



New York City Council

Christine C. Quinn, Speaker

Finance Division

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Hearing on the Mayor's Fiscal Year 2011 Executive Budget

Fire Department

June 4, 2010

Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

Committee on Fire and Criminal Justice Services

Hon. Elizabeth Crowley, Chair

Andy Grossman, Deputy Director, Finance Division

John Russell, Legislative Financial Analyst

Summary and Highlights

Fire Department

Dollars in Thousands

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference, 2010 – 2011*
Personal Services	\$1,364,649	\$1,436,499	\$1,487,213	\$1,541,482	\$1,473,180	(\$14,034)
Other Than Personal Services	156,632	156,174	129,416	218,773	130,352	933
Table Total	\$1,521,281	\$1,592,672	\$1,616,629	\$1,760,256	\$1,603,530	(\$13,099)

The Department's Personal Services (PS) Budget for Fiscal 2011 decreases by \$13.1 million due primarily to the Department's proposals to reduce headcount by 762 positions through various budget actions, most notably the elimination of 20 fire companies. The significant increase in the Department's Fiscal 2010 Budget since adoption in June can be attributed, in large part, to an overtime adjustment that increases the PS Budget, and the receipt of Federal grants which increase both the Department's PS and OTPS Budgets.

FDNY: Issues and Budget Highlights

- **Eliminate Staffing for 20 Fire Companies - Attrition.** The Department proposes to eliminate 20 fire companies to close the budget gap. This action would reduce the Department's headcount by 500 firefighter positions and generate savings of \$37.4 million in Fiscal 2011, increasing to \$43.7 million by Fiscal 2014. (see p. 8)
- **Elimination of 5th Firefighter Post on 60 Engine Companies - Attrition.** In the Fiscal 2011 Preliminary Budget, the Department proposed to eliminate the 5th firefighter post on all 60 engine companies that currently staff five firefighters (not including one lieutenant). This action is estimated to generate savings of \$7.9 million in Fiscal 2011 (partial year), increasing to \$20.6 million in Fiscal 2014. Headcount would be reduced by 300 positions through attrition. This action would need to be the subject of collective bargaining. (see p.9)
- **De-activation of the Street Alarm Box System - Pushed Out to FY 2012.** Beginning in Fiscal 2012, the Department proposes to de-activate the street alarm box system, subject to the lifting of existing legislative and judicial restraints. This action would generate savings of \$2.9 million in Fiscal 2012. The January Plan called for the de-activation to begin in the current fiscal year. (see p. 9)
- **Overtime Reduction.** The Department proposes to reduce: non-field, administrative overtime by 10 percent; contractually mandated uniformed administrative overtime by 50 percent; and EMS overtime by \$2 million annually. This action would generate combined savings of \$4.9 million in Fiscal 2011, increasing to \$5.6 million in Fiscal 2012 and the outyears. (see p.5)
- **Billing for Unwarranted Alarms.** The Fire Department proposes to institute a repeat violator program for defective and unwarranted alarms that occur on three or more occasions. It is projected that this action would generate \$2.2 million in annual revenues. (see p. 4)

Fire Department

The Fire Department (FDNY) responds to fires, public safety and medical emergencies, disasters and terrorist acts to protect the lives and property of City residents and visitors. The Department advances fire safety through its fire prevention, investigation and education programs, as well as contributes to the City's homeland security efforts. The Department responds to more than 260,000 fire and non-fire related emergencies and more than one million medical emergencies each year, and maintains approximately 250 firehouses and ambulance stations.

Key Public Services Areas

- Protect lives and property from fire hazards and other emergency conditions.
- Provide quick, efficient and high-quality response to medical emergencies.

Critical Objectives

- Ensure prompt response time to fires and other non-fire emergencies.
- Reduce the risk of fire incidents through quality inspections, investigations and public education.
- Ensure prompt response time to medical emergencies.

SOURCE: Mayor's Management Report

Fire Department Financial Summary

Dollars in Thousands

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference 2010–2011
Budget by Program Area						
Fire Extng. / Emergency Resp.	\$1,127,625	\$1,174,662	\$1,208,449	\$1,250,634	\$1,174,126	(\$34,322)
Emergency Medical Services	197,518	211,719	223,257	223,055	228,643	5,385
Executive Administrative	165,113	170,452	146,607	242,652	154,756	8,149
Fire Prevention	20,624	23,731	27,535	26,607	29,167	1,632
Fire Investigation	10,401	12,108	10,780	17,308	16,838	\$6,057
TOTAL	\$1,521,281	\$1,592,672	\$1,616,629	\$1,760,256	\$1,603,530	(\$13,099)
Funding						
City Funds			\$1,430,178	\$1,440,284	\$1,416,636	(\$13,542)
<i>Memo: Council Funds</i>			16,909	16,909		
Other Categorical			165,586	167,841	172,111	6,524
Capital-IFA			0	120	240	240
State			1,786	1,808	1,801	15
Federal – Other			8,336	138,812	2,000	(6,336)
Intra-City			10743	11391	10743	0
TOTAL			\$1,616,629	\$1,760,256	\$1,603,530	(\$13,099)

Fire Department Headcount Summary

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference 2010–2011
Positions						
Full-Time Positions - Civilian*	4,714	4,690	4,728	4,739	4,813	85
Full-Time Positions - Uniformed	11,585	11,459	11,183	11,201	10,401	(782)
TOTAL	16,299	16,149	15,911	15,940	15,214	(697)

*Includes all EMS staff

Since Adoption, the FDNY has proposed Program to Eliminate the Gap (PEG) actions that would generate increased revenues of approximately \$2.2 million and achieve Expense Budget savings of approximately \$27.2 million for Fiscal 2011. Additionally, the Executive Plan also includes departmental re-estimates and new needs that total approximately \$15.6 million for Fiscal 2011. These actions, combined with adjustments to Fiscal 2011 in prior budget plans, result in a net decrease of approximately \$13.1 million for Fiscal 2011 when compared to the Fiscal 2010 Adopted Budget.

