



CITIZENS UNION CANDIDATE QUESTIONNAIRE
COMPTROLLER
ELECTION 2009

Citizens Union would appreciate your response to the following questions related to policy issues facing the City of New York that are of concern to Citizens Union and the citizens of the city. We plan to make public your responses to this questionnaire in our Voters Directory, on our website, and in other appropriate venues. Responses to these questions will be one of several factors Citizens Union will use to evaluate candidates who are running for office in order to determine our “Preferred Candidates” for the primary election and “Endorsed Candidates” for the general election. In order to receive Citizens Union’s “preferred” or “endorsed” status, in addition to completing the questionnaire, candidates must participate in an interview with Citizens Union’s Local Candidates Committee.

We thank you very much for your response.

Candidate Name: David Yassky Age: 45

Campaign Address: 386 Park Avenue South, Suite 814 New York, 10116

Campaign Telephone Number: (212) 683 9200 Fax: (212) 683 9208

Party Affiliation(s): Democrat Campaign Manager Name: Cathy Toren
Website & Email: www.davidyassky.com; david@davidyassky.com

Education: David earned his B.A. at Princeton University and his J.D. at Yale Law School

Occupation/Employer (or years in currently held elected office): David has spent the past 8 years as the the New York City Council member representing District 33

Previous Offices and Campaigns: Ran for 11th Congressional District Seat; Serves as Chair of the NYC City Council’s Small Business Committee; Previously served as Chief of Counsel to the House Subcommittee on Crime under Chuck Schumer and Budget Analyst for New York City’s Office of Management and Budget.

Are you willing to be interviewed by CU’s Local Candidates Committee? YES

Have you completed requisite campaign finance filings? YES

(Please note: Citizens Union can grant its “Preferred Candidate” or “Endorsed Candidate” rating only to candidates

we have interviewed. We will make every effort to interview candidates in this race.)

Signature of Candidate:  Date: August 5, 2009

Please state your position on the following issues by indicating whether you support or oppose each, where applicable. Please also use the space provided below each question or on a separate sheet of paper to elaborate on your positions on the questions which require a detailed answer. You may also provide additional information on any actions that you have taken or plan to take to advance your positions on these issues.

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| 1. What is your position regarding the creation of a Charter Revision Commission to review specifically the roles of the various offices of government and how well government has functioned since the 1988 and 1989 charter review commissions? | Support |
| 2. What is your position on reforming the current pension funding structure to create multiple tiers for future city government employees? | Support |
| 3. In general, what is your position on term limits for elected officials? | Oppose |
| 4. What is your position on modifying the City Charter to require that changes to term limits may only be approved by the voters? | Support |
| 5. What is your position on the recent extension of term limits for the city’s elected officials to three consecutive four-year terms? Please explain your answer. | Support |

Reasonable people will disagree on this issue. That being said, I have been a strong advocate for good government for his entire career on the Council. That’s why I’ve fought to end the abuse of earmarks, voted to end pay-to-play, and has stood up to special interests like the NRA, Exxon-Mobil and luxury developers. I believe that term limits on municipal officeholders make for bad government. They weaken the City Council as a legitimate check-and-balance on the Mayor, and undermine the separation of power in City government. In the term limits debate, I introduced an amendment that would have put the term limits extension before the public through referendum. After my colleagues voted down the amendment, I voted in favor of good government and the term limits extension and in no way did I benefit from my vote. I am not seeking a third term, nor did I want one.

6. What is your position regarding managing pension fund investments and the regulation of pension intermediaries, particularly given recent events surrounding the issue at the state level?

In light of the recent corruption scandal involving New York State’s pension funds, I propose a series of reforms to ban the use of placement agents for most pension investments, while putting in place measures that avoid stifling the growth of emerging fund managers and clamping down on potential corruption schemes. Specifically, the series of reforms would ban the City from compensating placement agents for funds with \$1 billion or more in assets under management (“AUM”). For those funds with under \$1 billion, placement agents approved and used by the pension funds would be required to register with the Conflicts of Interests Board, and declare publicly their clients and contingency fees received for work in the same manner that lobbyists are required to do so. Furthermore, in order to qualify as a placement agent, one would need to be

affiliated with a registered broker dealer, be a licensed securities professional, and have been a full-time professional in the securities industry for a minimum of three years. Too often, placement agents are strong political influences who essentially serve as lobbyists for funds seeking to do business with the City pension system. City law describes eight criteria for activities constituting lobbying, including any determination by an elected City official or City employee concerning procurement of goods, services, or construction. My proposal would not make placement agents subject to the full range of regulations and restrictions placed on lobbyists, but would focus critically on issues of disclosure and transparency.

