



# **Fiscal 2009 Preliminary Budget Hearings**

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## **Department of Sanitation (Capital)**

*March 2008*

*Hon. Christine C. Quinn  
Speaker of the Council*

*Hon. David I. Weprin, Chair  
Committee on Finance*

*Hon. Michael McMahon, Chair  
Committee on Sanitation &  
Solid Waste Management*

*James Caras, Acting Director  
Finance Division*

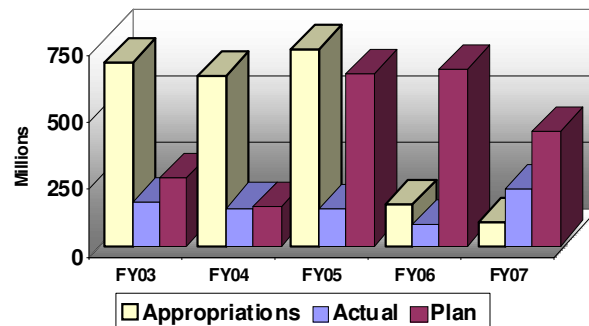
## Agency Overview

The Department of Sanitation (DSNY) manages the City's solid waste stream by collecting, disposing and recycling residential, institutional and government waste. DSNY also cleans the City's approximately 6,000 miles of streams, its sidewalks and vacant lots, and removes abandoned vehicles. In the winter, DSNY clear ice and snow from the street. DSNY also prevents illegal dumping and disposal of hazardous, medical and asbestos waste by ensuring compliance with the City's Health and Administrative Codes.

DSNY has five primary operating divisions: The Bureau of Cleaning and Collection, the Bureau of Waste Disposal, the Bureau of Motor Equipment, the Bureau of Long Term Export and the Bureau of Building Management. Cleaning and Collection is responsible for collecting residential garbage, recovering recyclable materials, cleaning streets and sidewalks and removing abandoned vehicles. The Bureau of Waste Disposal manages the disposal of refuse collected by the Department and private carters. The Bureau of Motor Equipment services DSNY's approximately 5,500 motor vehicles, which includes its fleet of 2,040 rear-loading collection trucks and 450 mechanical brooms. Building Management maintains the various DSNY buildings including the 60 local garages, repaints departmental vehicles, and tests underground fuel tanks. The Bureau of Long Term Export is responsible for implementing the Solid Waste Management Plan.

A major component of DSNY's mission is management of the City's waste disposal system. In response to the Solid Waste Management Act of 1988, the Agency has a Comprehensive Solid Waste Management Plan (SWMP), which sets out strategies for addressing the City's future waste disposal needs. The SWMP Update includes detailed descriptions of any proposed modifications, reasons for the proposed modifications, revised implementation schedules, updates on the City's solid waste management system, discussions of the City's recycling program and responsive summaries of public comment on the plan. The City Council approved the SWMP in July of 2006 and the State DEC authorized the Plan in the fall of 2006. The Department's long-term plan for disposing of the City's solid waste focuses on the exportation of 90 percent of waste by barge and rail through a combination of privately owned and DSNY transfer stations.

**DEPARTMENT OF SANITATION**  
Appropriations vs. Actual & Planned Commitments  
(City funds)



## **Fiscal 2009 Preliminary Capital Budget Report**

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### ***Current Budget Summary***

The January 2008 Capital Commitment Plan includes \$1.87 billion in Fiscal 2008-2011 for the Department of Sanitation. This represents 3.5 percent of the City's total \$52.5 billion January Plan for Fiscal 2008-2011. The agency's current commitment plan for Fiscal Years 2008-2011 is 8.1 percent greater than the \$1.73 billion scheduled to be committed in the September Commitment Plan, an increase of \$139.4 million.

Over the past five years the Department of Sanitation has only committed an average of 34.1 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2008 capital plan will be rolled into Fiscal 2009 thus greatly increasing the size of the Fiscal 2009-2012 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2008 has increased from \$413.2 million to \$441.3 million, an increase of \$28.1 million or 6.8 percent.

Currently DSNY's appropriations for Fiscal 2008 total \$910.5 million in City-funds. The appropriations are to be used to finance DSNY's \$316.6 million City-funded Fiscal 2008 capital commitment program. The Department has \$593.9 million or 188 percent more funding than it needs to meet its entire capital commitment program for the current fiscal year.

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The Department of Sanitation's capital commitments for the last five years are shown below:

<b>FIVE YEAR HISTORY - CAPITAL BUDGET</b> (\$ in millions)					
	FY03	FY04	FY05	FY06	FY07
CITY	159	140	137	77	209
NON-CITY	0	0	0	0	0
TOTAL	159	140	137	77	209

The Adopted Four-Year Capital Plan is shown below:

<b>ADOPTED CAPITAL BUDGET – SEPTEMBER 2007</b> (\$ in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	406.8	772.4	273.7	273.0	1,725.9
NON-CITY	6.4	0	0	0	6.4
TOTAL	413.2	772.4	273.7	273.0	1,732.3

The Preliminary Four-Year Capital Plan is shown below:

<b>PRELIMINARY CAPITAL PLAN – JANUARY 2008</b> (\$ in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	434.9	796.6	375.9	258.1	1,865.5
NON-CITY	6.4	0	0	0	6.4
TOTAL	441.3	796.6	375.9	258.1	1,871.9

