

THE COUNCIL OF THE CITY OF NEW YORK

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Report to the Committee on Finance and the Committee on Sanitation and Solid Waste
Management on the Fiscal 2021 Executive Budget for the

Department of Sanitation

May 14, 2020

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Department of Sanitation Overview

This report presents a review of the Department of Sanitation's Fiscal 2021 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2020, followed by a review of the significant budget actions introduced in the Fiscal 2021 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of DSNY's Fiscal 2021 Executive Capital Budget, and Fiscal 2020-2024 Executive Capital Commitment Plan follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2020 and Fiscal 2021 Budgets since Adoption of the Fiscal 2020 Budget.

For additional information on the Department's budget and its various programs, please refer to the Fiscal 2021 Preliminary Budget Report for DSNY at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2020/02/827-DSNY.pdf>

Table:1 Department of Sanitation Financial Plan Summary

<i>Dollars in Thousands</i>	FY18	FY19	FY20	Executive Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Spending						
Personal Services	\$1,016,437	\$1,031,740	\$1,041,712	\$1,008,934	\$1,002,980	(\$38,732)
Other Than Personal Services	702,525	730,630	734,142	826,102	742,317	8,175
TOTAL	\$1,718,963	\$1,762,369	\$1,775,853	\$1,835,036	\$1,745,297	(\$30,557)
Budget by Program Area						
Civilian Enforcement	\$5,679	\$5,191	\$5,746	\$5,746	\$5,746	0
Collection & Street Cleaning	770,627	794,259	784,950	765,169	747,274	(37,676)
Enforcement - General	15,356	15,649	16,885	16,269	16,175	(710)
Engineering	7,480	10,015	8,357	8,372	8,405	48
General Administration	143,390	142,186	131,486	260,810	169,065	37,579
Legal Services	3,821	4,069	3,990	3,861	3,903	(87)
Long Term Export	3,801	2,690	1,994	2,326	1,061	(933)
Public Information	2,470	2,663	2,437	2,383	2,386	(51)
Snow Removal	105,818	82,381	111,068	59,096	101,414	(9,654)
Solid Waste Transfer Stations	15,418	21,052	25,731	25,594	25,589	(142)
Support Operations - Motor Equipment	97,440	98,302	92,898	97,728	97,913	5,015
Support Operations - Building Management	29,819	31,957	30,567	32,624	31,272	705
Waste Disposal - General	14,914	18,506	18,143	18,995	16,406	(1,737)
Waste Disposal - Landfill Closure	71,661	61,781	73,130	64,726	62,312	(10,818)
Waste Export	372,958	409,772	412,781	417,614	420,661	7,880
Waste Prevention, Reuse, and Recycling	58,309	61,896	55,692	53,723	35,716	(19,976)
TOTAL	\$1,718,963	\$1,762,369	\$1,775,853	\$1,835,036	\$1,745,297	(30,557)

<i>Dollars in Thousands</i>	FY18	FY19	FY20	Executive Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Funding						
City Funds			\$1,756,340	\$1,663,360	\$1,688,173	(68,167)
Other Categorical			750	1,760	750	0
Capital- IFA			5,651	5,654	5,702	51
Federal - Community Development			0	33,720	0	0
Federal - Other			0	118,239	37,500	37,500
Intra City			13,113	12,303	13,171	58
TOTAL	\$1,718,963	\$1,762,369	\$1,775,853	\$1,835,036	\$1,745,297	(\$30,557)
Budgeted Headcount						
Full-Time Positions - Uniform	7,558	7,893	7,836	7,842	7,425	(411)
Full-Time Positions - Civilian	2,120	2,127	2,233	2,232	2,224	(9)
TOTAL	9,678	10,020	10,069	10,074	9,649	(420)

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

The year-over-year comparison reflects decreased Fiscal 2021 funding for collection and cleaning, snow removal and landfill closure. For Fiscal 2021, Collection and Street Cleaning decreased by \$37.7 million, from \$785 million to \$747.3 million; the Department's snow budget decreased by \$9.7 million, from \$111.1 million to \$101.4 million; and lastly, Freshkills Landfill closure costs decreased by \$10.8 million, from \$73.1 million to \$62.3 million. This amount is partially offset by an increase of \$37.5 million, from \$131.5 million to \$169.1 million for General Administration.

Furthermore, the Department's Fiscal 2021 Executive Budget provides for 9,649 full-time positions, of which 7,425 are uniform and 2,225 are civilian. The decrease in the Department's Fiscal 2021 headcount is primarily attributed to the reduction of uniformed staff for various functions, including litter basket service, organics collection, and E-waste collection.

