

**PHILIP A. AMICONE
MAYOR**



**CITY HALL
YONKERS, NEW YORK 10701**

**DAN SCHORR
INSPECTOR GENERAL**

**Ph: 914-377-6107
Fax: 914-377-6990**

**DEPARTMENT OF
INSPECTOR GENERAL
CITY OF YONKERS**

TO: Philip A. Amicone, Mayor

CC: Michael J. Spano, Mayor-elect
Chuck Lesnick, City Council President
All City Council Members
William Regan, Yonkers Parking Authority Chairman
All Yonkers Parking Authority Board Members

FROM: Dan Schorr, Inspector General *DS*

SUBJECT: Appointment of Yonkers Parking Authority Executive Director

DATE: December 29, 2011

This report is issued in response to Mayor-elect Mike Spano's letter dated December 13, 2011, which requested, in part, that the Inspector General (IG) "initiate a review of the recent action of the Yonkers Parking Authority, wherein a four year contract was granted to Lisa Mrijaj." In addition, this report is responsive to a letter also dated December 13th from four City Council members asking the IG to "review the validity of the contract and appointment of Ms. Mrijaj and determine if her hiring was done properly and according to civil service laws as may be required."

Summary of Findings

The Yonkers Parking Authority (YPA) is entitled to hire any individual it prefers for the position of Executive Director as long as the position is classified as exempt under New York State Civil Service Law. The law requires that when an exempt position becomes vacant, the state or municipal Civil Service Commission "shall study and evaluate" whether the position should remain exempt before an appointment is made. However, we were told that such a study was not conducted with the YPA Executive Director since the position became vacant three years ago, nor have studies been done with other exempt positions in Yonkers. A review of prior Executive Director contracts revealed similar language regarding hours of employment and benefits. Nevertheless, the new contract's

language regarding a lump sum payment to the Executive Director in the event of YPA/City of Yonkers consolidation reduces the potential financial benefit of such a consolidation.

Background

On November 25, 2011, YPA Chairman and Deputy Mayor William T. Regan wrote to the four other YPA board members regarding the position of Executive Director, which had been vacant for nearly three years (Attached Exhibit 1). Chairman Regan wrote that he believed that it was “imperative for the Authority to reestablish the position of Administrative Officer / Executive Director.”

The YPA board met on November 29th and adopted a resolution approving the hiring of current mayoral chief-of-staff Lisa Mrijaj as Executive Director effective December 30th (Attached Exhibit 2). The board approved a four-year employment agreement between the YPA and Ms. Mrijaj, which was executed on November 30th (Attached Exhibit 3). The contract set forth an annual salary of \$140,000 plus a car, a cell phone, and other benefits.

On December 13th, Mayor-elect and current Member of the State Assembly Mike Spano sent a letter to the IG requesting that it “initiate a review of the recent action of the Yonkers Parking Authority, wherein a four year contract was granted to Lisa Mrijaj” (Attached Exhibit 4). The letter raised specific concerns about the contract, which will be discussed below. In addition, the letter asked for an analysis of YPA operations over the past four years. This analysis will be addressed in a subsequent report.

Council President Chuck Lesnick and Council members Patricia McDow, Wilson Terrero, and Joan Gronowski issued a letter to the IG on December 13th that raised similar concerns about the contract (Attached Exhibit 5). Their letter asked that the IG “review the validity of the contract and appointment of Ms. Mrijaj and determine if her hiring was done properly and according to civil service laws as may be required.” This letter also requested an analysis of a possible merger of the YPA with the City government, which the IG is currently undertaking and will be discussed in a separate report.

