

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 2022 Executive Budget for the

Department of Sanitation

May 14, 2020

Finance Division

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Department of Sanitation Overview

This report presents a review of the Department of Sanitation's (DSNY or the Department) Fiscal 2022 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2021, followed by a review of the significant budget actions introduced in the Fiscal 2022 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of DSNY's Fiscal 2022 Executive Capital Budget, and Fiscal 2021-2025 Executive Capital Commitment Plan follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2021 and Fiscal 2022 Budgets since Adoption of the Fiscal 2021 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2022 Preliminary Budget Report for DSNY at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2021/03/827-DSNY.pdf>

Below is a summary of key funding changes by program area and source when comparing DSNY's Fiscal 2022 Executive Budget to its Fiscal 2021 Adopted Budget.

Table:1 Department of Sanitation Financial Plan Summary

<i>Dollars in Thousands</i>	FY19	FY20	FY21	Executive Plan		*Difference
	Actual	Actual	Adopted	FY21	FY22	FY21-FY22
Spending						
Personal Services	\$1,031,740	\$1,066,172	\$1,050,185	\$1,185,463	\$1,079,185	\$29,000
Other Than Personal Services	730,630	1,037,032	720,712	1,246,012	746,420	25,707
TOTAL	\$1,762,369	\$2,103,204	\$1,770,897	\$2,431,475	\$1,825,604	\$54,707
Personal Services						
Civilian Enforcement	\$5,191	\$4,498	\$5,746	\$5,276	\$5,276	(\$470)
Collection and Cleaning	794,259	803,196	796,659	835,233	831,645	34,985
Enforcement - General	15,649	15,335	16,175	16,018	16,199	25
Engineering	10,015	7,726	8,405	8,397	8,411	6
General Administration	142,186	486,544	142,447	684,745	134,564	(7,883)
Legal Services	4,069	4,081	3,903	3,903	3,904	1
Long Term Export	2,690	1,268	1,061	1,066	1,061	0
Public Information	2,663	2,242	2,386	2,386	2,386	0
Snow Removal	82,381	52,276	101,414	147,283	88,545	(12,869)
Solid Waste Transfer Stations	21,052	27,227	25,589	25,589	25,589	0
Support Operations - Motor Equipment	98,302	100,420	96,043	99,554	96,007	(37)
Support Operations- Building Management	31,957	34,242	31,387	34,421	31,516	129
Waste Disposal - General	18,506	15,376	18,108	18,357	18,766	658
Waste Disposal - Landfill Closure	61,781	60,006	62,312	57,987	43,980	(18,332)
Waste Export	409,772	430,017	420,661	443,961	448,161	27,500
Waste Prevention, Reuse, and Recycling	61,896	58,750	38,602	47,299	69,595	30,993
TOTAL	\$1,762,369	\$2,103,204	\$1,770,897	\$2,431,475	\$1,825,604	\$54,707
Funding						
City Funds			\$1,737,703	\$1,883,494	\$1,300,384	(\$437,319)
Other Categorical			750	1,053	750	0
Capital- IFA			5,702	5,687	5,710	8

Table:1 Department of Sanitation Financial Plan Summary

<i>Dollars in Thousands</i>	FY19	FY20	FY21	Executive Plan		*Difference
	Actual	Actual	Adopted	FY21	FY22	FY21-FY22
Federal - Community Development			0	593	0	0
Federal - Other			13,570	536,779	509,061	495,491
Intra City			13,171	3,868	9,699	(3,473)
TOTAL	\$1,762,369	\$2,103,204	\$1,770,897	\$2,431,475	\$1,825,604	\$54,707
Budgeted Headcount						
Full-Time Positions - Civilian	2,127	2,107	2,125	2,073	2,171	46
Full-Time Positions - Uniform	7,893	7,755	7,425	7,425	7,483	58
TOTAL	10,020	9,862	9,550	9,498	9,654	104

