

**STATEMENT OF POLICE COMMISSIONER  
RAYMOND W. KELLY  
BEFORE THE NEW YORK CITY COUNCIL  
COMMITTEES ON FINANCE AND PUBLIC SAFETY  
ON THE NOVEMBER FINANCIAL PLAN FOR FISCAL YEAR 2009  
November 24, 2008**

**Good morning. Thank you for the opportunity to discuss the changes in the Mayor's November Financial Plan. Allow me first to provide a brief update on the Department's crime-fighting and counterterrorism efforts.**

**I last appeared before the Council in May. Since that time, crime rates in the city have continued to fall. Felony crime is down by 3½% this year and by 28% compared to 2001. Subway crime is down 4% on top of last year's record lows. Crime in public housing developments has fallen another 3%. And we're on pace to see the second lowest murder rate since as far back as 1961.**

**The members of the Police Department have achieved all this with about 5,000 fewer officers than we had at our peak in fiscal year 2001. And they've done it in the face of an ever-increasing workload. So far in 2008, members of the department have responded to more than 4 million radio runs, an increase of 250,000 compared to the same time period last year. They've made approximately 360,000 arrests and issued 450,000 criminal court summonses and 840,000 summonses for traffic violations. Their average response time to critical crimes in progress is just 4.3 minutes.**

**We can attribute much of the Department's overall success to Operation Impact. Through this program we team newly graduated police officers with experienced supervisors and deploy them to areas of the city where we've registered an increase in serious crime. Impact continues to help us use limited resources strategically. So far this year, crime in our 12 Impact Zones is down 14%.**

**When the FBI released its most recent national crime report in September, it showed that in 2007, for the first time in three years, national crime rates had fallen. In New York City, the reduction in crime was especially dramatic. In fact, much of the drop in crime nationally can be attributed to New York City alone. For example, without the city's steep decline in murders, the national murder rate would have remained flat. New York City accounted for 99% of the national decrease in murders.**

**These facts are all the more striking given that New York bears the complex and demanding responsibility of counterterrorism. In 2008, our counterterrorism program has continued to expand, and I believe our defense of the city has never been stronger.**

**Earlier this month, we opened our Lower Manhattan Coordination Center. This is the base of operations for the Lower Manhattan Security Initiative, a program to protect the 1.7 miles south of Canal Street—the heart of the city's economic activity and a known**

terrorist target. As is the case with our firearms training programs at Rodman's Neck, we invite Council Members to tour the Coordination Center in the coming weeks and months as it becomes fully operational.

Inside this facility, 33 members of the Department provide 24-hour coverage of the protected area. Their computers are linked to 156 surveillance cameras and 30 mobile license-plate recognition readers. As the program expands, we'll be adding many more -- up to 96 fixed license plate readers and more than 3,000 surveillance cameras. We'll also be installing throughout lower Manhattan sensors to detect biological and radiological weapons and retractable barriers to stop vehicle-borne threats. The officers at the coordination center will be continually reviewing the data from these systems for signs of hostile activity. They will be joined in this effort by representatives of our private sector and government partners. With the Coordination Center now open and \$88.5 million of the initiative funded by DHS and City capital sources, New York is on its way to having the safest business district in the world.

In September, the Police Department and neighboring law enforcement agencies were awarded \$29.5 million for the program known as Securing the Cities. The Police Department serves as the lead agency in this effort to protect New York and the greater Metropolitan region from nuclear and radiological threats. Through this program we are installing detection equipment at bridges, tunnels, waterways and roadways leading into New York City and improving inter-agency coordination.

We learned this month that under the Federal Fiscal Year 2008 Homeland Security Grant Program, the Police Department has been awarded \$77.7 million as follows:

- \$32 million for the Lower Manhattan Security Initiative
- \$9 million for Recruit Training
- \$6 million for a Joint Operations Center
- \$1.0 million for Intelligence Analysts for the Department's Counterterrorism Bureau and Intelligence Division
- \$4.5 million for Joint Terrorist Task Force Overtime
- \$25.2 million for Critical Infrastructure Protection Programs

Together, Homeland Security and City funds are providing for new technology and counterterrorism programs that are essential to keeping the city safe, especially at a time when the Police Department faces further reductions to staffing levels.