The objectives of our review were to:

1. Analyze the Civil Service Law and relevant facts regarding the appointment of Ms. Mrijaj as the new YPA Executive Director
2. Determine if the YPA board followed its bylaws and applicable Civil Service Law when approving the contract
3. Compare the new contract with previous Executive Director contracts and evaluate any changes and/or additions with respect to YPA and City operations

We reviewed all relevant documents, including the current and previous Executive Director contracts, the YPA bylaws, relevant Civil Service Law, and correspondence between the YPA chairman and the board. Additionally, our office interviewed YPA Chairman William Regan, all YPA board members, YPA CFO Joseph Dalli, Ms. Mrijaj, representatives from New York State and Yonkers Civil Service, and other individuals.

Discussion

Selection of YPA Executive Director

Article III Section 1C of the YPA Bylaws states that the five-member board “shall employ an Executive Director in accordance with qualifications approved by the Authority board and the Yonkers Civil Service Commission.” Although we were told that the board has not officially approved any specific qualifications, when the position was last advertised in January 2009, the following experience was set forth for applicants:

“Candidates must have a minimum of three years experience in the management of a large government division AND [capitals in original] an additional four years experience in the management of a high volume municipal parking operation. Additionally, candidates must be experienced in implementing and overseeing revenue controls, working with security and police entities and be familiar with security systems utilized in public locations. Municipal parking experience within the Northeast region of the country is preferred.”

Since 1994, the position of YPA Executive Director has been classified as exempt pursuant to New York State Civil Service Law. According to the NYS Department of Civil Service, “For positions in the exempt class, the appointing officer is free to select whomever he/she pleases and the agency, rather than the Department of Civil Service, sets any educational, experience or other qualification requirements.” Thus, the YPA board does not have to interview other candidates as long as the position is exempt and can hire any individual it prefers.

At its November 29th meeting, the YPA board interviewed Ms. Mrijaj and then adopted a resolution approving the hiring of Ms. Mrijaj as Executive Director effective December 30th, authorizing a four-year employment agreement. The contract was supported by three of the five board members, Chairman Regan, Vice-Chairman Brian Nicoletti, and Michael Ramondelli. Board Secretary Louis Nigrello abstained and Patricia Kischak was not present.

Although Ms. Mrijaj does not meet the requirement set forth in January 2009 of having “four years experience in the management of a high volume municipal parking operation,” she does have extensive experience in all aspects of City government and her current role of mayoral chief-of-staff has necessitated becoming familiar with the operations of the YPA. Additionally, the board was not legally bound by the qualifications listed in 2009.

There is no requirement that other candidates be considered for an exempt position such as the YPA Executive Director. Although several candidates were considered for the Executive Director position when it was last advertised in January 2009, no subsequent announcement was issued and no other candidate applications were reviewed prior to the granting of the November 30th contract to Ms. Mrijaj.

Regarding exempt positions, according to Civil Service Law § 41:

“Upon the occurrence of a vacancy in any position in the exempt class, the state or municipal civil service commission having jurisdiction shall study and evaluate such position and, within four months after the occurrence of such vacancy, shall determine whether such position, as then constituted, is properly classified in the exempt class. Pending such determination, said position shall not be filled, except on a temporary basis.”

The position of YPA Executive Director has been vacant since early 2009 and we learned that no Civil Service Commission study of whether the position is properly classified in the exempt class has occurred since that date. We were told that the lack of a study is common for exempt positions in Yonkers and is not unique to the YPA Executive Director.

Even without a Civil Service Commission study, an exempt position such as the YPA Executive Director can be filled on a temporary basis. Civil Service Law § 64 addresses temporary appointments and states that “A temporary appointment may be made for a period not exceeding three months when the need for such service is important and urgent.” The law does provide for longer temporary appointments under certain circumstances that do not appear to apply in this matter.

The City Council letter also asked, “If YPA Chair Bill Regan serves as chair of the YPA Board by virtue of his being deputy mayor, why does his contract postdate his service as such, rather than have it coincide with his tenure as deputy mayor, since it is in his current capacity as deputy mayor which earned him this appointment?” This question is answered in Title 11, § 1596-C of the New York Public Authorities Law, which created the “City of Yonkers Parking Authority” and provides that the “Chairman” shall be “appointed by the Mayor of the City of Yonkers” for a “term of five years.” Although the past two YPA Chairmen have simultaneously served as Deputy Mayor, nothing in the law connects the two positions. We were informed that the current YPA Chairman, Deputy Mayor William T. Regan, began his current five-year term on April 1, 2011 and the term expires on March 31, 2016. We were also told that there is no compensation, nor is there a contract for the position.

