of the last week, where – this last week, compared to the same week a year ago – homicides down 75 percent, shootings down 38 percent. This is just the first full week of having Summer All Out in effect. It's already making a huge difference. So I think the tide is being turned right now. The plan we're talking about here is about the long term. We're really talking about the long-term vision for this city, and particularly transcending the problems we've had in the past in the relationship between police and community in many of our neighborhoods. This is about actually getting to neighborhood policing for the long term, and that's what's so exciting about this plan.

Question: Mayor, when you talk about the additions of school lunches and breakfasts, how close are we to actually universal if – are you there yet or is it just expanded?

Mayor: Look, we kept – from our point of view, we kept the lunch program where it was at the middle-school level, because we want to do more, and this is something that is an exact example what the speaker mentioned a moment ago. The first year of the school lunch program didn't achieve what all of us had hoped, but as the Speaker pointed out to us, there was a – has to be a much stronger promotional effort and effort to engage parents and students. So, we're going to do that in this coming year. But breakfast was another area where we agreed there was an opportunity for a major breakthrough. The Council pushed very hard that this be included now in the budget, on a large scale with the elementary school level. So, this will ultimately cover all elementary schools for breakfast. Lunch, we'll continue to work on in the – yes, by Fiscal '18 – and lunch, we'll continue to work on the pilot from the first year and hopefully get better results and continue to build from there.

Question: [inaudible] tell us what neighborhoods the police will go to and what neighborhood policing needs [inaudible]?

Mayor: Look, it is a holistic vision for the city, first of all. As usual, the neighborhoods will be determined by where the need is greatest, as with all things involving policing. But it's something that will really affect all areas of the city, ultimately. The vision is to have police deeply connected to neighborhoods. Officers who will walk a beat, get to know a community, get to know community leaders and clergy, have a real familiarity with the needs of the community, and build trust. And it is a much more of a geographical focus, moving away from some of the – I think – mistakes of the past, where officers constantly move from location to location and never got to build those relationships. We think it's going to lead to a lot more intelligence gathering, a lot more cooperation, a lot more safety for officers and citizens alike. So, neighborhood policing – for a lot of us, this is something we have hoped for for two decades or more. And we believe this plan – with this Council, with this Commissioner – that we've actually found that moment in history where it's going to happen.

Question: [inaudible]

Mayor: I think it is an evolution of the concept. Obviously, community policing had a lot of different forms. I think this is an approach that's both very neighborhood based, but also robust about how to fight crime.

Question: Mr. Mayor, the Council is including money for the bail fund but you – last week, you said you supported some form of bail reform and so you're not putting any money in it. Can you talk about that, and

since the mayor's administration is not putting any money in it, do you – are you worried for the bail fund in the future? Is this something you're going to continue [inaudible]?

Mayor: Well, we do these things, obviously, in most cases, one year at a time and this is a brand new concept. Look, I think the council is putting it in in good faith, based on a desire to keep people out of Riker's Island who shouldn't be there. We agree with the basic criteria. It must be for very low level crimes, non-violent crimes. There is going to be a screening process to make sure that the individuals who might qualify do not have a violent history, or previous violent offenses. But I agree with the Speaker's core point. If someone ends up in Riker's Island simply because they can't afford a very modest bail, it doesn't help any of us and it certainly costs the taxpayer a lot.

Speaker Melissa Mark-Viverito: The bail fund will pay for itself – right? The money is issued and then it gets back so it becomes kind of a revolving fund. And we will be doing assessments. There currently are pilots in place that have demonstrated to be successful. There's still details to sort. The fact that we put [inaudible], sort of, the money there indicates our commitment. But there's conversations also being engaged with with private funders potentially as well. This is a real vision. This is a real commitment we have, and at least that initial investment will continue to be there moving forward.

Unknown: Two more questions.

Mayor: If there are two more. Going once – I hear a voice. Yes?

Question: Aside from the overtime cap, what persuaded you to change your position on the number of new cops?

Mayor: Well, I spoke to that before, but I'll just – I'll just summarize. It's the combination of the Council's prioritization of more officers, the cost savings that we found that are historic and had never been achieved before – this will be the highest level of civilianization ever achieved by the NYPD. This will be the first time, at least in anyone's memory, that we will have a public and clear overtime cap. Those are huge reforms to the tune of about \$70 million dollars a year when this is fully implemented. And then finally, the vision that the Commissioner has been working on over the last few months for neighborhood policing – and this is a different vision than we have ever seen before in this city. After extensive conversations with the Commissioner – and the Speaker's had those conversations, I've had those conversations – we recognized that this could be truly groundbreaking – that this could take us to the place we've wanted to go for a long time and literally take us to the next level in policing, both in terms of securing our safety, but also bringing police and community together.

Question: [inaudible] what is the overtime cap?

Mayor: The overtime cap – again, as we get towards adoption, we'll lay out the details to you – but it's going to be a public cap that is going to be very clear as part of the budget. It's going to be a hard number. And as Commissioner Bratton has said very proudly, when he was commissioner the first time in this city, he was very adamant about controlling overtime costs, and was successful at doing it. And he has said to me very – very forthrightly that that's part of what management and leadership is – is setting a point that you won't go past. We believe this is an important reform that should not be a moving target. Obviously, there could be absolutely extraordinary events, like a hurricane Sandy, where – we will account for that. But we're talking about – in anything like a normal year – a cap that will certainly allow for all overtime to be accommodated. And it will create some fiscal discipline, which has been needed in that area.

Thanks, everyone.

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