

THE COUNCIL OF THE CITY OF NEW YORK

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Report to the Committee on Finance and the Committee on Fire and Emergency
Management on the Fiscal 2019 Executive Budget for

Fire Department of New York

May 15, 2018

Finance Division

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Fire Department of New York Executive Budget Overview

\$2 billion – Fiscal 2019 Executive Budget

2% of the City’s Budget

\$1.8 billion in City funds

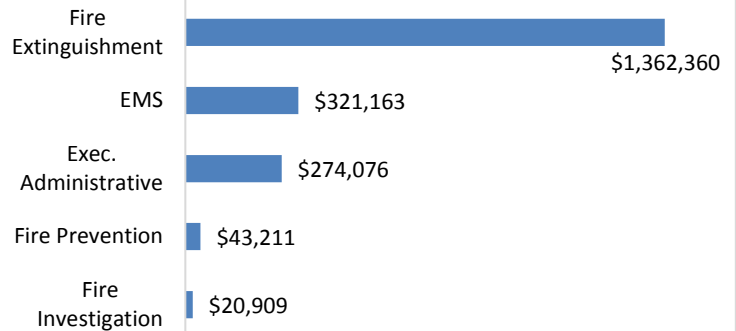
17,237 positions (10,946 Uniform; 6,291 Civilian)

\$206.9 million Overtime

Executive Budget Changes

- \$49.7 million for new needs in Fiscal 2018, and \$3.9 million in Fiscal 2019, and \$7.4 million in the outyears:
 - \$44 million in Fiscal 2018 for additional overtime costs;
 - \$2.9 million for a civilianization program; and
 - \$812,000 for a new candidate tracking system.
- Other Adjustments increase FDNY’s budget by \$13.4 million in Fiscal 2018 and \$3.7 million in Fiscal 2019.
- Savings totals \$1.5 million because the Bureau of Fire Prevention is projected to generate additional revenue from increased safety inspections.

Fiscal 2019 Executive Budget by Program Area
(\$ in Thousands)



Council’s 2019 Budget Response

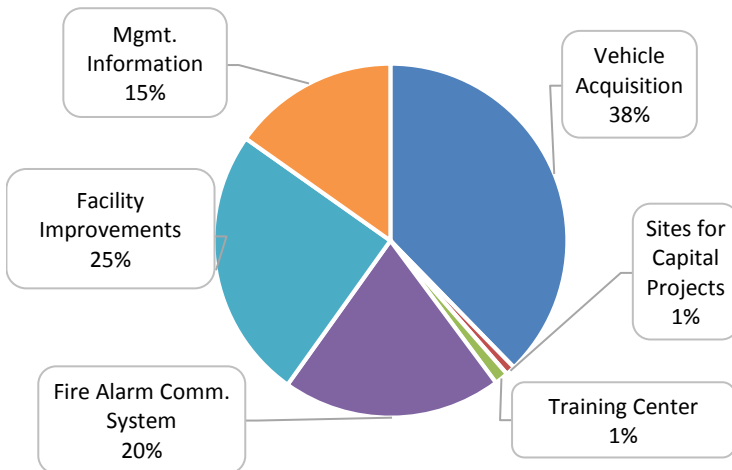
Not Included in the Executive Budget

- Establish a Staten Island FDNY Squad

Major Agency Issues

- **Squad on Staten Island.** The expense and the Capital Plan does not include funding to establish a squad on Staten Island.
- **EMS Academy.** The Capital Plan does not include funding to renovate or build a new EMS academy, in order to meet the demand of EMS’ growing responsibilities.

Fiscal 2018-2022 Capital Plan - \$933.9 million



Capital Budget: Fiscal 2018 – 2022

- Fiscal 2019 Executive Capital Budget includes \$431.2 million in Fiscal 2019-2022.
- Available appropriations for Fiscal 2018 total \$489.5 million.
 - 274 Projects
 - 16 Budget Lines

Fire Department Overview

This report presents a review of the Fire Department of New York's (FDNY or the Department) Fiscal 2019 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2018, followed by a review of the significant budget actions introduced in the Fiscal 2019 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of the Fire Department's Capital Commitment Plan for Fiscal 2018 - 2022 follows the discussion of the expense budget. The Appendix reports the changes made to the Fiscal 2018 and Fiscal 2019 Budgets since Adoption of the Fiscal 2018 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2019 Preliminary Budget Report for FDNY at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Fire-Department-of-New-York.pdf>.