Council Restoration

FY 2010 Council Changes at Adoption by Program Area

Dollars in Thousands

Fire Extinguishment/Emergency Response	
<i>Fire Company Restoration</i>	\$16,909
TOTAL	\$16,909

During the 2009 budget season, the Department proposed to close 16 Fire Companies throughout the City in an effort to close the budget gap for Fiscal 2010 and the outyears. The 16 fire companies to be eliminated were to have come from firehouses that included both an engine and ladder company so that no firehouses were proposed to be shut down. The FDNY operates 194 engine companies and 143 ladder companies. There are 136 firehouses that contain both engine and ladder companies.

Citing the importance of public safety, the City Council acted to restore funding to maintain operations for these 16 Fire Companies and to retain 400 associated firefighter positions, substituting alternative cuts to close the budget gap. It should be noted, however, that the City Council's restoration was only included in the City's Financial Plan for Fiscal 2010. Absent any other actions, funding to keep these fire companies operational in Fiscal 2011 and beyond does not exist.

Miscellaneous Revenue

	Actual		Planned			
	2008	2009	2010	2011	2012	2013
Private Alarm Co. Fees	\$2,291,316	\$1,292,256	\$1,137,000	\$1,137,000	\$1,137,000	\$1,137,000
Fire Inspection Fees	43,737,346	45,121,055	45,000,000	51,994,148	51,779,714	51,779,714
2% Tax on Fire Insurance	20,557,559	27,569,650	27,000,000	26,465,000	26,465,000	26,465,000
Other Charges for Services	3,291,763	2,995,267	2,500,000	2,500,000	2,500,000	2,500,000
TOTAL	\$69,877,984	\$76,978,228	\$75,637,000	\$82,096,148	\$81,881,714	\$81,881,714

Note: The Miscellaneous Revenue budget does not include ambulance transport revenue generated by EMS. (See EMS section below.)

The Fire Department issues permits and collects fees for: the inspection of fire suppression and electrical systems, places of public assembly, laboratories, high-rise buildings, and the storage and use of combustible materials. In addition, the Department realizes revenues from fees charged to out-of-state fire insurers that issue policies in New York City, and to private fire alarm companies. In 2010, the Miscellaneous Revenue estimate for the Fire Department is \$75.6 million for these services.

The bulk of revenue in the Department's Miscellaneous Revenue Budget stem from two specific fees: fire inspection fees and a 2-percent tax on fire insurance premiums. In Fiscal 2010, fire inspection fees are projected to generate \$45 million, while the 2-percent tax on fire insurance premiums is projected to generate \$27 million.

In the Executive Plan, the Department reduced the baseline revenue generated by the tax on fire insurance premiums by \$21 million to its current level of approximately \$27 million. This action is the result of a failed budget proposal, made in the 2008 November Plan, to increase the tax from 2% to 4% which required state approval that never materialized.

Revenue Budget Actions

- **Billing for Unwarranted Alarms.** The Fire Department will institute a repeat violator program for defective and unwarranted alarms that occur on three or more occasions. It is projected that this action will generate \$2.22 million in annual revenues. This action would increase the Department's headcount by one position and result in additional expenditures of \$220,000 per year, decreasing the net revenues to \$2 million annually.

Overtime

Actual Overtime - Fiscal 2005-2009 (All Funds)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Uniformed	\$132,609,245	\$157,377,862	\$140,945,884	\$137,057,102	\$127,618,176
Civilian	7,517,836	10,388,123	10,231,662	12,965,324	12,713,750
EMS	20,587,572	26,107,483	27,075,354	28,842,041	29,054,895
Total OT	\$160,714,653	\$193,873,468	\$178,252,900	\$178,864,467	\$169,386,821

Planned Overtime - 2010 Executive Plan (City Funding)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Uniformed	\$151,427,651	\$131,530,932	\$133,759,443	\$136,677,898	\$136,452,409
Civilian	\$11,264,005	\$11,267,256	\$9,767,190	\$9,767,190	\$9,767,190
EMS	\$23,638,209	\$26,831,125	\$24,561,346	\$24,561,346	\$24,561,346
Total OT	\$186,329,865	\$169,629,313	\$168,087,979	\$171,006,434	\$170,780,945

Planned Overtime - 2010 Executive Plan (Non-City Grant Funding)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Uniformed	\$32,550,585	\$0	\$0	\$0	\$0
Civilian	\$881	\$0	\$0	\$0	\$0
EMS	\$411,291	\$0	\$0	\$0	\$0
Total OT	\$32,962,757	\$0	\$0	\$0	\$0

The FDNY's annual overtime budget for Fiscal 2010-2014 averages approximately \$179.8 million, 2 percent higher than the agency's average overtime spending (\$176.2 million) over the 5-year period from Fiscal 2005 to Fiscal 2009. According to the Executive Plan, overtime for uniformed firefighters would account for 77.5 percent of the Department's total overtime expenditures for Fiscal 2011. Total overtime funds are significantly higher in Fiscal 2010 (\$219.3 million) compared to 2011 and the outyears (approximately \$170 million). This is the result of the receipt of non-City grant funding and an additional \$15 million included in the 2009 November Plan due in large part to a combination of reduced hiring as well as recent high firefighter absentee rates. In Fiscal 2009, overtime for uniformed personnel totaled approximately \$128 million. Of that total, \$106 million or 82 percent was mandated by labor contract.

