

# THE COUNCIL OF THE CITY OF NEW YORK

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Chair, Finance Committee

Hon. Fernando Cabrera  
Chair, Governmental Operations Committee



Report to the Committee on Finance and the Committee on Governmental Operations  
on the Fiscal 2020 Executive Plan, the Ten-Year Strategy for Fiscal 2020 – 2029, and  
Fiscal 2020 Capital Commitment Plan

**Department of Citywide Administrative Services**

May 17, 2019

## **Finance Division**

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## Department of Citywide Administrative Services Overview

This report presents a review of the Department of Citywide Administrative Services' (DCAS) Fiscal 2020 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2019, followed by a review of the significant budget actions introduced in the Fiscal 2020 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of DCAS' Capital Strategy and Fiscal 2019 - 2023 Plan follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2019 and Fiscal 2020 Budgets since Adoption of the Fiscal 2019 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2020 Preliminary Budget Report for DCAS at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/03/856-DCAS-2020.pdf>

Below is a summary of key funding changes by program area and source when comparing DCAS' Fiscal 2020 Executive Budget to its Fiscal 2019 Adopted Budget.

Department of Citywide Administrative Services Financial Summary						
<i>Dollars in Thousands</i>	FY17	FY18	FY19	Executive Plan		**Difference
	Actual	Actual	Adopted	2019	2020	2019-2020
Personal Services	\$183,277	\$195,636	\$197,249	\$207,875	\$211,202	\$13,953
Other Than Personal Services	982,589	1,049,470	1,001,117	1,074,565	1,040,857	39,739
<b>TOTAL</b>	<b>\$1,165,866</b>	<b>\$1,245,106</b>	<b>\$1,198,366</b>	<b>\$1,282,440</b>	<b>\$1,252,058</b>	<b>\$53,692</b>
<b>Budget by Program Area</b>						
Administration and Security	\$42,416	\$38,062	\$43,201	\$42,141	\$30,307	(\$12,894)
Asset Management-Public Facilities	253,892	255,344	260,650	273,244	249,934	(10,716)
Board of Standards and Appeals	2,518	2,526	3,261	3,160	3,187	(73)
Citywide Fleet Services	47,988	58,144	30,174	51,927	24,964	(5,210)
Energy Conservation	720,786	778,429	745,024	785,578	817,281	72,257
Executive and Operations Support	27,750	31,977	36,575	39,527	37,294	719
External Publications and Retail						
Operations	2,397	2,733	3,241	3,496	3,373	132
Human Capital	28,398	36,828	33,654	36,164	35,030	1,376
Office of Citywide Purchasing	39,721	41,065	38,206	43,457	38,037	(169)
Real Estate Services	0	0	4,383	3,746	12,651	8,269
<b>TOTAL</b>	<b>\$1,165,866</b>	<b>\$1,245,106</b>	<b>\$1,198,366</b>	<b>\$1,282,440</b>	<b>\$1,252,058</b>	<b>\$53,692</b>
<b>Funding</b>						
City Funds			\$306,258	\$333,695	\$333,834	\$27,575
Other Categorical			88,433	90,962	86,161	(2,273)
Capital- IFA			1,595	1,337	1,358	(237)
State			55,633	63,015	59,677	4,044
Federal - Community Development			1,598	1,598	226	(1,372)
Federal - Other			2,120	2,134	2,147	27
Intra City			742,728	789,698	768,656	25,928
<b>TOTAL</b>	<b>\$1,165,866</b>	<b>\$1,245,106</b>	<b>\$1,198,366</b>	<b>\$1,282,440</b>	<b>\$1,252,058</b>	<b>\$53,692</b>
<b>Headcount</b>						
Full-Time Positions	2,210	2,300	2,454	2,493	2,534	80
<b>TOTAL</b>	<b>2,210</b>	<b>2,300</b>	<b>2,454</b>	<b>2,493</b>	<b>2,534</b>	<b>80</b>

\*\*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Executive Budget.

The Department of Citywide Administrative Services' Fiscal 2020 Executive Budget totals \$1.3 billion, including \$211.2 million in Personal Services (PS) funding to support 2,534 full-time positions. Of DCAS' total \$1.3 billion Fiscal 2020 budget, \$738.3 million is allocated to the Citywide Heat, Light and Power bill. This is the City's utility bill, which DCAS pays for on behalf of other City agencies and is discussed more in detail in the "Citywide Heat, Light and Power" section

of this report. Approximately 61 percent (\$768.7 million) of DCAS' budget is funded through intra-city transfers for goods and services that agencies purchase from DCAS, including \$633.9 million for utilities, \$90.9 million for leases, \$19.4 million for storehouse supplies, \$12.6 million for maintenance and repair of facilities and vehicles, \$900,000 for personnel training, and \$10.9 million for other services.<sup>1</sup> Approximately 27 percent of DCAS' budget is City tax-levy funding, with the majority of the remaining funding coming from State and Other Categorical sources. DCAS' budget is subdivided into 20 Units of Appropriation (U/As), which include Personal Services (PS) and Other than Personal Services (OTPS) U/As for each of the Department's 10 program areas.<sup>2</sup>

DCAS' Fiscal 2020 budget has increased \$62.6 million since the Fiscal 2020 Preliminary Budget. The Department has added \$62.9 million in new needs for Fiscal 2020, of which \$59.4 million was added for energy management purposes, associated with Mayor de Blasio's Green New Deal announcement. Other Adjustments in the Executive Plan reduce DCAS' Fiscal 2020 budget by \$21.6 million, of which \$10 million come from reverse auctions, which shall be discussed in the "Other Adjustments" section of this report. DCAS' Fiscal 2020 Executive Budget is \$30.4 million less than the current year budget. This is largely due to decreases in security services that are funded on a yearly basis and payments to the agency for fleet services such as fuel, supplies and repairs. The Department's Citywide Savings Program included savings of \$4.9 million in Fiscal 2019 and \$2.2 million in Fiscal 2020, most notably associated with additional rent revenue from the Urban Development Corporation, general OTPS re-estimates, and savings in Heat, Light, and Power through energy efficiency projects.

Below is a summary of key funding sources by program area and source, comparing DCAS' Fiscal 2020 Executive Budget to its Fiscal 2019 Adopted Budget.