**The difference of Fiscal 2021 Adopted Budget compared to Fiscal 2022 Executive Budget.*

The Fiscal 2022 Executive Plan proposes \$1.83 billion for DSNY in Fiscal 2022, which represents an increase of \$54.7 million or three percent, when compared to the Fiscal 2021 Adopted Budget of \$1.77 billion. The year-over-year comparison reflects increased Fiscal 2022 funding for the following program areas: Collection and Street Cleaning, Waste Export, and Waste Prevention, Reuse and Recycling. For Fiscal 2022, Collection and Street Cleaning increased by \$35 million, from \$796.7 million to \$831.6 million; the Department's Waste Export budget increased by \$27.5 million, from \$420.7 million to \$448.2 million; and lastly, Waste Prevention, Reuse and Recycling increased by \$30.9 million, from \$38.6 million to \$69.6 million. These increases are partially offset by a decrease of \$18.6 million, from \$62.3 million to \$44 million for Waste Disposal – Landfill Closure costs.

Furthermore, the Department's Fiscal 2022 Executive Budget provides for 9,654 full-time positions, of which 7,483 are uniform and 2,171 are civilian. The increase in the Department's Fiscal 2022 headcount is primarily attributed to several new budget items included the Fiscal 2022 Executive Plan; details are discussed below.

New in the Executive Plan

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

New Needs

- **Commercial Waste Zones.** The Fiscal 2022 Executive Plan includes \$3.96 million in Fiscal 2022, decreasing to \$3.66 million in Fiscal 2025 for commercial waste zones. Funding will support 38 positions, as well as temporary staffing, consultants, information technology, outreach and marketing, and office supplies.
- **Organics Program.** The Fiscal 2022 Executive Plan includes \$30.5 million in Fiscal 2022 only for curbside organics collection, as well as Food Scrap Drop-Off sites (FSDOs). Of this funding, \$19 million will support curbside collection and FSDOs, \$7.5 million for collection in schools, and \$4 million for fall, leaf and yard collection.

This funding supports 15 civilian positions that will help implement the restoration and expansion of the organics programs including residential curbside, FSDOs, schools and institutions. This includes administrative support for the program, outreach, communications, logistics, vendor management and IT support. DSNY is utilizing uniform overtime to bring back the organics collection operation.

Due to last year's hiring freeze, the Department is way below its budgeted headcount. The Department will need time to obtain Sanitation Workers for the curbside organics collection. Finally, the Fiscal 2022 organics program is structured to have residents opt into curbside collection service, so the projected truck shift needs are lower than they would be for full curbside collection.

- **Precision Cleaning Initiative.** The Fiscal 2022 Executive Plan includes \$2.9 million in Fiscal 2022, decreasing to \$2.3 million in Fiscal 2025 for the Department's Precision Cleaning Initiative. The Precision Cleaning Initiative uses borough-based teams to conduct targeted cleanings of litter conditions, illegal dumping, and overflowing litter baskets. Teams will be dispatched based on DSNY field observations, 311 complaints and referrals from other City agencies and community groups.
- **Waste Export/Recycling Processing.** The Fiscal 2022 Executive Plan includes \$33 million in Fiscal 2022, growing to \$56.9 million in Fiscal 2025 for waste export and recycling processing. Funding reflects an estimate of DSNY's contractual obligation costs for metal, glass, plastic processing, as well as for waste export.
- **Special Waste Programs.** The Fiscal 2022 Executive Plan includes \$2.6 million in Fiscal 2022 for special waste programs. For Fiscal 2022, the Department will aim to have a special waste disposal pop-up event in each community board, as well re-open five special waste sites in each borough; sites will be open five days per month.
- **Information Technology Insourcing.** The Fiscal 2022 Executive Plan includes \$135,000 in Fiscal 2022 and in the outyears for information technology insourcing. Funding supports two information technology positions for work related to summonses programs.
- **Snow Removal.** The Fiscal 2022 Executive Plan includes \$43.7 million in Fiscal 2021 as DSNY re-aligned its spending forecast for snow removal.