Overtime Budget Proposals

- **10% Reduction in Uniformed Administrative Overtime.** The Department proposes to reduce non-field, administrative overtime by 10%. This action would generate a baseline savings of \$2.5 million beginning in Fiscal 2011.
- **50% Reduction in Mandated Administrative Overtime.** The Department proposes to reduce by 50 percent contractually mandated overtime for firefighters that perform administrative duties. This action would generate savings of \$486,000 in Fiscal 2011, increasing to baseline savings of \$1.17 million beginning in Fiscal 2012 and would require the renegotiation of the Roster Staffing Agreement which is set to expire on January 31, 2011.
- **EMS Overtime Reduction.** Beginning in Fiscal 2012, the Department proposes to reduce baseline EMS overtime by \$2 million. This initiative replaces a budget proposal, made in the 2009 Preliminary Budget Plan, to restructure ALS tour staffing which has not received regulatory approval.

Receipt of Federal Grants

Since Adoption, the Fire Department has recognized the receipt of approximately \$130.5 million in Federal grants. Large-scale Federal grants that make up this increase include: approximately \$26.9 million in State Homeland Security Grants and approximately \$65.6 million in Urban Area Security Initiative Grants, both housed in the Executive Administrative Budget; and a \$26.5-million grant for medical monitoring related to 9/11 workers housed in the Fire Extinguishment and Emergency Response Budget.

Personal Services Surplus

In the Executive Budget, the Department recognizes a net Personal Services surplus of \$5 million across multiple program areas. The majority of the surplus results from reduced overtime and vacant budgeted positions.

Capital Program

Capital Budget Summary

The May 2010 Capital Commitment Plan includes \$353.4 million in Fiscal 2011-2014 for the Fire Department (including City and Non-City funds). This represents 1.2 percent of the City's total \$28.6 billion May Capital Plan for Fiscal 2011-2014.

Over the past five years the Fire Department has only committed an average of 42.2 percent of its annual Capital Plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2010 Capital Plan will be rolled into Fiscal 2011, thus greatly increasing the size of the Fiscal 2011-2014 Capital Plan.

Currently the Fire Department's appropriations total \$330.59 million in City-funds for Fiscal 2010. These appropriations are to be used to finance the remaining \$105.12 million of the agency's City-funded Fiscal 2010 Capital Commitment Program. The agency has \$225.47 million, or more than two times the funding needed to meet its entire Capital Commitment Program for the current fiscal year.

Note: Although the FDNY's 4-year Capital plan includes \$353.4 million in planned commitments, there is an additional \$100 million in FDNY contingency funding included in the Plan. The contingency funding acts as a reserve and is part of the Department's total Capital appropriations which the Council must approve.

Large-Scale Fire Department Projects in the Capital Commitment Plan for Fiscal 2011-2014 include:

- Planned commitments totaling \$226.4 million for the replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment.
- Planned commitments totaling \$69.8 million for the renovation of firehouse components such as boilers, electrical upgrades, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows.
- Planned commitments totaling \$10.9 million for information technology systems improvements and equipment replacement.
- Planned commitments totaling \$18.4 million for the upgrade of emergency communications systems and radio equipment.

Large-Scale Fire Department Projects in the Capital Commitment Plan for Fiscal 2011 include:

- Planned commitments totaling \$77.9 million the replacement of front-line fire-fighting apparatus, support vehicles, fireboats, and equipment.
- Planned commitments totaling \$34.9 million for the renovation of firehouse components such as boilers, electrical upgrades, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows.
- Planned commitments totaling \$9.6 million for the construction of a new EMS Station in Greenpoint, Brooklyn.

- Planned commitments totaling \$14.4 million for the construction of a new EMS Station in the Soundview section of the Bronx.
- Planned commitments totaling \$7.7 million for the implementation of the Department's Risk-Based Inspection Solution aimed at creating an enhanced inspection scheduling and tracking system through greater intra- and inter-departmental information sharing and access, and more robust accountability tools.

(Source: Capital highlights taken from Message of the Mayor)

Emergency Communications

- The City is undertaking significant upgrades and enhancements to its 911 Emergency Dispatch System. The majority of the Capital funding for this initiative totaling \$1.4 billion, known as the Emergency Communications Transformation Project (ECTP), is housed in the Department of Information Technology and Telecommunications (DoITT) budget. This project includes the development of a consolidated dispatch system, an upgraded telecommunications infrastructure, and redundant call taking and dispatch centers. According to the Mayor's Message, the City expects to complete the consolidation of Police, Fire, and EMS call taking and dispatch operations in the existing Public Safety Answering Center (PSAC 1) by the end of 2011. The City also anticipates that it will begin construction of a second fully redundant call center (PSAC2) in late 2010. Both call centers are expected to be operational by the end of 2014. To date, the City has committed (contracted out) approximately \$622.1 million in Capital funds to this project.