### Changes by Funding Source

- **City Tax-levy Funding.** The Fiscal 2020 Executive Budget increases DCAS' City funding by \$27.6 million when compared to its Fiscal 2019 Adopted Budget, primarily due to new needs for energy management initiatives, discussed in the following section of this report.
- **State Funding.** The Fiscal 2020 Executive Budget increases DCAS' State funding by \$4 million, as additional State funding has been allocated to DCAS' Asset Management – Public Facilities Division. This division provides overall facilities management, including maintenance and construction services for 55 public buildings, including court facilities. Of the \$59.6 million in State funding in Fiscal 2020, \$59.1 million is allocated to court facilities.
- **Intra-City Funding.** The Fiscal 2020 Executive Budget increased DCAS' Intra-City funding by \$25.9 million, primarily due to an increase of \$18.6 million in the City's Heat, Light and Power Budget since its Fiscal 2019 Adopted Budget.

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<sup>1</sup> Information taken from the Fiscal 2020 Mayor's Message Report.

<sup>2</sup> Units of Appropriation are the subdivisions of the City Expense Budget that the City Council votes upon.

## New in the Executive Budget

### New Needs

The Department of Citywide Administrative Services' Fiscal 2020 Executive Plan introduces new needs of \$63 million in Fiscal 2020, \$87.7 million in Fiscal 2021, \$100 million in Fiscal 2022, and \$91.6 million in Fiscal 2023.

- **Energy Management Initiatives.** The Fiscal 2020 Executive Plan adds \$59.3 million in Fiscal 2020, \$86.3 million in Fiscal 2021, \$98.6 million in Fiscal 2022, and \$90.2 million in Fiscal 2023 for energy management initiatives, and adds 34 positions in Fiscal 2020 and baselines 74 positions in the outyears. This includes augmented funding and staff to support existing mandates regarding Greenhouse Gas Emissions reduction targets in DCAS managed buildings, and resources to support the NYC Green New Deal. The Green New Deal is a \$14 billion effort to reduce greenhouse gas emissions by 80 percent by 2050. It would require large existing buildings of 25,000 square feet or more to lower their energy uses and emissions. The new positions will be focused on enabling the delivery of energy efficiency retrofit projects at DCAS partner agencies. In particular, the new staff will perform strategic planning with partner agencies, help scope and deliver large volumes of expense and capital funded projects, and help pursue available incentives for project delivery. Additionally, the new funding includes the conversion of three Energy Management staff that were funded through Inter-Fund Agreements (IFA) to City funds, as they are no longer performing work directly overseeing DCAS capital projects and hence not eligible for IFA reimbursement. DCAS' Energy Program includes \$3.1 billion for Energy Efficiency capital projects in the Department's Fiscal 2020 Executive Ten-Year Capital Strategy.
- **Census Staffing.** The Fiscal 2020 Executive Plan introduces baselined new needs of \$490,000 beginning in Fiscal 2020 for the 2020 Census, and baselines five positions. The new positions will be responsible for engaging New Yorkers in the 2020 Census and driving turnout numbers. The 2020 Census will be led by Deputy Mayor Thompson and Julie Menin, the Director of the Office of the Census.
- **IT Upgrades.** The Fiscal 2020 Executive Plan includes new needs of \$3.1 million in Fiscal 2020 and baselines \$852,249 beginning in Fiscal 2021 for information technology (IT) upgrades across multiple systems that are not eligible for Capital funding. This includes upgrades for the Learning Management System, the Real Estate Management System, the Civil Service System, and migration of end-of-life software for Exams mailings to a new platform, among other IT systems.
- **Language Access Services.** The Fiscal 2020 Executive Plan includes new needs of \$64,000 in Fiscal 2020 and baselines \$42,000 beginning in Fiscal 2021 to build upon existing language access capacity and covers incremental costs to provide translation services for other agencies. Language access services are offered in at least the top ten citywide languages, as per Local Law 30, and includes Spanish, Chinese, Russian, Bengali, Haitian Creole, Korean, Arabic, Urdu, French, and Polish. Additional languages are offered as needed based on assessments of service population.
- **WEX Gas.** An additional \$35,000 was added to DCAS' Fiscal 2020 budget for the WEX Gas card program, which agencies use to fill up City vehicles with gasoline.

## Other Adjustments

The Fiscal 2020 Executive Plan includes Other Adjustments of \$35 million in Fiscal 2019 and \$107,447 in Fiscal 2020, which include the following.

- **Collective Bargaining.** The Fiscal 2020 Executive Plan includes \$86,060 in Fiscal 2019, \$185,395 in Fiscal 2020, and baselines \$204,664 in Fiscal 2021 for collective bargaining purposes at DCAS. This funding has been allocated to settle collective bargaining issues with carpenters, electrical inspectors, and DC37 Local 924 and Local 621 workers.
- **Energy Load Management.** The Fiscal 2020 Executive Plan includes a reduction of \$1.3 million in Fiscal 2020, and a baselined reduction of \$197,172 in the outyears. This is a combination of two adjustments, including a decrease in the Heat, Light and Power budget by \$1.3 million, and additional staffing needed for the energy savings initiative. DCAS is projecting savings of \$1.3 million in Fiscal 2020 as a result of implementing the Energy Load Management initiative across multiple agencies. These savings result from analyses of agency operations in which DCAS is determining which operations can be deferred from occurring during Peak-Load time to an off-Peak period, hence resulting in a reduction to energy costs. At the same time, however, eight positions are added in Fiscal 2020 at a cost of \$566,872, which are required to implement this savings initiative. The staff performs the outreach to agencies to engage them in this effort and analyze the operations at the respective agency to perform the energy usage analysis.
- **Enhanced Space Management – Recognition of Projected Savings.** The Fiscal 2020 Executive Plan includes projected savings of \$5 million in Fiscal 2020. The Space Management Program is an initiative that was launched by the Department in the Fiscal 2018 Preliminary and Executive Budgets. The program, which is managed by the DCAS Division of Asset Management, establishes a more thorough review process of all City agencies' present and future space requests, with the aim of using the spaces the City owns and rents in a more efficient and less costly manner. The savings of \$5 million in Fiscal 2020 is a budgetary placeholder. As these savings are realized, this placeholder will be backfilled and allocated to those agencies that have achieved space management savings.
- **Lease Auditing – Recognition of Projected Savings.** The Fiscal 2020 Executive Plan includes projected savings of \$2.9 million for Fiscal 2020. DCAS' Real Estate Services (RES) has conducted lease audits that resulted in recoupments that were previously reflected as cost avoidance.
- **Reverse Auctions – Recognition of Projected Savings.** Additional funding of \$5 million in Fiscal 2019 and a reduction of \$10 million in Fiscal 2020 were included in DCAS' budget from the Reverse Auctions Citywide Savings Initiatives. This initiative, first introduced in the Fiscal 2018 Preliminary Citywide Savings Program, aims to generate savings by allowing vendors to enter an auction process to bid for City procurement contracts and bulk sales. The Office of Management and Budget (OMB) stated that reverse auctions shall take place beginning in Fiscal 2020, given its slow rollout process in Fiscal 2019 due to on-going legal discussions with NY State, and will be conducted through the Procurement Access Sourcing Solutions Portal (PASSPort).