Executive Director Employment Contract

The letters to the IG outlined some specific concerns regarding the terms of the Mrijaj contract. Mayor-elect Spano’s letter states, “This employment contract raises a number of issues, including but not limited to the following: It requires a four-year payment regardless of whether the Authority is wound up or otherwise combined. It requires no actual hours of work, no means of accountability.” The City Council letter notes:

“The employment agreement for Ms. Mrijaj stipulates that in addition to the approximately \$600,000 contract, the Executive Director will work ‘flexible hours,’ receive a free vehicle, gas and cell phone, paid membership dues for various associates and organizations, travel expenses to conferences and meetings, increases that may be approved by the board, and a generous health and retirement package.”

For the most part, these aspects of the contract were also present in those granted to previous YPA Executive Directors. For example, the 2006 contract with the most recent Executive Director,

Michael Dalton, was also for a period of four years, although he retired from his position prior to contract's expiration. The Dalton contract provided for a car and telephone, as does the Mrijaj contract. Both contracts have a section entitled "Hours of Employment" with identical language requiring that the Executive Director "work whatever hours are necessary to satisfactorily perform the functions and duties" of the position. The language leading to the concern that there are "no means of accountability" is not new to the Mrijaj contract. In fact, this language was present in the contract for former Executive Director Robert Jean that was signed in 1992.

However, there are some differences between the contracts. The Dalton contract states that if an arbitrator rules that he was unfairly terminated for cause, he will receive either reinstatement with back pay or "a lump sum payment to Employee of all back pay due him plus payment due Employee on the remainder of the term" of the contract, with the YPA deciding on which remedy to choose. In the current contract, "the choice of said relief is at the sole discretion of the Employee."

Regarding the issue of possible YPA/City consolidation, in our July 1, 2010 report entitled *Yonkers Parking Authority Debt Service*, we stated that "consolidating the YPA into the City might allow for greater oversight and certain cost-savings, such as with salaried positions that duplicate functions already existing in the City.... Consolidation should be analyzed and enacted if it appears to be beneficial for the City." There have also been calls from other City officials for possible consolidation. As mentioned earlier, we have begun a detailed analysis of potential YPA/City consolidation and intend to issue a separate report on this issue.

One section of the Mrijaj contract, which was absent in the prior Executive Director contracts, reduces possible cost savings from consolidation:

"Simultaneous to the assumption of the YPA or the YPA's functions by the City of Yonkers, the YPA agrees to pay Employee the balance due Employee on the remainder of the term of this Agreement plus any and all additional privileges and benefits due employees due the YPA [sic] terminated while in good standing. At the time of the assumption of the YPA or the YPA's functions by the City of Yonkers, all monies due the Employee pursuant to this Article shall be considered a bone fide obligation/liability of the YPA. The Employee, in his/her sole discretion, may elect that the payment of all monies due pursuant to this Article be made either as a lump-sum payment to the Employee or made in according to the payments based on the schedule that the Employee would have received had he/she remained in the employ of the YPA."

The Dalton and Jean contracts did not address possible consolidation. Under the Mrijaj contract, if the YPA is consolidated with the City and the position of Executive Director eliminated, she would be immediately entitled to a lump-sum payment for whatever salary would have been earned over the remainder of the contract. Such a payment would reduce the financial benefit of consolidation, particularly in the short-term.

Board members told us that that they had not been aware that the YPA might hire a new Executive Director until they received the meeting agenda and proposed Executive Director contract a few days before the November 29th meeting. They reported that at the time of their vote to approve the contract, they had not noticed the consolidation section of the contract. The board did not have an

attorney review the contract before approving it and members stated that they were told that the contract was substantively the same as prior YPA Executive Director contracts.

