

THE COUNCIL OF THE CITY OF NEW YORK

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Report to the Committee on Finance and the Committee on Sanitation and Solid Waste Management on the Fiscal 2020 Executive Plan, the Ten-Year Strategy for Fiscal 2020-2029, and Fiscal 2020 Executive Capital Commitment Plan

Department of Sanitation

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Department of Sanitation Overview

This report presents a review of the Department of Sanitation's (DSNY or the Department) Fiscal 2020 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2019, followed by a review of the significant budget actions introduced in the Fiscal 2020 Executive Budget. Major issues related to the Department's budget are then discussed.

Analysis and highlights of DSNY's Ten-Year Capital Strategy, Fiscal 2020 Executive Capital Budget, and Fiscal 2019–2023 Executive Capital Commitment Plan follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2019 and Fiscal 2020 Budgets since Adoption of the Fiscal 2019 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2020 Preliminary Budget Report for DSNY at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/03/827-DSNY1.pdf>

Fiscal 2020 Preliminary Budget Response

The Council's response to the Mayor's Fiscal 2020 Preliminary Budget included seven recommendations for the Department. The recommendations called for (1) increasing outreach and education regarding the City's Zero Waste initiative; (2) moving sanitation collection trucks off of residential streets into garages; (3) baselining funding for additional litter basket service citywide; (4) identifying a new site to build the Manhattan 6 Garage; (5) expediting construction of the Staten Island 1 and 3 garage; (6) baselining 115 sanitation workers in the organics collection program; and (7) reducing civilian headcount vacancies by 32 positions to achieve savings. Of the seven recommendations, the Administration included three in the Fiscal 2020 Executive Plan: DSNY baselined 115 sanitation workers for the organics collection program, expedited construction of the Staten Island 1 and 3 garage, and included a reduction of 61 vacant civilian positions to achieve savings (more than the requested vacancy reduction).

Table 1. Department of Sanitation Financial Plan Summary

<i>Dollars in Thousands</i>	2017	2018	2019	Executive Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	2019-2020
Spending						
Personal Services	\$956,238	\$1,016,438	\$1,014,498	\$1,038,643	\$1,028,984	\$14,486
Other Than Personal Services	645,079	702,525	728,601	732,585	730,714	2,112
TOTAL	\$1,601,317	\$1,718,963	\$1,743,099	\$1,771,228	\$1,759,696	\$16,597
Budget by Program Area						
Civilian Enforcement	\$5,423	\$5,679	\$4,344	\$5,746	\$5,746	\$1,402
Collection & Street Cleaning	721,327	770,627	761,641	799,898	771,207	9,565
Enforcement - General	14,754	15,356	18,210	16,853	16,885	(1,326)
Engineering	7,440	7,480	7,116	10,075	8,357	1,240
General Administration	129,069	143,390	132,687	137,080	131,867	(820)
Legal Services	3,670	3,821	3,935	3,968	3,990	55
Long Term Export	3,987	3,801	1,950	2,137	1,994	44
Public Information	2,317	2,470	2,317	2,413	2,437	120
Snow Removal	97,847	105,818	97,767	83,887	111,068	13,301
Solid Waste Transfer Stations	10,737	15,418	25,649	25,697	25,731	82
Support - Motor Equipment	99,158	97,440	93,180	97,838	93,128	(53)
Support - Building Management	28,707	29,819	30,718	32,199	30,644	(75)
Waste Disposal - General	19,033	14,914	18,764	16,950	15,680	(3,084)
Waste Disposal - Landfill Closure	44,044	71,661	73,130	67,668	73,130	0
Waste Export	355,096	372,958	411,116	410,885	412,781	1,665
Waste Prevention/Reuse/Recycling	58,710	58,309	60,574	57,934	55,052	(5,521)
TOTAL	\$1,601,317	\$1,718,963	\$1,743,099	\$1,771,228	\$1,759,696	\$16,597

