

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Fernando Cabrera
Chair, Committee on Governmental Operations



Report of the Finance Division on the
Fiscal 2019 Preliminary Budget and the
Fiscal 2018 Preliminary Mayor's Management Report for the
Office of Payroll Administration

March 19, 2018

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Office of Payroll Administration Overview

The Office of Payroll Administration (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’s activities include:

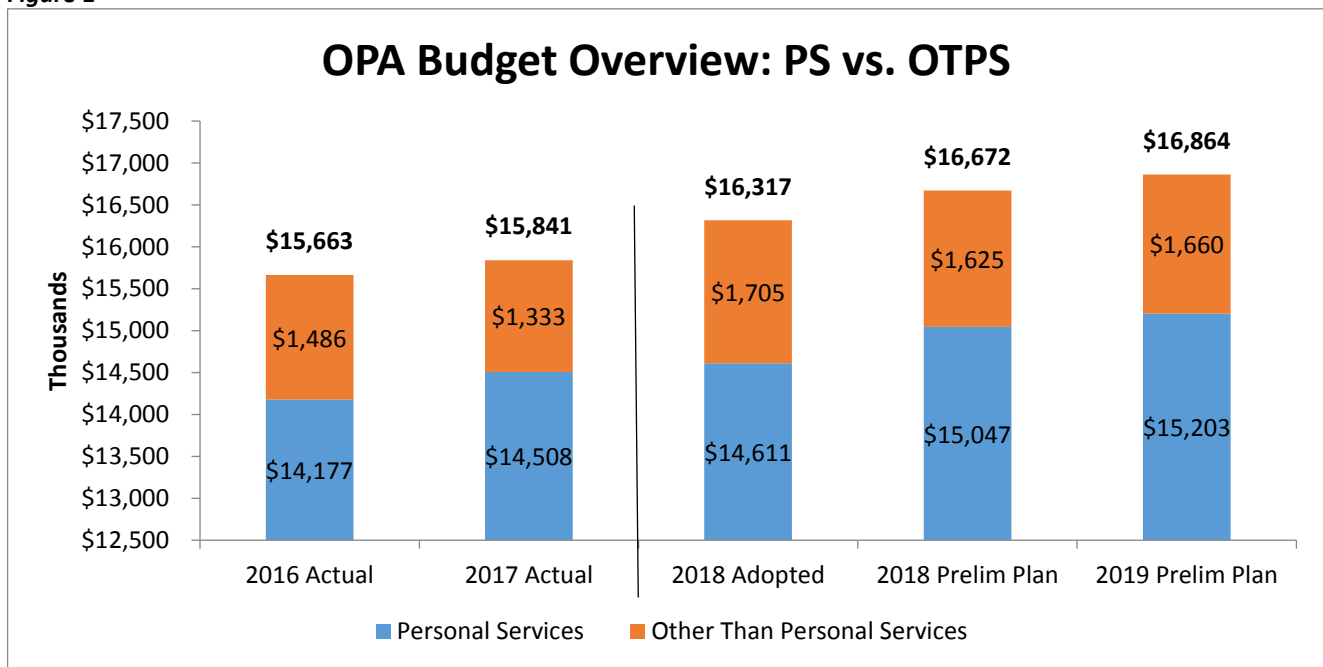
- The distribution of payrolls;
- The accounting for payrolls;
- Administration of payroll deductions;
- Check distribution services;
- Maintenance of the integrity and accuracy of the Payroll Management System (PMS); and
- Supporting the development and implementation of PMS.

The Office of Payroll Administration operates closely with the Financial Information Services Agency (FISA), with the two agencies sharing the same Executive Director and housed in the same office building.

Fiscal 2019 Preliminary Budget Highlights

The Office of Payroll Administration’s Fiscal 2019 Preliminary Budget totals \$16.9 million, including \$15.2 million in Personal Services (PS) funding to support 183 full time positions. The entirety of the Office of Payroll Management’s budget is financed with City tax-levy funds. The Office’s budget is subdivided into two units of appropriation (U/As), Personal Services and Other Than Personal Services (OTPS).¹

Figure 1



¹ Units of Appropriation are the subdivisions of the City Expense Budget that the City Council votes upon.

Highlights of OPA's Fiscal 2019 Preliminary Budget

- **New Needs.** Since Adoption of Fiscal 2018, the Office of Payroll Administration has identified no New Needs for Fiscal 2018 or Fiscal 2019; and
- **Miscellaneous Revenue.** The Financial Plan projects that the Office of Payroll Administration will generate Miscellaneous Revenue totaling \$1.6 million in Fiscal 2019, including \$420,000 from union dues fees.