FDNY Financial Summary

| <i>Dollars in Thousands</i> | 2016 | 2017 | 2018 | Executive Plan | | *Difference |
|----------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| | Actual | Actual | Adopted | 2018 | 2019 | 2018 - 2019 |
| Spending | | | | | | |
| Personal Services | \$1,748,746 | \$1,805,523 | \$1,809,618 | \$1,870,833 | \$1,813,760 | \$4,142 |
| Other Than Personal Services | 225,771 | 232,133 | 231,092 | 282,404 | 207,960 | (23,132) |
| TOTAL | \$1,974,517 | \$2,037,656 | \$2,040,710 | \$2,153,237 | \$2,021,720 | (\$18,990) |
| Budget by Program Area | | | | | | |
| Fire Extinguishment/Emergency Response | \$1,363,528 | \$1,386,559 | \$1,389,592 | \$1,431,907 | \$1,362,360 | (\$27,232) |
| Emergency Medical Services | 283,830 | 309,757 | 314,256 | 333,183 | 321,163 | 6,906 |
| Executive Administrative | 268,554 | 273,364 | 274,868 | 322,005 | 274,076 | (792) |
| Fire Prevention | 39,611 | 45,030 | 41,117 | 45,047 | 43,211 | 2,094 |
| Fire Investigation | 18,995 | 22,947 | 20,876 | 21,095 | 20,909 | 33 |
| TOTAL | \$1,974,517 | \$2,037,656 | \$2,040,710 | \$2,153,237 | \$2,021,720 | (\$18,990) |
| Funding | | | | | | |
| City Funds | | | \$1,786,931 | \$1,863,986 | \$1,774,653 | (\$12,278) |
| Other Categorical | | | 205,104 | 189,920 | 205,104 | 0 |
| Capital - IFA | | | 703 | 538 | 538 | (165) |
| State | | | 1,801 | 2,439 | 1,835 | 34 |
| Federal - Other | | | 46,171 | 94,761 | 37,678 | (8,493) |
| Intra City | | | 0 | 1,593 | 1,912 | 1,912 |
| TOTAL | \$1,974,517 | \$2,037,656 | \$2,040,710 | \$2,153,237 | \$2,021,720 | (\$18,990) |
| Budgeted Headcount | | | | | | |
| Full-Time Positions - Uniform | 10,945 | 11,090 | 10,914 | 10,914 | 10,946 | 32 |
| Full-Time Positions - Civilian | 5,813 | 6,289 | 6,160 | 6,228 | 6,291 | 131 |
| TOTAL | 16,758 | 17,379 | 17,074 | 17,142 | 17,237 | 163 |

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

Below is a summary of key funding changes by program area and source when comparing the Department's Fiscal 2019 Executive Budget to its Fiscal 2018 Adopted Budget.

Changes by Funding Source

- City-tax levy (CTL) funding decreases by \$12.3 million when compared to the Fiscal 2018 Adopted Budget. This is due to a \$13.7 million decrease in Fire Extinguishment/Emergency Response and \$7.6 million decrease in Executive Administrative program areas, which is offset by a \$9 million increase in the other three program areas. The decrease in Executive Administrative program area

is due to a decrease in its other than personal services (OTPS) budget, and the decrease in Fire Extinguishment/Emergency Response is also due to a decrease in its OTPS budget.

- Federal funding decreases by \$8.5 million when compared to the Fiscal 2018 Adopted Budget. The federal budget fiscal year runs on a different cycle than the City's, therefore, funding is recognized throughout different financial plans.

Changes by Program Area

The Fiscal 2019 Executive Budget makes changes to the Department's budget in two out of five program areas. Below is a discussion of the two program areas with noticeable changes.