<i>Dollars in Thousands</i>	2017	2018	2019	Executive Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	2019-2020
Funding						
City Funds			\$1,724,592	\$1,749,334	\$1,740,182	\$15,590
Other Categorical			750	1,278	750	0
Capital- IFA			5,345	5,590	5,651	306
State			25	866	0	(25)
Federal - Other			0	483	0	0
Intra City			12,387	13,677	13,113	725
TOTAL	\$1,601,317	\$1,718,963	\$1,743,099	\$1,771,228	\$1,759,696	\$16,597
Budgeted Headcount						
Full-Time Positions - Civilian	2,137	2,120	2,302	2,270	2,247	(55)
Full-Time Positions - Uniform	7,544	7,558	7,657	7,823	7,799	142
TOTAL	9,681	9,678	9,959	10,093	10,046	87

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Executive Budget.

Below is a summary of the major changes between the Department's Fiscal 2020 Executive Budget to its Fiscal 2019 Adopted Budget.

Changes by Funding Source

- **City Funds.** City tax-levy (CTL) funding increases by \$15.6 million when compared to the Fiscal 2019 Adopted Budget. This is due to a \$13.3 million increase for Snow Removal; a \$9.6 million increase for Collection and Cleaning; and a \$1.7 million increase for Waste Export; this amount is partially offset by a \$5.5 million reduction for Waste Prevention, Reuse, and Recycling; and a \$3.1 million reduction for Waste Disposal - General.
- **Intra City.** Intra City funding increases by \$725,000 when compared to the Fiscal 2019 Adopted Budget. This is primarily due to a \$725,000 increase for costs related to the Job Training Program (JTP). Participants complete six months of comprehensive on-the-job skills training in custodial, clerical and soft skills.

Changes by Program Area

- **Snow Removal.** The Fiscal 2020 Executive Budget increases by \$13.3 million in the Snow Removal program area. This increase reflects a five-year average adjustment for snow removal versus the snow fall average.
- **Collection and Cleaning.** The Fiscal 2020 Executive Budget increases by \$9.6 million in the Collection and Cleaning program area. This increase is primarily attributed to organics collection overtime; costs related to procuring brine for snow events; vehicle tolls; and wage adjustments in the JTP program.
- **Waste Export.** The Fiscal 2020 Executive Budget increases by \$1.7 million in the Waste Export program area. The increase represents the projected additional cost to export refuse under the long-term export contracts. Funding supports contracts with private vendors to dispose of all Department-collected refuse.
- **Waste Prevention, Reuse, and Recycling.** The Fiscal 2020 Executive Budget decreases by \$5.5 million in the Waste Prevention, Reuse, and Recycling program area. The decrease is primarily attributed to a reduction in funding for the organics program bin procurement. Funding was utilized to disperse bins to residents in the prior fiscal year.

Headcount

The Department's Fiscal 2020 Executive Budget provides for a total of 10,046 positions, of which 7,799 are uniform and 2,247 are civilian. The net increase of 87 positions is primarily attributed to an increase of 142 positions for various uniform functions, including refuse, recycling, and E-waste collection, as well as brine application during snow events; this is partially offset by a reduction of 55 civilian positions as a result of the partial hiring freeze. Budgeted headcount is impacted by multiple financial plan actions, including new needs, intra-city agreements, functional transfers, and technical adjustments that eliminate vacant budgeted positions while maintaining funding levels.

New in the Executive Budget Plan

The following are the major financial plan actions in the Fiscal 2020 Executive Plan. See Appendix 1, on page 7, for additional new needs, other adjustments, and savings.