For the November 2008 Financial Plan, all City agencies were required to submit budget reduction proposals of 2.5% in FY'09 and 5% in FY'10. The Police Department's target amount called for a reduction of \$94.7 million in FY'09 and \$192.5 million in FY'10.

The actual PEG implemented in this plan totals \$45.4 million, or 1.2%, in FY'09 and \$167.2 million or 4.34% in FY'10. The PEG amount increases to \$171 million in FY'11 and approximately \$133 million annually thereafter.

**A summary of the gap-closing programs is as follows:**

- **The January 2009 Police Officer class has been eliminated. This class elimination will reduce City expenses by \$36.1 million in FY'09.**
- **In FY'10, the budgeted peak headcount, which had been 37,838 before being reduced by 1,000 positions in the prior Executive Plan, has been further reduced by 1,067 to 35,771. The FY'11 budgeted peak headcount has been reduced by 1,175 from 37,838 to 36,663, and the FY'12 peak headcount has been reduced by 282 from 37,838 to 37,556. In FY'13, the peak headcount returns to 37,838. These uniformed staffing decreases will reduce City costs by \$81 million in FY'10, \$87 million in FY'11, and \$49 million in FY'12.**
- **Civilian staffing has been further reduced by 292 positions in FY'09 and 361 positions beginning in FY'10 to be realized through attrition. In the prior two financial plans, 573 civilian positions were eliminated beginning in FY'09. The total civilian positions eliminated in FY'09 is now 865 and increases to 934 beginning in FY'10. The titles affected by these cuts are primarily clerical, administrative, and custodial. OMB projects that a workload reduction will result from the implementation of the new "e-Arraignment System" which will automate tasks currently performed by civilians assigned to the Criminal Justice Bureau. Sixty-nine clerical positions are included in the additional reductions starting in FY'10. The remaining 292 positions eliminated will exclude public safety related titles such as School Safety Agents, Traffic Enforcement Agents, and Police Communications Technicians and will focus instead on clerical and administrative titles.**
- **Governor Paterson has signed into law a bill requested by Mayor Bloomberg allowing New York City to consider the VTL violation of "Obstructing Traffic at Intersection" to be a parking violation. The offense continues to be a moving violation, but the law now allows the offense to be alternatively written as a parking violation, and therefore subject, for the first time, to ticketing by Traffic Enforcement Agents. As of September 10, 2008, vehicles found blocking an intersection are issued summonses with a fine of \$115.**

**To effectively manage and direct traffic throughout the city, an additional 200 Traffic Enforcement Agents and 34 Supervisors were funded in the November Plan. They will expand the initiative into four boroughs, excluding Staten Island. With input from community groups and patrol borough staff, members of the Traffic Control Division have identified gridlock locations. We anticipate that 50% of the agents will be assigned to Manhattan, with the remaining agents equally distributed among three outer boroughs. Traffic agents will be assigned to these locations in groups of two or three, and teamed with a supervisor and a police officer. It is estimated that this program will generate additional annual net revenue of approximately \$61 million in FY'09 and \$66 million annually thereafter.**

- The Parking Enforcement District operates tow pounds in Manhattan, the Bronx, Brooklyn, and Queens. Throughout the city, there are 129 regular duty tow trucks with an additional four heavy-duty trucks operating in Manhattan. There are 239 tow operators assigned citywide. Vehicles may be towed for any violation of the New York City Traffic Regulations. However, our tow operators focus their efforts on those violations that increase the likelihood of accidents and impede the flow of traffic. In FY'08, the Department replaced many old tow trucks with new trucks. This decreased the amount of vehicle downtime and enabled the Department to make an additional 10,000 tows. We estimate that increased tow volume will generate \$2 million more per year beginning in FY'09.
- We anticipate a funding increase of \$8 million in FY'10 from the federal government to be provided for the cost of security at the United Nations and various foreign consulates and embassies. This assumes that the nationwide appropriation in Federal Fiscal Year 2009 will remain at \$22.8 million, of which approximately \$15 million will be allocated to New York City, in which case the Department's revenue plan will increase from \$7 million to \$15 million in FY'10.