Program Areas

Fire Extinguishment/Emergency Response

The Fire Department currently provides fire and rescue operations via 357 units including 194 Engine Companies, 143 Ladder Companies.

The Department's Fiscal 2011 Fire Extinguishment and Emergency Response Budget decreases by \$34.3 million (2.8 percent) compared to the 2010 Adopted Budget. This decrease is due, in large part, to budget proposals that would eliminate 800 firefighter positions. Since Adoption, the increase in the Executive Administrative Budget for Fiscal 2010 can be attributed to the receipt of a \$26.5-million federal grant for medical monitoring related to 9/11 workers.

<i>Dollars in Thousands</i>	2008	2009	2010	2010	2011	Difference
	Actual	Actual	Adopted	Exec. Plan	Exec. Plan	2010–2011
Spending						
Personal Services	\$1,087,111	\$1,135,711	\$1,173,722	\$1,213,991	\$1,149,448	(\$24,275)
Full-Time Salaried – Civilian	14,721	14,970	16,042	16,753	17,448	1,406
Full-Time Salaried – Uniform	779,484	831,289	847,415	847,356	838,374	(9,041)
Other Salaried & Unsalared	69	72	40	174	41	1
Additional Gross Pay	134,607	142,295	141,845	143,294	140,069	(1,777)
Overtime - Civilian	4,111	3,706	3,259	3,541	5,240	1,982
Overtime - Uniformed	135,090	125,490	144,961	180,810	129,277	(15,684)
Fringe Benefits	19,028	17,887	20,160	22,064	18,999	(1,161)
Other Than Personal Services	\$40,514	\$38,951	\$34,726	\$36,642	\$24,679	(\$10,048)
Supplies and Materials	11,152	10,326	9,903	12,366	11,950	2,047
Property and Equipment	1,732	1,961	1,314	1,725	1,314	0
Other Services and Charges	820	1,015	1,061	1,225	1,168	106
Contractual Services	26,810	25,649	22,448	21,326	10,247	(12,201)
TOTAL	\$1,127,625	\$1,174,662	\$1,208,449	\$1,250,634	\$1,174,126	(\$34,322)
Funding						
City Funds			\$1,194,923	\$1,205,904	\$1,164,857	(\$30,066)
Federal – Other			4,271	35,460	0	(4,271)
Intra-City			8,314	8,314	8,314	0
State			940	955	955	15
TOTAL			\$1,208,449	\$1,250,634	\$1,174,126	(\$34,322)
Positions						
Full-Time Positions - Civilian	271	266	313	306	313	0
Full-Time Positions - Uniformed	11,498	11,320	11,016	11,016	10,215	(801)
TOTAL	11,769	11,586	11,329	11,322	10,528	(802)

Budget Proposals

- Eliminate Staffing at 20 Engine Companies – Attrition.** In the Preliminary Budget Plan, the Department proposed to eliminate staffing at 4 engine companies. This action was designed to generate savings of approximately \$5.6 million in Fiscal 2011, \$6.7 million in Fiscal 2012, \$ 6.6 million in Fiscal 2013 and \$6.7 in Fiscal 2014. Department headcount would be reduced by 100 uniformed firefighters

through attrition. This proposal is in addition to the 16 fire companies previously scheduled to be eliminated beginning in Fiscal 2011 as part of the Fiscal 2010 Budget. (The Council restored funding for these 16 companies in Fiscal 2010.) The combined actions would eliminate staffing at 20 fire companies, reduce the Department's headcount by 500 positions, and generate total savings of \$37.4 million in Fiscal 2011, \$40.9 million in Fiscal 2012, \$43.6 million in Fiscal 2013 and \$43.7 in Fiscal 2014. Unlike last year when the Department only proposed eliminating one company in two-company houses, the Department has not ruled out closing firehouses.

The companies to be eliminated would predominately be engine companies, although the Department has not determined specifics. The Department uses three main criteria when making decisions about closures: 1) projected post-closing response time to the company's first-due alarm boxes; 2) the number of occupied structural fires the company works; and 3) projected post-closing response time to the company's second-due alarm boxes. The Department also considers: total runs; medical emergencies; "workers" (runs where the company performed any work); the operational knowledge of senior chiefs; proximity to other units; workload impact on surrounding units; street layout and geographic obstacles; response of perimeter companies; impact of the company closing in the community it serves; and overall safety of the City. The primary function of engine companies is to put out the fire ("get water on the fire"). The primary function of ladder companies is search and rescue.

Note: In early 2003, Mayor Bloomberg proposed eliminating eight engine companies as part of the Fiscal 2004 budget plan. In June 2003, six of the proposed engine companies were eliminated, which resulted in four firehouses being shut down (two of the six engine companies were located in firehouses that also housed ladder companies which continued to operate). The elimination of these companies generated annual budget savings of approximately \$8 million. In the wake of these closures, the response time to structural fires increased by two seconds the following fiscal year.

