



**NOTE ON THE FISCAL 2021 EXECUTIVE BUDGET FOR THE  
COMMITTEE ON ENVIRONMENTAL PROTECTION  
MAY 29, 2020**

**New York City Council**

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Hon. Daniel Dromm, Chair,  
Finance Committee

Hon. Costa Constantinides,  
Environmental Protection

**Finance Division**

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Regina Poreda Ryan, Deputy Director

Nathan Toth, Deputy Director

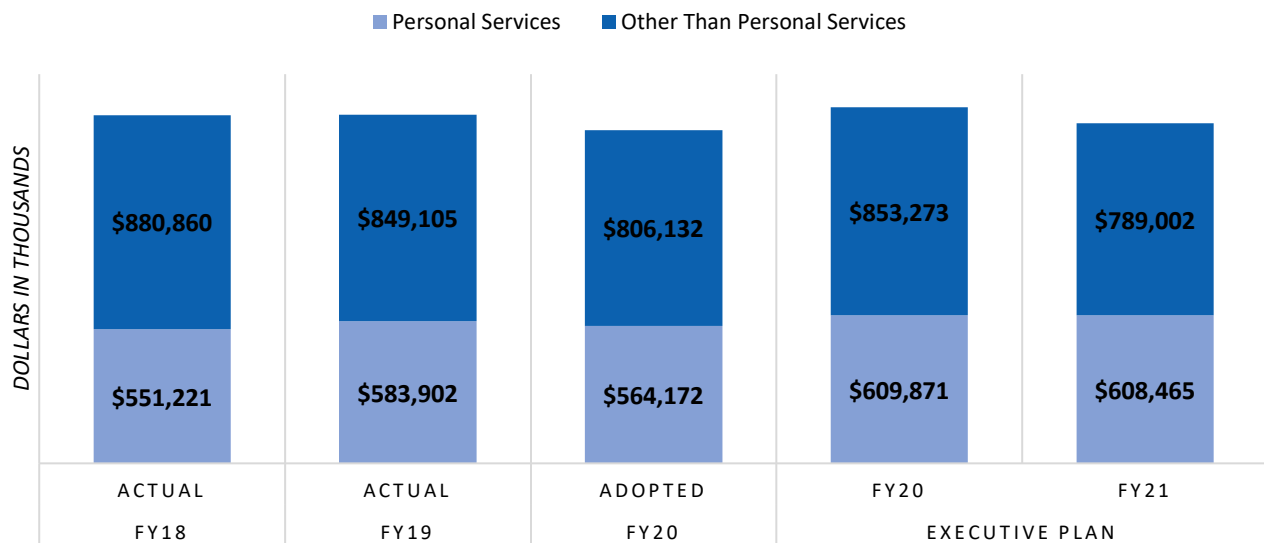
Paul Scimone, Deputy Director

Crihien Francisco, Unit Head

Jon Seltzer, Senior Financial Analyst

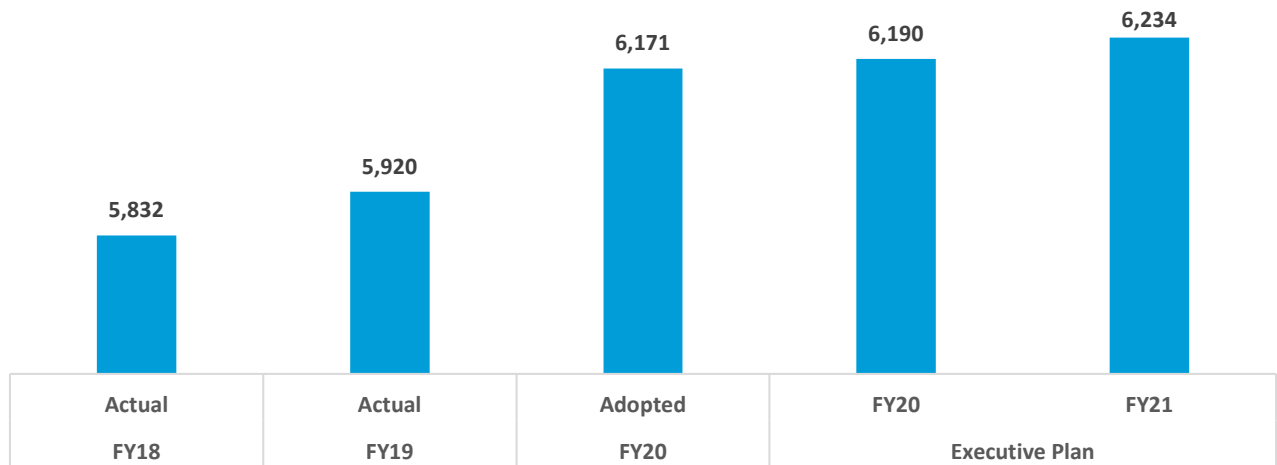
On April 16, 2020, the Administration released the Executive Financial Plan for Fiscal 2020-2024 with a proposed budget for Fiscal 2021 of \$89.3 billion. This budget note provides a summary of the changes in the Executive Budget for the Department of Environmental Protection (DEP or the Department) introduced in the Financial Plan. Topics covered include changes to the Expense and Capital Budget, as well as the agencies response to the COVID-19 pandemic.