Financial Plan Summary

Table 1

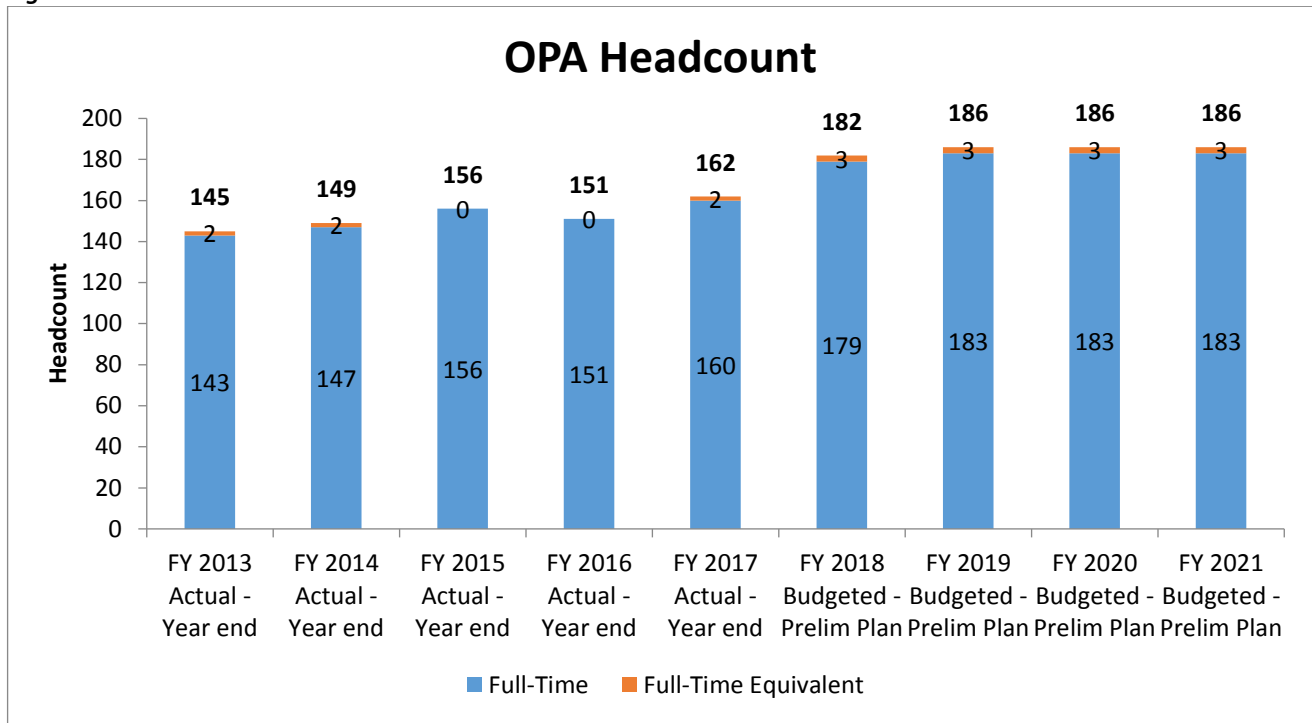
OPA Financial Summary						
<i>Dollars in Thousands</i>	FY16	FY17	FY18	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Spending						
Personal Services	\$14,177	\$14,508	\$14,611	\$15,047	\$15,203	\$592
Other Than Personal Services	1,486	1,333	1,705	1,625	1,660	(45)
TOTAL	\$15,663	\$15,841	\$16,317	\$16,672	\$16,864	\$547
Personal Services						
Additional Gross Pay	\$628	\$413	\$571	\$571	\$571	\$0
Full-Time Salaried - Civilian	12,580	13,095	13,819	13,719	14,461	642
Unsalariated & Other PS	915	966	105	665	105	0
Overtime - Civilian	54	34	117	92	67	(50)
SUBTOTAL	\$14,177	\$14,508	\$14,611	\$15,047	\$15,203	\$592
Other Than Personal Services						
Contractual Services	936	822	1,143	1,108	1,118	(\$25)
Other Services & Charges	411	364	389	391	389	\$0
Property & Equipment	45	62	64	47	44	(\$20)
Supplies & Materials	94	84	108	78	108	\$0
SUBTOTAL	\$1,486	\$1,333	\$1,705	\$1,625	\$1,660	(\$45)
TOTAL	\$15,663	\$15,841	\$16,317	\$16,672	\$16,864	\$547
Funding						
City Funds			\$16,317	\$16,112	\$16,864	\$547
Other Categorical			0	560	0	0
TOTAL	\$15,663	\$15,841	\$16,317	\$16,672	\$16,864	\$547
Budgeted Headcount						
Full-Time Positions - Civilian	151	160	179	179	183	4
TOTAL	151	160	179	179	183	4

**The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.*

OPA's Fiscal 2019 Preliminary Budget totals \$16.9 million, including \$15.2 million to support 183 full-time positions. The Office's Fiscal 2019 Budget is entirely City tax-levy funded. OPA's Fiscal 2019 Preliminary Budget is \$547,000 greater than its Fiscal 2018 Adopted Budget, primarily due to financial plan PS savings in the Fiscal 2018 as a part of the Fiscal 2018 Citywide Savings Plan.