The Fire Companies eliminated were:

- Engine Company 204 – Cobble Hill, Brooklyn (Firehouse closed)
- Engine Company 212 – Greenpoint, Brooklyn (Firehouse closed)
- Engine Company 278 – Sunset Park, Brooklyn (Firehouse closed)
- Engine Company 209 – Bedford Stuyvesant., Brooklyn (Ladder Co. 102 continues to operate.)
- Engine Company 261 – Long Island City, Queens (Ladder Co. 116 continues to operate.)
- Engine Company 36 – Harlem, Manhattan (Firehouse closed)

- **Elimination of 5th Firefighter Post on 60 Engine Companies – Attrition.** As per the Preliminary Budget, the Department proposes to eliminate the 5th firefighter post on all 60 engine companies that currently staff five firefighters (not including one lieutenant). These 60 companies are currently staffed with five firefighters due to a stipulation in the UFA contract which expires on January 1, 2011. The remaining 134 engine companies currently staff four firefighters per shift. This proposal would have to be negotiated with the Uniform Firefighters Association (UFA) and is estimated to result in savings of \$7.9 million in Fiscal 2011 (partial year), \$16.7 million in Fiscal 2012, \$18.9 million in Fiscal 2013, and \$20.6 million in Fiscal 2014. Headcount would be reduced by 300 positions through attrition.
- **Certified First Responder Training Reduction.** The Department proposes to reduce Certified First Responder Defibrillator refresher training from 40 hours to 30 hours for both firefighters and EMS workers. This action would generate savings of \$1.94 million in Fiscal 2011, increasing to baseline savings of \$2.6 million beginning in Fiscal 2012, and would require union agreement. The New York State requirement is 30 hours.
- **De-activation of the Street Alarm Box System.** The Department proposes to de-activate the street alarm box system, subject to the lifting of existing judicial and legislative restraints. The Department

plans to implement this action beginning in 2012 and expects to generate savings of \$2.9 million in Fiscal 2012, \$3.2 million in Fiscal 2013, and \$3.5 million in Fiscal 2014. Savings would be related to the elimination of system maintenance. Headcount would be reduced by 10 positions.

Judicial action is needed to de-activate the 15,000 boxes because in 1997 a federal judge said such a move would violate the civil rights of the deaf. Due to advances in technology and the commonality of cell phones, the Department feels the alarm boxes are no longer necessary. The fire dispatchers union argues, however, that relying exclusively on phones in an emergency is dangerous because the cell phone system can become overloaded during times of disaster or mass emergencies.

- **Civilianization of Uniformed Posts.** Beginning in Fiscal 2012, the Department proposes to civilianize 60 uniformed administrative positions and eliminate 15 non-field positions. This action would generate savings of \$860,000 in Fiscal 2012, \$1.2 million in Fiscal 2013, and \$1.6 million in Fiscal 2014.
- **Certified First Responder Training Reduction.** The Department proposes to reduce Certified First Responder defibrillator refresher training from 40 hours to 30 hours. This action would generate savings of \$1.94 million in Fiscal 2011, increasing to baseline savings of \$2.6 million beginning in Fiscal 2012, and would require Union agreement. The New York State requirement is 30 hours.

Issues

- **FDNY Battalion Staffing.** The FDNY is made up of 52 battalions, led by approximately 328 battalion chiefs who are supported by approximately 260 firefighter battalion aides at a total cost of approximately \$74.4 million for Fiscal 2010. FDNY battalions consist of a collection of FDNY fire units (e.g., engine and ladder companies, special units) responsible for a geographical area of the city. Four firefighters and one officer generally make up a unit. Five to ten companies make up a battalion. Four to seven battalions make up a division. The wisdom of proposing Fire Company closings to the exclusion of reductions in battalion staffing is a question the Council is interested in pursuing.

Emergency Medical Services

EMS is responsible for delivering ambulance and pre-hospital emergency medical services citywide, as well as providing tactical and medical direction to field personnel, and administrative and support services to the EMS Bureau. The Department is budgeted for 611 daily ambulance tours, including the 13 new EMS tours as noted above. The Department anticipates its ambulances will respond to over 1.2 million medical incidents in 2010.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference 2010–2011
Spending						
Personal Services	\$175,133	\$190,896	\$200,913	\$199,774	\$205,734	\$4,821
Full-Time Salaried – Civilian	129,374	143,663	154,421	157,100	159,457	5,036
Full-Time Salaried – Uniform	169	189	176	190	190	14
Other Salaried and Unsalaries	533	576	518	518	518	0
Additional Gross Pay	15,823	16,972	17,038	17,039	17,964	926
Overtime - Civilian	28,842	29,055	28,007	24,050	26,831	(1,176)
Fringe Benefits	387	390	753	877	774	21
Amounts to be Scheduled	6	51	0	0	0	0
Other Than Personal Services	\$22,385	\$20,823	\$22,344	\$23,281	\$22,909	\$564
Supplies and Materials	8,590	7,759	7,067	7,821	7,035	(32)
Property and Equipment	1,133	1,028	764	1,187	766	3
Other Services and Charges	2,703	2,365	3,742	3,949	3,753	11
Contractual Services	9,957	9,651	10,772	10,290	11,354	583
Fixed and Misc. Charges	2	22	.6	35	1	0
TOTAL	\$197,518	\$211,719	\$223,257	\$223,055	\$228,643	\$5,385
Funding						
City Funds			\$54,796	\$51,381	\$53,657	(\$1,139)
Intra-City			2,029	2,677	2,029	0
Other Categorical			165,586	167,841	172,111	6,524
State			846	846	846	0
TOTAL			\$223,257	\$223,055	\$228,643	\$5,385
Positions						
Full-Time Positions - Civilian	3,206	3,172	3,147	3,153	3,207	60
Full-Time Positions - Uniformed	1	1	1	1	1	0
TOTAL	3,207	3,173	3,148	3,154	3,208	60

Budget Proposals

- Reassignment of 25 EMS Administrative Personnel to the Field.** The Department proposes to reassign 25 EMS administrative personnel to field positions. It is estimated that this action would generate baseline savings of \$1.5 million beginning in Fiscal 2011 by reducing EMS overtime costs. There would be no net impact to headcount.
- Sunset Park EMS Station Supervision.** Supervisory staff is needed for the new Sunset Park EMS Station. The Department would hire 7 supervisory staff (6 Lieutenants and 1 Captain) at a cost of \$201,199 in Fiscal 2010 (partial year), increasing to \$402,398 in Fiscal 2011 and 2012, and \$425,437 in Fiscal 2013 and 2014.

