

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Daniel Dromm
Chair, Finance Committee

Hon. Antonio Reynoso
Chair, Sanitation and Solid Waste Management



Report to the Committee on Finance and the Committee on Sanitation and Solid Waste
Management on the Fiscal 2019 Executive Budget for

Department of Sanitation

May 17, 2018

Finance Division

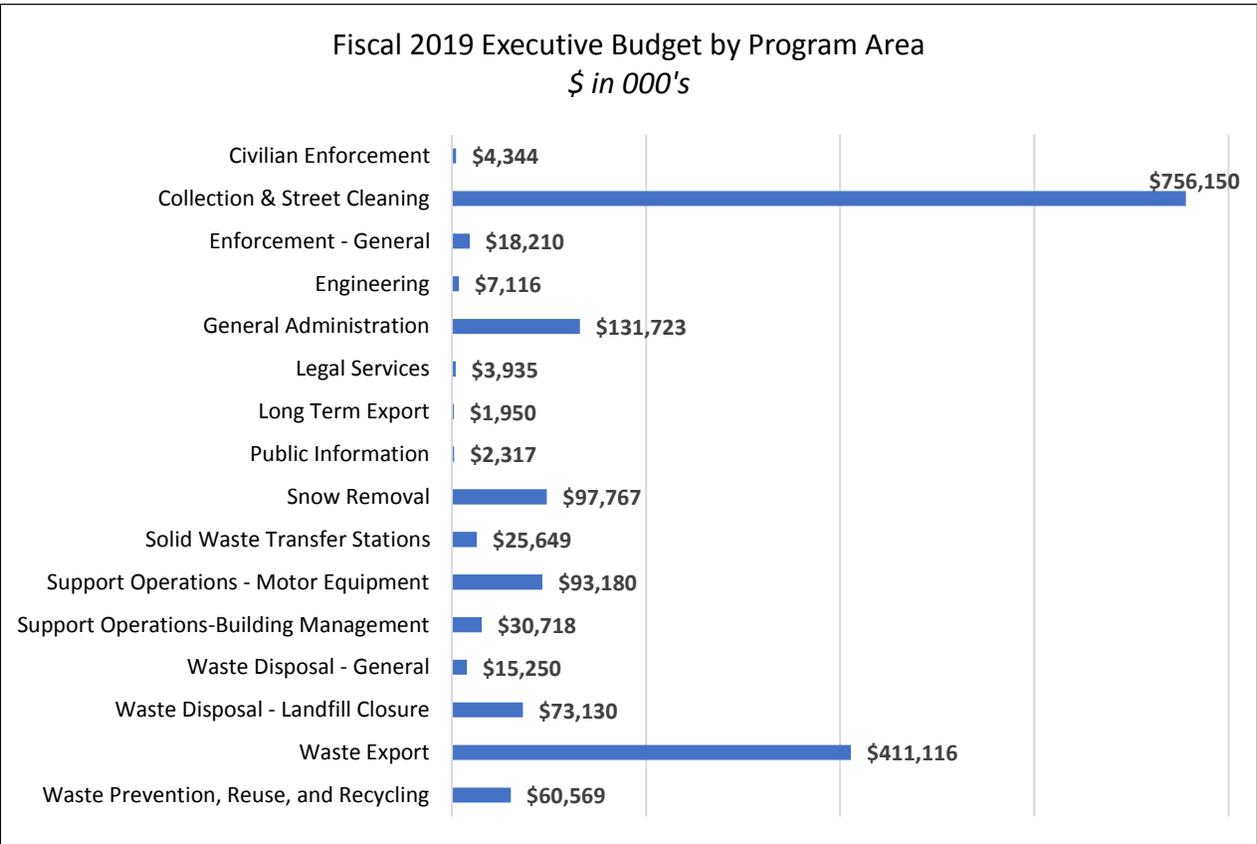
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Executive Budget Overview

\$1.73 billion – Fiscal 2019 Executive Budget	\$2.22 billion – Fiscal 2018 - 2022 Executive Capital Budget 199 Projects 23 Budget Lines	
\$1.71 billion in City funds		
\$12.4 million in Intra City funds		
\$5.3 million in Capital IFA funds	Executive Budget Changes <ul style="list-style-type: none"> • New Needs total \$15.9 million in Fiscal 2019. • Other Adjustments total \$3.24 million in Fiscal 2019. • Re-estimates total \$3.5 million in Fiscal 2019. 	
\$775,000 in State and Other Categorical funds		
9,959 Full-time Staff		178 Contracts