**DEP Budget Overview**



DEP’s Fiscal 2021 Executive Budget is \$27.2 million, or two percent more than the Fiscal 2020 Adopted Budget of \$1.37 billion. The year-over-year comparison reflects increased Fiscal 2021 funding primarily for wastewater treatment and administrative support. For Fiscal 2021, Wastewater Treatment Operations increased by \$16.6 million for salaries and overtime, from \$497.3 million to \$513.9 million and Agency Administration & Support increased by \$6.6 million for salaries and overtime, from \$106.3 million to \$112.8 million. City tax-levy remains the primary source of funding, more than 95 percent of DEP’s Fiscal 2021 Budget is from city funds.

## Headcount



DEP's Fiscal 2021 Executive Budget headcount increased by 63 positions compared to the Fiscal 2020 Adopted Budget. The increase in Fiscal 2021 is primarily attributed an increase in DEP green infrastructure maintenance and engineering support staff.

### New in the Executive Plan

Major changes introduced in the Executive Plan include the following actions.

- **Rental Payment Reinstatement (one-year).** As a means of cash infusion in Fiscal 2020, the Executive Plan includes a one-time reinstatement of the rental payment in the amount of \$128 million. Funding is earmarked for the City's General Fund.

### Savings

- **Chemical Savings.** The Fiscal 2021 Executive Plan includes a savings of \$5.9 million in Fiscal 2020 and \$2 million in Fiscal 2021 due a reduction in chemical usage at the Croton Filtration Plant.
- **Program Delays.** DEP will achieve a savings of \$2.4 million in Fiscal 2020 and \$1.6 million in Fiscal 2021 due to program delays for water fountain installations and a catch basin study of arterial highways.
- **Hiring Delays.** The Fiscal 2021 Executive Plan includes a savings of \$1.2 million in Fiscal 2020 and \$365,000 in Fiscal 2021 due to delays in the hiring of seven agency positions.
- **Consent Order Compliance Support.** The Fiscal 2021 Executive Plan includes a savings of \$580,000 in Fiscal 2020 and \$1.3 million in Fiscal 2021 due to an update of DEP's procurement schedule for compliance support contracts.
- **Contract Savings.** The Fiscal 2021 Executive Plan includes a savings of \$400,000 in Fiscal 2020 and \$350,000 in Fiscal 2021 for the Bureau of Environmental Compliance, landfill maintenance, and arterial highway catch basin contracts.
- **Vacancy Reduction.** The Fiscal 2021 Executive Plan includes a savings of \$375,000 in Fiscal 2020 and 2021 and in the outyears with the elimination five agency positions.