- Midtown West EMS Station Supervision and Temporary Site Construction.** The Department proposes to add seven new EMS supervisory positions and funding for the construction of a temporary EMS station in Midtown West, at a cost of \$1.7 million in Fiscal 2011, \$1.1 million in Fiscal 2012, and \$1.2 million in Fiscal 2013 and the outyears.
- St Vincent’s Medical Center Ambulance Tours.** The Department proposes to add seven new BLS ambulance tours and six new ALS ambulance tours in Manhattan to replace voluntary tours no longer provided by St. Vincent’s Medical Center, at a cost of \$2.2 million in Fiscal 2011. After the initial year, revenues generated by the new tours will essentially offset the costs associated with operating these tours.

Ambulance Transport Revenue

	<u>Actual Revenue</u>				
	<i>(Dollars in Thousands)</i>				
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Medicare	\$21,154	\$25,746	\$24,591	\$26,512	\$25,712
Commercial	25,285	42,446	44,969	64,263	75,798
Self Pay	4,919	6,095	6,827	6,532	6,398
Bad Debt Sold				1,847	1,084
Total FDNY Collections	\$51,358	\$74,287	\$76,387	\$99,154	\$108,992

Note: Medicare figures have been adjusted to accurately reflect claims made for Fiscal 2008 and Fiscal 2009.

HHC Subsidy	\$55,446	\$57,421	\$56,655	\$56,745	\$60,204
Total Revenue	\$106,804	\$131,708	\$133,043	\$150,299	\$174,797

The Department collects revenue from EMS ambulance transports. In 2010, revenue from Medicaid and non-Medicaid sources is projected at approximately \$165 million. Of this \$165 million, approximately \$60 million stems from Health and Hospitals Corporation (HHC) Medicaid payments for ambulance transports to HHC hospitals. The overwhelming majority of the remainder is collected from persons who have private insurance.

The significant increases in revenue collected in Fiscal 2005 through 2009 can be attributed to the FDNY’s hiring of a billing and collections vendor.

EMS Revenue Budget Actions

- EMS Revenue.** Due to higher than anticipated non-Medicaid revenue, the Department has increased its baseline EMS revenue by \$4 million beginning in Fiscal 2011.

Executive Administrative

This program area provides for all civilian policy direction, administration, human resources support, and funding to purchase supplies, materials and other services required to support executive and administrative operations (Fiscal Services, Personnel, Budget and Health Services) for the entire Department. Also included are the infrastructure and vehicle maintenance units, and the Bureau of Information and Computer Services.

The Executive Administrative Budget for Fiscal 2011 increases by \$8.1 million when compared to the Fiscal 2010 Adopted Budget. This increase is the net effect of budget actions including funding shifts to the Executive Administrative OTPS budget from other program areas. Since Adoption, the Executive Administrative Budget for Fiscal 2010 increased by \$96 million. This increase is, in large part, attributed to the receipt of approximately \$26.9 million in State Homeland Security Grants, approximately \$65.6 million in Urban Area Security Initiative Grants, and approximately \$2.8 million in Federal Stimulus funding for port security.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference 2010–2011
Spending						
Personal Services	\$72,168	\$74,578	\$74,756	\$84,303	\$72,858	(\$1,898)
Full-Time Salaried – Civilian	56,332	58,181	56,725	61,871	56,689	(36)
Full-Time Salaried – Uniform	2,088	2,415	4,604	4,630	4,681	77
Other Salaried and Unsalariated	2,212	2,793	2,685	3,207	2,763	78
Additional Gross Pay	3,396	3,533	2,943	2,943	3,121	178
Overtime - Civilian	7,641	7,542	6,682	6,948	4,728	(1,955)
Overtime - Uniformed	66	31	92	92	94	2
Fringe Benefits	744	736	901	4,487	659	(242)
Amounts to be Scheduled	150	32	124	124	124	0
PS Other	(461)	(685)	0	0	0	0
Other Than Personal Services	\$92,945	\$95,874	\$71,851	\$158,349	\$81,898	\$10,046
Supplies and Materials	14,533	17,168	11,072	38,681	10,966	(106)
Property and Equipment	6,800	6,922	1,132	5,120	1,809	678
Other Services and Charges	32,694	37,034	39,707	38,466	38,102	(1,605)
Contractual Services	38,123	34,283	19,889	75,620	30,968	11,079
Fixed and Misc. Charges	795	467	53	463	53	0
TOTAL	\$165,113	\$170,452	\$146,607	\$242,652	\$154,756	\$8,149
Funding						
City Funds			\$142,143	\$142,049	\$154,116	\$11,973
Capital-IFA				120	240	240
Federal – Other			4,064	100,083	0	(4,064)
Intra-City			400	400	400	0
TOTAL			\$146,607	\$242,652	\$154,756	\$8,149
Positions						
Full-Time Positions - Civilian	845	833	805	817	806	1
Full-Time Positions - Uniformed	23	22	39	39	39	0
TOTAL	868	855	844	856	845	1

