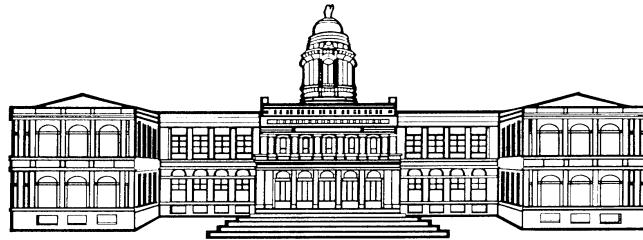


New York City Council



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 Citywide Administrative Services*

Thursday, March 12, 2009

Hon. Christine C. Quinn
Speaker

Preston Niblack, Director

Hon. David I. Weprin, Chair
Committee on Finance

Jeffrey Rodus, First Deputy Director

Andy Grossman, Deputy Director

Hon. Helen Sears, Chair
Committee on Governmental
Operations

John Russell, Legislative Financial
Analyst

PREFACE

On March 12, 2009, at 12:15 p.m., the Committee on Governmental Operations, chaired by the Hon. Helen Sears, will hold a hearing on the Mayor's Fiscal 2010 Preliminary Budget and Fiscal 2009 Preliminary Mayor's Management Report for the Department of Citywide Administrative Services.

Section 236 of the New York City Charter requires the Mayor to submit by January 16th a preliminary budget for the upcoming fiscal year.^a In addition, under section 12 of the City Charter, the Mayor must make public and submit to the Council by January 30th the Preliminary Mayor's Management Report (PMMR) for the current fiscal year.^b 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."^c The Charter also requires the Council to hold hearings on the preliminary budget and to submit recommendations to the Mayor by March 25th.^d 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 Citywide Administrative Services is not a program budget agency.

This report was prepared by John Russell, Legislative Financial Analyst, under the supervision of Deputy Director Andy Grossman.

^a 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 8th.

^b Local Law 03 of 2009 changed the date of submission of the PMMR to February 13, 2009.

^c New York City Charter, §12(b)(2).

^d See *id.* at §247.

Department of Citywide Administrative Services (856)

The Department of Citywide Administrative Services (DCAS), established by Local Law 59 of 1996, provides personnel and support services to City agencies, personnel management functions including personnel development; Civil Service administration; administration of civil service examinations and license issuance as required by law; oversight of the Equal Employment Opportunity program and policies; and classification of positions and salary levels. Citywide support functions include acquisition and distribution of supplies and equipment; maintenance and operation of the City's vehicle fleet; energy conservation; maintenance; operation, and reconstruction of city-owned public buildings; purchase, sale, and lease of City-owned nonresidential real property; and publication of the City Record and other official documents.

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 DCAS based on the Fiscal 2010 forecast at the time the Fiscal 2009 Budget was adopted (June 2008).

November and January Plan PEGs for Fiscal 2010 (in 000s)	
Fiscal 2010 Forecast at Fiscal 2009 Adoption (June 2008)	\$180,610
Expense PEGs	(\$5,118)
Revenue PEGs	(\$9,671)
Total Fiscal 2010 PEGs	(\$14,789)
PEGs as a Percent of the Fiscal 2010 Forecast	8.19%

PRELIMINARY BUDGET HIGHLIGHTS

As compared with the Fiscal 2009 Adopted Budget, the Fiscal 2010 Preliminary Budget for DCAS would increase by approximately \$17.04 million (1.56 percent). Over that same period, DCAS's City-funded budget would increase by \$15.68 million (8.52 percent). Capital IFA-funds would decrease by \$2.35 million (21.62 percent). State funding would increase by \$425,132 (1.22 percent). Federal funding would remain the same at \$2 million. Intra-city funds would increase by \$3.23 million (0.43 percent).

The bulk of the DCAS's budget goes toward the Other Than Personal Services unit of appropriation for the Division of Facilities Management. The January Plan allocates \$893.7 million (80.5 percent of DCAS's total budget) for this Division, the majority of which is for expenditures for heat, light and power for all City agencies. In the January Plan, the largest percentage increase in funding compared to the Fiscal 2009 Adopted Budget occurs in the Office of Administrative Trials and Hearings(OATH). This significant increase is the result of the functional transfer of the Environmental Control Board into OATH.

Although the proposed November and January Plan PEG actions would credit the Department with \$14.8 million in combined savings and increased revenues, the Department's budget increases compared to the Fiscal 2009 Adopted Budget. The most significant contributor to this increase is the functional transfer of the Environmental Control Board into OATH.

AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	\$184,099,070	\$195,838,637	\$199,778,737
Other Categorical	\$104,763,345	\$105,591,359	\$104,814,277
Capital IFA	\$10,868,212	\$10,868,212	\$8,523,245
State	\$34,927,648	\$42,804,670	\$35,352,780
Community Development	\$0	\$0	\$0
Federal-Other	\$2,000,000	\$2,000,000	\$2,000,000
Intra-City	\$756,427,050	\$763,478,928	\$759,659,732
Total	\$1,093,085,325	\$1,120,581,806	\$1,110,128,771

HEADCOUNT OVERVIEW

Headcount (Uniform and Civilian)	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	1,136	1,278	1,342
Non-City	782	782	748
Total	1,918	2,060	2,090

From the adoption of the Fiscal 2009 Budget to the Preliminary Budget for Fiscal 2010, DCAS's headcount increases by 8.97 percent. This increase can be largely attributed to the functional transfer of the Environmental Control Board into DCAS.