## Agency Response to COVID -19

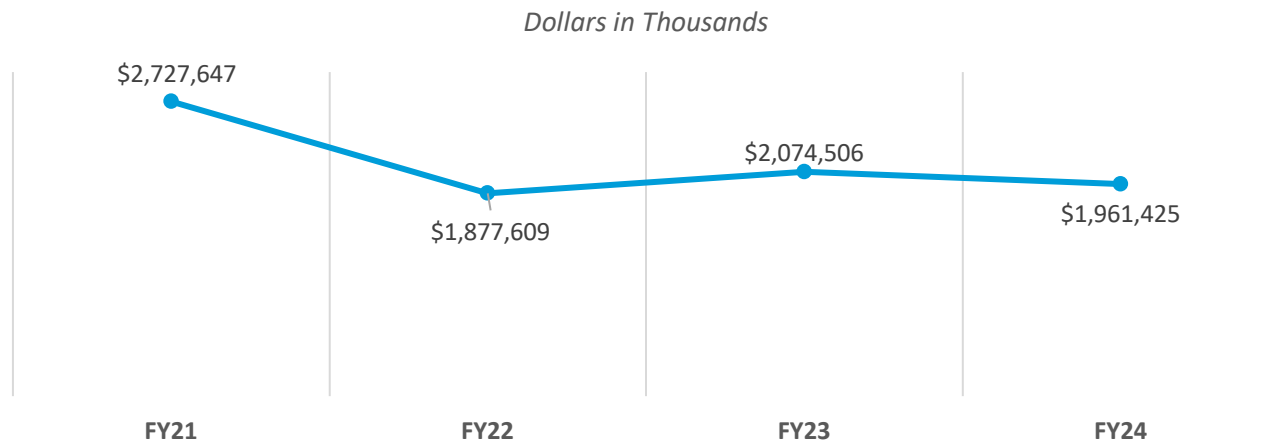
The Fiscal 2021 Executive Plan includes \$5.8 million in Fiscal 2020 to support agency operations during COVID-19, including the procurement of supplies to protect staff, the production of hand sanitizer, the cleaning/disinfection of facilities for operations and various other support needs.

Category ( <i>Dollars in Thousands</i> )	FY20
Gloves, masks and cleaning products	\$2,293
Hand Sanitizer production	1,477
Cleaning and disinfection of facilities	1,050
Various COVID-19 operational support needs	953
<b>TOTAL BUDGET</b>	<b>\$5,772</b>

## Capital Plan Overview

The following section will provide an overview of the Executive Commitment Plan and Capital Budget for DEP. Each one of these documents should support and be well integrated with one another to properly execute the City’s capital projects as well as meet its infrastructure goals. We will examine to what extent this is occurring, where improvements need to be made, and the overall feasibility of DEP’s capital program.

### Executive Capital Budget for Fiscal 2021-2024

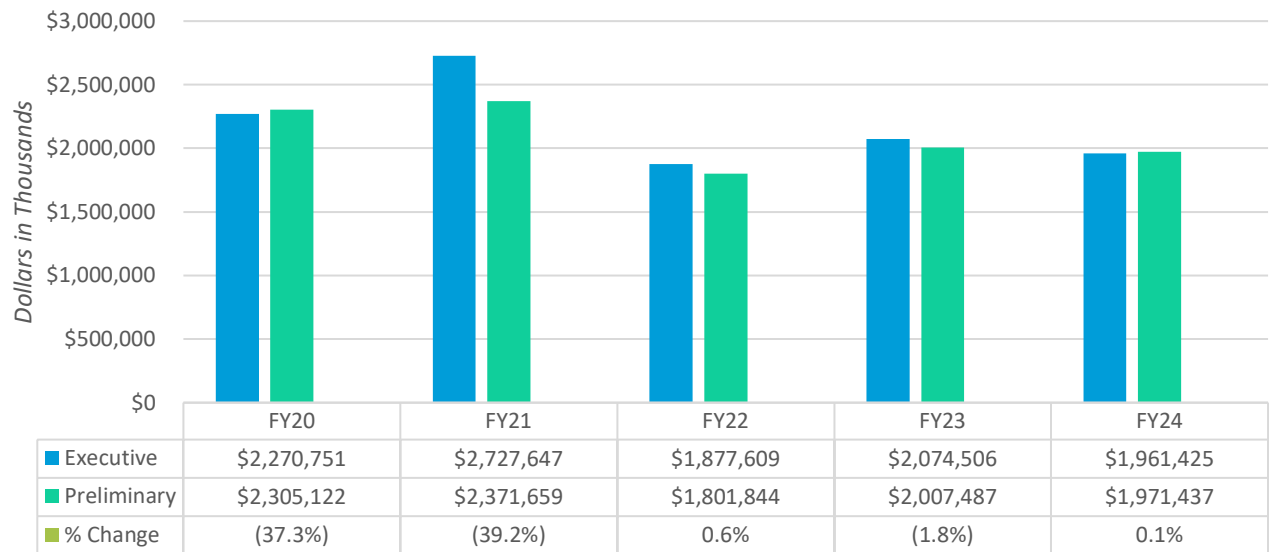


The Capital Budget provides the required appropriations for Fiscal 2021 and planned appropriations for the subsequent three-years. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption. As shown in the chart above, DEP’s Fiscal 2021 Executive Capital Budget includes \$8.64 billion in Fiscal 2021-2024.