New Needs

- **Organics Program.** The Fiscal 2020 Executive Plan includes a technical adjustment in Fiscal 2020, \$1.1 million in Fiscal 2021, \$2.6 million in Fiscal 2022 and \$3.9 million in Fiscal 2023 to baseline 115 uniform sanitation personnel for organics collection. In Fiscal 2020, DSNY will continue to serve approximately 3.5 million New Yorkers citywide with curbside and drop-off collection sites.
- **Personnel Services Adjustment.** The Fiscal 2020 Executive Plan includes \$12.3 million in Fiscal 2019 to re-align actual spending on overtime and holiday pay for uniform and civilian staff.
- **Recycling Processing.** The Fiscal 2020 Executive Plan includes \$1.6 million in Fiscal 2020 and in the outyears to re-align costs on the disposal of metal, glass and plastic recycling due to increased tonnage fees.
- **Single Stream Study.** The Fiscal 2020 Executive Plan includes \$717,367 in Fiscal 2019 for costs related to a single stream study that was completed during the current fiscal year. If implemented, New Yorkers would no longer need to separate paper, metal, glass and plastic; all recyclables would be placed in one container. Furthermore, single-stream recycling would likely increase collection productivity as the City could send one truck, as opposed to two, for residential collection.
- **Vehicle Tolls.** The Fiscal 2020 Executive Plan includes \$1.48 million in Fiscal 2020 and in the outyears for vehicle tolls. This reflects a re-estimate of toll costs based on the anticipated number of daily trips.

Savings

- **Lease Re-estimate.** The Fiscal 2020 Executive Plan includes a savings of \$4.8 million in Fiscal 2019 and \$3.6 million in Fiscal 2020 due to a lease re-estimate.
- **Hiring Freeze.** The Fiscal 2020 Executive Plan includes a savings of \$3.8 million in Fiscal 2020 and \$4.6 million in the outyears as DSNY permanently eliminates 61 vacant civilian positions Department-wide.

- **Fresh Kills Landfill Gas.** The Fiscal 2020 Executive Plan includes a re-estimate of \$3.5 million in Fiscal 2020 and \$1.8 million in Fiscal 2021 as DSNY will realize additional revenue from the sale of methane gas captured at the Fresh Kills Landfill.
- **Increase Alternate Side Parking Fine.** The Fiscal 2020 Executive Plan includes \$1.5 million in Fiscal 2020 and in the outyears as DSNY will realize additional revenue from an increase in alternate side parking fines.
- **Lot Cleaning.** The Fiscal 2020 Executive Plan includes a savings of \$1.9 million in Fiscal 2020, growing to \$2.2 million in the outyears as DSNY permanently eliminates 37 uniform positions within the lot cleaning unit.
- **Highway Shoulder and Ramp Cleaning.** The Fiscal 2020 Executive Plan includes \$864,000 in Fiscal 2020 and in the outyears as DSNY will cease highway and shoulder ramp cleaning operations citywide. This program was funded via overtime.

Capital Program

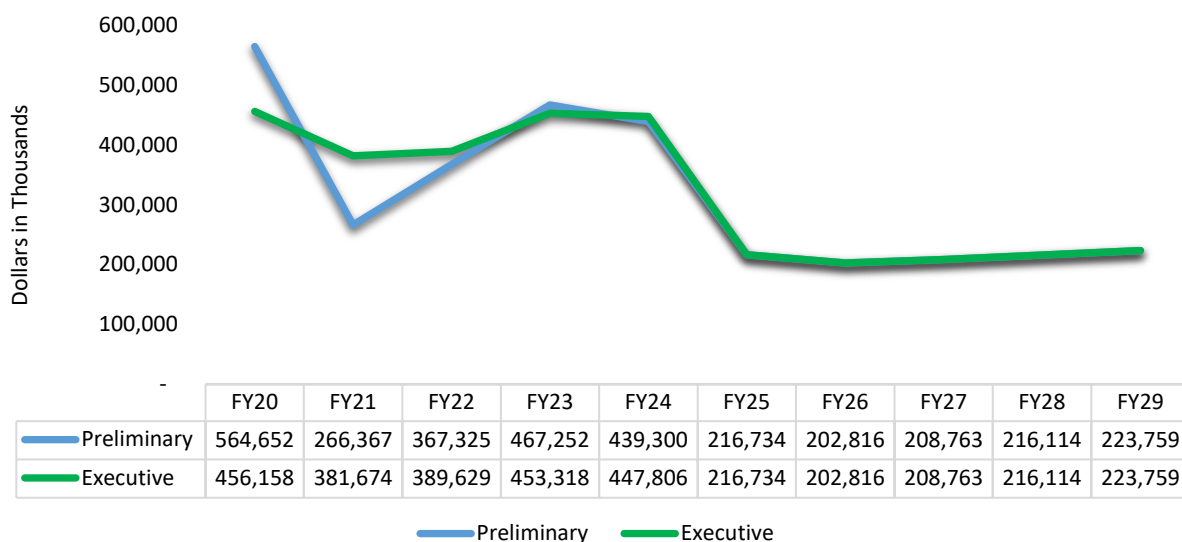
Ten-Year Capital Strategy Fiscal 2020-2029