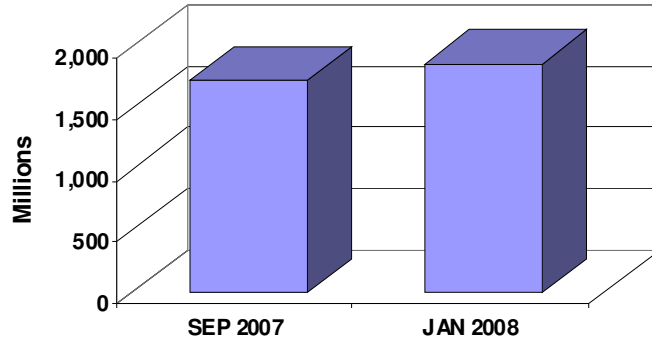
### PRELIMINARY BUDGET ISSUES:

- In the January Plan, commitments for Fiscal 2008 increased by \$28.1 million or 6.91% from the September Plan. Planned commitments over the entire Fiscal 2008-2011 timeframe increase 8.1 percent, or \$139.4 million over the September Plan.

- The conversions of four marine transfer stations (MTS) are the most significant projects in DSNY's capital plan. Nearly 27 percent or \$495.5 million of the DSNY's Four Year Commitment Plan is slated for reconstruction of existing, DSNY-owned marine transfer stations. The Department has completed the design of the four MTS. DSNY has received City Council and State approval for its plan, and is now in the process of obtaining permits for the stations. Currently, the bid package for the North Shore, Queens MTS is being arranged and will proceed before the other MTS's.

#### DEPARTMENT OF SANITATION

September 2007 vs. January 2008  
CAPITAL COMMITMENT PLANS



The four rebuilt MTS will accept putrescible residential waste from designated districts. The waste will be loaded into large containers, which will then be loaded onto barges or trains for export from the City. DSNY also hopes to use its new MTS's to dispose commercial garbage. All four MTS's have increased in cost since the September Capital Plan, reflecting the latest cost estimates. The four MTS's scheduled for construction in the Plan are the following:

- East 91<sup>st</sup> Street, Manhattan - Conversion of this MTS is estimated to cost \$121.8 million, an increase of \$19.4 million over the September Capital Commitment Plan. DSNY proposes to dump an average of 720 tons per day (tpd) of residential waste at this station, and an additional 780 tpd of commercial waste.
- Hamilton Avenue, Brooklyn - DSNY anticipates that this MTS would handle about two-thirds of Brooklyn's residential waste, approximately 1,900 tpd, and an additional 1,274 tpd of commercial garbage. DSNY estimates the cost of the Hamilton Avenue MTS at \$116.5 million, an increase of \$18.2 million over the September Plan.
- Southwest Brooklyn - The second MTS for Brooklyn's garbage is planned for the site of DSNY's former incinerator and MTS in Bensonhurst. The

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estimated cost of this station is \$105.3 million, an increase of \$13.3 million over the previous Capital Plan.

- North Shore, Queens - DSNY proposes to convert this MTS to handle an average of 2,200 tpd of residential waste and 1,000 tpd of commercial garbage. Its cost is estimated to be \$112.2 million, an increase of \$15.3 million over the September Capital Plan.
- Recycling - \$14.7 million was added to DSNY's capital budget for Fiscal 2008 in the Preliminary Plan for the rehabilitation of the 30<sup>th</sup> Street Pier at the South Brooklyn Marine Terminal, bringing the total estimated cost for this project to \$48.6 million. This project, while funded in DSNY's budget, is being managed by the Economic Development Corporation.
- Collection Trucks and Equipment - A significant portion of DSNY's capital spending is for collection trucks and other equipment. In Fiscal 2008, DSNY expects to commit \$133 million, up from \$110 million in the September Plan. Some of this money was advanced from Fiscal 2009 in order to take advantage of a dual bin collection truck contract that is set to expire. \$1.8 million of grant money is also part of DSNY's capital plan and will be used to purchase alternative fuel vehicles funded by a federal Congestion Mitigation and Air Quality (CMAQ) Improvement Program grant.
- Garages and Facilities - The remainder of DSNY's capital program is for construction and maintenance of garages, salt sheds, and other facilities. Planned commitments for a garage in District 1 in Staten Island have decreased since the September Capital Plan by \$43.5 million in Fiscal 2008-2011, bringing planned commitments for this project down to zero. This project has been postponed indefinitely in order to fully fund the MTS's and other higher priority garages. Similarly, planned commitments for the Brooklyn District 3 garage have decreased by \$72.3 million in Fiscal 2009. These decreases have been offset by increases in planned commitments for the Manhattan District 1/2/5 garage (\$99 million increase in Fiscal 2010, which reflects the most up-to-date cost estimate following a recent value engineering session) and for the Brooklyn 13/15 garage (\$51.6 million in Fiscal 2008-2011). The current Capital Plan includes \$38.3 million in Fiscal 2008-2011 for construction and rehabilitation of salt sheds, an increase of \$8.6 million over the September Plan. \$8.4 million of this was advanced, however, from Fiscal 2011.