- **Citywide Heat, Light and Power.** The Fiscal 2020 Executive Plan increases the Citywide Heat, Light and Power Budget by \$14.2 million in Fiscal 2019 and \$13.8 million in Fiscal 2020. The growth in the Heat, Light and Power Budget of \$14.2 million in Fiscal 2019 takes into account rising energy rates and other costs that were partially offset by reduced energy usage. The growth in the Fiscal 2020 Heat, Light and Power Budget takes into account higher rates and the expansion of facility space that requires heating and electricity, also partially offset by anticipated energy efficiency gains in existing City space.
- **Recognition of other Citywide Savings Projections.** The Fiscal 2020 Executive Plan introduces budgetary reduction of \$2.3 million in Fiscal 2020 and \$1.1 million in Fiscal 2021 from the recognition of multiple citywide savings initiatives that are not included in DCAS' Citywide Savings portfolio. These reductions include savings that were projected in the overall Citywide Savings Program, and are now being partially recognized in DCAS' budget, alongside recognitions in other agencies' budgets. Reductions in DCAS' Fiscal 2020 budget include fleet fuel savings from the increased use of electric vehicles, reduced overtime outlays from the increased enforcement of overtime caps, the Energy Load Management Citywide Initiative, and work from the Department of Information Technology and Telecommunications (DoITT) to reduce the costs of citywide phone plans.
- **Lease Adjustment.** The Fiscal 2020 Executive Plan includes a lease adjustment of \$4.7 million in Fiscal 2020 and \$4 million in the outyears. This is a lease adjustment to DCAS' lease budget, covering anticipated increases associated with operating costs and rents at different Citywide facilities, including the Board of Elections and the Campaign Finance Board at 100 Church Street.
- **Lease Transfer.** The Fiscal 2020 Executive Plan includes a lease transfer of \$1.1 million in Fiscal 2020 and \$513,371 in Fiscal 2021, as the Department of Youth and Community Development (DYCD) is vacating a lease at 161 William Street. The lease is set to expire in Fiscal 2021, and DCAS will manage the lease and issue rent payments beginning in Fiscal 2020. DCAS will then determine the utilization of this space by identifying agencies in need of a short-term lease.

### Citywide Savings

In the Fiscal 2020 Executive Plan, DCAS claimed Citywide Savings of \$4.9 million in Fiscal 2019, \$2.2 million in Fiscal 2020, and baselined savings of \$1.2 million beginning in Fiscal 2021. They include the following.

- **Heat, Light and Power Savings.** The Department will realize baselined savings of \$780,000 beginning in Fiscal 2020 through energy efficiency projects across the agency.
- **Hiring Freeze Savings.** DCAS will realize savings of \$395,000 in Fiscal 2020 and \$431,000 in Fiscal 2021 by permanently eliminating six vacant positions across the agency.
- **Sale of Automotive Vehicles Revenue.** DCAS will realize additional revenue of \$1 million in Fiscal 2020 from the sale of relinquished city-owned vehicles.
- **OTPS Re-estimate.** DCAS will realize savings of \$1.8 million in Fiscal 2019 through general re-estimates of OTPS expenses from several divisions across the agency, including Facilities Management, Construction and Technical Services, and Human Capital.

- **PS Savings.** The Department will realize savings of \$68,000 in Fiscal 2019 through delays in filling vacant positions at the Board of Standards and Appeals.
- **UDC Excess Revenue.** The Department will realize additional revenue of \$3 million from rent revenue from the lease with the Urban Development Corporation (UDC).

### **Fiscal 2020 Preliminary Budget Response**

The Council's response to the Mayor's Fiscal 2020 Preliminary Budget included numerous recommendations to DCAS. The following are proposals that were funded/partially funded in the Fiscal 2020 Executive Budget.

- **Hiring Freeze Savings.** In the Preliminary Budget Response, the Council called on the Administration to implement a partial hiring freeze of 50 positions within the Department's Asset Management Division in order to generate PS savings. In light of this proposal, DCAS will realize savings of \$395,000 in Fiscal 2020 and \$431,000 in Fiscal 2021 by permanently eliminating six vacant positions across the Agency. The Council believes that there is additional room for savings through the elimination of vacant positions within the Department's budget.
- **Reduce the City Fleet.** In the Preliminary Budget Response, the Council called on the Administration to expand the savings initiative to reduce the City's fleet of vehicles in order to realize savings of \$5 million in Fiscal 2020. As such, as part of the Fiscal 2020 Executive Plan, the Citywide Savings Program includes savings of \$13.9 million in Fiscal 2020 and \$8.1 million in Fiscal 2021 as DCAS and the Office of Management and Budget (OMB) set fleet usage targets for all city agencies using telematics, mapping, and analytics for all City on-road fleet units to ensure that the City achieves an optimal vehicle fleet size.

However, there are other items that the Council called for in the Fiscal 2020 Preliminary Budget Response that have not been addressed in the Fiscal 2020 Executive Budget, as it pertains to DCAS.

- **Private Security Guard Reimbursement.** Local Law 2 of 2016 stipulates that up to \$19.8 million be allocated annually to finance the Non-Public Security Guards Program. The Fiscal 2019 budget includes \$14 million for private school security reimbursements, which is \$5 million less than the maximum amount that can be legally spent on this program, despite the fact that several participating schools have noted that they do not receive sufficient funding to meet their security needs. In the Preliminary Budget Response, the Council expected the Administration to restore the \$19.8 million needed for costs related to private school security in the financial plan. As of the release of the Fiscal 2020 Executive Budget, the Administration has not yet allocated any additional funding for private school security for Fiscal 2020. Funding for private security guards has usually been added in the Executive Budget on a one-time basis, but it has not yet been reflected in the Fiscal 2020 Budget, as OMB is still evaluating the cost of the program for the current fiscal year. OMB stated it will add the necessary amount to finance the program in the Adopted Budget.
- **Include the Progress of 80x50.** 80x50 is an ambitious project that strives to reduce NYC's greenhouse gas emissions by at least 80 percent by 2050, relative to 2005 levels. Towards that goal, the City has committed to a number of subprograms to aid in the progress of