Conclusions

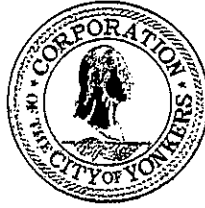
Our analysis leads us to conclude that the YPA may hire any individual it prefers for the position of Executive Director as long as the position is classified as exempt under New York State Civil Service Law. The law requires that when an except position becomes vacant, the state or municipal Civil Service Commission “shall study and evaluate” whether the position should remain exempt before an appointment is made. However, such a study has not been done with the YPA Executive Director and other exempt positions in Yonkers. Contract language regarding hours of employment and benefits are similar to prior YPA Executive Director contracts, but the new section regarding a lump sum payment to the Executive Director in the event of YPA/City of Yonkers consolidation reduces the potential financial benefit of such a consolidation.

We make the following specific conclusions:

- The position of YPA Executive Director has been classified as exempt pursuant to New York State Civil Service Law since 1994. As long as the position is exempt, the YPA does not have to interview other candidates and can hire any individual it prefers.
- Civil Service Law requires the YPA to first ask the state or municipal Civil Service Commission to “study and evaluate” whether the position should remain exempt before the YPA appoints a new Executive Director. Such action by the Yonkers Civil Service Commission is rarely, if ever, taken for exempt positions.
- Without action from the state or municipal Civil Service Commission, the YPA may make a temporary appointment for up to three months if the need for an Executive Director is “important and urgent.”
- Prior Executive Director contracts contained similar language regarding hours of employment and benefits.
- The new contract’s language regarding a lump sum payment to the Executive Director in the event of YPA/City consolidation reduces the potential financial benefits of such a consolidation. A detailed analysis of benefits and obstacles to consolidation will be addressed in a subsequent report.

EXHIBIT

1



OFFICE OF THE MAYOR
PHILIP A. AMICONE

November 25, 2011

To: YPA Board Members

From: William T. Regan
Chairman, YPA

A handwritten signature in black ink, appearing to read "WTR", written over the printed name of William T. Regan.

Re: Hiring of an Administrative Officer / Executive Director

As you know the YPA has been operating without an Administrative Officer / Executive Director since Michael Dalton left this position in January 2009 --- almost 3 years ago.

Our Authority has struggled along without the benefit of this very important position for two basic reasons. First, we were going through some tough fiscal times that required all of us to do everything possible to save money and pinch every proverbial penny. Second, and even more importantly, during this period, the compatibility of my dual positions --- Chairman of the Authority and Deputy Mayor --- allowed me to take on many of the functions that otherwise would have been assumed by an Administrative Officer / Executive Director.

Please know that with your help and the good work of the entire YPA Staff, especially our Senior Staff --- Joe and Jay --- during the past three years we have been able to reestablish a solid financial footing. Unfortunately, after January 1, 2012, I will not have the luxury of being able to do the type of 'double-duty' that I have in the past and, with this in mind, I believe that it is imperative for the Authority to reestablish the position of Administrative Officer / Executive Director.

In order for the YPA to avoid losing any the momentum that we have gained in the past few years, I strongly recommend that we hire a new Administrative Officer / Executive Director before the New Year begins.

WTR: ajg

EXHIBIT

2

Yonkers Parking Authority
Regular Board Meeting of November 29, 2011

Resolution No. 2011-20 Employment of Lisa Mrijaj as Administrative Officer/Executive Director,
YPA

Moved: *B. Nicoletti*
Second: *M. Ramondelli*

Vote: *3-0*

Yea: *W. Regan, B. Nicoletti, M. Ramondelli*
Nay: *0*
Abstain: *L. Nigrello*
Absent: *P. Kischak*

BE IT RESOLVED that, by this Resolution dated November 29, 2011, the Yonkers Parking Authority Board approves the hiring of Lisa Mrijaj of Yonkers, New York as Administrative Officer/Executive Director of the Yonkers Parking Authority effective December 30, 2011, and authorizes the Chairman of the Board, William T. Regan, to execute the attached, four-year employment agreement that delineates the terms and conditions of said employment.

