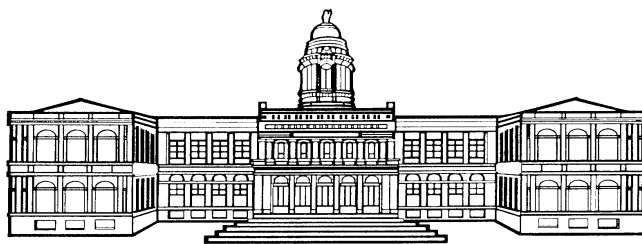


New York City Council



# BUDGET REPORT

Finance Division

March 2009

***Analysis of the  
Fiscal 2010 Preliminary Budget  
and  
Fiscal 2009 Preliminary Mayor's Management Report  
for the  
Department of City Planning  
Thursday, March 19, 2009***

**Hon. Christine C. Quinn**  
Speaker

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

**Hon. Melinda R. Katz**, Chair  
Committee on Land Use

**Preston Niblack**, Director

**Jeffrey Rodus**, First Deputy Director

**Jonathan Rosenberg**, Deputy Director

**Anthony Brito**, Legislative Financial  
Analyst

## PREFACE

On March 19, 2009, at 12 pm., the Committee on Land Use, chaired by the Hon. Melinda R. Katz, will hold a hearing on the Mayor's Fiscal 2010 Preliminary Budget and Fiscal 2009 Preliminary Mayor's Management Report for the Department of City Planning.

Section 236 of the New York City Charter requires the Mayor to submit by January 16<sup>th</sup> a preliminary budget for the upcoming fiscal year.<sup>a</sup> In addition, under section 12 of the City Charter, the Mayor must make public and submit to the Council by January 30<sup>th</sup> the Preliminary Mayor's Management Report (PMMR) for the current fiscal year.<sup>b</sup> Among other things, the PMMR must contain "proposed program performance goals and measures for the next fiscal year reflecting budgetary decisions made as of the date of submission of the preliminary budget."<sup>c</sup> The Charter also requires the Council to hold hearings on the preliminary budget and to submit recommendations to the Mayor by March 25<sup>th</sup>.<sup>d</sup> This year, the Council will hold joint hearings on the Fiscal 2010 Preliminary Budget and the Fiscal 2009 Preliminary Mayor's Management Report.

Beginning with the Fiscal Year 2008 Adopted Budget, the Council and the Mayor's Office of Management and Budget agreed to an additional budget presentation, referred to by OMB as the budget function analysis, and by the Council as the program budget. Two agencies were initially presented in the program budget form. Beginning with the January 2008 Financial Plan (Fiscal 2009 Preliminary Budget), a total of 16 agencies are now in program budget form. The Department of City Planning is not a program budget agency.

This report was prepared by Anthony Brito, Legislative Financial Analyst, under the supervision of Deputy Director Jonathan Rosenberg.

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<sup>a</sup> The Charter prescribes specific actions that are required as part of the annual budget submission process during a fiscal year. The Charter allows for changes, via local law, in the dates in the submission of the PMMR, as well as an extension for subsequent steps in the budget process. This year, Local Law 03 of 2009 changed the date for the submission of the Preliminary Budget to January 30th, and the date for the Council's Response to the Preliminary Budget to April 8<sup>th</sup>.

<sup>b</sup> Local Law 03 of 2009 changed the date of submission of the PMMR to February 13, 2009.

<sup>c</sup> New York City Charter, §12(b)(2).

<sup>d</sup> *See id.* at §247.

## Department of City Planning (030)

The Department of City Planning (DCP) conducts planning related to the growth, improvement and future development of the City. It is responsible for initiating changes in the zoning maps and resolutions, providing technical and professional assistance to community boards, and preparing an annual capital needs and priorities report.

### PROGRAM TO ELIMINATE THE GAP

Since the Fiscal 2009 Budget was adopted in June, the Office of Management and Budget has twice asked agency heads to submit Programs to Eliminate the Gap (PEGs) proposals. In the first round, in September, OMB sought PEG submissions equal to five percent of agency City tax-levy budgets for Fiscal 2010, with a further seven percent sought in December.

PEGs reduce the City's budget gap either by reducing an agency's City tax-levy Expense Budget spending, or by increasing City revenues. The chart below indicates the proposed PEG amounts for the DCP based on the Fiscal 2010 forecast at the time the Fiscal 2009 Budget was adopted (June 2008).