### Executive Capital Commitment Plan for Fiscal 2020-2024

The City’s Capital Commitment Plan details the Administration’s plan to spend the appropriations voted on by the City Council at Adoption. The Commitment Plan provides project-level funding details as well as an estimate of expenditure dates. It is through this document that we gain insight into a project’s estimated cost, start date and time to completion.

DEP’s Executive Capital Commitment Plan includes \$10.9 billion in Fiscal 2020-2024, with \$2.3 billion in Fiscal 2020. This represents 13 percent of the City’s total \$83.2 billion Executive Capital Commitment Plan.



### Fiscal 2021 Executive Capital Commitment Plan Highlights

Major capital projects included in the Executive Capital Commitment Plan are outlined below.

- **Water Tunnel No. 3 – Brooklyn/Queens.** The Executive Capital Commitment Plan includes \$628.8 million to complete the Brooklyn/Queens portion of Water Tunnel No.3, including the construction of two new shafts and the installation of telecommunication and security systems.
- **Gowanus Canal Combined Sewer Overflow Retention Tank – Brooklyn.** The Executive Capital Commitment Plan includes \$452.9 million to construct two combined sewer overflow abatement and control facilities at the Gowanus Canal in Brooklyn, referred to as RH-034 and OH-007. The RH-034 outfall is located at the head end of the canal and the OH-007 outfall is located on the west side of the canal.
- **Hunts Point Anaerobic Digesters – Bronx.** The Fiscal 2021 Executive Capital Commitment Plan includes \$393 million to construct four new anaerobic digesters at Hunts Point in the Bronx.
- **Wastewater Treatment Station and Pumping Station Hardening – Citywide.** The Fiscal 2021 Executive Capital Commitment Plan includes \$200.1 million to harden wastewater treatment plants and pumping stations citywide.
- **Ashokan Reservoir and Olive Bridge dam – Upstate, New York.** The Executive Capital Commitment Plan includes \$172.7 million to upgrade the dam, dikes and chambers at the Ashokan Reservoir, as well as to perform work on the Olive Bridge Dam, including structural upgrades, the installation of modern drainage and monitoring equipment.
- **East Side Coastal Resiliency (ESCR) – Manhattan.** The Executive Capital Commitment Plan includes \$167.4 million for DEP’s portion of the ESCR project in Manhattan. Stretching from Montgomery Street to East 25th Street, ESCR will strengthen 2.4 miles of urban coastline against flooding risk and rising sea levels.

The Executive Capital Commitment Plan for the Department for Fiscal 2020 to 2024 has increased by \$454.4 million to a total of \$10.9 billion, or 4.35 percent, when compared to the Department’s Preliminary Capital Commitment Plan. The increase in the Commitment Plan is primarily attributed to several key investments across DEP’s capital project portfolio, including \$190.9 million for Water

Pollution Control; \$118.8 million for Sewers; \$133.8 million for Water Mains; \$6 million for Equipment; and \$5.9 million for Water Supply.

**Fiscal 2020-2024 Executive Capital Commitments by Project Type –('000s)**

<b>Project Type</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Total</b>
Equipment (EP)	\$68,291	\$72,839	\$45,012	\$29,155	\$84,370	\$299,667
Sewers (SE)	630,267	396,965	636,434	598,411	476,026	2,738,103
Water Mains (WM)	472,643	408,622	409,271	491,925	497,503	2,279,964
Water Pollution Control (WP)	748,729	1,781,796	382,933	883,446	882,226	4,679,130
Water Supply (W)	350,821	67,425	403,959	71,569	21,300	915,074
<b>TOTAL</b>	<b>\$2,270,751</b>	<b>\$2,727,647</b>	<b>\$1,877,609</b>	<b>\$2,074,506</b>	<b>\$1,961,425</b>	<b>\$10,911,938</b>