7. How would you utilize the Comptroller's auditing power to ensure that government agencies are efficiently delivering services, especially given fewer resources?

The only way we can afford core government services – like keeping cops on the street, teachers in classrooms, senior centers open, and Meals-on-Wheels for needy seniors – we need to root out wasteful spending in every corner of the budget. As Comptroller, my audit staff will become the Division of Accountability and Results, charged with identifying the 10 percent of agency budgets that are least productive. I will increase scrutiny of the City's contracts through the Comptroller's duties as chief procurement officer. With billions in annual contracts, a rigorous eye for oversight is essential to ensure that fair and efficient contracts are procured, eliminating what can often become bloated and perhaps even corrupt claims for payment. I would also fight for the City's biggest agency, the Department of Education, to be under Comptroller oversight as well—just like every other agency.

The best way to judge what someone will do in the future is to look at what they've done in the past. As a City Council Member, I passed the False Claims Act to reward whistleblowers who report fraud in City government, closed tax loopholes for luxury developers that were costing taxpayers hundreds of millions of dollars, identified millions of dollars of waste at the Department of Housing Preservation and Development, and put the entire City budget online at www.ItsYourMoneyNYC.com so that ordinary citizens can match up spending with results. As Comptroller, I will build on that record to root out wasteful spending, fraud, and sweetheart deals.

8. How would you maximize the power of the Comptroller's office to ensure the fiscal health and integrity of city spending?

I would use my powers as chief auditor to identify and rectify inefficient and harmful spending practices within City agencies to eliminate waste and make sure that valuable tax dollars are being spent wisely on vital programs and the personnel needed to provide our city with the services it needs. This is essential to prevent the further lay-offs that are detrimental to our city's health.

Secondly, I would implement oversight of the tax revenues and collections to ensure that harmful loopholes and abuses involving taxes payments are identified and corrected. I would push to make this process more transparent and accessible so that the public may see more easily where and how the City's revenue is generated, especially in this time of crisis. Also, I would ardently advocate against tax proposals that are regressive, harming working and middle class families.

I have also been a strong advocate for better scrutiny of the City's contracts to private vendors. As Comptroller, of course, I will have direct oversight into contracts and procurement. I will

develop a performance-based hiring and evaluation system designed to root out harmful political and personal relationship-based abuses. I will also apply strong scrutiny into whether or not and to what extent private contractors are procured in the first place, establishing a minimum standard of accountability and transparency for outsourcing.

9. Do you believe there needs to be improvements to the Comptroller's role and practices? How would you manage the position?

We need a Comptroller who will root out waste in every corner of the budget, demand results from every dollar, and help lay the foundation for a resurgent City economy for the next two decades. For New Yorkers to get maximum value from their City Comptroller, we need a fully energized office focused on ensuring accountability throughout City government.

As Comptroller, I will define a clear mission for each function of the Comptroller's office and imbue the staff with a sense of urgency commensurate with the magnitude of the challenges facing New York. The overriding purpose of budget review and certification will be to ensure transparency; the overriding purpose of the contract approval function will be to reduce costs; the overriding purpose of the audit function will be to improve productivity; and the overriding purpose of the pension investment staff will be to maintain the highest standards of integrity and professionalism.

10. What do you believe is the appropriate role of the Comptroller's office in auditing the Department of Education?

As an independently elected official, it is vital that the Comptroller's office be provided for oversight with all aspects of the City's financial planning. Failure to do so allows the politicization (and lack of clarity) around important capital expenses, especially with regard to the Department of Education. I certainly support legislation that would allow the Comptroller's office access to contracts within the Mayor's control, thus providing a crucial check and balance to the administration's dealing with these expansive agencies. I fought hard for this as co-chair on the Council's task force on school governance. Among the recommendations, major and relevant policy changes were posited, including: giving the Comptroller audit and contract certification power over the Department of Education as with every other City agency.

11. Taking into consideration the lessons learned from the debates surrounding congestion pricing and the Ravitch Commission's recommendations to provide the MTA with long-term funding, what do you think should be done to address the MTA's fiscal solvency issues and ensure that the burden for funding the MTA are equitably distributed amongst all stakeholders?