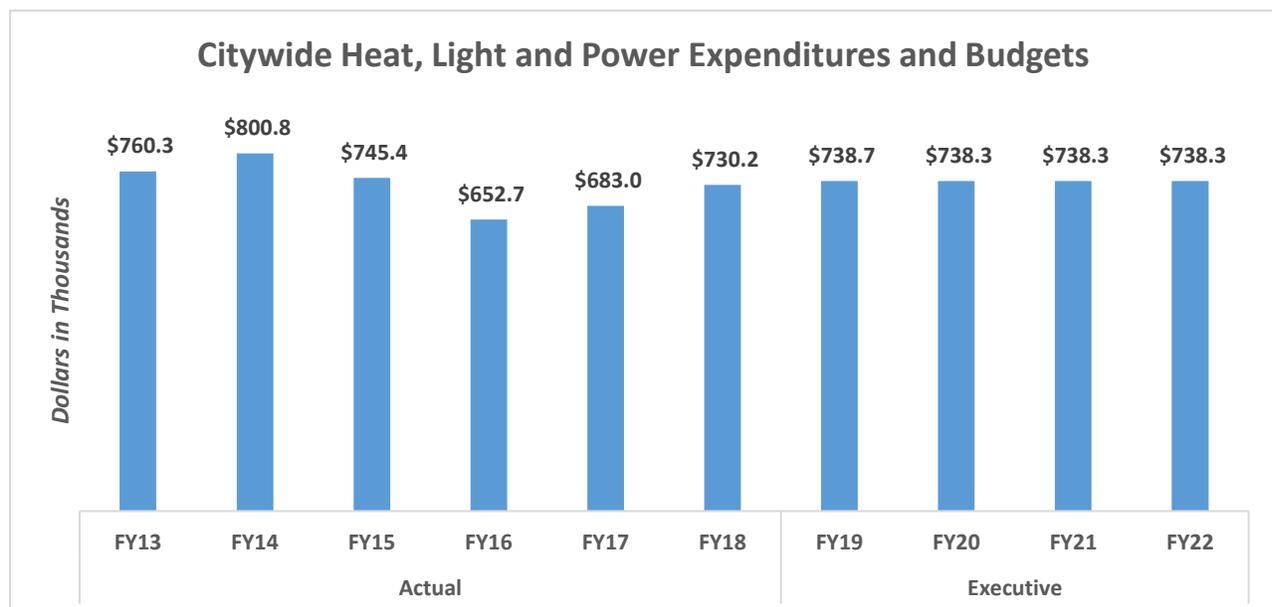
larger 80x50 target, such as One City, Built to Last, NYC Clean Fleet, and Zero Waste. In the Preliminary Budget Response, the Council called on the Administration to include a section in the Mayor’s Management Report or Preliminary Mayor’s Management Report (MMR/PMMR) that would track the progress of 80x50, as well as subprograms tied to the 80x50 goal.

- Reduce day-to-day Energy Use.** Through the Demand Response Program, and Load Management Programs, the Department works with agencies to lower their energy consumption on a day-to-day basis. These programs help control the growth of the Heat, Light and Power Budget. In the Preliminary Budget Response, the Council called on the Department to intensify the program and set a five percent reduction target to lower energy spending, in order to realize savings of \$35 million in Fiscal 2020. This was not reflected in the Executive Plan, and the city’s Heat, Light and Power budget increased by \$13.8 million in Fiscal 2020.

**Citywide Heat, Light and Power**

Budgeted at \$738.3 million for Fiscal 2020, the Citywide Heat, Light and Power (HLP) Budget makes up approximately 58 percent of DCAS’ Fiscal 2020 Executive Budget. HLP expenditures represent all City agencies’ (and some non-City agencies’) spending on electricity, natural gas heating, and steam heating. DCAS pays the collective City HLP bill, and is compensated primarily through intra-city transfer from those agencies. DCAS also pays for the Health and Hospitals (H+H) Corporation’s HLP expenses, although these transfer from H+H are considered other categorical funds, as H+H is technically not a City agency. City funding of the HLP bill primarily represents DCAS’ paying of its own HLP expenses.

Since the Fiscal 2020 Preliminary Plan, the Citywide Heat, Light and Power budget has grown by \$13.8 million in Fiscal 2019 and \$13.4 million in Fiscal 2020. The increase in budgeted Heat, Light and Power expenditures for Fiscal 2019 and Fiscal 2020 represents increased energy rates and additional growth in the amount of City space that requires heating and electricity, despite being partially offset by improved energy efficiency in existing City properties.



### **Miscellaneous Revenue**

DCAS' projected miscellaneous revenue streams for Fiscal 2019 total \$81 million and \$65.4 million for Fiscal 2020. When compared to the projected miscellaneous revenue streams set forth in DCAS' Fiscal 2019 Adopted Budget, projected commercial rent revenue for Fiscal 2019 increased by \$12.5 million to \$55.6 million. Additionally, projected revenue from salvaging auto parts and equipment stayed the same in Fiscal 2019, but decreased by \$1.8 million for Fiscal 2020, to \$10 million. For additional information on DCAS' miscellaneous revenue streams, please refer to Appendix 2.

### **Contracts**

DCAS' Fiscal 2020 Contract Budget totals \$65.3 million, an increase of \$1.5 million when compared to the Department's Fiscal 2020 Preliminary Contract Budget. This increase is mainly attributed to an increase of \$2.5 million in contracted amounts for professional computer services at DCAS. It should also be noted DCAS has added eight contracts since the Department's Fiscal 2020 Preliminary Plan, bringing total contracts to 138. This increase comes from additional contracts for general maintenance and repair and other professional services for the Department. For additional information on DCAS' Fiscal 2020 Executive Contract Budget, please refer to Appendix 3.

## **Capital Program**

### **Ten-Year Capital Strategy for Fiscal 2019 – 2029**

On April 13, 2019, the Administration released the Ten-Year Capital Strategy for Fiscal 2019 – 2029 (the Ten-Year Strategy), the Executive Capital Commitment Plan for Fiscal 2019 – 2023 (the Commitment Plan) and the Fiscal 2020 Executive Capital Budget (the Capital Budget).

The City's Ten-Year Strategy totals \$116.9 billion, which is \$27.5 billion larger than the \$89.6 billion Fiscal 2018 – 2028 Ten-Year Strategy. DCAS' Ten-Year Strategy totals \$7.1 billion, equivalent to approximately six percent of the City's total strategy. DCAS' Ten-Year Strategy is broken out into four separate project categories, which include Public Buildings, Energy Efficiency, Real Property, and Resiliency.

As outlined in the Council's Fiscal 2020 Preliminary Budget Response, the Fiscal 2020 – 2029 Preliminary Ten-Year Strategy presented by the Administration was not true to its name, and many of the Ten-Year Capital Strategy categories have a dramatic decline in planned spending, or no spending, in the second half of the plan. The Ten-Year Capital Strategy presented as part of the Fiscal 2020 Executive Budget still fails to address planning in the outyears for many city agencies, including DCAS. Each agency's Ten-Year Strategy is broken down into Ten-Year Plan categories which describe the general type of capital work being done therein. The chart below shows how DCAS' Ten-Year Strategy is distributed among these categories.