New in the Executive Plan

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

New Needs

- **Food Support.** The Fiscal 2021 Executive Plan includes \$107.5 million in Fiscal 2020 and \$37.5 million in Fiscal 2021 to support food coordination and distribution services during the COVID- 19 pandemic.

On March 22, with New York City grappling with 9,654 confirmed cases of COVID-19, Mayor Bill de Blasio named Kathryn Garcia, commissioner of the Department of Sanitation, as "COVID-19 food czar." Commissioner Garcia is tasked with coordinating a citywide effort to get food into the City and out to the people who need it most, with a special emphasis on the City's most vulnerable populations, including those made newly food-insecure as a result of COVID-19.

Savings

- **Snow Removal.** The Fiscal 2021 Executive Plan includes a savings of \$52 million in Fiscal 2020 as DSNY re-aligned its spending forecast for snow removal.

- **Curbside Organics Collection Program.** The Fiscal 2021 Executive Plan includes a savings of \$21.1 million in Fiscal 2021 due to a one-year suspension of the curbside organics collection program.
- **Litter Basket Service.** The Fiscal 2021 Executive Plan includes a savings of \$5.6 million in Fiscal 2021 and in the outyears due to a reduction in Sunday/holiday/weekday litter basket service levels, as well as sanitation enforcement.
- **Curbside E-Waste Collection.** The Fiscal 2021 Executive Plan includes a savings of \$3.5 million in Fiscal 2021, growing to \$3.7 million in Fiscal 2024 with the elimination of the curbside E-Waste collection program.
- **Community Compost Program Subsidy.** The Fiscal 2021 Executive Plan includes a savings of \$3.5 million in Fiscal 2021 due to a one-year suspension in agency subsidy to providers in the community composting program. The suspension is for seven organizations that are host sites for the New York City Compost Project. They include (1) New York Botanical Garden; (2) Brooklyn Botanic Garden; (3) Queens Botanical Garden; (4) Snug Harbor Cultural Center and Botanical Garden; (5) Lower East Side Ecology Center; (6) Big Reuse; and (7) Earth Matter.
- **Recycling Outreach.** The Fiscal 2021 Executive Plan includes a savings of \$2.8 million in Fiscal 2021 and in the outyears as DSNY will no longer fund GrowNYC to run its zero waste programs. Currently, GrowNYC provides food scrap drop-off in greenmarkets, commuter hubs and in neighborhoods; clothing collection in greenmarkets; Stop-N-Swap reuse events; and recycling outreach to the New York City Housing Authority. Additionally, DSNY has a memorandum of understanding to fund New York City Department of Education's GrowNYC Recycling Champions Program.
- **Special Waste Disposal.** The Fiscal 2021 Executive Plan includes a savings of \$2.2 million in Fiscal 2021 due to a one-year suspension of hazardous waste collection programs. It is unclear – what, if any, disposal alternative DSNY will provide to New York City residents during this time.
- **Freshkills Landfill.** Closure and post-closure maintenance are projected to be lower than anticipated, resulting in a savings of \$1.8 million in Fiscal 2021.
- **Rat Mitigation Zone Collection.** DSNY will reduce collection services in rat mitigation zones by 25 percent, from four days a week pick-up to three days a week pick-up, resulting in a savings of \$1.5 million in Fiscal 2021, growing to \$1.7 million in Fiscal 2024.
- **Brooklyn North.** DSNY will reduce cleaning service in Brooklyn North resulting in a net savings of \$1.2 million in Fiscal 2021, growing to \$1.4 million in Fiscal 2024.
- **Vacancy Reduction.** The Fiscal 2021 Executive Plan includes a savings of \$672,000 in Fiscal 2021 and in the outyears with the elimination of nine agency vacancies.
- **Syringe Collection.** The Fiscal 2021 Executive Plan includes a savings of \$265,000 in Fiscal 2021, growing to \$317,000 with the elimination of six positions for syringe collection.

Budget Items not in Fiscal 2021

Several items the City Council advocated for that were included in the Fiscal 2020 Adopted Budget are not funded in Fiscal 2021. They include:

- \$8.6 million for increased litter basket service citywide;
- \$1.9 million to fully restore lot cleaning services; and
- \$864,303 for supplementary highway ramp cleaning.