Trend Analysis

AGENCY FIVE-YEAR FUNDING ANALYSIS						
Funding Source	Adopted 2005	Adopted 2006	Adopted 2007	Adopted 2008	Adopted 2009	Preliminary 2010
City	\$156,156,792	\$152,973,689	\$191,218,117	\$200,293,061	\$184,099,070	\$199,778,737
Other Categorical	\$54,580,477	\$69,983,754	\$91,408,103	\$93,511,493	\$104,763,345	\$104,814,277
Capital IFA	\$9,984,724	\$8,530,209	\$9,910,079	\$10,878,007	\$10,868,212	\$8,523,245
State	\$26,604,382	\$32,047,941	\$29,633,134	\$30,312,697	\$34,927,648	\$35,352,780
Federal-Other	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Intra-City	\$487,013,093	\$539,847,266	\$671,316,121	\$690,804,453	\$756,427,050	\$759,659,732
Agency Total	\$736,339,468	\$805,382,859	\$995,485,554	\$1,027,799,711	\$1,093,085,325	\$1,110,128,771

As compared with the Fiscal 2005 Adopted Budget, the Fiscal 2010 Preliminary Budget for DCAS increased by approximately \$373.79 million (50.8 percent). DCAS has increased its City-funded budget

by approximately \$43.62 million (27.9 percent). Other Categorical funds have increased by approximately \$50.23 million (92.03 percent). The significant increase in Other Categorical funding is the result of an increase in energy payments made by the New York City Health and Hospitals Corporation. Capital IFA-funds have decreased by \$1.46 (14.64 percent). State funding has increased by approximately \$8.75 million (32.88 percent). Federal funding has remained the same (\$2 million) since Fiscal 2005. The overall budget increase is due primarily to an increase in Intra-city funds of approximately \$272.65 million (55.98 percent). Intra-city funds are comprised primarily of heat, light, and power costs (*see below*).

HEAT, LIGHT, AND POWER FIVE-YEAR FUNDING ANALYSIS						
Funding Source	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Current Mod 2009*	Fiscal 2010 Prelim
City	\$25,529,240	\$29,153,434	\$30,880,968	\$31,881,508	\$36,858,007	\$36,858,007
Other Categorical	\$58,944,904	\$74,420,045	\$79,277,696	\$84,049,148	\$102,258,630	\$102,258,630
State	\$291,115	\$265,128	\$366,687	\$368,580	\$399,360	\$399,360
Intra-City	\$438,841,724	\$505,577,384	\$552,270,150	\$577,154,313	\$679,634,019	\$679,634,019
<i>Energy Adjustment</i>					(\$97,483,000)	(54,142,000)
Agency Total	\$523,606,982	\$609,415,991	\$662,794,901	\$693,453,549	\$721,667,016	\$765,008,016

*Current for Fiscal 2009. Includes pending budget modification actions for Heat, Light, and Power that have yet to be voted on.

As compared with the Fiscal 2005 Actual Expenditures, the Fiscal 2010 Preliminary Budget for heat, light, and power has increased by approximately \$241.4 million (46.1 percent). It's the Council's desire to have DCAS seek savings through alternative energy utilization and programs to reduce energy consumption. Such programs include the ENCORE program and PlaNYC 2030.

The ENCORE (ENergy COst REDuction) program is a major part of the City's efforts to control energy costs and to improve air quality. The ENCORE agreement with the New York Power Authority allows for energy efficiency and clean energy technology projects, which are paid for by the City of New York and administered by the Office of Energy Conservation (OEC). Projects carried out through this program save energy dollars and reduce greenhouse gas emissions by increasing the energy efficiency of City buildings or switching to cleaner fuels. Here are some examples of ENCORE projects:

- Installation of high efficient lighting systems, including automatic lighting.
- Replacement of coal and heavy-oil fired boilers with clean dual fuel light-oil or natural gas burners.
- Elimination of chillers (large air conditioners) that use ozone-depleting refrigerants.
- Installation of fuel cells, for clean, on-site generation of electricity where there are special fuel sources that would otherwise be underutilized.

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 DCAS 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.

FUNDING ANALYSIS

Units of Appropriation – PS/OTPS

Division of Citywide Personnel Services – 001/002

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	Division of Citywide Personnel Services-PS	\$20,651,714	\$20,832,973	\$18,212,023	-11.81%
002	Division of Citywide Personnel Services-OTPS	\$5,875,346	\$6,439,744	\$5,985,346	1.87%
	Total	\$26,527,060	\$27,272,717	\$24,197,369	-8.78%

Funds in these units of appropriation support the central personnel agency for the City government, responsible for attracting the most qualified candidates for employment consistent with the State Constitution, civil service law, and equal employment laws. The agency administers open and competitive examinations; conducts background investigations of prospective employees; classifies positions and certifies lists of eligible applicants for positions; provides Citywide recruitment and training; and administers the City's Equal Employment Opportunity (EEO) programs.

In the January Plan, the headcount for the Division of Citywide Personnel Services decreases to a total of 192 positions, compared to the 226 positions included in the Fiscal 2009 Adopted Budget

According to the 2009 Preliminary Mayor's Management Report, the number of applications received for civil service exams rose 86 percent during the reporting period, due in large part to an increase in the number of exams offered and the opening of the Computerized Testing Center, which increases the frequency and flexibility of examinations.