EXHIBIT

3

AGREEMENT

THIS AGREEMENT ("Agreement"), made this 30th day of November, 2011 is by and between THE YONKERS PARKING AUTHORITY, a municipal corporation duly established under the laws of the State of New York, with its principal place of business at 8 Buena Vista Avenue, Yonkers, New York 10701-3501 (the "YPA") and Lisa Mrijaj ("Employee") residing at 185 Bronx River Road, Yonkers, New York 10704.

WITNESSETH:

WHEREAS, the YPA wishes to employ Employee as its Administrative Officer/Executive Director under the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and obligations set forth herein and other good and valuable consideration, the parties hereto agree as follows:

Article I – Duties

Employee shall perform the functions of Administrative Officer/Executive Director, Yonkers Parking Authority, attached hereto. Such duties shall be performed in accordance with the policies and directives of the Board of Directors of the YPA (the "Board").

Article II – Term of Agreement

- (a) Except as otherwise provided herein, the term of this Agreement shall be for a period commencing on December 30, 2011 through December 29, 2015.
- (b) Except as provided by Article III, below, during the term hereof,

Employee agrees to remain exclusively in the employ of the YPA and devote his/her full working time and efforts to said employment.

- (c) Nothing herein shall be deemed to limit the right of the Employee to voluntarily resign, provided, however, that such resignation shall be in accordance with the terms of Article III, below.

Article III – Termination, Resignation and Severance Pay

(a) Notwithstanding any provisions hereof to the contrary, the YPA may terminate this agreement for cause, by giving written notice to Employee of the date of termination, which may be immediate but shall not be more than ninety (90) days after the date of such notice detailing the reason(s) for termination. Cause shall be defined for the purposes of this section as: 1.) the indictment or conviction of Employee for a felony in a Court of competent jurisdiction in the United States or elsewhere; or 2.) Employee's willful and material breach of the duties under this Agreement, provided however, that decisions, actions or omissions which either were made, taken or omitted in good faith or with reasonable belief that they were in the best interest of the YPA or which were mere mistakes in judgment shall in no event constitute such a breach.

In the event of a termination for cause, Employee's sole remedy is to seek arbitration, pursuant to the rules of the American Arbitration Association to contest the issue of whether the facts and circumstances of Employee's conduct constitute cause hereunder. The decision of the Arbitrator shall be binding upon all parties.

In the event the Arbitrator rules that "cause" did not exist for said termination, the Arbitrator shall order the following relief: i.) reinstatement of Employee with full privileges and benefits plus a lump sum payment of the back pay due Employee; or ii.) a lump-sum payment to Employee of all back pay due him/her plus payment of the balance due Employee on the remainder of the term of this Agreement according to the payment schedule he/she would have received if he/she had remained in the employ of the YPA. The choice of said relief is at the sole discretion of the Employee.

If the Employee is discharged under subparagraph (1) above he/she shall not be entitled to any further compensation. If Employee is discharged under subparagraph (2) above and he/she demands arbitration within ten (10) days of the date that he/she receives the notification of termination, then he/she shall be entitled to receive his/her salary pursuant to this Agreement for a period not to exceed ninety (90) days, pending the issuance of a final decision of the Arbitrator, provided however that the Employee or someone acting in his/her behalf shall not unreasonably impede or delay the speedy resolution of the arbitration proceeding. In the event that the YPA requests adjournment of the arbitration proceeding without the consent of Employee, the salary payments to Employee will be extended to a maximum of ninety (90) days plus the length of the adjournment.

In the event the Arbitrator rules that "cause" did not exist for said termination, YPA shall reimburse Employee for all arbitration fees, all

reasonable attorney fees and any other reasonable costs incurred by Employee.