Headcount

Figure 2

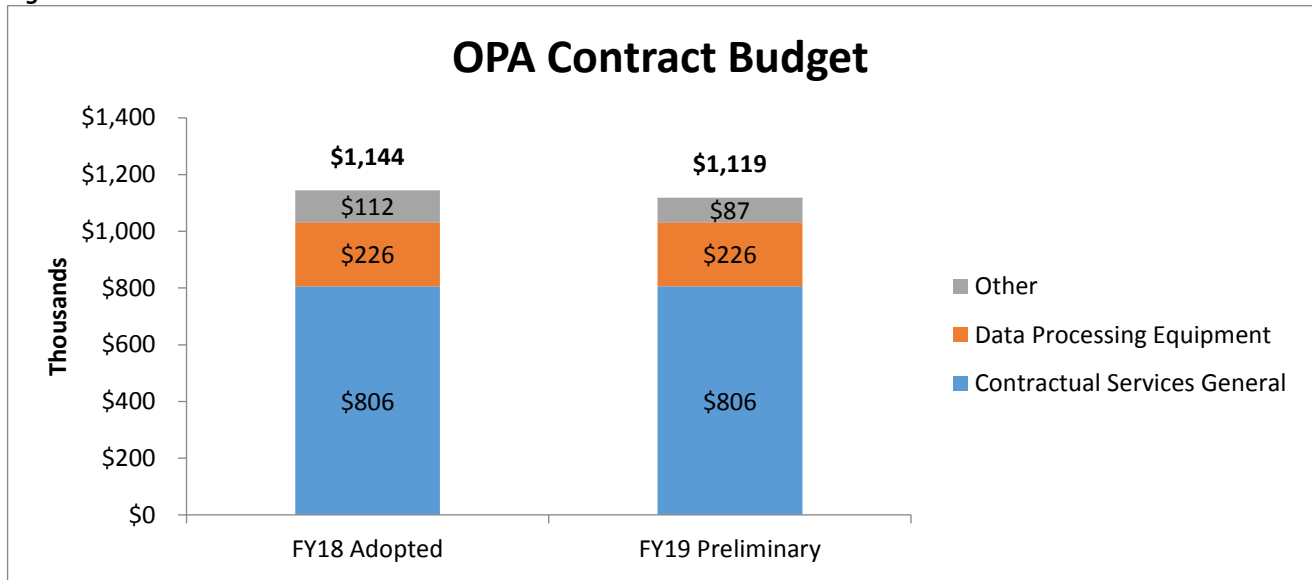


In the Fiscal 2019 Preliminary Plan, the Office of Payroll Management’s Fiscal 2019 Budget provides for \$15.2 million in PS funding to support a headcount of 183 full-time positions and three full-time equivalent positions. Please see Appendix B for more details regarding OPA’s headcount.

Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personnel service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City’s Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Fiscal 2019 Preliminary Contract Budget totals \$15.6 billion for procurement expenditures across all agencies.