**Energy Efficiency.** The Executive Ten-Year Capital Strategy includes \$3.1 billion for energy efficiency measures and building retrofits, including \$70.7 million for the Accelerated Conservation and Efficiency (ACE) Program, \$37.9 million to comply with Local Law 87 for deep retrofits, \$79 million for the installation of solar panels at numerous citywide facilities, and \$2.9 billion for other energy efficiency upgrades citywide. This is part of the One City, Built to Last Initiative, which plans to achieve an 80 percent reduction in green house gase emissions from 2005 levels by 2050.

**Citywide Agency Resiliency.** The Executive Ten-Year Capital Strategy includes \$2.2 billion for Citywide agency resiliency and waterfront rehabilitation. Specifically, the Ten-Year Capital Strategy includes \$1.8 billion to fund resiliency measures, and \$376.4 million to fund flood protection measures and waterfront maintenance. Funding provided for flood protection includes \$136 million for resiliency measures to protect Battery Park, \$80.6 million to construct additional bulkheads, revetments, and living shorelines to protect against the rising sea level through the Raised Shorelines Program, and \$100 million to protect the Red Hook neighborhood from coastal flooding and projected rising sea level through the construction of an integrated flood protection system.

An additional \$376.4 million will fund flood protection measures and waterfront maintenance. Specifically, \$108.6 million will fund the rehabilitation of the substructure at Pier 36, and \$90.4 million will fund the rehabilitation of the substructure of Harlem River Park between 132<sup>nd</sup> Street to 135<sup>th</sup> Street.

**Legal Mandates and Correction of Unsafe Conditions.** The Executive Ten-Year Strategy includes \$621.3 million for legal mandates, including \$363.1 million to comply with Local Law 5 regarding the installation of fire/life safety upgrades, \$51.2 million for façade upgrades to comply with Local Law 11, and \$139.6 million for fuel tank replacements and remediation.

**Reconstruction and Rehabilitation of Public Buildings.** The Executive Ten-Year Strategy includes \$549.4 million for reconstruction and rehabilitation of public buildings, including \$119.9 million for 345 Adams in Brooklyn, \$68.3 million for the Manhattan Municipal Building, and \$32.7 million for 1932 Arthur Avenue in The Bronx, among other projects.

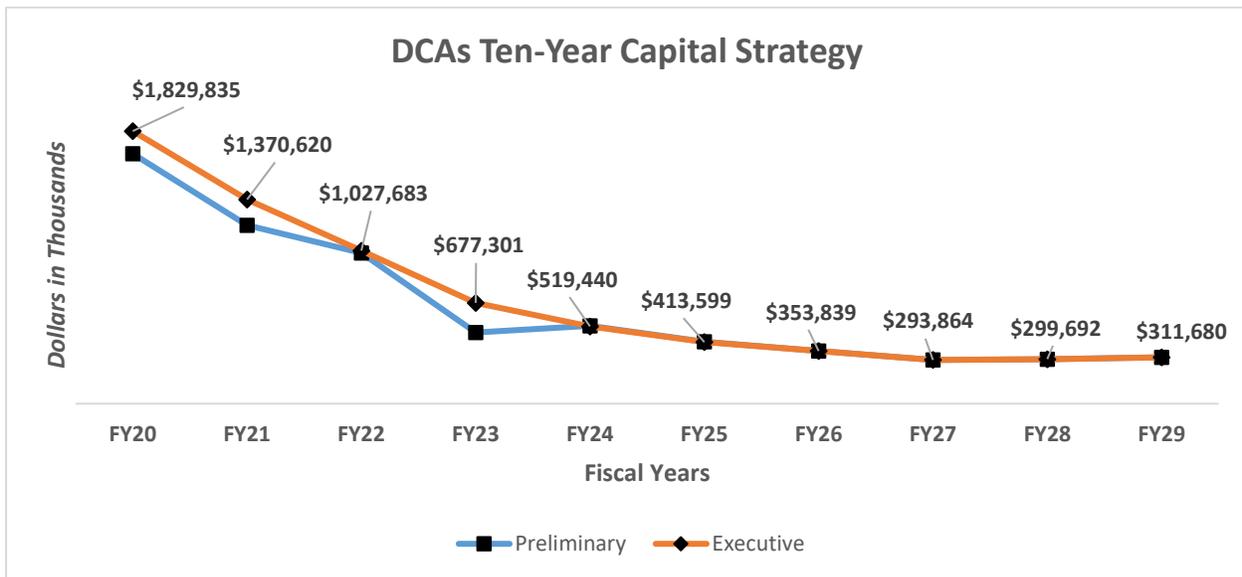
**Renovation of Lease Space.** The Executive Ten-Year Strategy includes \$317.2 million for the renovation of lease space, including \$85 million for the expansion of leased space for the Department of Emergency Management in Brooklyn, \$16.2 million for the renovation of the Department of Finance Queens Business Center, and \$14.2 million for infrastructure upgrades for the Department of Information Technology and Telecommunications leased facility at 11 MetroTech Center.

**Equipment and Interagency Services.** The Executive Ten-Year Strategy includes \$138.9 million for equipment and interagency services, including \$12.2 million for the development of a municipal supplies Inventory Management System, and \$10.8 million for the installation of charging stations for electric vehicles citywide.

**Miscellaneous Construction.** The Executive Ten-Year Strategy includes \$75.4 million for construction of non-City owned facilities and properties.

**Rehabilitation of Real Property.** The Executive Ten-Year Strategy includes \$52.9 million for capital funding for the rehabilitation of real property, the majority of which are DCAS-managed waterfront properties.

**Other DCAS Projects.** The Executive Ten-Year Strategy includes \$34.9 million for other DCAS managed projects, including \$1.4 million for communications equipment, and \$1.4 million for the rehabilitation of court buildings.