<b>November and January Plan PEGs for Fiscal 2010</b> <i>(in 000s)</i>	
<b>Fiscal 2010 Forecast at Fiscal 2009 Adoption (June 2008)</b>	<b>\$9,796</b>
Expense PEGs	(\$488)
Revenue PEGs	\$--
<b>Total Fiscal 2010 PEGs</b>	<b>(\$488)</b>
PEGs as a Percent of the Fiscal 2010 Forecast	4.98%

### PRELIMINARY BUDGET HIGHLIGHTS

DCP's Fiscal 2010 Preliminary Budget is 5 percent less in City tax levy funds than the Fiscal 2009 Adopted Budget due to the elimination of five funded vacancies. This action is projected to save the agency \$487,854 in Fiscal 2010 and \$491,854 in Fiscal 2011. The overall decrease between the Fiscal 2009 Adopted Budget and the Fiscal 2010 Preliminary Budget is primarily attributable to the one-time infusion of \$7.1 million in City-funds in Fiscal 2009 to pay for contracts that would develop Environmental Impact Statements (EIS) for the following rezoning projects throughout the City: East Village/Lower East Side Rezoning, Lower Concourse Rezoning, DUMBO rezoning, Bronx 161st Street Rezoning, and the Gowanus Rezoning. Approximately \$6.3 million of these funds have already been contracted out for EIS' in Fiscal 2009 and the remaining \$832,515 will be rolled into the Fiscal 2010 budget. In addition, the Preliminary Budget includes some Federal and State categorical funding which is reflected in the budget mid-fiscal year such as the Environmental Protection Fund Grants and Congestion Mitigation Air Quality (CMAQ) Grant.

DCP's Fiscal 2010 Preliminary Budget includes a total headcount reduction of 7 positions from the Fiscal 2009 Adopted Budget. The headcount reduction is comprised of the elimination of 5 existing vacancies in Fiscal 2010 and the attrition of 2 vacancy eliminations from Fiscal 2009.

### AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	\$16,789,408	\$16,789,408	\$9,639,640
Other Categorical	\$0	\$0	\$0
Capital IFA	\$0	\$0	\$0
State	\$0	\$389,558	\$3,144
Community Development	\$12,320,160	\$12,320,160	\$13,029,769
Federal-Other	\$1,042,474	\$3,626,092	\$1,087,530
Intra-City	\$0	\$0	\$0
<b>Total</b>	<b>\$30,152,042</b>	<b>\$33,125,218</b>	<b>\$23,760,083</b>

### HEADCOUNT OVERVIEW

Headcount (Uniform and Civilian)	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	147	104	97
Non-City	136	206	179
<b>Total</b>	<b>283</b>	<b>310</b>	<b>276</b>

### UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/A's represent the amount appropriated for personal services (i.e. salaries) or Other Than Personal Services (i.e. supplies) for a particular program, purpose, activity or institution. The table below presents the DCP budget, comparing the Fiscal 2009 Adopted Budget to the Fiscal 2010 Preliminary Budget. The Fiscal 2009 Modified Budget reflects this year's budget at the time this financial plan was released.

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
001	Personal Services	\$18,827,380	\$20,382,882	\$18,363,658	-2.46%
002	Other Than Personal Services	\$8,927,028	\$10,344,702	\$2,958,990	-66.85%
	<b>Total</b>	<b>\$27,754,408</b>	<b>\$30,727,584</b>	<b>\$21,322,648</b>	<b>-23.17%</b>

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
003	Geographic Systems	\$2,099,946	\$2,099,946	\$2,139,747	1.90%
004	Geographic Systems	\$297,688	\$297,688	\$297,688	0.00%
	<b>Total</b>	<b>\$2,397,634</b>	<b>\$2,397,634</b>	<b>\$2,437,435</b>	<b>1.66%</b>

## Programs to Eliminate the Gap (PEGs)

- **Fiscal 2009 Personal Services (PS) Savings and Headcount Reduction.** This initiative reflects savings from the reduction of two vacant positions in the current fiscal year. This action reduced the agency's budget by two full-time positions and \$149,180 in Fiscal 2009. According to the Department of City Planning, the two vacant positions that are to be eliminated are in the Operations Division and the Zoning Division.
- **Hiring Freeze and Vacancy Reduction Program.** This initiative reflects savings from the elimination of vacancies and replacement of future attrition. This action would reduce the agency's budget by \$487,854 and 5 full-time positions in Fiscal 2010 and by \$491,854 in Fiscal 2011 and the outyears. The agency has not yet determined the positions that will be affected by these vacancy eliminations.