Budget Proposals

- **National Institute of Occupational Safety and Health (NIOSH) Grant.** The Department received a grant of \$2 million in Fiscal 2010 from NIOSH which will help cover salaries of personnel in the Bureau of Health Services that serve the World Trade Center Medical Programs.
- **Facilities Personnel.** The Department would hire 11 trades people within the Bureau of Facilities at a cost of \$207,561 in Fiscal 2010, increasing to \$830,246 in Fiscal 2011 and the outyears. The purpose of the new hires would be to mitigate major Capital Budget expenses stemming from the lack of maintenance.

Issues

- **FDNY Discriminatory Hiring.** Nicholas G. Garaufis of Federal District Court in Brooklyn ruled on January 13, 2010 that New York City intentionally discriminated against black applicants to the Fire Department by continuing to use an exam that was ruled to put them at a disadvantage. One week later, the judge ordered the City of New York to remedy years of discriminatory hiring in the Fire Department by giving hundreds of black and Latino applicants jobs, along with years of retroactive pay, and offering thousands of others some damages. Judge Garaufis said that the roughly 7,400 minority applicants who took the tests in question should be able to apply for compensation from the City. Of that group, 293 applicants would be given priority hiring status and retroactive seniority. The ruling also called for the City to show that its current test is not discriminatory, and to develop a new method of determining how to rank applicants who pass the exam. The City issued statements strongly disagreeing with the judge's rulings and is weighing its legal options.

On May 26, 2010, Judge Garaufis appointed former Manhattan District Attorney, Robert Morgenthau, to enforce the Judge's order that requires the City to fix past hiring discrimination by the FDNY.

Fire Prevention

The Bureau of Fire Prevention is responsible for the enforcement of New York City's fire code through the inspection of all multi-unit dwellings, the collection of revenues from inspection fees and code violation fines, certificate of fitness testing of all vocations that handle combustible materials, and the development and implementation of public education programs.

The Department's Fiscal 2011 Fire Prevention Budget would increase by \$1.6 million compared to the 2010 Adopted Budget. This increase is predominantly the result of budget proposals that would add 24 positions to Fire Prevention headcount.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference 2010-2011
Spending						
Personal Services	\$20,235	\$23,275	\$27,118	\$26,183	\$28,379	\$1,261
Full-Time Salaried – Civilian	16,925	19,702	22,085	22,188	23,251	1,165
Full-Time Salaried – Uniform		899	3,069	1,069	2,343	(726)
Other Salaried and Unsalari ed	54	58	37	37	37	0
Additional Gross Pay	864	1,126	1,005	1,005	1,297	293
Overtime - Civilian	1,182	1,454	768	771	1,297	529
Overtime - Uniformed			91	1,049	93	2
Fringe Benefits	42	36	62	64	61	(2)
Amounts to be Scheduled	1,169	0	0	0	0	0
Other Than Personal Services	\$389	\$456	\$417	\$424	\$789	\$371
Supplies and Materials	86	76	87	67	383	296
Property and Equipment	21	22	10	14	5	(5)
Other Services and Charges	242	245	230	217	230	0
Contractual Services	39	113	90	127	170	80
TOTAL	\$20,624	\$23,731	\$27,535	\$26,607	\$29,167	\$1,632
Funding						
<i>City Funds</i>			\$27,535	\$25,642	\$29,167	\$1,632
<i>Federal – Other</i>			0	958	0	0
<i>State</i>			0	7	0	0
TOTAL			\$27,535	\$26,607	\$29,167	\$1,632
Positions						
Full-Time Positions - Civilian	386	413	457	457	481	24
Full-Time Positions - Uniformed	0	0	27	27	28	1
TOTAL	386	413	484	484	509	25

Note: The Fire Department's four-year Fire Code Revision Project culminated on May 28, 2008, with the City Council's enactment of a new Fire Code for New York City. The legislation, Local Law No. 26, was signed by Mayor Bloomberg on June 3, 2008.

Budget Proposals

- **New Fire Code Related Revenue Staff.** The Fire Department intends to hire 17 staff to conduct additional inspections mandated by the Fire Code. This action would increase the Department's expenditures by \$1.1 million in Fiscal 2011 and \$917,692 in Fiscal 2012 and the outyears. The cost of the staff will be offset by increased inspection revenue.

- **Additional Fire Alarm Inspection Unit Revenue Staff.** Due to an increase in new accounts and failures requiring re-inspection, the Department intends to hire seven additional staff to conduct additional fire alarm inspections. This action would increase Department expenditures by \$377,797 in Fiscal 2011 and \$364,022 in Fiscal 2012 and the outyears. This expense increase would be offset by increased inspection revenue.

Issues

- **Construction, Demolition and Asbestos Abatement.** In conjunction with the creation of a Fire Prevention Inspection Team, the City Council passed legislative measures that represented a significant overhaul of the City's construction, demolition, and abatement (CDA) procedures. These measures included a package of twelve bills that resulted from a collaborative process between the Administration and the Council. The bills combined the findings and recommendations of "the Working Group" called for by the Mayor to strengthen the safety, oversight and coordination of CDA operations with legislative proposals put forth by Council Members in the wake of the Deutsche Bank Building fire. The bills are collectively intended to improve CDA procedures in the City of New York.