- **Fire Extinguishment/Emergency Response.** The Fiscal 2019 Executive Budget for the Fire Extinguishment/Emergency Response program area decreases by \$27.2 million, or approximately two percent, when compared to the Fiscal 2018 Adopted Budget. This is largely due to a decrease in uniform overtime budget for Fiscal 2019, which has not fully recognized grant funding that supports the Department's uniform overtime budget. As of the Fiscal 2019 Executive Plan, FDNY has received \$5.7 million in grant funding for uniform overtime in Fiscal 2018.
- **Emergency Medical Services.** The Fiscal 2019 Executive Budget for the Emergency Medical Services (EMS) program area increases by \$6.3 million, or approximately three percent, when compared to the Fiscal 2018 Adopted Budget. This is attributed to an increase in civilian full-time salary budget, due to a headcount increase of 32 civilian positions. Of the total increase in EMS headcount, 15 are to support three Basic Life Support (BLS) ambulance tours previously operated by New York Community Hospital to help maintain existing EMS service levels. The New York Community Hospital terminated the three BLS tours on December 31, 2017.

New in the Executive Budget

FDNY's Fiscal 2019 Executive Budget introduces \$49.7 million for Fiscal 2018, and \$3.9 million for Fiscal 2019 in new needs, and 69 new positions. The Executive Budget does not include any items the Council called for in the Fiscal 2019 Preliminary Budget Response.

- **Candidate Tracking System.** The Fiscal 2019 Executive Plan includes \$812,000 in Fiscal 2019 and \$491,000 in Fiscal 2020 to hire a consultant to update the candidate tracking system. This project unifies the various segments of candidate tracking to include data from recruitment, human resources, and health services into one central system, while also providing for a portal for firefighter and EMS new candidates. The new portal will allow candidates to be able to see rescheduled appointments they must complete, and allow digital communications with their assigned Candidate Investigation Division (CID) investigator.
- **EMS Physical Agility Test.** The Fiscal 2019 Executive Plan includes \$250,000 in Fiscal 2019 and 2020 to hire a consultant to validate the Department's EMS physical agility test (PAT). The physical agility test is used to measure a candidate's ability to perform the essential functions of the EMT/Paramedic positions that are physical demanding, and to increase the probability that new hires have the physical abilities to perform the EMT/Paramedic job in a manner that reduces the risk of injury to both the EMS staff and patient. The consultant would validate the test because according to the Department, without such review, lawsuits could challenge the validity of FDNY's PAT as a legitimate means of testing and identifying EMS candidates for service.

- **OTPS Deficit.** The Fiscal 2019 Executive Plan includes a one-time need of \$5.7 million in Fiscal 2018 for increases to existing contracts that provide fleet, information technology (IT) work, and auto supply services for the Department.
- **Overtime.** The Fiscal 2019 Executive Plan includes a one-time need of \$44 million in Fiscal 2018 for additional overtime cost. According to the Department, the uniform overtime increase is due in part to a substantial amount of overtime associated with three hurricane deployments and three Nor'easters during Fiscal 2018 that necessitated staffing increases. EMS overtime is because ambulance runs vary depending on the call volume, and call volumes can spike during flu and heat seasons, which necessitates additional overtime funding. Of note, in recognition that FDNY has reached its budgeted uniform headcount, the Fiscal 2018 Budget adjusted the City-funded uniform overtime budget starting in Fiscal 2018. Considering prior spending and expected overtime spending for a fully staffed FDNY, the Department added \$21.8 million in Fiscal 2018 and \$16.7 million in Fiscal 2019 and in the outyears for overtime. The total budget for City-funded uniform overtime projected for Fiscal 2019 is \$206 million. The Department will be expected to spend no more than the budgeted amount for overtime.
- **EMS Revenue Shortfall.** The Fiscal 2019 Executive Plan includes a one-time need of \$15.2 million in Fiscal 2018 to cover an EMS revenue shortfall, because reimbursements from State Medicaid has declined. The State has shifted Medicaid eligible individuals into managed care plans, rather than the fee-for-service (FFS) payment model. The managed care plan services are bundled and paid for as a whole.
- **Civilianization Program.** The Fiscal 2019 Executive Plan includes \$2.8 million and 69 positions in Fiscal 2019, and \$6.7 million and 94 positions in Fiscal 2020 and in the outyears to civilianize positions currently held by uniformed staff. The program will result in the displacement of uniformed members from their current civilian assignments. According to the Department, the firefighters will either return to active duty in the firehouses, or if the firefighter is on light duty, the member may be moved to the retirement process. For each full duty firefighter who returns to the field, that member helps to reduce overtime. For each light duty firefighter who is retired, the Department will hire a new firefighter to replace the retiree and again be able to reduce overtime. Uniformed headcount will not be reduced, but certain members will retire.