Budget Proposals

- **Elimination of Satellite Exams**. DCAS estimates a baseline savings of \$200,000 by eliminating the administration of the NYPD satellite exams. DCAS will no longer administer the police officer exam outside of New York City starting in Fiscal 2010.
- **Exam Administration Weekend Overtime Reduction (outyear PEG)**. DCAS estimates a baseline savings of \$235,000 beginning in Fiscal 2012 by reducing overtime spending associated with the administration of Civil Service exams on weekends.
- **Reduction of Citywide Training Staff (outyear PEG)**. DCAS estimates a baseline savings of \$235,000 beginning in Fiscal 2012 by reducing Citywide training staff by 25% via attrition beginning in Fiscal 2012. Details of this reduction are still being determined and no specific headcount reduction has been assigned as of yet.

Office of Administrative Trials and Hearings – 003/004

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	Office of Administrative Trials & Hearings-PS	\$2,156,760	\$10,788,678	\$16,648,125	671.90%
004	Office of Administrative Trials & Hearings-OTPS	\$1,535,517	\$4,643,166	\$6,631,729	331.89%
	Total	\$3,692,277	\$15,431,844	\$23,279,854	530.50%

Funds for both units of appropriation in the Office of Administrative Trails and Hearings support the central administrative tribunal for the City of New York. OATH conducts disciplinary, disability, and adjudicatory hearings for City agencies. Although the budget of OATH is housed within DCAS's budget, OATH is an independent entity over which the Commissioner of DCAS exercises no authority.

Effective November 23, 2008, OATH also oversees the Environmental Control Board, which is responsible for the adjudication of environmental violations for the City including those for the Departments of Sanitation, Buildings, Fire, and various other agencies.

In the January Plan, the headcount for the Office of Administrative Trials and Hearings increases to 169 positions, compared to the 27 positions included in the Fiscal 2009 Adopted Budget (see ECB transfer below).

Budget Proposals

- **Transfer of Environmental Control Board(ECB) (November Plan).** The functional transfer of the ECB into the Office of Administrative Trials and Hearings included in the November Plan would increase DCAS's budget by \$11.74 million in Fiscal 2009 (partial-year estimate) increasing to \$19.42 million in Fiscal 2010 and the outyears. This transfer increases OATH's headcount by 142 positions.
- **Additional ECB Fine Revenue.** DCAS estimates that the Office of Administrative Trials and Hearings will generate additional fine revenue from an increase in case processing and adjudications at the Environmental Control Board. This proposal would generate an estimated baseline increase in revenues of \$1.6 million beginning in Fiscal 2010. This action increases the total projected ECB fine revenue to \$37.4 million in Fiscal 2009, \$74.1 million in Fiscal 2010, and \$72.1 million in Fiscal 2011 and the outyears.

Board of Standards and Appeals – 005/006

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
005	Board of Standards & Appeals-PS	\$1,592,859	\$1,592,859	\$1,588,567	-0.27%
006	Board of Standards & Appeals-OTPS	\$481,747	\$481,747	\$481,747	0.00%
	Total	\$2,074,606	\$2,074,606	\$2,070,314	-0.21%

Funds for both units of appropriation in the Board of Standards and Appeals (BSA) are used to process applications and conduct hearings on appeals for zoning variances and loft conversions. Although the budget of BSA is housed within DCAS's budget, BSA is an independent entity over which the Commissioner of DCAS exercises no authority.

In the January Plan, the headcount of 17 positions for the Board of Standards and Appeals remains unchanged compared to the Fiscal 2009 Adopted Budget.

Budget Proposals

- Increase the Board of Standards and Appeals (BSA) Filing Fees.** The Board of Standards and Appeals proposes to increase its application filing fees. DCAS estimates the proposed fee increase would generate a baseline increase in revenue of \$145,000 beginning in Fiscal 2010. Local legislation is needed for the implementation of this fee increase. Currently BSA application fees range from \$275 to \$4,481 depending on multiple factors (The schedule for the current filing fees can be found on BSA website)

Executive and Financial Administrative Services - 100/190

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
100	Executive & Financial Admin. Services-PS	\$19,087,285	\$19,087,285	\$18,867,221	-1.15%
190	Executive & Financial Admin. Services-OTPS	\$11,633,104	\$12,277,597	\$11,884,292	2.16%
	Total	\$30,720,389	\$31,364,882	\$30,751,513	0.10%

Funds for both units of appropriation in the Division of Executive and Financial Administrative Services support the Office of the Commissioner, the Office of the General Counsel, and the Division of Fiscal Management and Operations. Also included are Internal Audit, Engineering Audit, Central Messenger Service, the Office of Special Projects, Management and Information Systems, and the Office of Fleet Administration, which provides technical support to City agencies regarding the acquisition, use and maintenance of more than 22,000 vehicles.

In the January Plan, the headcount for Executive and Financial Administrative Services decreases to a total of 209 positions, compared to the 225 positions included in the Fiscal 2009 Adopted Budget.

Budget Proposals

- DCAS Metering Pilot .** DCAS proposes to reallocate to other energy efficiency projects all \$400,000 that was included in the November Plan for the Metering Pilot Program. This program involves the installation of energy meters in four City owned buildings that will provide more detailed energy usage data for energy efficiency analysis. The program is currently underway, but the billing cycle will not impact DCAS's budget in the current fiscal year. The funding will be returned to a holding code for energy efficient projects.