COVID-19 Spending

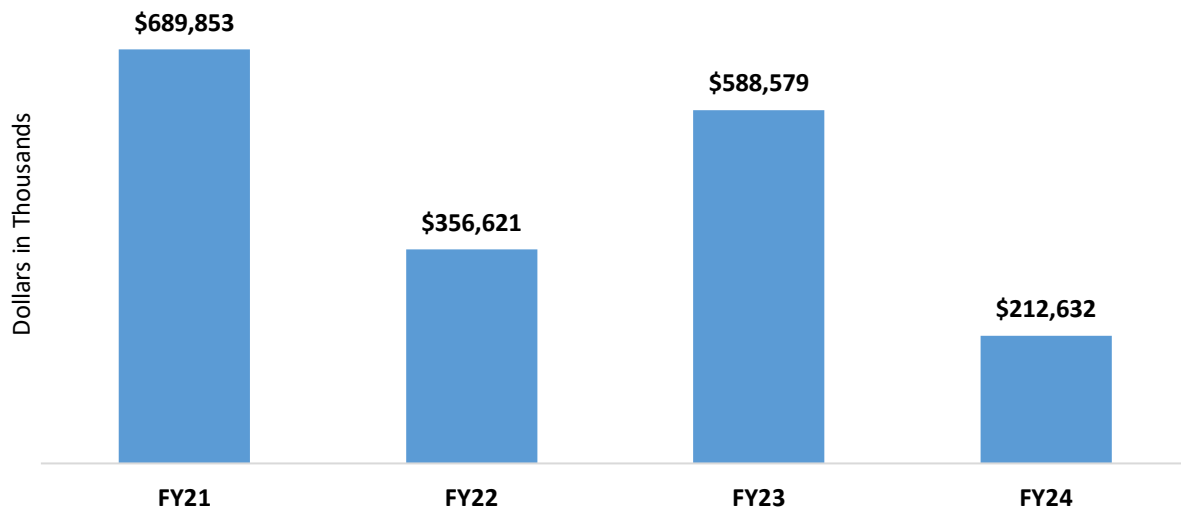
The Fiscal 2021 Executive Plan includes \$133.1 million in Fiscal 2020 and \$37.5 million in Fiscal 2021 to support agency operations during COVID-19, including the procurement of supplies to protect staff and to support food coordination and distribution services. According to DSNY, some of the agency’s personnel have dedicated job responsibilities related to food coordination and distribution efforts; however, at the time of drafting this report the number and details were not provided by the agency.

Capital Plan Overview

The following section will provide an overview of the Executive Commitment Plan and Capital Budget for DSNY. 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 DSNY’s capital program.

Executive Capital Budget for Fiscal 2021-2024

Figure 1: Capital Budget for Fiscal 2021-2024



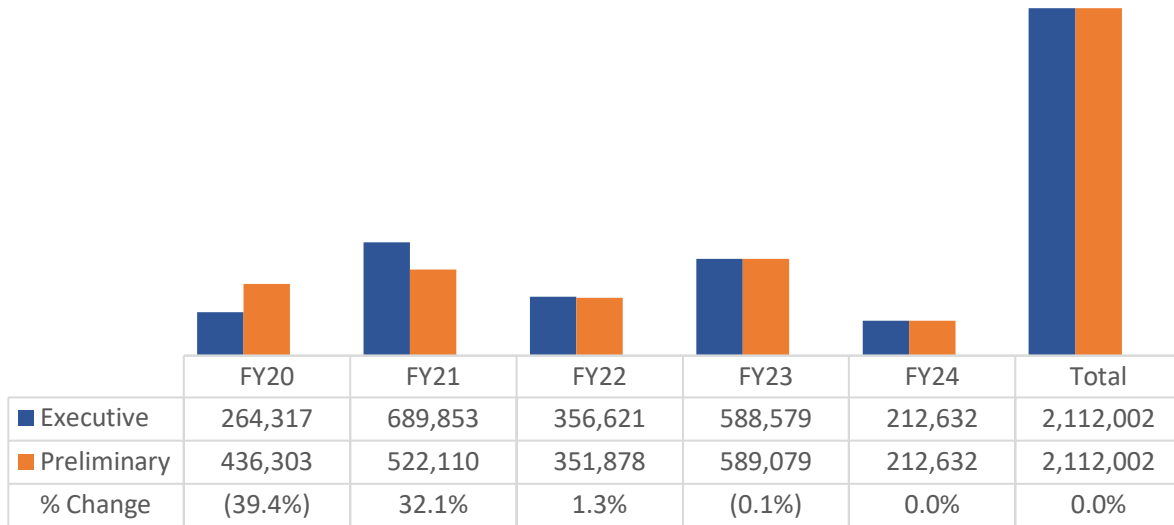
The Capital Budget provides the required appropriations for Fiscal 2021 and planned appropriations for the subsequent three-years. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption. As shown in the chart above, DSNY’s Fiscal 2021 Executive Capital Budget includes \$1.84 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.