I support Comptroller Thompson's proposal (and the Commission's recommendation) to restructure vehicle registration fees in all districts which are serviced by the MTA. By charging heavier, less fuel efficient vehicles more for the ability to drive, we can incentivize the lighter, more fuel efficient vehicles of tomorrow while raising additional funds for our mass transit system. Additionally, I support securing revenue contributions from motorists through the Commission's tolling proposal and support the authorization of bi-annual regional Consumer Price Index fare and toll increases with measures to ensure increased transparency and accountability.

The congestion pricing and proposed toll roads for bridges coming into Manhattan should directly fund our mass transit system. Besides just being presented with a cost for driving an auto, New Yorkers should be rewarded for choosing public transportation with inexpensive and reliable service.

While it is not a source of funding, conducting a thorough examination of the fiscal management of MTA is crucial. By eliminating harmful spending practices and re-evaluating the entire financial structure, we should be able to make drastic improvements that could avoid service cuts and fare increases. The Comptroller's responsibilities to apply auditing oversight are paramount to this effort.

Furthermore, as Comptroller, I would conduct – or urge the MTA to conduct – a citywide analysis of the transportation system that would identify key areas where infrastructure improvements and additional development would increase rider-ship (and therefore revenue)- and assess the current PlaNYC program developed to do so. This is especially important with the incoming federal stimulus funds that – prudently invested – could provide tremendous benefits for public transportation.

12. What would you propose to address some of the structural imbalances in the current budget process?

The solution is two-fold. First of all, the Mayor and City Council must reform how it evaluates and passes each year's budget. Second, the Comptroller must use his power as the auditor of budgets to set an example of how a budget should be presented. In order to reform the City budget process, the Council must involve the Council Committees and the Independent Budget Office (IBO) more than at present in the process of evaluating the use of budget funds. Unfortunately, when this is not done, there is no specific focus on individual budget areas. Council Committees should have the resources to hone in on their portion of the budget. Additionally, an independent office must have more involvement – the IBO is perfect for this position. The IBO should break the budget into meaningful “U of A”s, and give the Council a revenue estimate to use in its process to help counter the Mayor's ability to manipulate the revenue estimate.

Recently, we have all seen the danger of abuse in our budget process. I have proposed to prevent such a scandal from ever occurring again. [Link: http://www.nypost.com/seven/04292008/postopinion/opedcolumnists/time_to_clean_up_108613.htm] Under my proposal, city agencies would have to ensure that organizations receiving taxpayer funds have the capacity and ability to administer those funds; all groups receiving earmark funds would be subject to routine audits; potential conflicts of interest would have to be disclosed and reviewed by the Conflicts of Interest Board; and the entire budget – including earmarks – would be posted on the web for the public to review.

[I have put extensive thought into this topic: please see the enclosed “Reforming the Budget Process” policy paper.]

13. What is your position regarding the City's past practice of using surplus tax revenues to pay down future health cost and pension obligations, and the decision not to do so this year?

It is responsible government to pay these future costs down. While we must maintain our City services, we absolutely must find ways to pay down debts ahead of time to hedge recessions as we currently face. We need to more strictly approach a performance-based evaluation of each City agency and program, determining and demonstrating which areas are in genuine need.

14. What would you propose to increase the transparency of the Board of Elections in the City of New York's operations and accountability to the city and its voters?

We should certainly look to reform the contribution limits, but make sure to identify public funding to supplement private contributions and ensure an active and open debate where all candidates' voices are heard.

I also strenuously recommend (and will push for as a pension trustee) the enactment of pay to play safeguards, providing much increased disclosure and Conflict of Interest reporting for any type of contribution (soft, direct, etc) involving potential vendors or money managers—and any intermediaries—and the elected officials governing the public coffers.

I would also advocate adding another non-partisan board member to mitigate ties between parties that lead to impasses on important decisions.

15. What would you propose to further enhance transparency regarding the relationships between elected officials, their families, and nonprofits that receive funding from New York City?

I would direct the office to fundamentally reform the earmark process. The non-profit sector in our City is vital and represents thousands of jobs and billions of dollars in services. Most importantly, often these programs are dedicated to serving New York in ways the City and the private sector cannot. We must support their missions, but we must ensure that it is done prudently and fairly. And when it comes to City funds, there is just too much risk for abuse as we have seen.