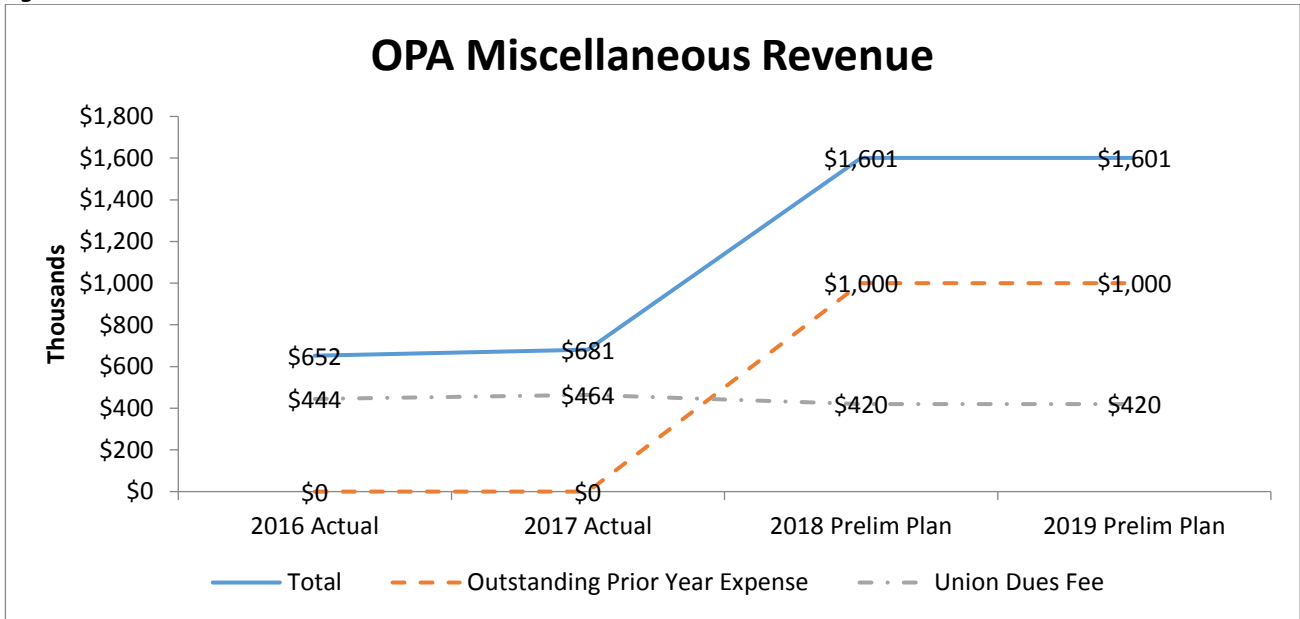
Figure 3



OPA’s Fiscal 2019 Contract Budget totals \$1.1 million for 12 contracts, accounting for 67.3 percent of the agency’s total OTPS Budget. Along with the Financial Information Services Agency, the Office of Payroll Administration is responsible for the operation of several citywide IT systems, including CityTime and the City’s Payroll Management System. As such, the majority of the agency’s contract costs are related to computer services and IT support. Please see Appendix C for more details regarding OPA’s Contract Budget.

Miscellaneous Revenue

Figure 4



The Office of Payroll Administration generates revenue by charging fees to non-city entities, including NYCHA and various pension and retirement funds that utilize the City’s payroll systems. The Fiscal 2019 Preliminary Plan projects that OPA will generate \$1.6 million in Fiscal 2019, 62.5 percent of which is expected to come from outstanding prior year expenses. Please see Appendix D for more details regarding OPA’s miscellaneous revenue.

Appendices

A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY18			FY19		
	City	Non-City	Total	City	Non-City	Total
OPA Budget as of the FY18 Adopted Budget	\$16,317	\$0	\$16,317	\$17,008	\$0	\$17,008
New Needs						
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
Management Benefits Fund Health Club Reimbursement	\$0	\$560	\$560	\$0	\$0	\$0
Subtotal, Other Adjustments	\$0	\$560	\$560	\$0	\$0	\$0
Citywide Savings						
Contractual Savings for Technical Services	(\$25)	\$0	(\$25)	(\$25)	\$0	(\$25)
Deferral of Data Processing Equipment and Maintenance Purchases	(55)	0	(55)	(20)	0	(20)
PS Savings	(125)	0	(125)	(100)	0	(100)
Subtotal, Citywide Savings	(\$205)	\$0	(\$205)	(\$145)	\$0	(\$145)
TOTAL, All Changes	(\$205)	\$560	\$355	(\$145)	\$0	(\$145)
OPA Budget as of the FY19 Preliminary Budget	\$16,112	\$560	\$16,672	\$16,864	\$0	\$16,864

B: OPA Headcount

	Actual - Year end					Budgeted - FY19 Prelim Plan			
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Full-Time	143	147	156	151	160	179	183	183	183
Full-Time Equivalent	2	2	0	0	2	3	3	3	3
TOTAL	145	149	156	151	162	182	186	186	186

C: OPA Contract Budget

OPA FY19 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY18 Adopted	Number of Contracts	FY19 Preliminary	Number of Contracts
Contractual Services General	\$806	1	\$806	1
Maintenance and Repair - General	4	1	4	1
Office Equipment Maintenance	29	1	29	1
Data Processing Equipment	226	1	226	1
Printing Contracts	12	1	12	1
Costs Associated with Financing	3	1	3	1
Temporary Services	11	1	11	1
Cleaning Services	1	1	1	1
Training Program City Employees	5	1	5	1
Professional Services - Computer Services	47	3	22	3
TOTAL	\$1,143	12	\$1,118	12

D: OPA Miscellaneous Revenue

OPA Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY16	FY17	FY18	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Political Contribution Fees	\$68	\$71	\$65	\$65	\$65	\$0
Document Fees	11	10	10	10	10	0
Union Dues Fee	444	464	420	420	420	0
Insurance Deduction Fees	100	130	98	98	98	0
Garnishment Fees	7	6	8	8	8	0
Outstanding Prior Year Expense	0	0	2,000	1,000	1,000	(1,000)
Agency Payroll Fees	22	0	0	0	0	0
TOTAL	\$652	\$681	\$2,601	\$1,601	\$1,601	(\$1,000)

**The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.*