Budget Issues

The following section provides issues and concerns as it pertains to the Fire Department's Executive Budget.

Fiscal 2019 Preliminary Budget Response

In the Fiscal 2019 Preliminary Budget Response, the Council called for the following, which was not included as part of the Fiscal 2019 Executive Budget.

- **Establish a Staten Island FDNY Squad.** The Council called on the Administration to build a new fire squad on Staten Island. The City currently has Rescue Companies in every borough, but only four squad companies. FDNY squad companies are composed of specially trained firefighters, and functions as either engine or ladder companies at the scene of a fire, but squads are also equipped with similar equipment and specialized tools as a rescue company. In particular, squad companies are highly trained in mitigating hazardous materials incidents. Staten Island is the only borough without a squad company. Rescue Company 5 is Staten Island's only unit specially trained for

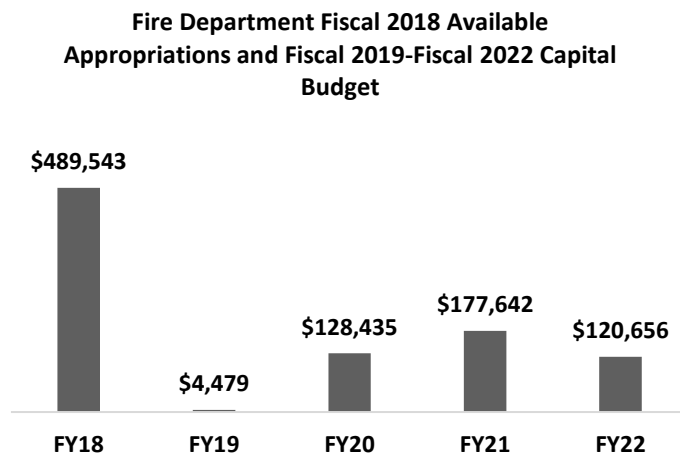
confined space and high angle rescues, and reports to incidents in south Brooklyn often. This leaves Staten Island with no team to respond to confined space calls. Having a squad company would provide needed fire protection for Staten Island, whose population and industry has grown. According to the Department, it is estimated to cost \$3.8 million (\$897,702 in capital funding) to upgrade an existing four firefighter Engine Company into a five firefighter Squad, and \$39.7 million (\$32.9 million in capital funding) for a new squad.

Other Budget Issues

- EMS Academy.** The number of EMS ambulance runs and headcount has steadily increased over the years. From 2013 to 2017, the average number of EMS ambulance runs is 1.6 million runs. The increase in the trend could be attributed to the increase in EMS runs that were previously operated by non-FDNY entities. Throughout several Financial Plans, the Department has included funding for additional EMS academy staffing due to the increase in the number of EMS classes, and to the purchase of medications that will be used during training. However, although EMS’ role is increasing, there is no new funding to address the capital needs at the EMS academy on Fort Totten in the Fiscal 2018-2022 Executive Capital Commitment Plan.