- **Fiscal 2009 Energy Audits.** DCAS proposes to reallocate surplus funding of \$150,000 from the \$1.5 million included in the November Plan for Fiscal 2009 energy audits to other energy efficiency projects. The surplus funding will be returned to a holding code for energy efficient projects.
- **Additional Energy Efficiency Funding.** DCAS proposes to increase funding for additional, as yet unidentified, energy efficiency projects by \$4.2 million in Fiscal 2009. According to OMB, a large portion of these funds will, most likely, be used to purchase more energy efficient vehicles. This \$4.2 million being transferred to DCAS from the Energy Conservation line in the Miscellaneous Budget.
- **Retrofit Projects.** The January Plan includes funding for energy conservation retrofit projects for various city owned buildings across many City agencies. DCAS proposes to increase its OTPS budget by \$1.05 million in Fiscal 2009. DCAS is currently working on 73 retrofit projects for many city agencies including DCAS, the NYPD, and the Departments of Sanitation, and Education.
- **PS Reduction - Layoffs (outyear PEG).** DCAS proposes reducing the Department's headcount by 87 positions through layoffs beginning in Fiscal 2012. This action would result in baseline savings of \$4.7 million.

Division of Administration and Security – 200/290

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
200	Division of Admin. & Security-PS	\$5,592,003	\$5,632,003	\$5,877,452	5.10%
290	Division of Admin. & Security-OTPS	\$11,238,347	\$11,288,347	\$10,488,347	-6.67%
	Total	\$16,830,350	\$16,920,350	\$16,365,799	-2.76%

Funds for both units of appropriation in the Division of Administration and Security support payroll and timekeeping, general administrative functions, and the agency's personnel and disciplinary units. In addition, the Division is charged with affirmative claims, which seeks compensation for automobile accidents involving City-owned vehicles. The Division also oversees security at various City-owned buildings.

In the January Plan, the headcount of 70 positions for the Division of Administration and Security remains unchanged compared to the Fiscal 2009 Adopted Budget.

Budget Proposals

- **Copier Rental Fee Reduction.** DCAS estimates a baseline savings of \$100,000 beginning in Fiscal 2010 by reducing the number of copiers agency-wide. This action would decrease total funds allocated for rentals of miscellaneous equipment to \$204,596 in Fiscal 2010.
- **Reduction of Security Guard Contract (outyear PEG).** DCAS estimates a baseline savings of \$540,000 beginning in Fiscal 2012 by reducing security guard contract services.

Division of Facilities Management – 300/390

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
300	Div. of Facilities Management & Construction-PS	\$56,652,873	\$56,772,873	\$62,463,559	10.26%
390	Div. of Facilities Management & Construction-OTPS	\$897,305,249	\$908,468,860	\$893,650,243	-0.41%
	Total	\$953,958,122	\$965,241,733	\$956,113,802	0.23%

Funds for both units of appropriation in the Division of Facilities Management and Construction support construction and maintenance services for City-owned public buildings, including court facilities. This Division oversees the management of the Americans with Disabilities Act (ADA) compliance programs and performs graffiti removal on public buildings. The Office of Energy Conservation (OEC) develops energy conservation policies and strategies to manage energy use by all City agencies.

In the January Plan, the headcount for the Division of Facilities Management increases to a total of 1,111 positions compared to the 1,031 positions included in the Fiscal 2009 Adopted Budget.

Budget Proposals

- **Lease Audit Savings.** An audit of DCAS's Fiscal 2009 lease payments has resulted in a savings of \$800,000.
- **Con Edison Rebate .** DCAS received a one-time rebate from Con Edison of \$136,000 in Fiscal 2009. These savings were realized due to DCAS energy conservation efforts.
- **State Grants and Adjustments.** The January Plan recognizes increases in State grants and adjustments for this division totaling \$2.92 million in Fiscal 2009, \$1.59 million in Fiscal 2010, and \$1.64 million in Fiscal 2012 and the outyears.
- **Elimination of Cleaning Crews (outyear PEG).** DCAS estimates a baseline savings of \$600,000 beginning in Fiscal 2012 by eliminating the remainder of the Neighborhood Works Program Cleaning Crews. These crews are made up of New York State probationers who are contracted to provide cleaning services at multiple City facilities.
- **Facilities Management Overtime Reduction (outyear PEG).** DCAS estimates a savings of \$616,000 in Fiscal 2011, increasing to \$881,000 in Fiscal 2012 and the outyears by reducing Facilities Management overtime spending by 25%.

Division of Municipal Supply Services – 400/490

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
400	Division of Municipal Supply Services-PS	\$8,886,123	\$8,886,123	\$9,087,818	2.27%
490	Division of Municipal Supply Services-OTPS	\$31,177,143	\$34,170,296	\$29,166,019	-6.45%
	Total	\$40,063,266	\$43,056,419	\$38,253,837	-4.52%

Funds for both units of appropriation in the Division of Municipal Supply Services support the purchase of goods and materials for all City agencies. The Division establishes Citywide requirements contracts, open market orders and agency-specific orders; develops bids; prepares purchase orders; maintains purchase specifications; evaluates vendor bids; maintains a central storehouse and supplies commodities to all City agencies; performs quality inspection of purchased items, including laboratory testing and analyses; and disposes of surplus City goods by auction.