Fire Investigation

The Bureau of Fire Investigation is responsible for investigating and determining the cause and origin of all suspicious fires, and for the apprehension of arsonists. The Department will deploy 95 Fire Marshals and 23 Supervising Fire Marshals to field duty in 2011.

Compared to the Adopted Budget, the Fire Investigation Budget increases in Fiscal 2011 by \$6.1 million due to funding shifts to the Fire Investigation PS budget from other program areas and the recognition of a \$2-million Federal Stimulus Grant that provides funding for 18 fire marshal positions.

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference 2010-2011
Spending						
Personal Services	\$10,001	\$12,039	\$10,704	\$17,231	\$16,761	\$6,057
Full-Time Salaried – Civilian	273	271	312	312	314	2
Full-Time Salaried – Uniform	6,340	7,723	6,504	13,259	12,531	6,027
Additional Gross Pay	1,190	1,537	1,526	1,228	1,655	129
Overtime - Civilian	28	12	4	4	2	(2)
Overtime - Uniformed	1,898	2,097	2,028	2,028	2,067	39
Fringe Benefits	271	399	331	400	192	(138)
Other Than Personal Services	\$400	\$69	\$76	\$77	\$77	\$0
Supplies and Materials	51	40	53	13	53	0
Property and Equipment	302	20	10	52	10	0
Other Services and Charges	5	3	14	5	14	0
Contractual Services	41	6	0	7	0	0
TOTAL	\$10,401	\$12,108	\$10,781	\$17,308	\$16,838	\$6,057
Funding						
<i>City Funds</i>			\$10,781	\$15,308	\$14,838	\$4,057
<i>Federal – Other</i>			0	2,000	2,000	2,000
TOTAL			\$10,781	\$17,308	\$16,838	\$6,057
Positions						
Full-Time Positions - Civilian	6	6	6	6	6	0
Full-Time Positions - Uniformed	63	116	100	118	118	18
TOTAL	69	122	106	124	124	18

Issues

- Fire Marshal Headcount.** In the Fiscal 2008 Adopted Budget, the previously-shuttered Queens Fire Marshal Base was re-opened and the fire marshal headcount was increased by 32 positions. 2009 PMMR data indicated that there had been no significant increase in fire investigations since this increase in headcount which led the Department to reduce fire marshal headcount, as part of the Department's budget reduction program, as per the 2010 Adopted Budget. In the November Plan, headcount was again increased by 18 positions after the City received approximately \$2 million in Federal Stimulus funding for fire marshal positions. This funding is set to expire after Fiscal 2011.

Appendix A: Budget Actions Since Fiscal Year 2010 Adoption

<i>Dollars in thousands</i>	FY 2010			FY 2011		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the June 2009 Plan	\$1,430,178	\$186,451	\$1,616,629	\$1,429,380	\$181,261	\$1,610,641
Program to Eliminate the Gap (PEGs)						
Elimination of 5th Firefighter Post on 60 Eng. Cos.			\$0	(\$7,859)		(\$7,859)
Elimination of Staffing 4 Eng. Cos			0	(5,587)		(5,587)
NIOSH Grant	(2,007)		(2,007)			0
Reassign 25 EMS Admin. Personnel to Field			0	(1,530)		(1,530)
10% Reduction in Uniformed Admin. OT			0	(2,456)		(2,456)
Uniformed Instructor Savings			0	(3,477)		(3,477)
50% Reduction in Roster Staffing Admin. OT			0	(485)		(485)
Defibrillator Refresher Training Reduction			0	(1,940)		(1,940)
EMS Revenue	(1,567)	1,956	389	(4,045)	4,430	385
Billing for Unwarranted Alarms			0	220		220
Total, PEGs	(\$3,574)	\$1,956	(\$1,618)	(\$27,159)	\$4,430	(\$22,729)
New Needs						
St. Vincent's Medical Center Ambulance Tours			\$0	\$2,194	\$2,373	\$4,567
EMS Supervision & Temp. Site Constr.			0	1,672		1,672
FY 2010 Net Under spending	(5,000)		(5,000)			0
Facilities Personnel	208		208	830		830
Sunset Park EMS Station Supervision	201		201	402		402
Total, New Needs	(\$4,591)	\$0	(\$4,591)	\$5,099	\$2,373	\$7,472
Other Adjustments						
Overtime Adjustment	\$15,000		\$15,000			
Misc. City Adjustments	338		338	4,535		4,535
IFA- 3 Project Mangers	(120)	120	0	(240)	240	0
Collective Bargaining	2,930		2,930	2,930		2,930
Fringe Adjustments	124		124	2,094		2,094
Intra-City Adjustments		648	648			0
State Grants and Adjustments		22	22		(10)	(10)
Federal Grants and Adjustments		130,474	130,474		(1,401)	(1,401)
Other Categorical Grants and Adjustments		298	298			0
Total, Other Adjustments	\$18,272	\$131,562	\$149,834	\$9,320	(\$1,171)	\$8,149
Agency Budget as per the Fiscal 2011 Executive Plan	\$1,440,285	\$319,972	\$1,760,257	\$1,416,636	\$186,895	\$1,603,531