Capital Program

Fiscal 2019 Executive Capital Budget and Commitment Plan for Fiscal 2018-2022

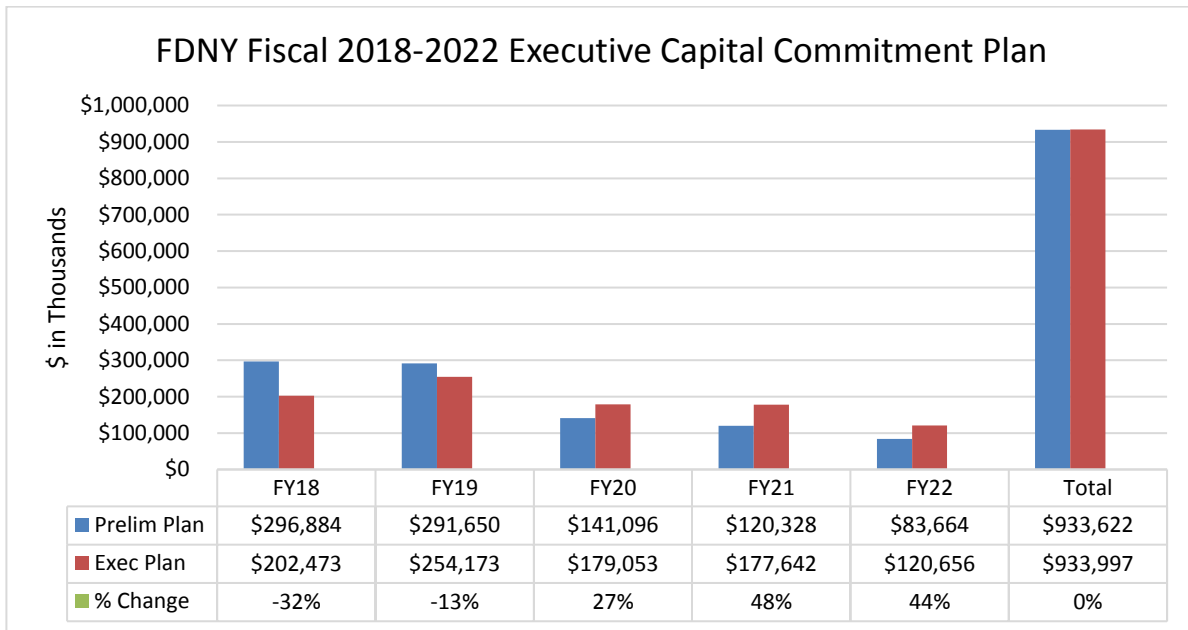


FDNY’s Fiscal 2019 Executive Capital Budget includes \$431.2 million in Fiscal 2019-2022, with \$4.5 million in Fiscal 2019.¹ This represents less than one percent of the City’s total \$49.4 billion Capital Budget for 2019-2022. In Fiscal 2018, FDNY’s available appropriations total \$489.5 million as of February 28, 2018.

Capital Commitment Plan

The Department’s Executive Capital Commitment Plan includes \$933.9 million in Fiscal 2018-2022. This represents approximately one percent of the City’s total \$82 billion Executive Commitment Plan. The following section will provide an overview of the Fire Department’s Capital Commitment Plan for Fiscal 2018-2022.

¹ The Capital Budget provides the required appropriations for Fiscal 2019 and planned appropriations for the subsequent three-year capital program. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption.



The Department’s Executive Commitment Plan for Fiscal 2018-2022 increases only by \$375,000, or less than one percent, when compared to the \$933.6 million scheduled in the Preliminary Capital Commitment Plan. The increase can be attributed to projects that are rolled into Fiscal 2020 and Fiscal 2021. Major projects that are rolled include a new firehouse for Engine Company 268, a new facility for EMS Station 17, and a lump sum project to replace pumpers on fire trucks.

Major capital projects included in the Executive Capital Plan for Fiscal 2018-2022 include the following.

- EMS Battalion 39 Renovations.** The Executive Capital Commitment Plan includes \$10.8 million for renovations at EMS Battalion 39 in Brooklyn, including a gut renovation; installation of a new roof; pointing and masonry repair; and a new façade. According to the Department, asbestos abatement work is ongoing for EMS Battalion 39 renovations. The Department’s estimated completion date is March 2019.
- New Firehouse – Engine Company 268.** The Executive Capital Commitment Plan includes \$20 million to build a new firehouse for Engine Company 268 in Rockaway Park in Queens. This is to replace the existing firehouse, which was constructed in 1912. According to the Department, this project has been uniform land use review procedure (ULURP) certified, and is in the predesign and site acquisition is on-going. The new location of the firehouse will be 116th Street and Beach Channel Drive in Queens.
- EMS Station 17 – New Facility.** The Executive Capital Commitment Plan includes \$17 million for the construction of a new facility for EMS Station 17 at 1080 Ogden Avenue in the Bronx. This is the capital investment part of the Administration’s plan to improve EMS operations in the Bronx that was announced in May 2017. The expense budget includes \$30 million and headcount of 116 for EMS operations in the Bronx. According to the Department, the station’s apparatus floor is experiencing heavy deterioration and the building lacks the space needed for EMS personnel to park, restock, and maintain ambulances. This project is currently pending the ULURP process. Additionally, H+H’s capital plan includes \$133.4 million to purchase and outfit ambulances for FDNY EMS, including \$46.1 million in Fiscal 2018. A 1996 Memorandum of Understanding requires FDNY to operate and maintain the City’s active fleet of