## Appendices:

### DSNY Financial Plan Summary

<i>Dollars in Thousands</i>	FY18	FY19	FY20	Executive Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
<b>Spending</b>						
Personal Services	\$551,221	\$583,902	\$564,172	\$609,871	\$608,465	\$44,293
Other Than Personal Services	880,860	849,105	806,132	853,273	789,002	(17,130)
<b>TOTAL</b>	<b>\$1,432,081</b>	<b>\$1,433,007</b>	<b>\$1,370,304</b>	<b>\$1,463,143</b>	<b>\$1,397,467</b>	<b>\$27,163</b>
<b>Budget by Program Area</b>						
Agency Administration & Support	\$111,127	\$113,430	\$106,248	\$121,238	\$112,772	\$6,523
Customer Services & Water Board Support	47,480	52,286	58,437	77,198	61,282	2,845
Engineering Design and Construction	37,799	40,799	42,387	41,024	43,030	643
Environmental Management	29,917	30,562	22,436	21,851	20,677	(1,758)
Miscellaneous	191,368	132,741	(4,401)	49,991	(1,021)	3,380
Upstate Water Supply	365,862	368,611	424,423	413,995	422,657	(1,766)
Wastewater Treatment Operations	481,114	499,015	497,330	522,958	513,889	16,559
Water & Sewer Maintenance & Operations	167,414	195,563	223,444	214,889	224,181	737
<b>TOTAL</b>	<b>\$1,432,081</b>	<b>\$1,433,007</b>	<b>\$1,370,304</b>	<b>\$1,463,143</b>	<b>\$1,397,467</b>	<b>\$27,163</b>
<b>Funding</b>						
City Funds			\$1,292,573	\$1,340,033	\$1,327,092	\$34,519
Other Categorical			0	7,808	0	0
Capital- IFA			70,020	61,946	67,487	(2,533)
State			5,161	5,557	0	(5,161)
Federal - Community Development			612	37,688	2,119	1,507
Federal - Other			1,329	8,244	153	(1,176)
Intra City			610	1,867	617	7
<b>TOTAL</b>	<b>\$1,432,081</b>	<b>\$1,433,007</b>	<b>\$1,370,304</b>	<b>\$1,463,143</b>	<b>\$1,397,467</b>	<b>\$27,163</b>
<b>Budgeted Headcount</b>						
Full-Time Positions - Civilian	5,832	5,920	6,171	6,190	6,234	63
<b>TOTAL</b>	<b>5,832</b>	<b>5,920</b>	<b>6,171</b>	<b>6,190</b>	<b>6,234</b>	<b>63</b>

*\*The difference of Fiscal 2020 Adopted Budget compared to Fiscal 2021 Executive Budget.*

## Fiscal 2021 Budget Actions since Fiscal 2020 Adoption

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
<b>DEP Budget as of the Fiscal 2020 Adopted Budget</b>	<b>\$1,292,573</b>	<b>\$77,731</b>	<b>\$1,370,304</b>	<b>\$1,289,469</b>	<b>\$72,031</b>	<b>\$1,361,500</b>
<b>New Needs - Prelim. 2021</b>						
NYCWin Replacement	\$16,971	\$0	\$16,971	\$3,761	\$0	\$3,761
Agency PS Shortfall	25,000	0	25,000	35,000	0	35,000
Build it Back Single Family Housing	16,838	0	16,838	0	0	0
Department of Transportation Relocation	293	0	293	350	0	350
Sewage Treatment Workers Payment	9,951	0	9,951	0	0	0
<b>Subtotal, New Needs</b>	<b>\$69,053</b>	<b>\$0</b>	<b>\$69,053</b>	<b>\$39,111</b>	<b>\$0</b>	<b>\$39,111</b>
<b>Other Adjustments - Prelim. 2021</b>						
Agency Phone Plan Review	(\$544)	\$0	(\$544)	(\$1,087)	\$0	(\$1,087)
Arterial Highway Catch Basin	(70)	0	(70)	(70)	0	(70)
Biowatch Year 14	0	1,789	1,789	0	0	0
Bravo Administration Funding	0	706	706	0	0	0
Brownfield Petrol and Hazard	0	105	105	0	0	0
Build it Back DEP	0	7,742	7,742	0	0	0
Catch Basin Cleaning Contract	(280)	0	(280)	(138)	0	(138)
Crane Operator Collective Bargaining	14	0	14	14	0	14
DEP Immediate Need	0	942	942	0	0	0
Disaster Recovery	0	5,812	5,812	0	0	0
Excel Projects	0	1,007	1,007	0	0	0
GreenNYC Mediate Tech Transfer	12	0	12	100	0	100
Hazard Mitigation Plan	0	1,022	1,022	0	0	0
Housing Recovery Operations Administration	0	20	20	0	0	0
Housing Recovery Operations Payment Funding	0	25,053	25,053	0	0	0
Hydroelectric Program and Property Tax Savings	(46)	0	(46)	(46)	0	(46)
Intra-Collective Bargaining	0	13	13	0	0	0
Landfill Underspending	(200)	0	(200)	(200)	0	(200)
Lease Adjustment	277	0	277	0	0	0
Lefrak Carpet	0	995	995	0	0	0
Long Island Sound	0	2,600	2,600	0	0	0
Oyster Grant	0	105	105	0	0	0
Retrofit Grant	0	396	396	0	0	0
Sandy Meters	0	1,008	1,008	0	0	0
Sheepshead Bay Court	0	750	750	0	0	0
Sheepshead Bay Court Payment	0	1,200	1,200	0	0	0
Tax Levy Surplus	(250)	0	(250)	(204)	0	(204)
Work Well NYC	0	10	10	0	0	0
<b>Subtotal, Other Adjustments</b>	<b>(\$1,087)</b>	<b>\$51,275</b>	<b>\$50,188</b>	<b>(\$1,631)</b>	<b>\$0</b>	<b>(\$1,631)</b>
<b>TOTAL, All Changes Prelim. 2021</b>	<b>\$67,966</b>	<b>\$51,275</b>	<b>\$119,241</b>	<b>\$37,480</b>	<b>\$0</b>	<b>\$37,480</b>