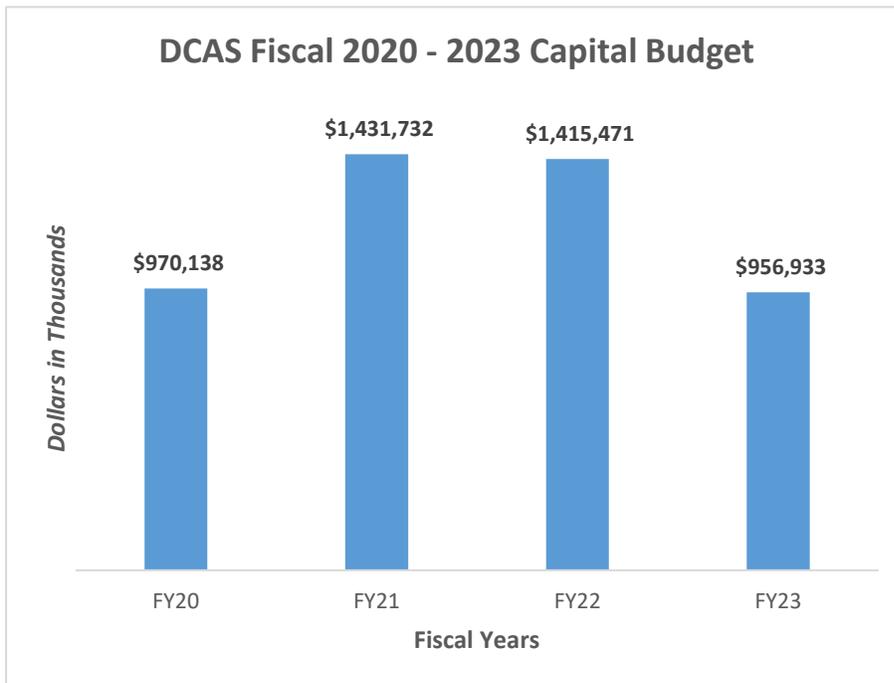


DCAS’ Fiscal 2020 Executive Ten-Year Strategy totals \$7.1 billion, an increase of \$522.1 million since its Fiscal 2020 Preliminary Ten-Year Strategy. The increase in funding is primarily associated with a combination of rollover funds from Fiscal 2019 and new capital projects. DCAS’ Executive Ten-Year Strategy does not include funding for the current fiscal year, which totals 517.4 million. In the Ten-Year Strategy, Fiscal Years 2020 – 2023 see an increase in capital funding when compared to its Fiscal 2020 Preliminary Ten-Year Strategy. In line with the Mayor’s recent announcement of the NYC Green New Deal, these increases are primarily for capital projects pertaining to energy efficiency. Capital funding for energy efficiency increased by \$261.5 million in Fiscal 2020, \$273.9 million in Fiscal 2021, and \$180.1 million in Fiscal 2022. These projects include expanded solar power on City rooftops; cogeneration heat and power systems; deep

retrofits to comply with local laws; and the installation of efficiency lighting fixtures expected to both generate savings and reduce Green House Gas emissions. Unfortunately, DCAS’ Fiscal 2020 Executive Ten-Year Strategy does not present a significant increase in the inclusion of realistic capital spending targets for the outyears, as these targets remain the same as in the Fiscal 2020 Preliminary Ten-Year Strategy from Fiscal 2025 – 2029.

**Fiscal 2020 Executive Capital Budget and Commitment Plan for Fiscal 2019 – 2023**

The Capital Budget provides the estimated need for new appropriations for Fiscal 2020 along with projections 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 Commitment Plan, which is a five-year spending plan, is the plan to spend those appropriations. The Capital Budget is less than the Capital Commitment Plan because it does not include the current appropriations for Fiscal 2019 or the amount of funding that may be re-appropriated or rolled into Fiscal 2020 at budget adoption. This section will provide an overview of the Capital Budget and the Capital Commitment Plan for DCAS.

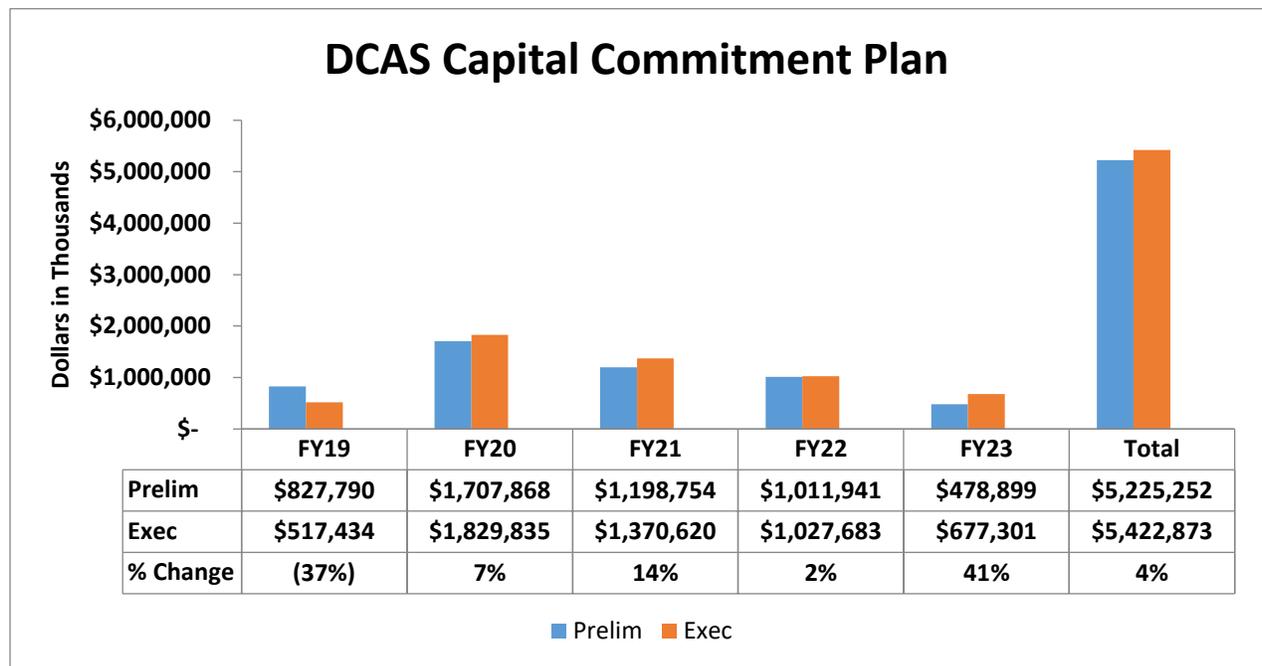


DCAS’ Fiscal 2020 Executive Capital Budget includes \$4.7 billion between Fiscal 2020 – 2023, with \$970.1 million in Fiscal 2020.<sup>3</sup> This represents approximately 8 percent of the City’s total \$56.5 billion Capital Budget for Fiscal 2020 – 2023. The Executive Capital Budget does not include any additional changes that will be made prior to Adoption, which will increase the City’s overall Capital Budget.

**DCAS Capital Commitment Plan**

The Department’s Executive Capital Commitment Plan includes \$5.4 billion in Fiscal 2019 – 2023. This represents approximately six percent of the City’s total \$86.2 billion Executive Commitment Plan. The following section will provide an overview of the Commitment Plan for DCAS.