Other Adjustments

- **Sunday Litter Basket Service.** The Fiscal 2022 Executive Plan includes \$4.6 million in Fiscal 2022 and in the outyears for Sunday litter basket service. DSNY is now baseline funded for 51 litter basket trucks every Sunday and holiday citywide.
- **Weekday Basket Service.** The Fiscal 2022 Executive Plan includes \$4.5 million in Fiscal 2022, decreasing to \$3.3 million in Fiscal 2025 for weekday basket service. DSNY is now baseline funded for 389 weekly litter basket trucks citywide.
- **Syringe Collection.** The Fiscal 2022 Executive Plan includes \$450,595 in Fiscal 2022, decreasing to \$333,463 in Fiscal 2025 for citywide syringe collection.
- **Stimulus Funding - General Programs.** The Fiscal 2022 Executive Plan includes \$509.1 million in federal funding for Fiscal 2022; funding was swapped with city-tax levy funding. Currently, DSNY is awaiting guidance from the City's Office of Management and Budget as how to how funding may be utilized, but it will likely support the Department's cleaning programs, as well as waste export.
- **Stimulus Funding - Emergency Food Program.** The Fiscal 2022 Executive Plan includes \$234.4 million in federal funding in Fiscal 2021 for emergency food. Of the \$234.4 million,

\$142.3 million is new federal funding and \$92.1 million is a funding swap in lieu of city-tax levy funding for emergency food.

- **Stimulus Funding - Personal Services.** The Fiscal 2022 Executive Plan includes \$56 million in federal funding in Fiscal 2021 for personal services; funding was swapped with city-tax levy funding.

Council Fiscal 2022 Budget Response Items

Several items included in the Council's Fiscal 2022 Budget Response are not funded as of the Fiscal 2022 Executive Plan, see below:

Table 2: Fiscal 2022 Budget Response

	Response Item	City Council Request	Executive Plan
Cleaning	Additional Litter Basket Collection	\$8,600,000	\$0
	Local Service Enhancements - Litter Basket Service	\$1,361,000	\$0
	Street Sweeping	\$2,017,000	\$0
	Rat Mitigation Zone Trash Collection	\$2,335,000	\$0
	Lot Cleaning	\$1,900,000	\$0
	Syringe Collection	\$279,000	\$451,000
	Highway Ramp Cleaning	\$864,000	\$0
	Brooklyn North Cleaning	\$1,200,000	\$0
	Cleaning Subtotal	\$18,556,000	\$451,000
Zero Waste	Expand Organic Drop-off sites	\$7,000,000	\$7,000,000
	New Compost Processing Facilities	\$3,500,000	\$0
	Multi-family building organics collection and processing pilot	\$2,000,000	*
	Zero Waste Schools & NYCHA Organics Pilot	\$1,000,000	\$1,000,000
	Composting in municipal agencies	\$1,000,000	*
	Feasibility study on mandatory citywide curbside composting	\$250,000	\$0
	E-Waste Collection	\$3,500,000	\$0
		Zero Waste Subtotal	\$18,250,000
	Keep in-house security at DSNY Facilities	\$3,985,000	\$3,985,000
	Fully Fund Commercial Waste Zone Program	\$4,000,000	\$3,962,608
	TOTAL	\$44,791,000	\$16,398,608

*Indicates that more information is needed as to what the funding level is for Fiscal 2022.