On April 25, 2019, the Administration released the Ten-Year Capital Strategy for Fiscal 2020-2029 (the Ten-Year Strategy), the Executive Capital Commitment Plan for Fiscal 2019-2023 (the Commitment Plan) and the Fiscal 2020 Executive Capital Budget (the Capital Budget).

The City’s Ten-Year Strategy totals \$116.9 billion, which is \$21.1 billion larger than the \$95.8 billion Fiscal 2018-2027 Ten-Year Strategy. DSNY’s Ten-Year Capital Strategy totals \$3.2 billion, or nearly three percent of the City’s total Strategy. DSNY’s Ten-Year Strategy is broken down into four categories, including garages and facilities, equipment, information technology and telecommunications, and solid waste management.

As outlined in the Council’s Fiscal 2020 Preliminary Budget Response, the Fiscal 2020-2029 Preliminary Ten-Year Capital Strategy presented by the Administration had a dramatic decline in planned spending, or no spending, in the second half of the plan. The Ten-Year Capital Strategy presented as part of the Fiscal 2020 Executive Budget still fails to address planning in the outyears for many city agencies.

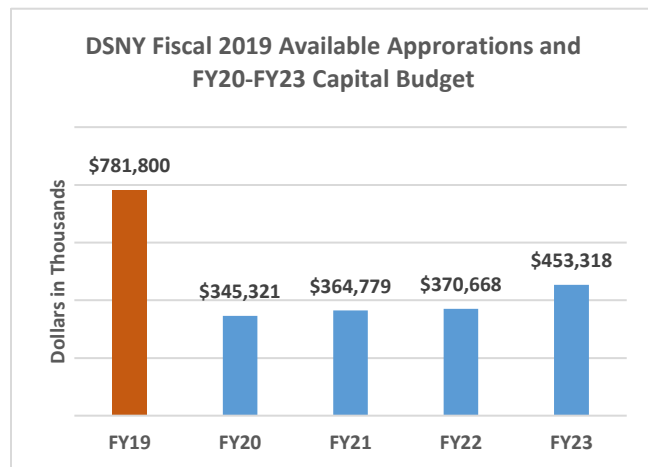
Figure 1: FY20-29 Executive Ten-Year Capital Strategy by Year



On average, DSNY projects \$390.9 million per fiscal year in the Ten-Year Strategy from Fiscal 2020 to Fiscal 2025. Beyond Fiscal 2026, DSNY projects \$212.9 million per fiscal year. This is a considerable decline in planned spending. DSNY attributes the reduction in the outyears to more work being completed in the first four years of the plan. A number of projects in the early years of the Strategy are new construction and major rehabilitation projects that are more costly when compared to the (mostly) smaller rehabilitation projects in the outyears. Furthermore, DSNY has some major information technology projects in the first four years of the plan, but only replacement needs in the later portion of the Strategy. Equipment allocations are the exception as they are spread across the Strategy for vehicle replacement needs year-over-year.

Fiscal 2020 Executive Capital Budget and Capital Commitment Plan for Fiscal 2019-2023

The Capital Budget provides the estimated need for new appropriations for Fiscal 2020 along with projections for the subsequent three-year capital program. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption. The Commitment Plan, which is a five-year spending plan, is the plan to spend those appropriations. The Capital Budget is significantly less than the Capital Commitment Plan because it does not include the current appropriations for Fiscal 2019 or the amount of funding that may be re-appropriated or rolled into Fiscal 2020 in the Adopted Budget. This section will provide an overview of the Capital Budget and Commitment Plan for DSNY.