In the event the Arbitrator rules that the Employee was fired for cause, YPA shall be entitled to judgment for all salary payments made to Employee following his/her termination.

(b) In the event that this Agreement is terminated legally by Employee as provided in Article II, paragraph (c) above, or in the event that this Agreement is terminated by YPA for cause as provided in Article III, paragraph (a) above and pursuant to a final decision or order, the YPA shall not be responsible for payment of any monies or severance pay.

Article IV – Assumption of YPA or YPA's Functions Through Consolidation or Takeover by the City of Yonkers

Simultaneous to the assumption of the YPA or the YPA's functions by the City of Yonkers, the YPA agrees to pay Employee the balance due Employee on the remainder of the term of this Agreement plus any and all additional privileges and benefits due employees due the YPA terminated while in good standing. At the time of the assumption of the YPA or the YPA's functions by the City of Yonkers, all monies due the Employee pursuant to this Article shall be considered a bone fide obligation/liability of the YPA.

The Employee, in his/her sole discretion, may elect that the payment of all monies due pursuant to this Article be made either as a lump-sum payment to the Employee or made in according to the payments based on the schedule that the Employee would have received had he/she remained in the employ of the YPA. Should the Employee elect to receive scheduled payments, the YPA shall

establish a fully-funded escrow account from which scheduled payments shall be made to the Employee.

Article V – Compensation

During the term of this Agreement, the YPA agrees to pay Employee for services rendered pursuant hereto an annual gross salary of one hundred forty thousand dollars (\$140,000.00) payable in installments at the same time and in the same amount as other YPA employees are paid. Employee may receive adjustments in annual salary as may be increased from time to time by action of the YPA Board.

Article VI – Provision of Automobile and Cellular Telephone

The YPA shall supply Employee with YPA-owned automobile in good working condition and all necessary automobile incidentals including, but not limited to, the appropriate and necessary insurance and gasoline for use by the employee in conducting YPA business.

The YPA shall supply the Employee with a YPA-owned cellular telephone for use by Employee in conducting YPA business.

Article VII – Fringe Benefits

Employee shall receive fringe benefits such as annual leave, sick leave, life insurance, hospitalization, retirement benefits, etc., in accordance with existing YPA policies and ordinances as applicable to all other YPA employees. Nothing herein shall be constructed to prevent changes in the nature of such benefits to Employee should such benefits be subsequently altered for all other YPA employees.

Article VIII – Hours of Employment

It is recognized that the nature of Employee's position requires flexible hours. Therefore, Employee, in consideration of his/her compensation shall work whatever hours are necessary to satisfactorily perform the functions and duties of the Administrative Officer/Executive Director.

Article IX – Dues and Subscriptions

The YPA agrees to pay professional dues and subscriptions of Employee necessary for his membership and participation in national, regional, state and local associations and organizations of a job-related nature and for travel and associated expenses of Employee to secure his/her attendance at professional meetings and conferences, as budgeted and approved by the YPA.

Article X – General Business Related Expenses

The YPA agrees to reimburse Employee for reasonable job-related expenditures in accordance to existing YPA policy.

Article XI – Other Terms and Conditions of Employment

- (a) The YPA agrees to provide insurance coverage and legal counsel for Employee in matters relating to his/her official duties within the scope of his/her employment, as is provided to all other YPA employees.
- (b) All laws of the State of New York and laws and policies of the YPA relating to terms and conditions of employment as they now exist, or may hereafter be amended, shall apply to Employee. Provided, however, that should any such law or policy be so changed as to be inconsistent with the terms hereof, the Agreement shall be deemed

amended so as to comply with such law or policy. The parties acknowledge that this Agreement is voluntarily entered into and each party has had an opportunity to consult with an attorney or other advisor.