DSNY’s Executive Capital Commitment Plan includes \$2.1 billion in Fiscal 2020-2024, with \$264.3 million in Fiscal 2020. This represents two and a half percent of the City’s total \$83.2 billion Executive Capital Commitment Plan.

Figure 2: DSNY Commitment Plan



Fiscal 2021 Executive Capital Commitment Plan Highlights

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

- **Equipment & Vehicle Replacement.** The Executive Capital Commitment Plan includes \$872.9 million to replace various operational equipment and vehicles.
- **Bronx 9/10/11 Garage.** The Executive Capital Commitment Plan includes \$278.6 million to build a new Bronx 9/10/11 Garage. The anticipated completion year is 2026.
- **Staten Island 1 and 3 Garage.** The Executive Capital Commitment Plan includes \$146 million to build a new Staten Island 1 and 3 Garage. The anticipated completion year is 2024.
- **Queens 1 Garage.** The Executive Capital Commitment Plan includes \$142.6 million to build a new Queens 1 Garage. The anticipated completion year is 2026.
- **Citywide Facility Rehabilitation.** The Executive Capital Commitment Plan includes \$82 million for the rehabilitation of various facilities, including district garages and marine transfer stations citywide.
- **Queens 11 and 13 Floor Slab Replacement.** The Executive Capital Commitment Plan includes \$44.9 million to replace concrete slabs at the Queens 11 and 13 Garage. The anticipated completion year is 2023.
- **Information Technology.** The Executive Capital Commitment Plan includes \$32 million to procure technology equipment for Department operations.
- **Manhattan 11.** The Executive Capital Commitment Plan includes \$30 million for rehabilitation and new construction at the Manhattan 11 Garage. The anticipated completion year is 2022.

DSNY's Executive Commitment Plan contains six more projects when compared to the Preliminary Commitment Plan, for a total of 162. Additionally, across the Department's four key capital project areas - (1) Garages and facilities, (2) Equipment, (3) Information Technology & Telecommunication, and (4) Solid Waste Management - \$172 million was re-appropriated from Fiscal 2020 to Fiscal 2021-2022 to more accurately reflect project timelines due to COVID-19.

Appendix 1: Fiscal 2021 Budget Actions since Fiscal 2020 Adoption

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
DSNY Budget as of the Fiscal 2020 Adopted Budget	\$1,756,340	\$19,514	\$1,775,853	\$1,733,537	\$19,164	\$1,753,151
New Needs - Prelim. 2021						
Commercial Waste Zone	\$2,012	\$0	\$2,012	\$390	\$0	\$390
Syringe Litter Collection	459	0	459	278	0	278
14th Street Mechanical Broom Service	320	0	320	145	0	145
Fall Leaf Collection	719	0	719	0	0	0
Waste Export	21,500	0	21,500	0	0	0
Subtotal, New Needs	\$25,010	\$0	\$25,010	\$813	\$0	\$813
Other Adjustments - Prelim. 2021						
1st Quarter Revenue	\$0	\$75	\$75	\$0	\$0	\$0
Agency Phone Plan Review	(27)	0	(27)	(54)	0	(54)
Cement Masons Collective Bargaining	51	0	51	51	0	51
CBSA Attorneys Collective Bargaining	108	0	108	118	0	118
Energy Personnel	0	185	185	0	0	0
Excel Projects	0	625	625	0	0	0
Fresh Kills Landfill Closure	(2,068)	0	(2,068)	0	0	0
Intra-City mod for DSNY	0	130	130	0	0	0
L237 Collective Bargaining	58	0	58	99	0	99
Intra-City Fuel	0	15	15	0	0	0
L246 All Groups Collective Bargaining	3,786	0	3,786	4,456	0	4,456
Organics Processing	(2,908)	0	(2,908)	0	0	0
Training	0	25	25	0	0	0
Agency Phone Plan Review	(16)	0	(16)	(31)	0	(31)
Energy Personnel	0	88	88	0	0	0
FY20 Member Item Reallocation	1,116	0	1,116	0	0	0
Lease Audit	(5)	0	(5)	0	0	0
Motor Grade Operator & Tractor	36	0	36	36	0	36
NYSNA Collective Bargaining	13	0	13	27	0	27
Prior Year Revenue	(31,939)	31,939	0	0	0	0
Subtotal, Other Adjustments	(\$31,795)	\$33,082	\$1,287	\$4,702	\$0	\$4,702
TOTAL, All Changes Prelim.2021	(\$6,785)	\$33,082	\$26,297	\$5,515	\$0	\$5,515
DSNY Budget as of the Fiscal 2021 Preliminary Budget	\$1,749,555	\$52,595	\$1,802,151	\$1,739,052	\$19,163	\$1,758,665
New Needs - Exec. 2021						
Emergency Food	\$0	\$25,000	\$25,000	\$0	\$0	\$0
Food Support	0	12,500	12,500	0	37,500	37,500
Subtotal, New Needs	\$0	\$37,500	\$37,500	\$0	\$37,500	\$37,500
Other Adjustments - Exec. 2021						
2nd Quarter Revenue - FY20	\$0	\$6	\$6	\$0	\$0	\$0
2nd Quarter Revenue - 1004	0	49	49	0	0	0
2nd Quarter Revenue - CDL	0	84	84	0	0	0
Adult Meals - COVID - CDBG	0	33,720	33,720	0	0	0
Auto Mechanic Exam	0	24	24	0	0	0
Bricklayers	0	8	8	0	8	8
CWA 1180 Managers	137	0	137	194	0	194
CWA 1180 Non Admin Managers	203	7	210	317	10	327
Electricians Labor Adjustment	86	0	86	187	0	187
Emergency Food Delivery FEMA	0	28,800	28,800	0	0	0
FEMA Coronavirus Overtime	(20,000)	20,000	0	0	0	0
Fleet Reduction	0	0	0	(1,367)	0	(1,367)