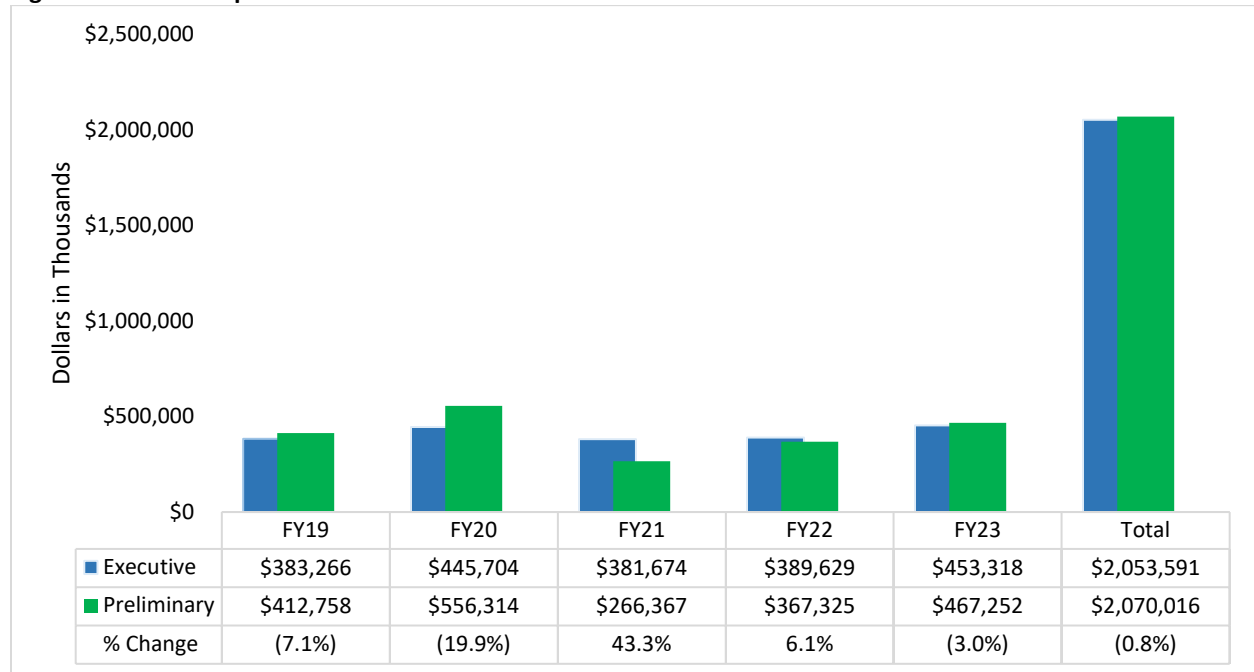
DSNY’s Fiscal 2020 Executive Capital Budget includes \$1.53 billion in Fiscal 2020-2023. This represents nearly three percent of the City’s total \$56.6 billion Capital Budget for 2020-2023.

Available appropriations for Fiscal 2019 total \$781.8 million; this includes \$391.4 million in reauthorized prior appropriations and \$781.8 in authorized appropriations, less actual commitments in the current fiscal year.

Capital Commitment Plan

DSNY’s Executive Capital Commitment Plan includes \$2.1 billion in Fiscal 2019-2023, with \$445.7 million in Fiscal 2020. This represents two percent of the City’s total \$86.2 billion Executive Capital Commitment Plan for 2019-2023.

Figure 2: FY19-23 Capital Commitment Plan



Fiscal 2020 Executive Capital Commitment Plan Highlights

Major capital projects included in the Executive Capital Commitment Plan for Fiscal 2019-2023 are outlined below.