<sup>3</sup> The Capital Budget provides the required appropriations for Fiscal 2020 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 Fiscal 2020 Executive Capital Commitment Plan is approximately \$197.6 million higher than the \$5.2 billion scheduled in the Fiscal 2020 Preliminary Capital Commitment Plan. In the Plan, funding for Fiscal 2019 decreases by \$310.4 million, as funding has been rolled into the outyears, mainly Fiscal 2020 – 2023, to reflect more accurate timelines and finance new capital projects. The following is a list of projects currently funded in the Department’s Fiscal 2020 Capital Commitment Plan.

- East Side Coastal Resiliency.** The Capital Commitment Plan includes \$1.2 billion for the East Side Coastal Resiliency Project, representing approximately 23 percent of DCAS’ entire commitment plan. This project is designed to improve the resiliency of the area between Montgomery Street and 23<sup>rd</sup> Street on the Lower East Side of Manhattam against storm and flood damage.
- Lower Manhattan Two Bridges Special Initiative for Rebuilding and Resiliency (SIRR).** The Commitment Plan includes \$194.9 million for the Lower Manhattan Two Bridges SIRR projects. The SIRR was formed in December 2012 to address resiliency issues in the aftermath of Hurricane Sandy, and outlined several recommendations for infrastructure improvements in communities most vulnerable to future storms.
- TLC New Office Facility.** The Commitment Plan includes \$71.1 million for a new office facility for the Taxi and Limousine Commission (TLC) at 24-55 BQE West in Woodside, Queens.
- 345 Adams Street.** The Commitment Plan includes \$119.9 million towards projects at 345 Adams Street, in Downtown Brooklyn. This is a City-owned building that houses the offices of the Department of Finance, the Department of Probation, the Board of Elections, and the Administration for Children’s Services, among other agencies.
- Computerized Testing and Applications Center.** The Commitment Plan includes \$32.2 million for upgrades for the Computerized Testing and Applications Center (CTAC) in the Bronx. DCAS began operating the CTAC in the Bronx in December 2018, and now has 40

testing centers available to civil services candidates in all five boroughs. The opening of the CTAC in the Bronx has removed a barrier for Bronx residents, and expands upon access to stable, long-term employment opportunities in NYC government through the civil service system.

- **930 Flushing Avenue.** The Commitment Plan includes \$60 million for the expansion of leased space at 930 Flushing Avenue in Bushwick, Brooklyn. The building is rented out for the Office of Emergency Management.

The following is a list of major new projects added in the Department's Fiscal 2020 Executive Capital Budget, which were financed through new funding and funding that was rolled from Fiscal 2019.

- **1 Center Street – 25<sup>th</sup> Floor Buildout Phase 1 South.** The Commitment Plan includes \$4.7 million for the first phase build-out of approximately 9,000 square feet of office space on the south side of the 25<sup>th</sup> floor of 1 Center Street. This space will be used as an office surge site and will accommodate short-term needs, such as Mayoral initiatives and temporary space for agencies' increased headcount while permanent space is secured.
- **1 Center Street – 25<sup>th</sup> Floor Buildout Phase 2 North.** The Commitment Plan includes \$9.5 million for the second phase build-out of approximately 17,000 square feet of office space on the north side of the 25<sup>th</sup> floor of 1 Center Street.
- **345 Adams Street Restack.** The Commitment Plan includes \$19.6 million for the on-going 345 Adams Street capital project mentioned earlier. This additional funding will also cover construction contingencies, construction management costs, and additional design fees.
- **Rooftop Solar Photovoltaic Panels.** The Commitment Plan includes \$20 million to provide five megawatts of solar photovoltaic panels to approximately 24 schools across the City. However, DCAS stated that the sites have yet to be chosen, and once they are, installation of the solar panels shall commence.

## Appendix 1: Fiscal 2020 Budget Actions since Fiscal 2019 Adoption

<i>Dollars in Thousands</i>	Fiscal 2019			Fiscal 2020		
	City	Non-City	Total	City	Non-City	Total
<b>DCAS Budget as of the Fiscal 2019 Adopted Budget</b>	<b>\$306,258</b>	<b>\$892,108</b>	<b>\$1,198,366</b>	<b>\$290,720</b>	<b>\$892,964</b>	<b>\$1,183,684</b>
<b>New Needs - Prelim Fiscal 2020</b>						
Board and Commissions Manager	\$30	-	\$30	\$60	-	\$60
Energy Management Initiatives	12,289	0	12,289	0	0	0
Fleet Initiatives	1,096	0	1,096	887	0	887
Languages Services Project Coordinator	30	0	30	61	0	61
<b>Subtotal, New Needs</b>	<b>\$13,445</b>	<b>-</b>	<b>\$13,445</b>	<b>\$1,008</b>	<b>-</b>	<b>\$1,008</b>
<b>Other Adjustments</b>						
Collective Bargaining	\$2,762	\$704	\$3,466	\$4,747	\$1,201	\$5,948
Fleet - WEX Gas Card Program	0	2,551	2,551	0	5	5
Fleet - Vehicle Parts	0	9,867	9,867	0	0	0
Fleet - Vehicle Maintenance	0	2,282	2,282	0	0	0
Fleet - State Electric Vehicle Grant	0	108	108	0	0	0
Fleet Administration Funding Transfer	(2,807)	0	(2,807)	0	0	0
Energy Management Adjustments	5,774	944	6,718	6	0	6
Asset Management - State Court Maint Funding	0	5,869	5,869	0	1,712	1,712
Lease Adjustments and Reestimates	5,838	0	5,838	0	0	0
Other City Adjustments	145	0	145	72	0	72
Other Non-City Adjustments	0	5,386	5,386	0	85	85
<b>Subtotal, Other Adjustments</b>	<b>\$11,712</b>	<b>\$27,711</b>	<b>\$39,423</b>	<b>\$4,825</b>	<b>\$3,003</b>	<b>\$7,828</b>
<b>Citywide Savings</b>						
Demand Response Rebate	-	-	-	(\$200)	-	(\$200)
Reimbursement for Annuity Payments	(300)	0	(300)	(300)	0	(300)
Reimbursement for Learning and Dev Staff	(340)	0	(340)	(340)	0	(340)
Reimbursement Overhead	(30)	0	(30)	(60)	0	(60)
Vacancy Reductions	0	0	0	(110)		(110)
Other Citywide Savings	(1,435)	0	(1,435)	(2,098)	0	(2,098)
<b>Subtotal, Citywide Savings</b>	<b>(\$2,105)</b>	<b>-</b>	<b>(\$2,105)</b>	<b>(\$3,108)</b>	<b>-</b>	<b>(\$3,108)</b>
<b>Total, All Changes</b>	<b>\$23,052</b>	<b>\$27,711</b>	<b>\$50,763</b>	<b>\$2,725</b>	<b>\$3,003</b>	<b>\$5,728</b>
<b>DCAS Budget as of the Fiscal 2020 Preliminary Plan</b>	<b>\$329,310</b>	<b>\$919,819</b>	<b>\$1,249,129</b>	<b>\$293,444</b>	<b>\$895,967</b>	<b>\$1,189,411</b>
<b>New Needs - Exec Fiscal 2020</b>						
Campaign Finance Board I/C	-	-	-	-	\$546	\$546
Census Staffing	0	0	0	490	0	490
DCAS Intra-City Training	0	0	0	0	13	13
Energy Management Initiatives	0	0	0	59,352	0	59,352
Intra-City with DCAS	0	0	0	0	(10)	(10)
IT Upgrades	0	0	0	3,064	0	3,064
Language Access Services	0	0	0	64	0	64
WEX Gas Intra-City with DCAS	0	0	0	35	0	35
<b>Subtotal New Needs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$63,005</b>	<b>\$549</b>	<b>\$63,554</b>