DSNY Overview

This report presents a review of the Department of Sanitation's (DSNY or the Department) Fiscal 2019 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2018, followed by a review of the significant budget actions introduced in the Fiscal 2019 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of DSNY's Capital Commitment Plan for Fiscal 2018 – 2022 follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2018 and Fiscal 2019 Budgets since Adoption of the Fiscal 2018 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2019 Preliminary Budget Report for DSNY at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Department-of-Sanitation.pdf>

DSNY Financial Summary						
	FY16	FY17	FY18	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Spending						
Personal Services	\$894,791	\$956,239	\$977,035	\$1,017,985	\$1,009,257	\$32
Other Than Personal Services	605,885	645,079	702,386	721,993	723,868	21
TOTAL	\$1,500,676	\$1,601,317	\$1,679,421	\$1,739,978	\$1,733,125	\$53,704
Budget by Program Area						
Civilian Enforcement	\$5,244	\$5,423	\$4,344	\$4,344	\$4,344	\$0
Collection & Street Cleaning	687,268	721,327	739,227	775,186	756,150	16,923
Enforcement - General	14,953	14,754	18,220	18,135	18,210	(10)
Engineering	7,598	7,440	7,302	8,456	7,116	(186)
General Administration	106,379	129,069	130,410	140,971	131,723	1,313
Legal Services	3,472	3,670	3,927	3,927	3,935	8
Long Term Export	4,919	3,987	3,053	3,958	1,950	(1,103)
Public Information	2,160	2,317	2,309	2,309	2,317	8
Snow Removal	104,403	97,847	84,118	107,241	97,767	13,649
Solid Waste Transfer Stations	10,072	10,737	22,686	22,385	25,649	2,963
Support Operations - Motor Equipment	92,934	99,158	93,579	96,624	93,180	(399)
Support Operations-Building Management	27,290	28,707	28,847	29,792	30,718	1,871
Waste Disposal - General	13,750	19,033	18,233	15,072	15,250	(2,984)
Waste Disposal - Landfill Closure	36,426	44,044	72,830	71,850	73,130	300
Waste Export	337,499	355,096	383,551	375,117	411,116	27,565
Waste Prevention, Reuse, & Recycling	46,309	58,710	66,782	64,610	60,569	(6,213)
TOTAL	\$1,500,676	\$1,601,317	\$1,679,421	\$1,739,978	\$1,733,125	\$53,704
Funding						
City Funds			\$1,661,960	\$1,714,790	\$1,714,617	\$52,658
Other Categorical			750	1,190	750	0
Capital- IFA			5,331	5,361	5,345	13
State			25	9,012	25	0
Intra City			11,355	9,625	12,387	1,033
TOTAL	\$1,500,676	\$1,601,317	\$1,679,421	\$1,739,978	\$1,733,125	\$53,704
Budgeted Headcount						
Full-Time Positions - Civilian	9,569	9,681	9,772	9,811	9,959	187
TOTAL	9,569	9,681	9,772	9,811	9,959	187

*The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Executive Budget.

New in the Executive Budget

The following are the major financial plans actions in the Fiscal 2019 Executive Plan. See Appendix 1 on page 6 for the Department's additional new needs and other adjustments.