- **Bronx 9/10/11 Garage.** The Executive Capital Commitment Plan includes \$16 million for construction management; \$21 million to build a temporary location to house personnel; and \$240 million for construction, with anticipated completion in Fiscal 2026.
- **Manhattan 6/6A/8 Garage.** The Executive Capital Commitment Plan includes \$9 million for design, and \$190 million for construction/construction management, with anticipated completion in Fiscal 2028.
- **Staten Island 1/3 Garage.** The Executive Capital Commitment Plan includes \$144 million for construction, with anticipated completion of the new garage in Fiscal 2022, and rehabilitation of former garage in Fiscal 2023.
- **Queens 1 Garage.** The Executive Capital Commitment Plan includes \$10 million for design; \$12 million for construction management; and \$121 million for construction, with anticipated completion in Fiscal 2025.
- **Bronx 12 Garage.** The Executive Capital Commitment Plan includes \$2 million for construction management; and \$40 million for rehabilitation, with anticipated completion in Fiscal 2023.
- **Queens 11/13 Garage.** The Executive Capital Commitment Plan includes \$39 million for rehabilitation, with anticipated completion in Fiscal 2023.

Appendix 1: Fiscal 2020 Budget Actions since Fiscal 2019 Adoption

<i>Dollars in Thousands</i>	FY19			FY20		
	City	Non-City	Total	City	Non-City	Total
DSNY Budget as of the Fiscal 2019 Adopted Budget	\$1,724,592	\$18,507	\$1,743,099	\$1,739,641	\$18,979	\$1,758,620
New Needs - Prelim. 2020						
Auto Parts	\$2,448	\$0	\$2,448	\$2,448	\$0	\$2,448
Radio Replacement	1,624	0	1,624	0	0	0
Boiler & HVAC Improvements	2,382	0	2,382	0	0	0
Commercial Waste Zone Consultant	241	0	241	283	0	283
Fall Leaf and Yard Waste Program	655	0	655	0	0	0
Information Technology	1,190	0	1,190	968	0	968
Local Service Enhancements	1,270	0	1,270	1,320	0	1,320
Manhattan 6 Relocation	2,015	0	2,015	1,815	0	1,815
Organics Program	9,641	0	9,641	0	0	0
Overtime for Critical Operations	3,578	0	3,578	784	0	784
Snow Response Enhancements	2,090	0	2,090	1,277	0	1,277
Subtotal, New Needs	\$27,134	\$0	\$27,134	\$8,895	\$0	\$8,895
Other Adjustments - Prelim. 2020						
1st Quarter Revenue	\$0	\$125	\$125	\$0	\$0	\$0
City Service Corps	0	127	127	0	0	0
DC 37 Collective Bargaining	1,344	0	1,344	2,302	0	2,302
DC 37 Collective Bargaining (IFA)	0	136	136	0	244	244
DC 37 Collective Bargaining (IC)	0	7	7	0	12	12
DSNY Fuel	0	19	19	0	0	0
DSNY - Sewer Repair	0	660	660	0	0	0
Energy Manager	0	100	100	0	0	0
ExCel Projects	0	149	149	0	0	0
GreenNYC Transfer	61	0	61	0	0	0
Fuel Reimbursement	0	15	15	0	0	0
Transfer to DCLA	(180)	0	(180)	(180)	0	(180)
State Assistance Grant	0	782	782	0	0	0
Buyers Collective Bargaining	39	0	39	81	0	81
Accretions Collective Bargaining	11	0	11	18	0	18
ExCel Projects Round 2	0	150	150	0	0	0
Fresh Kills Landfill Post-Closure Costs	(2,000)	0	(2,000)	0	0	0
Training Fund	0	13	13	0	0	0
Intra City Mod for Sanitation Payment	0	120	120	0	0	0
Minimum Wage Adjustment	2	0	2	4	0	4
Managerial Adjustment	658	0	658	1,130	0	1,130
Medical Division Insourcing	(13)	0	(13)	(27)	0	(27)
Member Item Reallocation	1,389	0	1,389	0	0	0
Minimum Wage for Job Training	0	292	292	0	636	636
Plumbers Collective Bargaining	66	0	66	56	0	56
Sandy Reconstruction	0	461	461	0	0	0
Street Fair Revenue	0	227	227	0	0	0
Supervisor Training Program	0	60	60	0	0	0
Funding Reallocation	0	0	0	0	(25)	(25)
Subtotal, Other Adjustments	\$1,377	\$3,443	\$4,820	\$3,384	\$867	\$4,251
TOTAL, All Changes Prelim. 2020	\$28,511	\$3,443	\$31,954	\$12,279	\$867	\$13,146
DSNY Budget as of the Fiscal 2020 Preliminary Plan	\$1,752,930	\$21,950	\$1,774,998	\$1,751,843	\$19,846	\$1,771,757
New Needs - Exec. 2020						
Personnel Services Adjustment	\$12,300	\$0	\$12,300	\$0	\$0	\$0
Recycling Processing	1,603	0	1,603	1,603	0	1,603
Single Stream Study	717	0	717	0	0	0