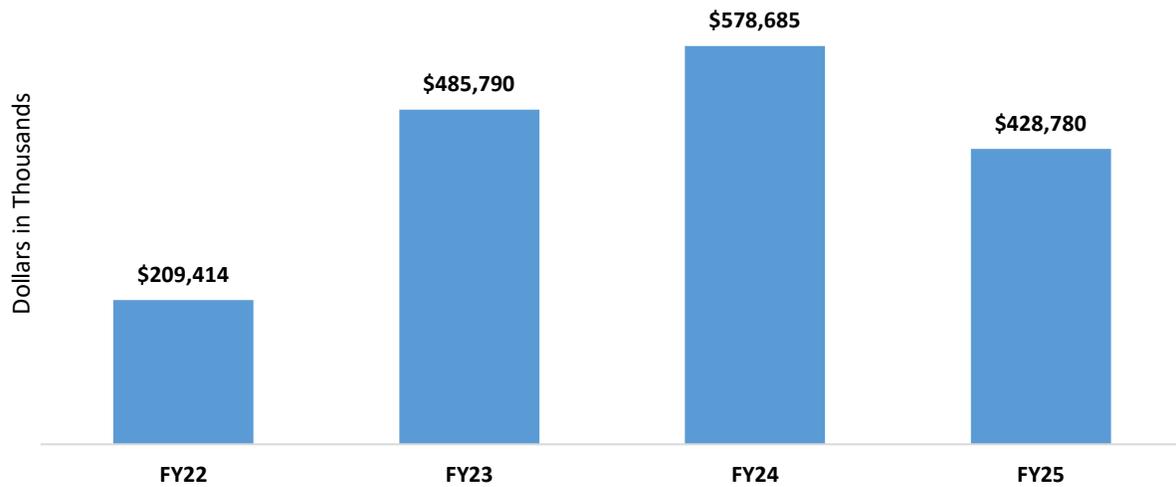
Capital Plan Overview

The following section will provide an overview of the Executive Capital Budget, Capital Commitment Plan, and the Ten-Year Capital Strategy 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.

Executive Capital Budget for Fiscal 2022-2025

The Capital Budget provides the required appropriations for Fiscal 2022 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 below, DSNY's Fiscal 2022 Executive Capital Budget includes \$1.7 billion in Fiscal 2022-2025.

Figure 1: Capital Budget for Fiscal 2022-2025

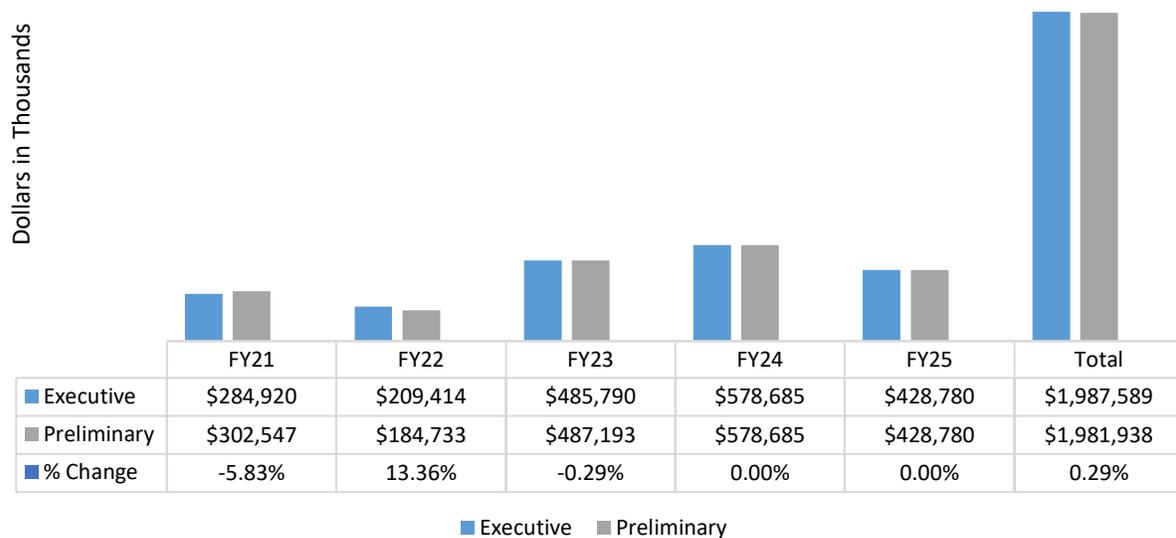


Executive Capital Commitment Plan for Fiscal 2021-2025

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 \$1.99 billion in Fiscal 2021-2025, with \$284.9 million in Fiscal 2021. This represents two percent of the City’s total \$93 billion Executive Capital Commitment Plan.