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
Heat, Light and Power	(1,428)	0	(1,428)	(1,167)	0	(1,167)
Heating Fuel Adjustment	(729)	0	(729)	(206)	0	(206)
Installation of Sideguards	0	(300)	(300)	0	0	0
L15 and L30 Oilers	375	0	375	388	0	388
Lease Adjustment	0	0	0	(2,730)	0	(2,730)
Maintenance Workers	78	0	78	111	0	111
Motor Fuel	(3,662)	0	(3,662)	(956)	0	(956)
Petroleum Storage Tank Inspect	0	15	15	0	0	0
Silver Stars	0	0	0	0	(140)	(140)
Street Fair Revenue	0	200	200	0	0	0
Fuel	0	5	5	0	0	0
Welders	35	0	35	36	0	36
Subtotal, Other Adjustments	(\$24,905)	\$82,618	\$57,713	(\$5,193)	(\$122)	(\$5,315)
Savings - Exec. 2021						
Basket Service in Rat Zones	\$0	\$0	\$0	(\$718)	\$0	(\$718)
Brooklyn North Cleaning	0	0	0	(1,561)	0	(1,561)
Community Compost	0	0	0	(3,500)	0	(3,500)
Demand Response	(571)	571	0			
E-Waste Collection	0	0	0	(3,460)	0	(3,460)
Fourth Day of Collection In Rat Zones	0	0	0	(1,523)	0	(1,523)
Fresh Kills Landfill Closure	(3,926)	0	(3,926)	(1,818)	0	(1,818)
Highway Shoulder & Ramp Cleaning	(133)	0	(133)	0	0	0
Household Haz Waste	0	0	0	(2,225)	0	(2,225)
Lease Re-estimate	(4,305)	0	(4,305)	0	0	0
Local Service Enhancements	0	0	0	(1,320)	0	(1,320)
Organics Program Suspension	0	0	0	(21,058)	0	(21,058)
Recycling Outreach	0	0	0	(2,852)	0	(2,852)
Reduce Weekly Basket Service	0	0	0	(2,517)	0	(2,517)
Snow Removal	(51,973)	0	(51,973)	(301)	0	(301)
Subsidized Job Underspending	0	(2,200)	(2,200)	0	0	0
Sunday & Holiday Basket Service	(253)	0	(253)	(1,765)	0	(1,765)
Syringe Litter Collection	(135)	0	(135)	(265)	0	(265)
Vacancy Reduction	0	0	0	(672)	0	(672)
Subtotal, Savings	(\$61,296)	(\$1,629)	(\$62,925)	(\$45,555)	\$0	(\$45,555)
TOTAL, All Changes Exec.2021	(\$86,201)	\$118,489	\$32,288	(\$50,748)	\$37,378	(\$13,370)
DSNY Budget as of the Fiscal 2021 Executive Budget	\$1,663,360	\$171,676	\$1,835,036	\$1,688,173	\$57,123	\$1,745,297