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Int. No. 620

By Council Members Clarke, Weprin, Avella, Brewer, Comrie, Jackson, Liu, Quinn, Yassky and Gerson

A Local Law to amend the New York City Charter, in relation to analyzing the impact of overtime expenditures.

Be it enacted by the Council as follows:

Section 1. Declaration of legislative findings and intent. Overtime costs represent a tremendous expense at many City agencies. In the last two fiscal years, for example, the Fire Department and Correction Department have averaged, respectively, approximately \$200 million and \$60 million in overtime costs. In the last two years, City agencies have severely miscalculated the adverse impacts that headcount reductions have on their overtime expenses, costing the City tens of millions of dollars in avoidable overtime outlays. The most striking examples occurred with the Fire and Correction Departments, which generate overtime costs when they have insufficient uniform personnel to staff regular assignments. FDNY costs arise from the need to meet prescribed minimum staffing levels, while DOC costs relate to the staffing of fixed posts.

From November 2002 to March 2003, while the size of the Fire Department's uniform workforce was

continuing to plummet as a result of 9/11-related factors, the Department delayed its Fire Academy recruit class. While this delay was presented to the City Council and the public as a cost savings measure designed to help the City close its Fiscal 2004 budget gap, the delay in bringing new firefighters on line while dozens of current members were retiring each month ultimately contributed to the more than \$75 million in new overtime costs recognized by the end of the fiscal year in June 2003. This Fiscal 2003 \$75-million overtime overrun is all the more disturbing since that same hiring class delay has contributed to the Fiscal 2004 overtime new need of \$53 million recently presented in the Mayor's November 2003 Financial Plan Modification.

The Department of Correction, which reduced its uniformed workforce by more than 1,000 during the last year, recently announced that it would attempt to hire back 250 of the 315 correction officers it laid off in the spring. Fiscal 2004 savings from the re-hires are designed to save \$15 million, since the cost of personnel is projected to be lower than the cost of overtime that would be required by their absence. Although some of the current understaffing relates to high military leave rates and an increase in dedicated suicide prevention posts, the decision to go forward with the layoffs was criticized at the time by the City Council because of the overtime risks to which the Department would be making itself vulnerable. This vulnerability has indeed proven costly. Even accounting for the plan to re-hire 250 correction officers, the mayor's November 2003 Financial Plan Modification contains an \$18-million overtime new need.

Accordingly, the Council finds that requiring City agencies to analyze the effect of any hiring freeze or substantial layoff on overtime, prior to instituting such hiring freeze or layoff, will ensure that New York City tax dollars are used as efficiently as possible.

§ 2. Section 106 of the New York City charter is amended by adding a new subsection g to read as follows:

g. Limiting overtime expenditures. 1. Prior to terminating the employment of more than one hundred employees and prior to instituting any hiring freeze, an agency shall perform an analysis of expected costs and savings, including an analysis of overtime expenditures, and shall submit such analysis, with all supporting

documentation, to the council.

2. The council may, within thirty days after receipt of such analysis and supporting documentation, hold a hearing on this matter. No layoffs or hiring freeze shall be implemented prior to the expiration of this thirty-day period or a council hearing, whichever is sooner.

§3. This law shall take effect immediately upon its enactment.

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