New Needs

- **Auto Parts.** The Fiscal 2019 Executive Plan includes \$2.4 million in Fiscal 2018 to purchase auto parts for Department vehicles.
- **Cleaning Enhancement.** The Fiscal 2019 Executive Plan includes \$1.9 million in Fiscal 2019 and \$1.74 million in the outyears to hire 23 full-time staff for mobile litter patrol, basket service, mechanical broom service and enforcement in Brooklyn North.
- **Commercial Waste Consultant Acceleration.** The Fiscal 2019 Executive Plan includes a reallocation of \$1.65 million from Fiscal 2019 and Fiscal 2020, to Fiscal 2018 for consultancy work on the commercial waste zone project.
- **Marine Transfer Station Maintenance Contracts.** The Fiscal 2019 Executive Plan includes \$400,000 in Fiscal 2018, growing to \$1.2 million in Fiscal 2022 to procure maintenance support contracts that will aid marine transfer station operations.
- **Personal Services Deficit.** The Fiscal 2019 Executive Plan includes \$27 million in Fiscal 2018 to re-align actual Department spending on overtime for uniform and civilian staff.
- **Radio Replacement.** The Fiscal 2019 Executive Plan includes \$620,898 in Fiscal 2018 to procure radios and accessories for operational communication.
- **Recycling Processing.** The Fiscal 2019 Executive Plan includes \$1.54 million in Fiscal 2018 to re-align actual spending on the disposal of metal, glass and plastic recycling due to increased tonnage fees.
- **Snow Removal Adjustment.** The City Charter requires that DSNY's snow removal budget be calculated as the spending average of the previous five fiscal years. As a result, the Fiscal 2019 Executive Plan includes \$23.1 million in Fiscal 2018, growing to \$27.2 million in Fiscal 2022 to reflect the operational needs for snow removal.
- **Temporary Boiler.** The Fiscal 2019 Executive Plan includes \$468,000 in the Fiscal 2018 for a temporary boiler at the Queens 5 Garage.
- **Vehicle Tolls.** The Fiscal 2019 Executive Plan includes \$1.2 million in Fiscal 2018 for vehicle tolls.

Other Adjustments: Re-estimates

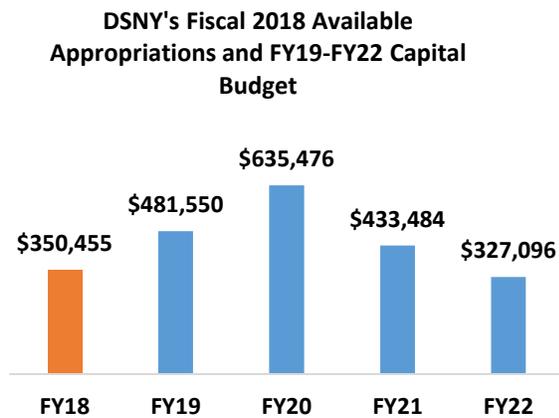
- **Lease Adjustment.** The Fiscal 2019 Executive Plan includes a lease adjustment of \$3.5 million in Fiscal 2019 to account for changing project schedules.

Budget Issues

The Council's response to the Mayor's Fiscal 2019 Preliminary Budget included several recommendations for the Department of Sanitation. The recommendations called on the Administration to increase the frequency of litter basket pickups to seven days a week throughout the City, and collect all household refuse and recyclables the day after a nationally recognized holiday. Additionally, the Council called upon the Administration to increase the outreach budget for the Zero Waste by 2030 campaign. Of the three recommendations, none of the funding was included in the Executive Budget.