approximately 620 ambulances; therefore, the City provides the capital funding to H+H to make the purchase on behalf of FDNY. The Adopted Plan adds \$3.1 million for H+H to purchase 10 FDNY EMS ambulances in Fiscal 2018 as part of the total \$30 million in the Bronx.

- **Randall's Island Pier.** The Executive Capital Commitment Plan includes \$4.8 million for the rehabilitation of the existing pier structure for firefighter academy use. According to FDNY, the pier has exceeded its life span and has sustained continued dilapidation due to coastal shifts. A new pier is necessary for the Department's marine boats docking at the academy for training purposes. This project began September 2017 and is expected to be completed by September 2018.
- **EMS 49 Site Acquisition.** The Executive Capital Commitment Plan includes \$5 million in Fiscal 2018 for a new EMS 49 site. The current EMS 49 station is on DPR property, so the Department has to move the current site to better fit the needs of EMS. According to the Department, this will be a three-year process.

Appendix: Fiscal 2019 Budget Actions since Fiscal 2018 Adoption

| <i>Dollars in Thousands</i> | FY 2018 | | | FY 2019 | | |
|----------------------------------------------------|--------------------|-------------------|--------------------|--------------------|------------------|--------------------|
| | City | Non-City | Total | City | Non-City | Total |
| FDNY Budget as of the Adopted 2018 Budget | \$1,786,931 | \$253,778 | \$2,040,709 | \$1,758,886 | \$233,568 | \$1,992,454 |
| New Needs - Prelim. 2019 | | | | | | |
| Bureau of Communications | \$1,127 | \$0 | \$1,127 | \$2,104 | \$0 | \$2,104 |
| Bureau of Facilities | 1,609 | 0 | 1,609 | 209 | 0 | 209 |
| Bureau of Fire Prevention | 1,795 | 0 | 1,795 | 1,567 | 0 | 1,567 |
| Bureau of Support Services | 613 | 0 | 613 | 144 | 0 | 144 |
| Bureau of Technology | 3,096 | 0 | 3,096 | 1,340 | 0 | 1,340 |
| EMS Ambulance Tours | 443 | 0 | 443 | 855 | 0 | 855 |
| Fire Operations | 1,195 | 0 | 1,195 | 663 | 0 | 663 |
| MWBE Staffing | 36 | 0 | 36 | 71 | 0 | 71 |
| Recruitment | 181 | 0 | 181 | 100 | 0 | 100 |
| Subtotal, New Needs | \$10,095 | \$0 | \$10,095 | \$7,053 | \$0 | \$7,053 |
| Other Adjustments - Prelim. 2019 | | | | | | |
| 2612_FDCERT | \$0 | \$33 | \$33 | \$0 | \$0 | \$0 |
| Alive PS Roll | 0 | 21 | 21 | 0 | 0 | 0 |
| AMSEC1 OTPS Roll | 0 | 17 | 17 | 0 | 0 | 0 |
| Arson Grants | 0 | 73 | 73 | 0 | 0 | 0 |
| CB Communication Electricians | 654 | 0 | 654 | 878 | 0 | 878 |
| E Grants | 0 | 1,503 | 1,503 | 0 | 114 | 114 |
| Ebola Grants | 0 | 200 | 200 | 0 | 200 | 200 |
| Energy Manager | 0 | 95 | 95 | 0 | 0 | 0 |
| ExCEL Program | 0 | 4 | 4 | 0 | 4 | 4 |
| FDNY - Fire CAD Project | 0 | 725 | 725 | 0 | 1,912 | 1,912 |
| First Line Supervision Training Program | 0 | 34 | 34 | 0 | 34 | 34 |
| Forestry Deployment Reimbursement | 0 | 235 | 235 | 0 | 0 | 0 |
| Hurricane Sandy Grant | 0 | 118 | 118 | 0 | 0 | 0 |
| Other Various Grants | 0 | 400 | 400 | 0 | 0 | 0 |
| Port Security Grant | 0 | 6,679 | 6,679 | 0 | 2,798 | 2,798 |
| PSAP Grant | 0 | 24 | 24 | 0 | 0 | 0 |
| RAND - Active Shooter Drill Grant | 0 | 40 | 40 | 0 | 0 | 0 |
| Sandy Conduit | 0 | 18 | 18 | 0 | 0 | 0 |
| SHSG Grant | 0 | 14,133 | 14,133 | 0 | 0 | 0 |
| SICG Grant | 0 | 133 | 133 | 0 | 0 | 0 |
| UASI Grants | 0 | 4,479 | 4,479 | 0 | 0 | 0 |
| USAR Grants | 0 | 65 | 65 | 0 | 0 | 0 |
| US Forestry Grant | 0 | 1,552 | 1,552 | 0 | 0 | 0 |
| WTC - Various Grants | 0 | 8,084 | 8,084 | 0 | 8,605 | 8,605 |
| Subtotal, Other Adjustments | \$654 | \$38,665 | \$39,319 | \$878 | \$13,667 | \$14,545 |
| TOTAL, All Changes Prelim. 2019 | \$10,749 | \$38,665 | \$49,414 | \$7,931 | \$13,667 | \$21,598 |
| FDNY Budget as of the Preliminary 2019 Plan | \$1,797,679 | \$292,444 | \$2,090,123 | \$1,766,817 | \$247,232 | \$2,014,049 |
| New Needs - Exec. 2019 | | | | | | |
| Candidate Tracking System | \$0 | \$0 | \$0 | \$812 | \$0 | \$812 |
| Civilianization Program | 0 | 0 | 0 | 2,887 | 0 | 2,887 |
| EMS Physical Ability Test | 0 | 0 | 0 | 250 | 0 | 250 |
| EMS Revenue Shortfall | 15,200 | (15,200) | 0 | 0 | 0 | 0 |
| OTPS Deficit | 5,700 | 0 | 5,700 | 0 | 0 | 0 |
| PS Deficit | 44,000 | 0 | 44,000 | 0 | 0 | 0 |
| Subtotal, New Needs | \$64,900 | (\$15,200) | \$49,700 | \$3,949 | \$0 | \$3,949 |
| Other Adjustments - Exec. 2019 | | | | | | |
| City Council Initiative | \$3 | \$0 | \$3 | \$0 | \$0 | \$0 |
| Citywide Savings | 0 | 0 | 0 | (757) | 0 | (757) |
| DC37 Collective Bargaining | 73 | 0 | 73 | 52 | 0 | 52 |