Figure 2: DSNY Commitment Plan



Fiscal 2022 Executive Capital Commitment Plan Highlights

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

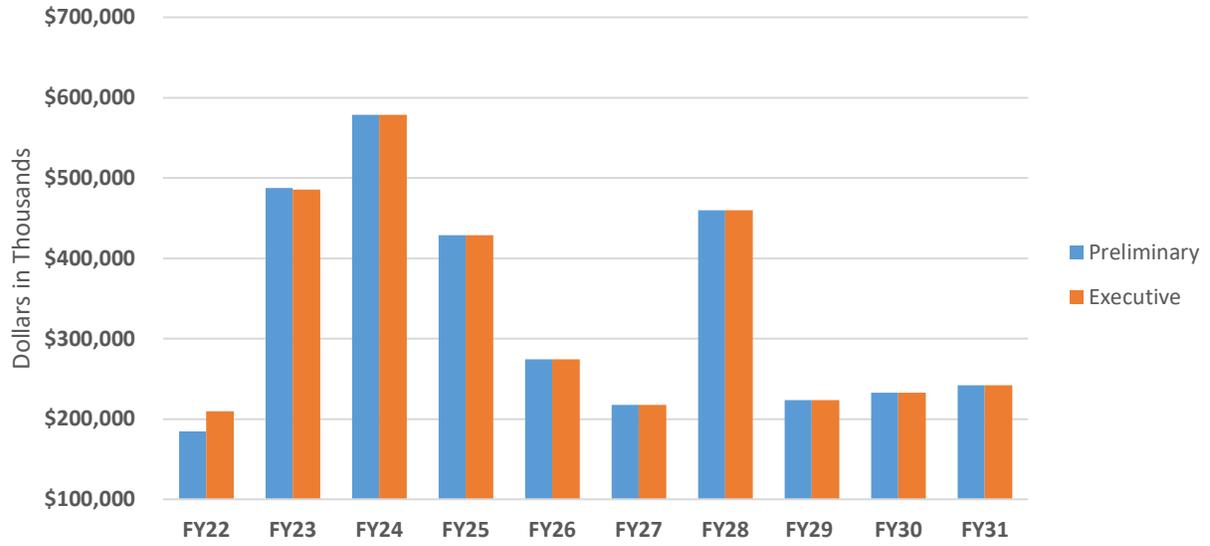
- **Vehicles.** The Executive Capital Commitment Plan includes \$45 million to procure of 100 rear loader collection trucks and 30 salt spreaders.
- **Bronx 9/10/11 Garage.** The Executive Capital Commitment Plan includes \$261 million for construction of the Bronx 9/10/11 garage.
- **Manhattan 6/6A/8 Garage.** The Executive Capital Commitment Plan includes \$200 million for design, construction management and construction of the Manhattan 6/6A/8 garage.
- **Staten Island 1/3 Garage.** The Executive Capital Commitment Plan includes \$125 million for construction of the Staten Island 1/3 garage.
- **Queens 1 Garage.** The Executive Capital Commitment Plan includes \$143 million for design, construction management and construction of the Queens 1 garage.
- **Bronx 12 Garage.** The Executive Capital Commitment Plan includes \$38 million for rehabilitation of the Bronx 12 garage.
- **Queens 11/13 Garage.** The Executive Capital Commitment Plan includes \$44 million for rehabilitation of the Queens 11/13 garage.
- **Bronx 6/6A Garage.** The Executive Capital Commitment Plan includes \$23 million for construction management and rehabilitation of the Bronx 6/6A garage.
- **Queens 8/10/12 Garage.** The Executive Capital Commitment Plan includes \$21 million for rehabilitation of the Queens 8/10/12 garage.