Capital Program

Fiscal 2019 Executive Capital Budget and Commitment Plan for Fiscal 2018-2022

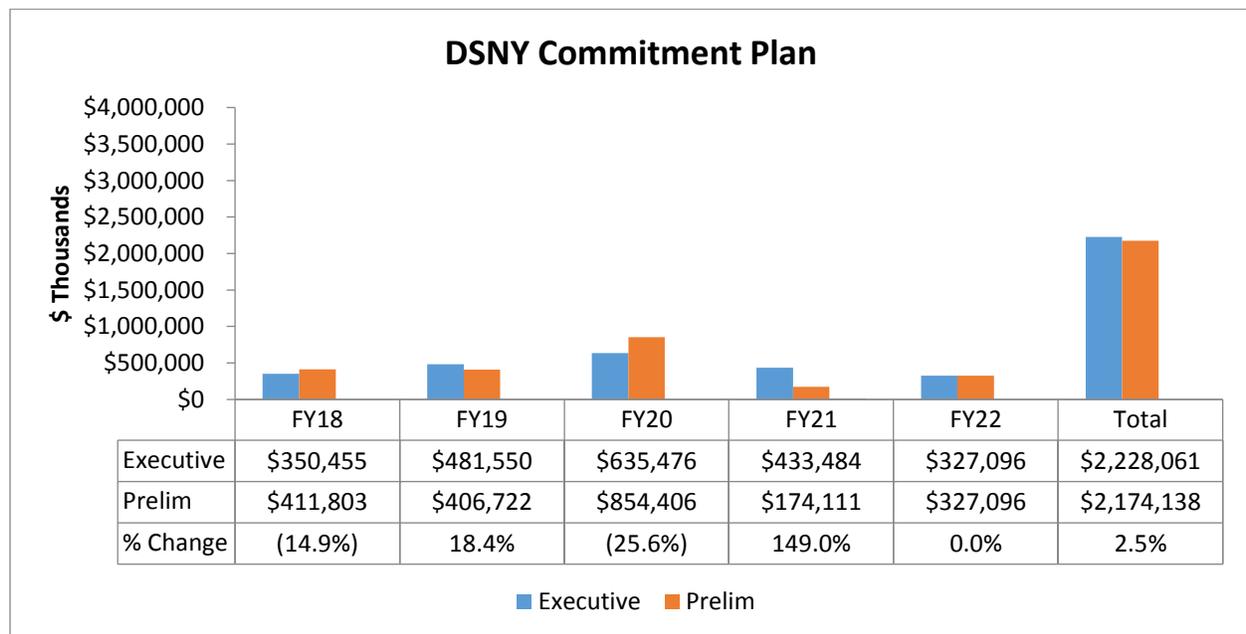


DSNY's Fiscal 2019 Executive Capital Budget includes \$1.88 billion in Fiscal 2019-2022, with \$481.6 million in Fiscal 2019. This represents four percent of the City's total \$49.4 billion Capital Budget for 2019-2022.

Capital Commitment Plan

The Department's Preliminary Commitment Plan includes \$2.23 billion in Fiscal 2018-2022. This represents approximately three percent of the City's total \$82 billion Executive Commitment

Plan. The Department's Capital Budget is significantly less the Capital Commitment Plan because it does not include the current appropriations for Fiscal 2018, or the amount of funding that may be reappropriated or rolled into the Fiscal 2019 Adopted Budget. The following section will provide an overview of the Capital Commitment Plan for DSNY.



The following is a list of new projects added in the Department's Fiscal 2019 Executive Budget.

- Marine Transfer Station Change Orders.** The Executive Capital Commitment Plan includes \$20.1 million for change orders at various marine transfer stations, including East 91st Street, Southwest Brooklyn, North Shore, and Hamilton Avenue.
- Citywide Garage Rehabilitation.** The Executive Capital Commitment Plan includes \$20 million for various citywide garage rehabilitation projects.

- **Composting Facility Infrastructure.** The Executive Capital Commitment Plan includes \$13 million to build roads and drainage systems at the composting site within Fresh Kills Landfill.

