

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Ben Kallos
Chair, Committee on Governmental Operations

Report on the Fiscal 2016 Preliminary Budget and the
Fiscal 2015 Preliminary Mayor's Management Report

Office of Payroll Administration (OPA)

March 19, 2015

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Office of Payroll Administration (OPA) Overview

OPA 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.

Financial Summary

OPA Financial Summary						
	2013	2014	2015	Preliminary		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2015	2016	2015 vs 2016
Spending						
Personal Services	\$12,035	\$12,510	\$16,192	\$17,091	\$16,746	\$554
Full-Time Salaried	10,527	11,033	15,288	15,654	15,838	549
Other Salaried & Unsalaries	1,073	1,064	169	703	174	5
Additional Gross Pay	420	376	571	571	571	0
Overtime	15	38	164	164	164	0
Other Than Personal Services	1,187	1,203	11,476	11,476	11,476	0
Supplies and Materials	52	68	131	81	130	(1)
Property and Equipment	42	41	48	49	48	0
Other Services and Charges	350	308	382	408	381	(1)
Contractual Services	744	787	10,915	10,938	10,916	2
TOTAL	\$13,223	\$13,713	\$27,669	\$28,568	\$28,223	\$554
Funding						
City Funds			\$27,669	\$28,037	\$28,223	554
Other Categorical			0	531	0	0
TOTAL	\$13,223	\$13,713	\$27,669	\$28,568	\$28,223	\$554
Positions						
Full-Time Positions - Civilian	143	147	203	203	203	0

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

OPA’s proposed budget for Fiscal 2016 totals \$28.2 million, including Personal Services funding of \$16.2 million to support 203 full-time positions. The agency relies almost entirely on City tax-levy funding. The agency’s projected Fiscal 2015 and 2016 budgets are significantly higher than its actual expenditures in both Fiscal 2012 and 2013, indicating the potential of a budget surplus at the end of each fiscal year.

Compared to the Adopted 2015 Budget, OPA’s budget has increased by \$554,000 in Fiscal 2016. The increase is primarily the result of increases in staff salaries, including \$274,000 in collective bargaining adjustments.

The Preliminary Budget includes Other Categorical funding totaling \$531,000 in the current fiscal year from the Management Benefits Fund for the reimbursement of health club membership fees for City employees.

Preliminary Plan Highlights

CityTime

In conjunction with the Financial Information Services Agency (FISA), OPA is responsible for the maintenance and operations of CityTime, the web-based citywide municipal employee timekeeping system that serves over 80 City agencies. OPA's proposed Fiscal 2016 budget for CityTime includes personal services funding of \$5.9 million to support 69 full-time positions, and \$10.6 million in OTPS funding for system maintenance. The City's Capital Plan includes \$6.4 million to expand CityTime implementation. Additional resources for the operation of CityTime, are included in FISA's budget.

FISA and OPA Co-location

The Preliminary Plan includes FISA funding of \$2.5 million (partial year value) in Fiscal 2016, increasing to \$12.4 million by Fiscal 2019 to cover lease expenses for OPA to co-locate with FISA. This funding provides for additional leased space at 450 West 33rd Street in Manhattan, where FISA offices are currently located. Planned commitments totaling \$4.6 million for renovation of the new leased space is included in the City's Capital Plan for Fiscal 2015.

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.

OPA Revenue	Actuals			Planned	
	FY 12	FY 13	FY 14	FY 15	FY 16
Political Contribution Fees	\$71,096	\$71,153	\$69,018	\$68,000	\$68,000
Document Fees	15,014	9,284	9,986	10,000	10,000
Agency Payroll Fees	418,522	443,554	432,708	52,145	52,145
Union Dues Fees	431,346	437,677	431,346	420,000	420,000
Insurance Deduction fees	108,144	98,770	111,110	98,000	98,000
Garnishment Fees	8,266	10,780	8,266	8,000	8,000
Uncashed paychecks	N/A	N/A	40,133,388	3,000,000	3,000,000
TOTAL	\$1,052,388	\$1,071,218	\$41,195,822	\$3,656,145	\$3,656,145

The Preliminary Financial Plan projects that OPA will generate \$3.7 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.

Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY 2015			FY 2016		
	City	Non-City	Total	City	Non-City	Total
OPA Budget as of Fiscal 2015 Adopted Plan	\$27,668	\$0	\$27,668	\$27,696	\$0	\$27,696
Other Adjustments						
Staff Salary Increases and Adjustments	192	0	192	252	0	252
Collective Bargaining Adjustment	177	0	177	274	0	274
MBF Health Club Membership Reimbursement	0	531	531	0	0	0
TOTAL All Changes	\$369	\$531	\$900	\$526	\$0	\$526
OPA Budget as of Fiscal 2016 Prelim. Plan	\$28,037	\$531	\$28,568	\$28,222	\$0	\$28,222

Contract Budget

Category	FY 2015 Adopted	Number of Contracts	FY 2016 Preliminary	Number of Contracts
Contractual Services General	\$801,944	1	801,944	1
Maint & Repair, General	9,000	1	9,000	1
Office Equipment Maintenance	28,700	1	29,200	1
Data Processing Equipment	919,002	1	919,002	1
Costs Associated with Financing	12,025	1	12,025	1
Printing Contracts	3,000	1	3,000	1
Temporary Services	17,900	1	17,900	1
Cleaning Services	2,000	1	2,000	1
Training Programs for City Employees	4,000	1	5,000	1
Professional Services: Computer Services	9,117,295	3	9,117,295	3
Total	\$10,914,866	12	\$10,916,366	12

OPA's Fiscal 2016 Contract Budget totals \$10.9 million for 12 contracts which accounts for 38.7 percent of the agency's total 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.