DSNY's Executive Commitment Plan contains seven more projects when compared to the Preliminary Commitment Plan, for a total of 154. 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 - \$17.6 million was re-appropriated from Fiscal 2021 to Fiscal 2022-2022 to more accurately reflect project timelines.

Ten-Year Capital Strategy Fiscal 2022-2031

The City's Ten-Year Capital Strategy totals \$133.7 billion (all funds), which is \$15 billion larger than the \$118.8 billion Fiscal 2022-2031 Preliminary Ten-Year Capital Strategy. DSNY's Ten-Year Capital Strategy totals \$3.4 billion, a \$23.3 million increase or less than one percent change from the Preliminary Ten-Year Capital Strategy of \$3.3 billion. The increase is primarily due to \$19 million added for Garages and facilities and \$4 million added for Information Technology & Communication.

Figure 3: Ten-Year Capital Strategy



Appendix 1: Fiscal 2022 Budget Actions since Fiscal 2021 Adoption

<i>Dollars in Thousands</i>	FY21			FY22		
	City	Non-City	Total	City	Non-City	Total
DSNY Budget as of the Fiscal 2021 Adopted Budget	\$1,737,703	\$33,194	\$1,770,897	\$1,758,174	\$19,625	\$1,777,799
New Needs - Prelim. 2021						
COVID-19 Cleaning	\$12,238	\$12,530	\$24,768	\$0	\$0	\$0
COVID-19 Emergency Food Program	113,000	0	113,000	0	0	0
Waste Export	14,000	0	14,000	0	0	0
Emergency Food Program	51,500	0	51,500	0	0	0
Subtotal, New Needs	\$190,738	\$12,530	\$203,268	\$0	\$0	\$0
Other Adjustments - Prelim. 2021						
Revenue CDL	\$0	\$2	\$2	\$0	\$4	\$4
Revenue Other	0	4	4	0	0	0
1st Quarter Revenue	0	123	123	0	0	0
Annuity Lump Sum	(2,178)	0	(2,178)	2,175	0	2,175
Citywide Discretionary Training Freeze	(10)	0	(10)	0	0	0
Citywide Wireless Services	0	0	0	(142)	0	(142)
COVID-19 Food Pantry Program	0	990	990	0	0	0
COVID-19 Emergency Food	0	165,200	165,200	0	0	0
Energy Personnel	0	185	185	0	0	0
Excel Projects	0	807	807	0	0	0
DSNY Fuel	0	15	15	0	0	0
Managerial and Furlough	(275)	(23)	(298)	0	0	0
Service Transfer	30	0	30	0	0	0
Vehicle Purchase Freeze	(268)	0	(268)	(3,512)	0	(3,512)
Emergency Food Program	0	21,717	21,717	0	0	0
DSNY Outdoor Employment	0	(3,794)	(3,794)	0	(3,794)	(3,794)
DSNY Outdoor - GD	0	143	143	0	143	143
DSNY Other TANF	0	177	177	0	177	177
Member Item Allocation	2,069	0	2,069	0	0	0
Subtotal, Other Adjustments	(\$632)	\$185,546	\$184,914	(\$1,479)	(\$3,470)	(\$4,949)
Savings - Prelim. 2021						
Hiring Freeze	(\$180)	\$0	(\$180)	(\$240)	\$0	(\$240)
Landfill Closure	(2,000)	0	(2,000)	0	0	0
Organics Program	0	0	0	(18,579)	0	(18,579)
Uniformed Salary Savings	0	0	0	(189)	0	(189)
Job Participant Hiring Savings	0	(5,617)	(5,617)	0	0	0
Hiring and Attrition Management	(1,027)	0	(1,027)	0	0	0
Landfill Care	(2,000)	0	(2,000)	(9,150)	0	(9,150)
Outsource Sunday and Holiday Security	0	0	0	(3,985)	0	(3,985)
Street Sweeping Reduction	0	0	0	(1,926)	0	(1,926)
Subtotal, Savings	(\$5,207)	(\$5,617)	(\$10,824)	(\$34,069)	\$0	(\$34,069)
TOTAL, All Changes - Prelim. 2021	\$184,899	\$192,459	\$377,358	(\$35,548)	(\$3,470)	(\$39,018)
DSNY Budget as of the Fiscal 2022 Preliminary Budget	\$1,922,603	\$225,653	\$2,148,256	\$1,722,630	\$16,151	\$1,738,781
New Needs - Exec. 2021						
Commercial Waste Zones	\$263	\$0	\$263	\$3,963	\$0	\$3,963
Information Technology Insourcing	0	0	0	135	0	135
Organics Program	0	0	0	30,485	0	30,485
Precision Cleaning Initiative	0	0	0	2879	0	2879
Snow Removal	43,661	0	43,661	(1,364)	0	(1,364)
Special Waste Programs	0	0	0	2,582	0	2,582
Waste Export & Recycling Processing	20,100	0	20,100	33,000	0	33,000
Subtotal, New Needs	\$64,024	\$0	\$64,024	\$71,680	\$0	\$71,680