<i>Dollars in Thousands</i>	Fiscal 2019			Fiscal 2020		
	City	Non-City	Total	City	Non-City	Total
<b>Other Adjustments</b>						
Collective Bargaining	\$48	\$38	\$86	\$103	\$82	\$185
Energy Load Management	637	(462)	175	(768)	(462)	(1,230)
Lease Adjustments and Transfer	0	0	0	1,150	4,602	5,752
Heat, Light and Power	389	13,856	14,245	(2,616)	16,492	13,876
Lease Auditing	0	0	0	(2,900)	0	(2,900)
Enhanced Space Management	0	0	0	(5,000)	0	(5,000)
Reverse Auctions	5,000	0	5,000	(10,000)	0	(10,000)
Other City Adjustments	217	0	217	(1,534)	0	(1,534)
Other Non-City Adjustments	0	15,493	15,493	0	958	958
<b>Subtotal, Other Adjustments</b>	<b>\$6,291</b>	<b>\$28,925</b>	<b>\$35,216</b>	<b>(\$21,565)</b>	<b>\$21,672</b>	<b>\$107</b>
<b>Citywide Savings</b>						
Heat, Light and Power Savings	-	-	-	(\$780)	-	(\$780)
Hiring Freeze Savings	0	0	0	(395)	0	(395)
OTPS Re-estimate	(1,838)	0	(1,838)	0	0	0
PS Savings	(68)	0	(68)	0	0	0
Sale Automotive Vehicles Revenue	0	0	0	(1,000)		(1,000)
UDC Excess Revenue	(3,000)	0	(3,000)	0	0	0
<b>Subtotal, Other Adjustments</b>	<b>(\$4,906)</b>	<b>-</b>	<b>(\$4,906)</b>	<b>(\$2,175)</b>	<b>-</b>	<b>(\$2,175)</b>
<b>Total, All Changes</b>	<b>\$1,385</b>	<b>\$28,925</b>	<b>\$30,310</b>	<b>\$39,265</b>	<b>\$22,221</b>	<b>\$61,486</b>
<b>DCAS Budget as of the Fiscal 2020 Executive Plan</b>	<b>\$333,695</b>	<b>\$948,745</b>	<b>\$1,282,440</b>	<b>\$333,834</b>	<b>\$918,224</b>	<b>\$1,252,058</b>

*\*Continuation from previous page*

## Appendix 2: Fiscal 2020 Miscellaneous Revenue Streams

DCAS Miscellaneous Revenue - Fiscal 2020 Executive Budget					
DCAS Revenue Sources (Dollars in Thousands)	Actual		FY19 Adopted	Planned	
	2017	2018		2019	2020
In Rem Redemption Fees	\$3,395	\$1,800	\$1	\$1	\$1
Training Fees	0	0	30	30	30
BSA Filing Fees	1,628	1,302	1,696	1,696	1,696
Civil Service Exam Fees	7,923	6,324	4,760	4,760	3,760
Third Party Gas and Electric	3,548	3,802	3,800	3,800	3,800
Lease Audit Revenue	0	7	0	859	0
Commercial Rents	49,678	48,551	43,077	55,600	43,077
Mortgage Payment Non Inrem	504	364	450	450	450
Salvage (Autos, Equipment, & Other)	9,216	12,971	11,893	11,893	10,053
City Publishing Center	889	723	743	743	743
Bulletin, Pamphlet & Copy Sale	4	4	9	9	9
Claims for Damage to Vehicles	777	780	735	735	735
Procurement Card Rebates	2,394	2,953	2,093	469	1,093
All Other Miscellaneous Revenue	7	0	0	0	0
<b>Total</b>	<b>\$79,963</b>	<b>\$79,581</b>	<b>\$69,287</b>	<b>\$81,045</b>	<b>\$65,447</b>

## Appendix 3: DCAS Contract Budget as of Fiscal 2020 Executive Budget

DCAS Fiscal 2020 Executive Contract Budget						
Dollars in Thousands						
Category	Fiscal 2019 Adopted	# of Contracts	Fiscal 2020 Prelim	# of Contracts	Fiscal 2020 Exec	# of Contracts
Contractual Services General	\$20,007	11	\$16,579	10	\$16,671	10
Telecommunications Maintenance	1,850	5	37	5	37	5
Maint & Repair – Motor Vehicle Eqp	2,764	3	3,364	3	3,290	3
Maint & Repair – General	13,578	26	10,054	24	10,054	25
Office Equipment Maintenance	77	6	92	6	90	7
Data Processing Equipment	212	8	251	8	251	8
Printing Contracts	717	7	817	8	817	9
Security Services	33,589	9	20,243	9	19,243	9
Temporary Services	495	7	559	7	559	7
Cleaning Services	108	9	108	9	108	9
Transportation Expenditures	116	3	125	5	125	5
Training Program for City Employees	1,695	11	1,680	11	1,673	11
Maint & Operation of Infrastructure	4,418	2	4,418	2	4,418	2
Professional Svcs: Accounting & Auditing	1	1	1	1	1	1
Professional Svcs: Engineering & Architecture	1,000	1	957	1	957	1
Professional Svcs: Computer Services	3,274	8	2,236	8	4,773	9
Professional Svcs: Other	6,608	14	2,234	12	2,238	16
Bank Charges Public Assistance Account	21	1	21	1	21	1
<b>Total</b>	<b>\$90,530</b>	<b>132</b>	<b>\$63,776</b>	<b>130</b>	<b>\$65,326</b>	<b>138</b>