- (c) This Agreement constitutes the entire agreement between the parties hereto, with respect to the subject matter hereof, and this Agreement supersedes any and all prior negotiations, understandings and agreements, whether oral or written between the YPA and Employee, with respect to the subject matter hereof. This Agreement may not be amended, terminated or modified orally or by any course of conduct or usage of trade but only by the mutual written agreement of the YPA and the Employee.
 - (d) If any provision hereof shall be deemed unlawful, invalid ultra vires, or otherwise unenforceable in any respect, the parties agree that the remainder of the Agreement shall be deemed severable and shall remain in full force and effect and that this Agreement shall reformed and construed to the maximum extent possible as if such unlawful provision(s) or part of a provision had never been contained herein.
 - (e) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.
- IN WITNESS WHEREOF, The Yonkers Parking Authority causes this Agreement to be executed in its behalf by its Chairman, William

T. Regan, and Employee, Lisa Mrijaj, on this the 30th day of
November, 2011.

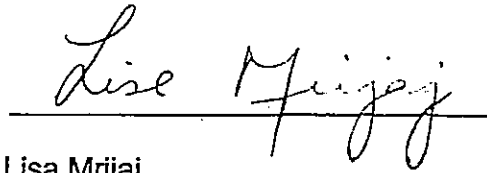
YONKERS PARKING AUTHORITY

BY:



William T. Regan, Chairman

BY:



Lisa Mrijaj

EXHIBIT

4

MIKE SPANO

for MAYOR

Mr. Dan Schorr
Inspector General, City of Yonkers
40 South Broadway
Yonkers, NY 10701

December 13, 2011

Dear Inspector General Schorr:

As Mayor-elect of the City of Yonkers and current Member of the Assembly, I am requesting that you initiate a review of the recent action of the Yonkers Parking Authority, wherein a four year contract was granted to Lisa Mrijaj.

This employment contract raises a number of issues, including but not limited to the following: It requires a four-year payment regardless of whether the Authority is wound up or otherwise combined. It specifies no actual hours of work, or means of accountability. There appears to have been improper public notice, nor is it clear that the contract is in conformance with proper hiring procedures. Most of all, there is strong evidence that this position, which has been vacant for nearly two years, ought not to have been filled at all.

I ask that you look at the specific circumstances of this contract to determine whether it can be nullified or otherwise invalidated in the interests of the people of Yonkers and the State of New York. In addition I ask that you undertake a review of all actions undertaken by the Authority in the past four years to determine whether it has been operating in compliance with all applicable statutes and regulations. In the event it has not, I urge you to consider all applicable remedies.

Thank you for your attention to this matter.

Sincerely,



Mike Spano

Enc: (1)

EXHIBIT

5



OFFICE OF THE YONKERS CITY COUNCIL

December 13, 2011

Mr. Dan Schorr
Inspector General
City of Yonkers
40 S. Broadway
Yonkers, N.Y. 10701

Re: Yonkers Parking Authority
Appointment of Lisa Mrijaj

Dear Inspector General Schorr:

In the last few days, we, the undersigned members of the Yonkers City Council, learned of the contract to hire current mayoral chief of staff Lisa Mrijaj to serve as the new executive director of the Yonkers Parking Authority (YPA).

The employment agreement for Ms. Mrijaj stipulates that in addition to the approximately \$600,000 contract, the executive director will work "flexible hours," receive a free vehicle, gas and cell phone, paid membership dues for various associations and organizations, travel expenses to conferences and meetings, increases that may be approved by the board, and a generous health and retirement package. The contract, signed on November 30, 2011 by Mrijaj and Deputy Mayor and YPA Chairman Bill Regan, goes into effect December 30, 2011 and expires on Dec. 29, 2015. Mr. Regan's role as chairman expires in 2016.

Pursuant to the Yonkers City Code, Article VII, Section C-72 (A), we ask that you review the validity of the contract and appointment of Ms. Mrijaj and determine if her hiring was done properly and according to civil service laws as may be required.