<i>Dollars in Thousands</i>	FY21			FY22		
	City	Non-City	Total	City	Non-City	Total
Other Adjustments - Exec. 2021						
2nd Quarter Revenue	\$0	\$173	\$173	\$0	\$0	\$0
2nd Quarter Revenue Fuel	0	2	2	0	0	0
Adjustment for Sunday Litter Basket Service	0	0	0	(4,581)	0	(4,581)
Adjustment for Weekday Litter Basket Service	0	0	0	(4,480)	0	(4,480)
Stimulus Swap Funding for Emergency Food	(92,100)	92,100	0	0	0	0
Stimulus Funding Swap for Revenue Loss	0	0	0	(500,000)	500,000	0
Non-Supervisory Compensation Fund	7	0	7	7	0	7
CARES Reallocation	0	36,093	36,093	0	0	0
Civil Service Compensation Fund	6	7	13	6	7	13
Clerical Additional Compensation Fund	16	0	16	16	0	16
Covid-19 Cleaning	0	4,183	4,183	0	0	0
Covid-19 Emergency Food	0	134,500	134,500	0	0	0
Job Participants Program	0	(1,269)	(1,269)	0	0	0
Excel Projects	0	48	48	0	0	0
Heat, Light, Power	(1,594)	0	(1,594)	133	0	133
Heat Fuel Adjustment	(1,107)	0	(1,107)	91	0	91
In-Home Vaccine Transport	0	488	488	0	0	0
Member Item Allocation	9	0	9	0	0	0
Motor Fuel	(4,593)	0	(4,593)	1,386	0	1,386
Motor Vehicle Operators Licensing Agreement	416	0	416	0	0	0
Personal Services Adjustment	0	56,000	56,000	0	0	0
Queens 1 Garage	(4,193)	0	(4,193)	0	0	0
Restoration of Sunday Litter Service	0	0	0	0	4,581	4,581
Restoration of Weekday Basket Service	0	0	0	0	4,480	4,480
Restoration of Sunday and Holiday Security	0	0	0	3,985	0	3,985
Subtotal, Other Adjustments	(\$103,129)	\$322,325	\$219,196	(\$503,433)	\$509,068	\$5,635
Savings - Exec. 2021						
Restoration of Sunday Litter Basket Service	\$0	\$0	\$0	\$4,581	\$0	\$4,581
Restoration of Syringe Litter Collection	0	0	0	451	0	451
Restoration of Weekday Basket Service	0	0	0	4,480	0	4,480
Subtotal, Savings	\$0	\$0	\$0	\$9,512	\$0	\$9,512
TOTAL, All Changes - Exec. 2021	(\$39,105)	\$322,325	\$283,220	(\$422,241)	\$509,068	\$86,827
DSNY Budget as of the Fiscal 2022 Executive Budget	\$1,883,494	\$547,980	\$2,431,475	\$1,300,384	\$525,220	\$1,825,604