Appendix 1: Fiscal 2019 Budget Actions since Fiscal 2018 Adoption

<i>Dollars in Thousands</i>	Fiscal 2018			Fiscal 2019		
	City	Non-City	Total	City	Non-City	Total
DSNY Budget as of the Fiscal 2018 Adopted Budget	\$1,661,960	\$17,460	\$1,679,421	\$1,690,450	\$18,357	\$1,708,807
New Needs - Prelim. 2018						
Marine Transfer Station Repair Work	\$2,048	\$0	\$2,048	\$0	\$0	\$0
24x6 Information Technology Staff	1,101	0	1,101	1,101	0	1,101
Food Donation Portal	118	0	118	120	0	120
Marine Transfer Station Maintenance Staff	723	0	723	1,461	0	1,461
Organics Program	462	0	462	0	0	0
Rat Mitigation	3,151	0	3,151	2,342	0	2,342
Subtotal, New Needs	\$7,603	\$0	\$7,603	\$5,024	\$0	\$5,024
Other Adjustments - Prelim 2019						
City Services Corps Transfer	(\$212)	\$0	(\$212)	\$0	\$0	\$0
Energy Manager	0	100	100	0	0	0
Handheld Devices	0	513	513	0	0	0
IC Mod to Pay Sanitation Department	0	120	120	0	0	0
Local Government Records Management Improvement Grant	73	0	73	0	0	0
Marine Transfer Station Staffing PS Accruals	(1187)	0	(1187)	0	0	0
Member Item Reallocation	3296	0	3296	0	0	0
New York Power Authority - Encore II Contract	0	25	25	0	0	0
Petroleum Storage Tank Inspect	0	179	179	0	0	0
Recover Funds From Sanitation	0	(3)	(3)	0	0	0
1st Quarter Revenue	141	0	141	0	0	0
DSNY Fuel for August and December	3		3	0	0	0
ExCEL Program	0	133	133	0	0	0
Lease Adjustment	(427)	0	(427)	0	0	0
Minimum Wage for Job Training Participants	0	70	70	140	0	140
Street Fair Revenue	0	213	213	0	0	0
Training	0	1	1	0	0	0
TOTAL, All Changes Prelim. 2019	\$9,290	\$1,351	\$10,641	\$5,164	\$0	\$5,164
DSNY Budget as of the Fiscal 2018 Preliminary Budget	\$1,671,031	\$18,811	\$1,690,069	\$1,695,473	\$18,357	\$1,713,968
New Needs - Exec. 2019						
Auto Parts	\$2,447	\$0	\$2,447	\$0	\$0	\$0
Cleaning Enhancement	0	0	0	1,905	0	1,905
Commercial Waste Consultant Acceleration	1,654	0	1,654	(404)	0	(404)
MTS Maintenance and Service Contracts	400	0	400	760	0	760
Personal Services Deficit	27,000	0	27,000	0	0	0
Radio Replacement	621	0	621	0	0	0
Recycling Processing	1,541	0	1,541	0	0	0
Snow Removal	23,122	0	23,122	13,649	0	13,649
Technical Adjustment	1,272	0	1,272	0	0	0
Temporary Boilers	468	0	468	0	0	0
Vehicle Tolls	1,094	0	1,094	0	0	0
Subtotal, New Needs	\$59,619	\$0	\$59,619	\$15,910	\$0	\$15,910
Other Adjustments - Exec. 2019						
Fuel	\$0	\$4	\$4	\$0	\$0	\$0
Revenue	0	87	87	0	0	0
City Council Items	146	0	146	0	0	0
City Service Corps Transfer	(50)	0	(50)	(7)	0	(7)
Citywide Savings - Agency Phone Plan	0	0	0	(142)	0	(142)
Citywide Savings - Overtime Waivers	0	0	0	(389)	0	(389)

<i>Dollars in Thousands</i>	Fiscal 2018			Fiscal 2019		
	City	Non-City	Total	City	Non-City	Total
Citywide Savings - Procurement Reform	\$0	\$0	\$0	(\$106)	\$0	(\$106)
Citywide Savings - Standardize Travel	0	0	0	(18)	0	(18)
Citywide Savings - Electric Vehicles	0	0	0	(49)	0	(49)
Construction Manger Differential	12	0	12	0	0	0
Construction Manger Differential - IFA	0	16	16	0	0	0
DC37 ACF - City Tax Levy	42	0	42	42	0	42
DC37 ACF - IFA	0	13	13	0	13	13
Sewer Project	0	366	366	0	0	0
ExCel Projects Round 2	0	76	76	0	0	0
Takedown of Fuel	0	(315)	(315)	0	0	0
Heat, Light and Power	(440)	0	(440)	670	0	670
Heating Fuel Adjustment	1,062	0	1,062	528	0	528
Landfill Closure Costs	(980)	0	(980)	0	0	0
Lease Adjustment	0	0	0	3,162	0	3,162
Lease Re-estimate	0	0	0	(3,453)	0	(3,453)
Motor Fuel	3,878	0	3,878	2,996	0	2,996
State Recycling Grants	(8,884)	8,884	0			
Organics Processing	(3,647)	0	(3,647)	0	0	0
Subsidized Job Re-estimate	0	(3,000)	(3,000)	0	0	0
Training	0	20	20	0	0	0
Waste Export	(7,000)	0	(7,000)	0	0	0
Subtotal, Other Adjustments	(\$15,861)	\$6,151	(\$9,710)	\$3,234	\$13	\$3,247
TOTAL, All Changes - Exec. 2019	\$43,758	\$6,151	\$49,909	\$19,144	\$13	\$19,157
DSNY Budget as of the Fiscal 2019 Executive Plan	\$1,714,790	\$24,962	\$1,739,978	\$1,714,617	\$18,370	\$1,733,125

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