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
<b>DEP Budget as of the Fiscal 2021 Preliminary Budget</b>	<b>\$1,360,553</b>	<b>\$129,007</b>	<b>\$1,489,539</b>	<b>\$1,326,948</b>	<b>\$72,030</b>	<b>\$1,398,979</b>
<b>New Needs - Exec. 2021</b>						
Office of the Agency Chief Engineering Staff	\$3,074	(\$3,074)	\$0	\$3,074	(\$3,074)	\$0
<b>Subtotal, New Needs</b>	<b>\$3,074</b>	<b>(\$3,074)</b>	<b>\$0</b>	<b>\$3,074</b>	<b>(\$3,074)</b>	<b>\$0</b>
<b>Other Adjustments - Exec. 2021</b>						
80 x 50 Study	\$0	\$1,000	\$1,000	\$0	\$0	\$0
Biowatch Year	0	184	184	0	0	0
Collective Bargaining CW 1180	495	0	495	802	0	802
Collective Bargaining for Bricklayers	25	0	25	25	0	25
Collective Bargaining for Managers	853	0	853	1,342	0	1,342
Collective Bargaining for Electricians	331	0	331	720	0	720
Collective Bargaining Oilers/Stationary Engineers	667	0	667	691	0	691
Collective Bargaining Welders	10	0	10	11	0	11
Energy Personnel	0	162	162	0	0	0
Excel Round 2	0	66	66	0	0	0
Heat, Light and Power	(6,077)	0	(6,077)	(772)	0	(772)
Heating Fuel Adjustment	(3,396)	0	(3,396)	(732)	0	(732)
Housing Recovery Operations	0	766	766	0	1,412	1,412
Inter-fund Agreements Surplus	0	(5,000)	(5,000)	0	0	0
Lease Adjustment	0	0	0	1,425	0	1,425
Motor Fuel	87	0	87	(438)	0	(438)
<b>Subtotal, Other Adjustments</b>	<b>(\$7,005)</b>	<b>(\$2,822)</b>	<b>(\$9,827)</b>	<b>\$3,074</b>	<b>\$1,412</b>	<b>\$4,486</b>
<b>Savings - Exec. 2021</b>						
Additional Agency Program Savings	(\$2,355)	\$0	(\$2,355)	(\$1,590)	\$0	(\$1,590)
Chemical Savings	(5,934)	0	(5,934)	(2,000)	0	(2,000)
Consent Order Compliance Support	(580)	0	(580)	(1,320)	0	(1,320)
Contract Savings	(400)	0	(400)	(350)	0	(350)
Hiring Delays	(1,225)	0	(1,225)	(365)	0	(365)
Mayor's Office of Sustainability Contract Delay	(5,700)	0	(5,700)	0	0	0
Vacancy Reductions	(375)	0	(375)	(375)	0	(375)
<b>Subtotal, Savings</b>	<b>(\$16,569)</b>	<b>\$0</b>	<b>(\$16,569)</b>	<b>(\$6,000)</b>	<b>\$0</b>	<b>(\$6,000)</b>
<b>TOTAL, All Changes Exec. 2021</b>	<b>(\$20,500)</b>	<b>(\$5,896)</b>	<b>(\$26,396)</b>	<b>\$148</b>	<b>(\$1,662)</b>	<b>(\$1,514)</b>
<b>DEP Budget as of the Fiscal 2021 Executive Budget</b>	<b>\$1,340,033</b>	<b>\$123,110</b>	<b>\$1,463,143</b>	<b>\$1,327,092</b>	<b>\$70,375</b>	<b>\$1,397,467</b>