In the January Plan, the headcount of 155 positions for the Division of Municipal Supply Services remains unchanged compared to the Fiscal 2009 Adopted Budget.

According to the 2009 Preliminary Mayor's Management Report, revenue generated from the sale of surplus goods rose 96 percent during the reporting period due to increased availability of Department of Sanitation (DSNY) and other agencies' heavy duty vehicles, one additional auction, and the sale of DSNY landfill equipment valued at more than \$2 million.

Budget Proposals

- **Additional Revenue from Salvage Sales.** Due to an increase in salvage sales of trucks and landfill equipment, DCAS estimates additional auction revenue of \$2 million in Fiscal 2009 and \$1.2 million in Fiscal 2010.
- **Reduction of Storehouse Equipment (outyear PEG).** DCAS estimates a savings of \$200,000 in Fiscal 2011 by postponing the purchase of non-capital replacement equipment at the Central Storehouse. DCAS has yet to identify which equipment purchases will be postponed.

Division of Real Estate Services – 500/590

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
500	Division of Real Estate Services-PS	\$8,427,205	\$8,427,205	\$8,740,233	3.71%
590	Division of Real Estate Services-OTPS	\$6,630,036	\$6,630,036	\$6,477,036	-2.31%
	Total	\$15,057,241	\$15,057,241	\$15,217,269	1.06%

Funds for both units of appropriation in the Division of Real Estate Services support the management of the City's real estate portfolio of commercial, industrial and waterfront properties. The Division also manages residentially zoned vacant lots acquired through foreclosure, and surplus property acquired through tax foreclosure or condemnation. It also manages surplus property formerly assigned to and managed by other City agencies. These properties are returned to the City's tax rolls through sale at public auction or increase City revenues through lease agreements. The Division maintains a citywide real property database and conducts related research and analyses. The Division also locates, leases and designs privately owned space for use by City agencies.

In the January Plan, the headcount of 156 positions for the Division of Real Estate Services remains unchanged compared to the Fiscal 2009 Adopted Budget.

According to the 2009 Preliminary Mayor's Management Report, rents collected as a percentage of rents billed and lease revenue generated increased 15 percent and 10 percent, respectively, due to the renegotiation of a land lease and the collection of a one-time payment of \$325,000 as a result of a tenant refinancing.

Budget Proposals

- Additional Commercial Rent Revenue.** DCAS estimates additional revenue from Urban Development Corporation rental payments, long-term commercial and hotel rents. The January Plan includes \$5.8 million in Fiscal 2009, decreasing to a baseline revenue increase of \$3.5 million in Fiscal 2010 and the outyears. The outyear revenues are lowered due to the anticipated downturn in the economy. Factors that impact these revenues include occupancy rates and net profits.
- Early Mortgage Satisfaction.** DCAS estimates the collection of additional revenue from early mortgage satisfactions of \$2.2 million in Fiscal 2009 and \$402,000 in Fiscal 2010. Estimated outyear revenue has been adjusted to reflect these early satisfactions, reducing revenue projections by \$40,000 beginning in 2011. The higher revenue in Fiscal 2009 is in large part due to mortgage holders refinancing mortgages with other entities.

Communications – 600/690

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
600	Communications-PS	\$1,382,740	\$1,382,740	\$1,424,740	3.04%
690	Communications-OTPS	\$2,779,274	\$2,779,274	\$2,454,274	-11.69%
	Total	\$4,162,014	\$4,162,014	\$3,879,014	-6.80%

Funds for both units of appropriation in the Division of Communications are used to publish The City Record, The Green Book, The City Building Code, The City Charter, and other City publications. It designs, typesets, and prepares graphic art for the City Record publications, citywide newsletters and projects for the agency and other City agencies.

In the January Plan, the headcount of 11 positions for the Communications Division remains unchanged compared to the Fiscal 2009 Adopted Budget.

There are no budget proposals that directly impact this division in the January Plan.

Agency-Wide Adjustments

- **Collective Bargaining Adjustments.** The January Plan includes increases in city funds of \$1.56 million in Fiscal 2009, \$2.49 million in Fiscal 2010, and \$2.54 million in Fiscal 2011 and the outyears for collective bargaining adjustments for various staff positions across all PS units of appropriation. These funds are being transferred from the Labor Reserve in the Miscellaneous Budget to the budget of the DCAS to cover the costs associated with recent collective bargaining settlements.
- **Fringe Offset Reduction.** In order to give the agency PEG credit, the PEG actions described above that impact Personal Services include fringe benefit savings that should be properly accounted for not in the DCAS's budget, but in the City's Miscellaneous Budget. To reflect the neutral impact on DCAS's budget that would result from these fringe benefit savings, an offsetting sum totaling \$479,000 in Fiscal 2012 and \$1.4 million in Fiscal 2013 is being added back to the DCAS's budget as an adjustment. These adjustments impact multiple PS units of appropriation.

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 DCAS.

Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the November Plan	\$203,879	\$916,838	\$1,120,717	\$197,585	\$905,238	\$1,102,823
January Plan Programs to Eliminate the Gap (PEGs)						
Copier Rental Fee Reduction			\$0	(\$100)		(\$100)
Elimination of Cleaning Crews (beginning in FY 2012)			\$0			\$0
Elimination of Satellite Exams			\$0	(\$200)		(\$200)
Exam Administration Weekend Overtime Reduction (beginning in FY 2012)			\$0			\$0
Facilities Management Overtime Reduction (beginning in FY 2011)			\$0			\$0
Lease Audit Savings	(\$800)		(\$800)			\$0
PS Reduction - Layoffs (beginning in FY 2012)			\$0			\$0
Reduction of Citywide Training Staff (beginning in FY 2012)			\$0			\$0
Reduction of Security Guard Contract (beginning in FY 2012)			\$0			\$0
Reduction of Storehouse Equipment (beginning in FY2011)			\$0			\$0
Total PEGs	(\$800)	\$0	(\$800)	(\$300)	\$0	(\$300)
January Plan New Needs						
Additional Energy Efficiency Funding	\$4,218		\$4,218			\$0
DCAS Metering Pilot	-\$400		(\$400)			\$0
FY'09 Energy Audits	-\$150		(\$150)			\$0
Retrofit Projects	\$1,050		\$1,050			\$0
Total New Needs	4,718	\$0	\$4,718	\$0	\$0	\$0
January Plan Other Adjustments						
Collective Bargaining Adjustments for various staff Positions	\$1,558		\$1,558	\$2,494		\$2,494
Lease Adjustment	-\$284		-\$284			\$0
Lease Savings Offset	\$800		\$800			\$0
Fringe Benefit Offset (beginning in FY 2012)			\$0			\$0
Capital IFA Adjustments		\$266	\$266		\$404	\$404
State Adjustments		\$2,918	\$2,918		\$1,588	\$1,588
Other Categorical Adjustments		\$448	\$448			\$0
Intra City Adjustments		\$3,856	\$3,856		\$3,119	\$3,119
Total Other Adjustments	\$2,074	\$7,488	\$9,562	\$2,494	\$5,111	\$7,605
Total January Plan Budget Changes	\$5,992	\$7,488	\$13,480	\$2,194	\$5,111	\$7,305
Agency Budget as per the January Plan	\$209,870	\$924,324	\$1,134,194	\$199,779	\$910,350	\$1,110,129

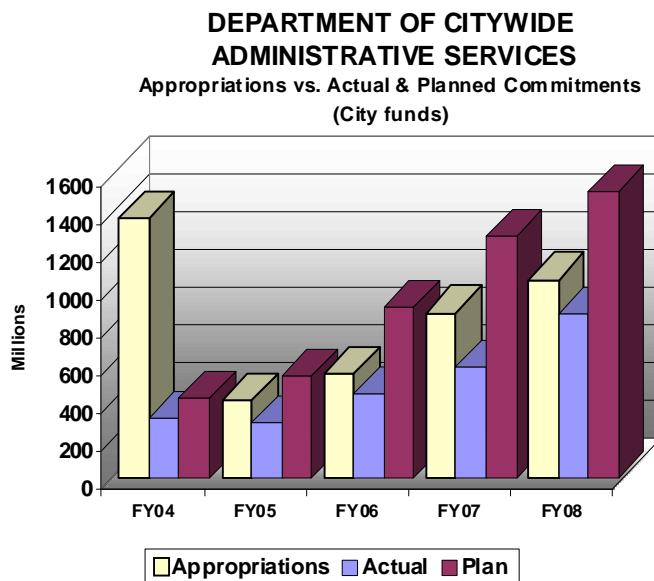
FISCAL 2010 CAPITAL PLAN

Agency Overview

The Department of Citywide Administrative Services (DCAS), established in 1996, is the principal support agency for the City of New York. In Fiscal 1997, DCAS merged the former Departments of Personnel and General Services in order to eliminate duplication of administration functions and establish a unified agency management structure. DCAS is responsible for providing a wide range of personnel management and support services to City agencies. The agency's administrative support functions include the acquisition, testing, and distribution of supplies and equipment for the City, and the maintenance and operation of the City's motor vehicle fleet. DCAS currently manages over 1,800 motor vehicles.

DCAS operates and maintains City-owned public buildings, including court facilities, totaling approximately 13.8 million square feet of space. City-owned non-residential real properties are acquired, managed, sold, and leased by the Department. Currently, DCAS manages approximately 700 leases citywide. The Division of Real Estate Services (DRES) and the Department of Public Buildings are the other major DCAS divisions. DRES is responsible for the sale of City-owned non-residential real property acquired through foreclosures, condemnation and the transfer of surplus properties from other City agencies. DRES also locates leases and designs privately owned space for agencies when City-owned real estate cannot meet their needs.

The Department of Public Buildings operates and maintains 53 public buildings. Approximately, 17 percent of its funding for capital work is related to legally-mandated and code violation correction work. This includes clean air requirements, leak detection of fuel for City vehicles and remediation, Americans with Disabilities Act (ADA) compliance, abating asbestos and lead and fire protection and detection systems. Another long-term goal is the renovation of City-owned space in order to reduce dependence on leased spaces. The Division of Facilities and Technical Services has primary responsibility for the maintenance of court buildings and miscellaneous administrative buildings. The Equipment and Miscellaneous Purchases Division is the primary purchaser of the wide variety of equipment utilized by DCAS client agencies including communication/computer equipment and telephone systems. The Division of Real Estate Services oversees capital funding allocated to the reconstruction of the City's waterfront properties.