<i>Dollars in Thousands</i>	FY19			FY20		
	City	Non-City	Total	City	Non-City	Total
Vehicle Tolls	1,481	0	1,481	1,481	0	1,481
Subtotal, New Needs	\$16,101	\$0	\$16,101	\$3,084	\$0	\$3,084
Other Adjustments - Exec. 2020						
2nd Quarter Revenue - 1214	\$0	\$8	\$8	\$0	\$0	\$0
2nd Quarter Revenue - 1004	0	108	108	0	0	0
2nd Quarter Revenue - 109	0	47	47	0	0	0
Carpenters Collective Bargaining	16	0	16	40	0	40
City Service Corps Transfer	113	0	113	0	0	0
Commuting Vehicles	0	0	0	(141)	0	(141)
Construction Laborers Collective Bargaining	30	0	30	55	0	55
DSNY Funding Takedown	0	(276)	(276)	0	0	0
Energy Load Management	(154)	0	(154)	(154)	0	(154)
Fleet Size	0	0	0	(1,695)	0	(1,695)
Fuel - Sanitation	0	(400)	(400)	0	(400)	(400)
Heat, Light, and Power	(858)	0	(858)	(349)	0	(349)
Heating Fuel Adjustment	582	0	582	(51)	0	(51)
Inter Fund Agreement Collective Bargaining	0	67	67	0	0	0
Installation of Sideguards	0	250	250	0	0	0
Laborers and City Laborers Collective Bargaining	0	22	22	42	0	42
Lease Adjustment	0	0	0	92	0	92
Lease Auditing	(35)	0	(35)	0	0	0
Member Item Allocation	50	0	50	0	0	0
Motor Fuel	848	0	848	80	0	80
Sandy Greenpoint Warehouse	0	22	22	0	0	0
Skilled Trades Overtime	0	0	0	(2,228)	0	(2,228)
Snow Removal	(15,639)	0	(15,639)	(764)	0	(764)
Supervisors of Mechanics Collective Bargaining	497	0	497	727	0	727
Vehicle Right-sizing	0	0	0	(255)	0	(255)
Subtotal, Other Adjustments	(\$14,550)	(\$152)	(\$14,702)	(\$4,601)	(\$400)	(\$5,001)
Savings - Exec. 2020						
Highway Shoulder and Ramp Cleaning	(\$150)	\$0	(\$150)	(\$864)	\$0	(\$864)
Hiring Freeze Savings	(240)	0	(240)	(3,755)	0	(3,755)
Lease Re-estimate	(4,780)	0	(4,780)	(3,626)	0	(3,626)
Lot Cleaning	0	0	0	(1,899)	0	(1,899)
Subtotal, Savings	(\$5,170)	\$0	(\$5,170)	(\$10,144)	\$0	(\$10,144)
TOTAL, All Changes Exec. 2020	(\$3,619)	(\$152)	(\$3,771)	(\$11,661)	(\$400)	(\$12,061)
DSNY Budget as of the Fiscal 2020 Executive Plan	\$1,749,334	\$21,894	\$1,771,228	\$1,740,182	\$19,446	\$1,759,696