

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Benjamin Kallos
Chair, Committee on Governmental Operations



Report on the Fiscal 2017 Preliminary Budget and the Fiscal 2016 Preliminary Mayor's Management Report Office of Payroll Administration

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James Subudhi, Legislative Financial Analyst
John Russell, Unit Head

Finance Division

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director
Nathan Toth, Deputy Director
Paul Scimone, Deputy Director
Emre Edev, Assistant Director

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Office of Payroll Administration Overview

The Office of Payroll Administration (OPA or the Office) is responsible for establishing payroll policy, coordinating payroll related matters between City agencies and affected covered organizations, and developing uniform procedures for payroll processing and development. OPA is also responsible for the distribution of payrolls, the accounting for payrolls, administration of payroll deductions, check distribution services, maintenance of the integrity and accuracy of the payroll management system (PMS), and supporting the development and implementation of PMS.

Fiscal 2017 Financial Plan Summary

OPA Financial Summary						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personnel Services	\$12,510	\$13,372	\$15,150	\$15,739	\$15,666	\$516
Full-Time Salaried	11,033	11,629	14,241	14,402	14,755	514
Other Salaried & Unsalaries	1,063	999	174	602	176	2
Additional Gross Pay	376	692	571	571	571	0
Overtime	38	52	164	164	164	0
Other Than Personnel Services	1,203	1,307	2,470	1,883	1,883	(587)
Supplies and Materials	68	58	130	58	103	(27)
Property and Equipment	41	61	48	65	58	10
Other Services and Charges	308	384	375	399	391	16
Contractual Services	787	803	1,916	1,361	1,330	(586)
TOTAL	\$13,713	\$14,678	\$17,620	\$17,622	\$17,549	(\$71)
Funding						
City Funds			\$17,620	\$17,193	\$17,549	(71)
Other Categorical			0	429	0	0
TOTAL	\$13,713	\$14,678	\$17,620	\$17,622	\$17,549	(\$71)
Positions						
Full-Time Positions - Civilian	147	156	183	183	183	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

OPA's proposed budget for Fiscal 2017 totals \$17.5 million, including Personnel Services funding of \$15.6 million to support 183 full-time positions. The agency relies almost entirely on City tax-levy funding. OPA's projected Fiscal 2016 and 2017 budgets are significantly higher than its actual expenditures in both Fiscal 2013 and 2014, indicating the potential of a budget surplus at the end of each fiscal year. When compared to the Fiscal 2016 Adopted Budget, OPA's budget decreases by \$71,000 in Fiscal 2017. This decrease is attributed to the reductions to consultant/computer services detailed in the Office's Citywide Savings Program. The current budget includes Other Categorical funding

totaling \$429,000 from the Management Benefits Fund for the reimbursement of health club membership fees for City employees.

Fiscal 2017 Preliminary Budget Highlights

CityTime

In conjunction with the Financial Information Services Agency (FISA), OPA is responsible for the operation of CityTime, the web-based citywide municipal employee timekeeping system that serves over 80 City agencies. OPA's proposed Fiscal 2017 budget for CityTime includes personnel services funding of \$3.7 million to support 50 full-time positions. The Capital Plan includes \$1.9 million to expand CityTime implementation. Additional resources for operating CityTime are in FISA's budget.

Miscellaneous Revenue

OPA generates revenue by charging fees to non-city entities, including NYCHA and various pension and retirement funds that utilize the City's payroll systems. Many of the fees are related to withholdings for various purposes. The chart below lists the revenues generated by these fees.

Revenue	Actuals			Planned	
	FY 13	FY 14	FY 15	FY 16	FY 17
Political Contribution Fees	\$71,153	\$69,018	\$67,196	\$68,000	\$68,000
Document Fees	9,284	9,986	9,190	10,000	10,000
Agency Payroll Fees	443,554	432,708	359,598	52,145	52,145
Union Dues Fees	437,677	431,346	433,625	420,000	420,000
Insurance Deduction fees	98,770	111,110	107,345	98,000	98,000
Garnishment Fees	10,780	8,266	8,678	8,000	8,000
Outstanding Prior Year Expense	NA	40,133,388	1,500,000	3,000,000	3,000,000
TOTAL	\$1,071,218	\$41,195,822	\$2,485,632	\$3,656,145	\$3,656,145

The Fiscal 2017 Preliminary Plan projects that OPA will generate \$3.6 million in the current fiscal year through fees charged. In Fiscal 2014, the agency generated \$41.2 million, of which 97 percent came from the clean-up of all uncashed employee paychecks across many years. The City will reissue any unclaimed pay upon request.

Appendix A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
OPA Budget as of FY 2016 Adopted Budget	\$17,620	\$0	\$17,620	\$17,938	\$0	\$17,938
Other Adjustments						
IT Consultant savings	(587)		(587)	(587)		(587)
Collective Bargaining Adjustment	160		160	198		198
MBF Health Club Membership Reimbursement		429	429			0
TOTAL, All Changes	(\$427)	\$429	\$2	(\$389)	\$0	(\$389)
OPA Budget as of FY 2017 Preliminary Budget	\$17,193	\$429	\$17,622	\$17,549	\$0	\$17,549

Appendix B: Contract Charts

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personnel service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

OPA Fiscal 2017 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	Fiscal 2016 Adopted	Number of Contracts	Fiscal 2017 Preliminary	Number of Contracts
Contractual Services General	\$801,944	1	\$809,944	1
Maint & Repair, General	9,000	1	9,000	1
Office Equipment Maintenance	29,200	1	29,200	1
Data Processing Equipment	128,509	1	225,509	1
Costs Associated with Financing	12,025	1	12,025	1
Printing Contracts	3,000	1	3,000	1
Temporary Services	17,900	1	10,900	1
Cleaning Services	2,000	1	2,000	1
Training Programs for City Employees	5,000	1	5,000	1
Professional Services: Computer Services	907,788	3	223,900	3
TOTAL	\$1,916,366	12	\$1,330,478	12

OPA's Fiscal 2017 Contract Budget totals \$1.3 million for 12 contracts which accounts for 71 percent of the agency's total OTPS budget. Because OPA is in part responsible for the operation of multiple citywide IT systems, including CityTime and the City's Payroll Management System, computer services contracts comprises 83.4 percent of its total contract budget. The decrease in professional computer services is attributed to OPA's Citywide Savings Program.