## Other Adjustments

- **Fringe Benefits Adjustment Associated with PS Savings.** This technical adjustment, for a reduction of \$86,854 in Fiscal 2010 and \$90,854 in Fiscal 2011 and the outyears, is a PEG credit provided to the agency for fringe benefit savings resulting from an agency-wide headcount reduction. In the Preliminary Budget, many agencies have proposed PEGs that include a reduction in headcount. In order to give the agencies PEG credit for the reduction in fringe benefit costs associated with these headcount reductions, the value of these PEGs include a reduction in fringe benefit costs even though these costs are paid out of the miscellaneous budget. In order to offset this PEG credit and not reduce the agency budget more than the goal of the PEG, OMB has included Other Adjustments in the Preliminary Budget that put the value of the fringe benefit costs back into the agency budgets. This way the overall reduction in the Agency's budget does not include the fringe benefit costs, but the value of the PEG does include the fringe benefits.
- **Congestion Mitigation Air Quality (CMAQ) Grant.** This federal grant reflects a mid-year adjustment to the Fiscal 2009 budget in the amount of \$624,772 for personal and other than personal costs for the CMAQ program. This program provides funding for the planning, design, and development of bikeways with the goal of improving air quality, reduce congestion on existing roadways, and lowering overall transportation costs.

- **Environmental Protection Fund (EPF) Grant.** This State grant reflects a mid-year adjustment to the Fiscal 2009 budget in the amount of \$389,558 for personal and other than personal costs from the Environmental Protection Fund for transportation planning.
- **Environmental Impact Statements.** This technical adjustment includes \$832,515 that will be rolled into the Fiscal 2010 OTPS budget for a consulting contract to conduct environmental impact studies. DCP's Fiscal 2009 budget included approximately \$7.1 million for EIS' of which \$6.3 million has been spent on contracts. The remainder of the funds will be rolled into Fiscal 2010 when it is expected that the last contract will be awarded.

### PRELIMINARY BUDGET ACTIONS (in 000s)

The following table is a summary of the Preliminary Plan actions for Fiscal 2009 and Fiscal 2010 that are described in the Program Budget section above. The Non-City actions include State, Federal, Other Categorical, Intra-City and Capital Inter-Fund Agreement (IFA) funding changes for the DCP.

Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as per the November Plan</b>	<b>\$17,349</b>	<b>\$14,164</b>	<b>\$31,513</b>	<b>\$9,296</b>	<b>\$13,879</b>	<b>\$23,175</b>
<b>January Plan Programs to Eliminate the Gap (PEGs)</b>						
Elimination of Funded Vacancies	\$0	\$0	\$0	(\$488)	\$0	(\$488)
<b>Total PEGs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$488)</b>	<b>\$0</b>	<b>(\$488)</b>
<b>January Plan New Needs</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total New Needs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>January Plan Other Adjustments</b>						
Fringe Benefit Offset	\$0	\$0	\$0	(\$87)		(\$87)
Fiscal 2009 CMAQ OTPS Grant	\$0	\$401	\$401	\$0	\$0	\$0
Fiscal 2009 CMAQ PS Grant	\$0	\$224	\$224	\$0	\$0	\$0
Fiscal 2009 EPF PS Grant	\$0	\$156	\$156	\$0	\$0	\$0
Fiscal 2009 OTPS Grant	\$0	\$224	\$224	\$0	\$0	\$0
Fiscal 2009 Subregional OTPS Grant	\$0	\$498	\$498	\$0	\$0	\$0
Fiscal 2009 Subregional OTPS Grant	\$0	\$1,176	\$1,176	\$0	\$0	\$0
Fiscal 2010 January Plan DC37 Increases	\$56	\$158	\$215	\$86	\$241	\$326
Fiscal 2010 January EIS Reallocation	(\$833)	\$0	(\$833)	\$833	\$0	\$833
<b>Total Other Adjustments</b>	<b>(\$776)</b>	<b>\$2,837</b>	<b>\$2,060</b>	<b>\$831</b>	<b>\$241</b>	<b>\$1,072</b>
<b>Total January Plan Budget Changes</b>	<b>(\$776)</b>	<b>\$2,837</b>	<b>\$2,060</b>	<b>\$343</b>	<b>\$241</b>	<b>\$584</b>
<b>Agency Budget as per the January Plan</b>	<b>\$16,573</b>	<b>\$17,001</b>	<b>\$33,573</b>	<b>\$9,639</b>	<b>\$14,120</b>	<b>\$23,759</b>