| <i>Dollars in Thousands</i> | FY 2018 | | | FY 2019 | | |
|--------------------------------------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|
| | City | Non-City | Total | City | Non-City | Total |
| Federal grants | 0 | 11,447 | 11,447 | 0 | 0 | 0 |
| State grants | 0 | 375 | 375 | 0 | 0 | 0 |
| IFA Funding Swap | 0 | (165) | (165) | 0 | (165) | (165) |
| Intra-City funding | 0 | 350 | 350 | 0 | 0 | 0 |
| Emergency Management Volunteer Program | 0 | 0 | 0 | 180 | 0 | 180 |
| Heat, Light and Power | 551 | 0 | 551 | 143 | 0 | 143 |
| Heating Fuel Adjustment | (51) | 0 | (51) | 124 | 0 | 124 |
| Lease Adjustment | 0 | 0 | 0 | 2,810 | 0 | 2,810 |
| Motor Fuel | 831 | 0 | 831 | 1,334 | 0 | 1,334 |
| Subtotal, Other Adjustments | \$1,407 | \$12,007 | \$13,414 | \$3,886 | (\$165) | \$3,721 |
| TOTAL, All Changes - Exec. 2019 | \$66,307 | (\$3,193) | \$63,114 | \$7,835 | (\$165) | \$7,670 |
| FDNY Budget as of the Executive 2019 Plan | \$1,863,986 | \$289,251 | \$2,153,237 | \$1,774,653 | \$247,067 | \$2,021,720 |