Given the City's financial condition, the November Financial Plan only provided additional funds to cover recent labor agreements.

Our FY'09 overtime-spending projection is \$468.2 million which is approximately \$5.4 million lower than the FY'08 actual overtime expenditure of \$473.6 million, after adjusting for collective bargaining. Approximately \$26.3 million of the FY'09 overtime costs will be reimbursed through grants and other non-city revenue. The current FY'09 overtime budget of \$353.5 million, plus expected revenues, will cover all but \$107.6 million of this year's projected overtime costs. We hope to cover much of the unbudgeted amount through the reallocation of PS surplus funds.

As always, we will work to achieve savings in overtime wherever possible. Since Calendar Year 2002, our uniformed deployment to planned events has been reduced thanks to careful management efforts. As a result, overtime costs for Planned Events decreased by a cumulative total of \$92.1 million through Calendar Year 2007.

On November 5th, the FY'09 Adopted Capital Commitment Plan was also released. It totals \$1.68 billion for the Police Department and covers Fiscal Years 2009 to 2013.

This plan included a 20% measured delay of capital commitments in each fiscal year from FY'09 – FY'12 for a total \$343 million that has been reallocated to FY'13. Major delays are as follows:

- \$258 million in construction funding for the new Police Academy was delayed to FY'13. This project is currently budgeted at \$1 billion and is in the design process.

- \$47.9 million in design and construction funds for the 40th, 66th, and 70th Precincts was delayed to FY'13. In addition, \$4 million in site acquisition funds and \$6.4 million in design funds for the construction of a new 110<sup>th</sup> Precinct Stationhouse were delayed to FY'13 and FY'14 respectively. Each of these precincts is currently budgeted at \$30 million.
- \$19.3 million in funding for the life-cycle replacement of technology projects, harbor boats, vehicles and other equipment was also delayed to FY'13.

The current plan maintains funding for the following precinct construction and rehabilitation projects:

- Design and construction of a new facility for the 121<sup>st</sup> Precinct is budgeted in the current Capital Plan at \$33.8 million, which supplements \$3.7 million budgeted in prior fiscal years. However, based on bids received for other similar citywide projects, including the 120<sup>th</sup> Precinct, an additional \$18.1 million is required to fully fund the project. Therefore, the total estimated cost has increased to \$55.6 million.
- Design and construction of a new facility for the existing 120<sup>th</sup> Precinct is budgeted in the current Capital Plan at \$40 million which supplements \$6.9 million budgeted in prior fiscal years. However, based on bids received, an additional \$30 million would be required to fully fund the project, since the total estimated cost has increased to \$76.9 million.
- Total restoration and renovation of the landmark Central Park Precinct is budgeted in the current Capital Plan at \$4.3 million which supplements \$43.8 million budgeted in prior fiscal years. However, an additional \$7.9 million is required to fully fund the project. Therefore, the total estimated cost of this project has increased to \$56 million.

We will continue our discussions with OMB during the January Plan process in order to reach funding determinations that will enable the advancement of priority precinct construction projects.

Finally, OMB has approved the reallocation of \$25.6 million in de-registered FY'08 capital funds to FY'09 for the procurement of a Computer Aided Dispatch System. OMB has also provided the balance needed for this system by appropriating \$32.1 million in DoITT's Capital Budget in FY 2009.

Thank you again for the opportunity to discuss these issues with you. At this time, I will be pleased to answer any questions you may have.