To further contain costs and prevent abusive earmark practices, I would institute the following reforms:

- Convene a panel of private sector performance experts to identify best practices with regard to private sector procurement.
- Use the power of contract registration to eliminate most earmarks in the budget outside of small, genuinely local amenities, such as youth recreation leagues and enhanced programming for senior centers.
- Furthermore, funding for social services should be allocated through an independent professional grant process and not by individual council members.

16. What would you propose to ensure that charter mandated elected offices receive equitable budget allocations?

As Comptroller, I will establish my City budget audits to be performance-based audits that explain what City money was spent on, and what that money got the taxpayers that past year. I will advocate for detailed, line item information to be revealed, rather than having appropriate allocated in lump sums. In a battle for priorities when there will always be more need than resources, the public must be able to identify the trade-offs. Through this transparency, I will open up the budget process so that New Yorkers can accurately follow the money and the priorities of our elected officials to see if it lines up with the public interest.

17. In FY 2008-09, New York City spent \$12 billion on pensions and fringe benefits for City employees out of a total budget of \$62 billion. What would you do to address the growing pension costs borne by the city and New York City tax payers?

As I seek to restore the highest levels of professionalism and integrity to the office I will enact the following reforms:

- Establish an advisory council of retired finance industry leaders. These advisors will not make investment decisions, but rather will provide the boards with advice and push them toward diminished political influence. The Comptroller's office will work carefully to ensure that there are zero conflicts of interest with this council in order to ensure the proper management of the Funds.
- Reform the investment manager selection process to become more transparent and performance-based, thus increasing the incentive for competition among vendors and decreasing the potential for political relationships to be abused.
- Eliminate all placement agents for investment management firms with over \$1 billion in assets under management. For firms with under \$1 billion AUM, any intermediaries must be registered with the Conflicts of Interest board.

18. What is your view of how the taxes paid by New Yorkers compare to the value that is received in City services? Do you believe that taxes should be raised or lowered? To the extent you believe taxes should be changed, please provide specific proposals about what taxes you would raise and what services you would cut, if you didn't raise taxes, listed in order of greatest magnitude.

We should be encouraged to have, as such a large and complex City, services and infrastructure that is able to maintain our way of life. Such services cost significant amounts of money, however, and as we have seen, they can be threatened when revenue sources change dramatically. There are certain areas where I think raising taxes won't just raise revenue, but create a better and long-term/sustainable government. I have mentioned congestion pricing and bridge/tunnel tolls as one specific area. I would also seek plastic bag taxes that might actually deter their wasteful use (the Mayor's \$0.05 proposal would do little if nothing to affect this).

Aside from calculated taxes, such as these, I would identify wasteful services. Citywide, there are a lot of wasteful practices that, if corrected, can vastly decrease spending. For example, we should identify best practices in the private sector, such as combining workspaces inter-agency or utilizing telecommunications to increase efficiency, commuting issues, and allow more flexibility to work at home (thus saving on infrastructure and operating costs).

As with my work on the 421-a loophole, I would assess every aspect of the City's financial operations to identify harmful and wasteful loopholes that siphon taxpayer dollars. I would also apply a critical eye to programs like NYC & Co. that I feel provide little benefit (beyond some political recognition) and use valuable City resources.

19. Many policy advocates champion the creation of a more diversified economy, and one that is less reliant on Wall Street. What is your position on such a plan? If you support it, what would you do to diversify the city's economy? How would you adjust spending in New York City to accommodate the anticipated reduction in tax revenue as the tax base shifts to lower paying jobs?

I firmly believe that we need to diversify New York City's economy beyond the financial sector. Too much reliance on one industry has left the city vulnerable to economic downturns as we clearly can see. Through my role as chief investment and economic officer and as a high-ranking elected official, I will advocate ways to diversify New York City's economic base to include other vital industries, such as bioscience and media and entertainment, among others, and encourage small business growth that also provides New York with high quality, permanent jobs.

NOTE: I am the only candidate in this race who has put forth detailed policy proposal describing how as Comptroller I will root out wasteful spending, demand accountability and results, and help get the City's economy back on track. Attached please find policy papers regarding: Reforming the Comptroller's Office, Reforming the City Budget Process, Contracting and Procurement Reform, Investing in the Media and Entertainment Sector, and Making New York City a Leader in Biotech.