Current Budget Summary

The January 2009 Capital Commitment Plan includes \$2.48 billion in Fiscal 2009-2013 for DCAS (including City and Non-City funds). This represents 4.46 percent of the total \$50.55-billion January Plan for Fiscal 2009-2013. The agency's January Commitment Plan for Fiscal 2009-2013 is 5.08 percent greater than the \$2.36 billion scheduled to be committed in the November Commitment Plan, an increase of \$122.1 million.

Over the past five years DCAS has only committed an average of 53.69 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2009 capital plan will be rolled into Fiscal 2010, thus greatly increasing the size of the Fiscal 20010-2014 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2009 has decreased from \$1.15 billion to \$1.12 billion, a reduction of \$26.3 million, or 2.29 percent.

Currently DCAS's appropriations total \$2.19 billion in City-funds for Fiscal 2009. These appropriations are to be used to finance the DCAS's \$949.06-million City-funded Fiscal 2009 capital commitment program. The agency has more than twice the amount of available funds it needs to meet its entire capital commitment program for the current fiscal year.

In January the Mayor announced his intention to reduce the City's capital plan by 30 percent. The objective of the capital cut is to reduce the amount of debt service as a percentage of total revenues. The 30 percent reduction in the Ten-Year Capital Plan Fiscal 2010 – Fiscal 2019 would reduce the long-term average annual growth in debt service costs to 3.4 percent, equal to the level of forecast growth in City revenues. The capital cut would eliminate nearly \$7 billion worth of planned commitments from the current Plan.

EQUIPMENT AND FINANCING
 (Project Type - PU)

Equipment and Financing's capital commitments for the last five years are shown below:

FIVE YEAR HISTORY – CAPITAL BUDGET
 (\$ in millions)

	FY04	FY05	FY06	FY07	FY08
CITY	\$132	\$193	\$313	\$466	\$679
NON-CITY	6	0	4	22	0
TOTAL	\$138	\$193	\$317	\$488	\$679

The Adopted Five-Year Capital Plan is shown below:

ADOPTED FIVE YEAR CAPITAL BUDGET – NOVEMBER 2008
 (\$ in millions)

	FY09	FY10	FY11	FY12	FY13	FY's 09-13
CITY	\$571.8	\$173.9	\$110.0	\$71.0	\$231.2	\$1,047.9
NON-CITY	0	0	0	0	0	0
TOTAL	\$571.8	\$173.9	\$110.0	\$71.0	\$231.2	\$1,047.9

The Preliminary Five-Year Capital Plan is shown below:

PRELIMINARY FIVE YEAR CAPITAL PLAN – JANUARY 2009
 (\$ in millions)

	FY09	FY10	FY11	FY12	FY13	FY's 09-13
CITY	\$607.6	\$173.9	\$110.0	\$71.0	\$195.2	\$1,157.7
NON-CITY	0	0	0	0	0	0
TOTAL	\$607.6	\$173.9	\$110.0	\$71.0	\$195.2	\$1,157.7

PUBLIC BUILDINGS
(Project Type - PW)

Public Building's capital commitments for the last five years are shown below:

FIVE YEAR HISTORY – CAPITAL BUDGET
(**\$ in millions**)

	FY04	FY05	FY06	FY07	FY08
CITY	\$175	\$91	\$123	\$121	\$191
NON-CITY	1	0	2	0	1
TOTAL	\$176	\$91	\$125	\$121	\$192

The Adopted Five-Year Capital Plan is shown below:

ADOPTED FIVE YEAR CAPITAL BUDGET – NOVEMBER 2008
(**\$ in millions**)

	FY09	FY10	FY11	FY12	FY13	FY's 09-13
CITY	\$569.3	\$143.2	\$134.3	\$157.2	\$292.5	\$1,296.5
NON-CITY	-0.1	0	0	0	0	-0.1
TOTAL	\$569.2	\$143.2	\$134.3	\$157.2	\$292.5	\$1,296.4

The Preliminary Five-Year Capital Plan is shown below:

PRELIMINARY FIVE YEAR CAPITAL PLAN – JANUARY 2009
(**\$ in millions**)

	FY09	FY10	FY11	FY12	FY13	FY's 09-13
CITY	\$507.2	\$216.6	\$139.7	\$156.3	\$289.0	\$1,308.8
NON-CITY	-0.1	0	0	0	0	-0.1
TOTAL	\$507.1	\$216.6	\$139.7	\$156.3	\$289.0	\$1,308.7

REAL ESTATE SERVICES
 (Project Type - RE)

Real Estate Services' capital commitments for the last five years are shown below:

FIVE YEAR HISTORY – CAPITAL BUDGET
 (\$ in millions)

	FY04	FY05	FY06	FY07	FY08
CITY	\$3	\$2	\$4	\$0	\$(2)
NON-CITY	0	0	0	0	0
TOTAL	\$3	\$2	\$4	\$0	\$(2)

The Adopted Five-Year Capital Plan is shown below:

ADOPTED FIVE YEAR CAPITAL BUDGET – NOVEMBER 2008
 (\$ in millions)

	FY09	FY10	FY11	FY12	FY13	FY's 09-13
CITY	\$7.5	\$1.0	\$2.0	\$2.0	\$2.7	\$15.2
NON-CITY	0	0	0	0	0	0
TOTAL	\$7.5	\$1.0	\$2.0	\$2.0	\$2.7	\$15.2

The Preliminary Five-Year Capital Plan is shown below:

PRELIMINARY FIVE YEAR CAPITAL PLAN – JANUARY 2009
 (\$ in millions)

	FY09	FY10	FY11	FY12	FY13	FY's 09-13
CITY	\$7.5	\$1.0	\$2.0	\$2.0	\$2.7	\$15.2
NON-CITY	0	0	0	0	0	0
TOTAL	\$7.5	\$1.0	\$2.0	\$2.0	\$2.7	\$15.2

PRELIMINARY BUDGET ISSUES

Planned Commitments for Fiscals 2009-2013

In the January Capital Plan, DCAS's City-funded planned commitments for Fiscal 2009-2013 increases from \$2.36 billion to \$2.48 billion. Significant changes in the January Plan for Fiscal 2009-2013 that resulted in the 5.4-percent increase in funding include:

- An increase of \$25.2 million for abatement of unsafe conditions on City-owned property citywide. These projects include; asbestos abatement contracts, air sampling contracts, bulk sampling contracts and environmental professional service contracts. This increase brings the total planned commitments for abatement projects to \$57.1 million.
- An increase of \$15.9 million for capital project surveys including geotechnical investigations and marine boring surveys. This increase brings total planned commitments to \$68.8 million.
- An increase of \$12.7 million for improvements, reconstruction, and modification of long-term leased facilities citywide. The Capital Plan lists over 80 such projects for which planned commitments total \$151 million.

Funding for other large scale DCAS projects in the January Capital Plan for Fiscals 2009-2012 include:

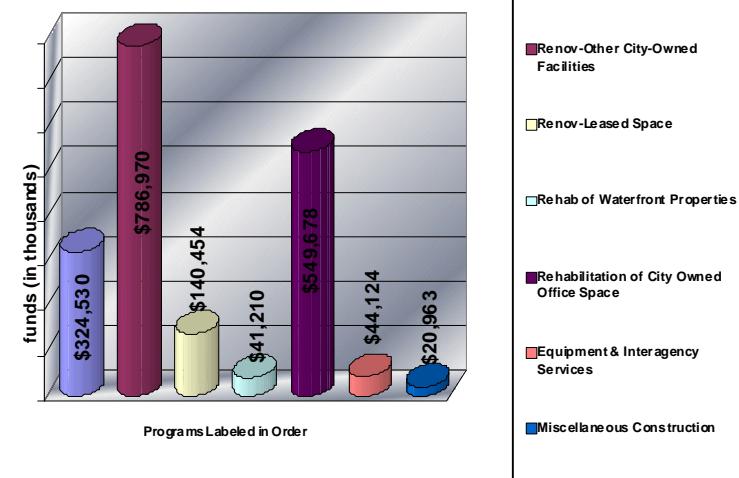
- Planned commitments totaling \$307.7 million for energy efficiency capital projects citywide. \$304.2 million of these commitments reside in a project line that effectively operates as a holding code. Funding is transferred from this line as funding needs are identified, affording DCAS flexibility in planning energy efficiency projects.
- Planned commitments totaling \$162.1 million for over 130 City Council-supported projects, with a large portion allocated for non-City owned facilities.
- Planned commitments totaling \$97.2 million for the Board of Elections modernization project including approximately \$50 million for voting machines.
- Planned commitments totaling \$26.5 million are allocated for space alterations in the Municipal Building in Manhattan.
- Planned commitments totaling \$27.5 million are allocated for reconstruction of the Municipal Building in Brooklyn.
- Planned commitments totaling \$29.2 million for the reconstruction of 346 Broadway.
- Planned commitments totaling \$22 million for the reconstruction of 253 Broadway.
- Planned commitments totaling \$15.2 million for pier and bulkhead reconstruction at various City owned waterfront properties.

Preliminary Ten-Year Capital Strategy

DCAS's - Public Buildings Fiscal 2010 – 2019 Preliminary Ten-Year Capital Strategy includes \$1.87 billion in planned commitments and is divided into 5 program areas:

- **Rehabilitation of City-Owned Office Space.** The preliminary Ten-Year Capital Strategy allocates \$549.7 million for the management of non-court public buildings.
- **Legal Mandates and Correction of Unsafe Conditions.** In preliminary Ten-Year Capital Strategy, \$324.5 million is allocated for the correction of code violations and compliance with legal mandates. These projects include fire and safety upgrades (\$134.8 million), mandated façade renovations (\$134.8 million), and asbestos and lead abatement (\$11.3 million).

**Capital Commitments by Program Area
FY10-FY19**



- **Renovation of Leased Space.** The preliminary Ten-Year Capital Strategy allocates 140.4 million for leased space renovations. Funding is primarily for office relocations, consolidations, and office space renovations.
- **Renovation of Other City-Owned Buildings.** The preliminary Ten-Year Capital Strategy allocates \$787.2 million for renovation fo other City-owned facilities of which \$783 million for energy efficiency projects, Citywide.
- **Equipment and Interagency Services.** The preliminary Ten-Year Capital Strategy allocates \$44.1 million to fund equipment purchases including management information systems equipment.
- **Miscellaneous Construction.** The preliminary Ten-Year Capital Strategy allocates \$21 million for construction in non-City-owned facilities.

Additionally, DCAS's Fiscal 2010 – 2019 Preliminary Ten-Year Capital Strategy includes; \$41.2 million for the reconstruction of the City's waterfront properties, and \$586 million in electronic data processing equipment, Citywide.