In addition, we ask your office to investigate the following:

1. Determine who else knew of the employment agreement besides Deputy Mayor and YPA Chair Bill Regan and whether the YPA Board was made aware of the candidacy of Ms. Mrijaj for this position.
2. Investigate whether a board meeting was properly called to discuss candidates (and Ms. Mrijaj) for the role of executive director and who in addition to Mr. Regan agreed to the Mrijaj hiring.
3. Report on which YPA Board members are authorized to enter into employment agreements and investigate the board policy of review and approval on regular and multi-year contracts.

CITY HALL ▪ 40 SOUTH BROADWAY ▪ YONKERS, NY 10701
TEL. 914/377-6060 FAX 914/964-1949

4. Investigate and determine whether a properly noticed civil service announcement was issued for the vacancy of the executive director and if all the provisions were administered in accordance with applicable city and state laws.
5. Investigate whether an announcement was issued and a list of candidates for the role of executive director generated and report on the candidates and their rankings and qualifications for the position.
6. Further, please create a cost benefit analysis on merging the YPA into the municipal government and how this would impact YPA contracts with vendors and employees, and determine whether the city will save money with the absorption of the YPA into an existing city agency.
7. If YPA Chair Bill Regan serves as chair of the YPA Board by virtue of his being deputy mayor, why does his contract postdate his service as such, rather than have it coincide with his tenure as deputy mayor, since it is in his current capacity as deputy mayor which earned him this appointment? We ask that you review Mr. Regan's contract(s) to make sure it is in accordance with applicable state and local civil service laws.

One of the issues that we are also concerned with is the current sustainability of the YPA and how it can afford to enter into a new \$600,000 contract. Less than one year ago, at the December 14, 2010 City Council meeting, YPA Deputy Executive Director and CFO Joe Dalli appeared before the City Council and asked that they approve a general ordinance to increase the time parking meters could charge from 6:00 p.m. to 8:00 p.m. throughout the city, except in the downtown parking areas where the time is in effect until 10:00 p.m.

At the same meeting, Mr. Dalli also shared that the YPA was running a deficit of \$500,000 and, as a result of the closure of the Larkin Plaza parking lot, six YPA positions would have to be terminated. Upon questioning by council members, Mr. Dalli was asked whether a cost benefit analysis had been conducted and he informed that with the added meter time increase, the YPA anticipated receiving \$250,000 in increased revenue.

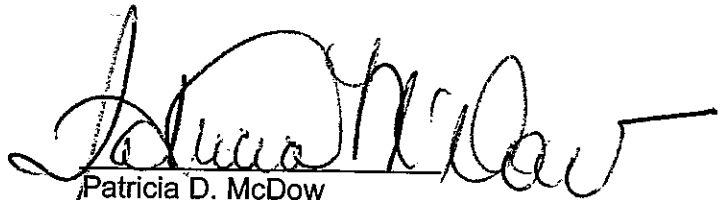
Details of the YPA's finances are presently unknown by the City Council. Online records go back only to May, 2011 and board meeting minutes that refer to revenues generated and expenses paid are only available through April 2011.

We look forward to your prompt reply into this most urgent matter.

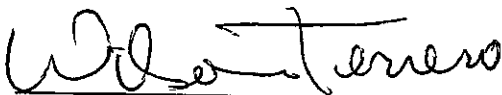
Very truly yours,



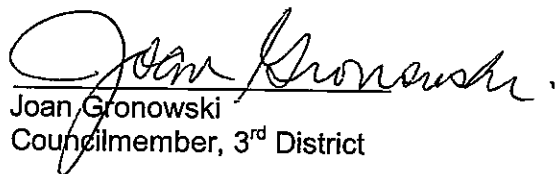
Chuck Lesnick
City Council President



Patricia D. McDow
Majority Leader & Councilmember
1st District



Wilson Terrero
Councilmember, 2nd District



Joan Gronowski
Councilmember, 3rd District

cc/ab:

Christian DiPalermo
Rachelle D.J. Richard, Adam H. Brill