CANDIDATE ACCOUNTABILITY QUESTIONNAIRE

Citizens Union is adding a new element to its evaluation of incumbents running for re-election. In addition to evaluating their stances on the issues above, Citizens Union will assess incumbents on how well they kept the promises they made to voters during the previous election.

As an elected official who currently holds an office other than the one for which you are running,

- a. what were the top five promises you made to your constituents when you ran for your current position and what progress have you made to keep those promises, and why or why have you not fulfilled those promises?
- b. what are your top five campaign promises you are making to voters during your campaign for this new position?

We thank you very much for your response. Please feel free to use additional paper if the space provided is not sufficient.

TOP FIVE CAMPAIGN PROMISES FROM 2005 AND ACTION ON THEM

1. A commitment to promoting transparency and reform -- From my first days in the Council I have sought to enact rule changes to make the body more democratic, proposed a comprehensive set of reforms to drastically scale down the Council distribution of earmarks, passed the False Claims Act to reward whistleblowers who report fraud in City government, and put the entire City budget online at www.ItsYourMoneyNYC.com so that taxpayers can match spending with results.
2. A commitment to expand and improve the City's affordable housing stock -- In my time on the Council, I demanded (for the first time ever) that affordable housing be written in to the major rezoning of the Brooklyn waterfront, closed a tax loophole for luxury developers to force them to build affordable housing, and identified millions of dollars of waste at the Department of Housing Preservation and Development and got it directed to affordable housing programs that work.
3. A commitment to improving our environment and creating green jobs right here in New York City -- In my time on the Council, I sued Exxon Mobil to clean up their oil spill in North Brooklyn after 50 years of neglect, authored the bill to make every taxicab in New York City a gas-electric hybrid by 2013, passed the Waterfront Planning Act, which NYLCV called "the most important piece of waterfront legislation adopted by the City in recent years," reported on illegal dumping in New York waterways leading to the prosecution of one of the City's worst polluters, pushed for tax incentives for building owners who install green roofs and solar panels, fought to convert the City's heating oil to biodiesel, and this month passed the Bicycle Access Bill to mandate that commercial building owners provide storage space for employees who want to bike to work.
4. A commitment to create jobs and diversify the City's economy -- In the Council, I passed the film production tax credit which has created thousands of good-paying, middle class jobs in all five boroughs, created low-cost space for manufacturers who want to start up or expand in New York City, and as Chair of the Council's Committee on Small Business successfully cut the Unincorporated Business Tax and proposed a unique-micro lending program for entrepreneurs and other small businesses.
5. A commitment to independence and to stand up against the special interests in favor of the public interest -- In the Council, I stood up to the gun lobby to pass powerful gun control measures, stood up to the real estate lobby to close a tax loophole for luxury developers that was costing taxpayers hundreds of millions of dollars and to mandate bicycle access for New Yorkers who want to bike to work, and sued Exxon Mobil to clean up their oil spill in North Brooklyn after 50 years of neglect.

TOP FIVE 2009 CAMPAIGN PROMISES

1. Serve as an aggressive watchdog for taxpayers to eliminate wasteful spending so that we can invest in New Yorkers who are struggling through this economic downturn -- I will turn the audit staff into the Division of Accountability and Results, charged with identifying the 10 percent of agency budgets that are least productive.
2. Use the power to approve City contracts to contain costs and eliminate cost overruns on major capital projects that are stifling our ability to rebuild our infrastructure.
3. Foster a culture of results, not press conferences in the Comptroller's Office -- Following an audit, our office's first stop will not be the steps of City Hall for a press conference, but to the City agency where we've found a problem. The press conference that follows will be to announce that we've solved a problem for taxpayers.
4. A 100 percent professional Comptroller's Office with zero tolerance for pay to play -- Following the appalling scandals at the state level, we need a Comptroller who will do that job with the utmost honesty and integrity -- I will be that Comptroller.
5. A Comptroller's Office that has a forward-thinking vision for the City's economy and a plan to create good-paying jobs for all hard working New Yorkers -- As I've done in the Council, I will promote policies that ensure that 21st century jobs in emerging sectors -- like bioscience and environmental technology -- are located right here in New York City by investing City pension funds in these sectors and helping to create a friendly business climate that attracts investment.