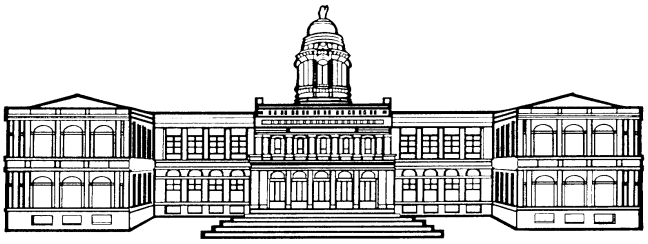
New York City Council



HEARING REPORT

FINANCE COMMITTEE JOINTLY WITH COMMITTEE ON FIRE AND CRIMINAL JUSTICE SERVICES

Finance Division | December 2010

Hon. Christine C. Quinn
Speaker

Hon. Domenic M. Recchia, Jr.
Chair, Committee on Finance

Preston Niblack, Director
Jeffrey Rodus, First Deputy Director

Hon. Elizabeth Crowley
Chair, Committee on Fire and Criminal Justice Service

Fire Department (057)

The Fire Department (FDNY) responds to fires, public safety and medical emergencies, disasters and terrorist acts to protect the lives and property of City residents and visitors. The Department advances fire safety through its fire prevention, investigation and education programs, as well as contributes to the City's homeland security efforts. The Department responds to more than 260,000 fire and non-fire related emergencies and more than one million medical emergencies each year, and maintains approximately 250 firehouses and ambulance stations.

AGENCY FUNDING OVERVIEW (in $000s)

Agency Funding Sources	Fiscal 2011 Adopted Plan	Fiscal 2011 November Plan
City	$1,445,645	$1,459,950
Other Categorical	$172,111	$172,392
State	$1,801	$1,850
Capital Funds_IFA	$240	$240
Federal -- Other	$2,000	$89,285
Intra-City	$10,743	$10,743
Total	**$1,632,540**	**$1,734,460**

Although OMB has put forth a PEG program in the November Plan that reduces the Department's City-funded budget, the Department's budget increases by over $100 million when compared to its 2011 Adopted Budget. The increase is primarily due to the receipt of federal funding and a new need that adds $30 million to the Department's uniformed overtime budget.

November Plan Highlights

The November Plan for the FDNY includes a Progam to Eliminate the Gap (PEG) for Fiscal 2011 that totals $22.9 million. Included in the Plan are actions that would generate additional revenues of approximately $7.3 million and achieve Expense Budget savings of approximately $15.6 million for Fiscal 2011.

NOVEMBER PLAN PEGS (in $000s)

FDNY City-Funded Budget	Fiscal 2011 Adopted Budget and Forecast	Fiscal 2011 November Plan PEGs	PEG as percentage of Adopted Budget and Forecast
Fiscal 2011	$1,445,645	($22,909)	(1.6%)

Nighttime Closures of 20 Fire Companies

The most significant PEG included in the 2010 November Plan is the Department's plan to eliminate the overnight tour (6pm-9am) at 20 fire companies. The plan is budgeted for 2011 only and is designed to generate savings of $15 million for the remainder of the current fiscal year. This action has no impact on the Department's headcount. Affected uniformed personnel will be redeployed to other assignments and the budget savings would be achieved by reducing overtime expenditures. The Department has not yet identified which fire companies would be shut down at night, but confirmed its intention to provide elected officials 45-day notice before eliminating the overnight tours.

***Note**:* Although the Council restored funding in Fiscal 2011 to maintain operations at 20 fire companies slated to be eliminated, the City's Financial Plan assumes that these 20 Companies will be eliminated beginning in Fiscal 2012.

The Fire Department currently provides fire and rescue operations via 357 units including 194 Engine Companies, 143 Ladder Companies. There are 136 fire houses that contain both engine and ladder companies.

Staffing & Overtime

At present, FDNY uniformed staffing is significantly under its authorized headcount because the Department is unable to hire a new firefighter class due to legal obstacles associated with a Federal judge's ruling that the Department engaged in discriminatory hiring practices. The Department's overtime expenses are expected to increase significantly and the November Plan calls for an additional $30 million to address the Department's overtime needs.

In January 2010, Judge Garaufis ruled that the City had intentionally discriminated againgst black and Hispanic applicants finding the firefighter exam was discriminatory. In August 2010, Judge Garaufis provided the City with five interim methods for hiring. The City rejected all five claiming that the methods involve some form of race based quota. Judge Garaufis in turn held that the Department could not hire firefighters until such time as the City selects one of the hiring options endorsed by the court. The City is appealing the judges ruling

Actual Overtime - Fiscal 2005-2009 (All Funds)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Uniformed	$157,377,862	$140,945,884	$137,057,102	$127,618,176	$157,721,708
Civilian	10,388,123	10,231,662	12,965,324	12,713,750	14,343,309
EMS	26,107,483	27,075,354	28,842,041	29,054,895	24,882,258
Total OT	**$193,873,468**	**$178,252,900**	**$178,864,467**	**$169,386,821**	**$196,947,275**

Planned Overtime - 2010 November Plan (All Funding)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Uniformed	$162,216,316	$123,223,382	$122,602,221	$122,369,984	$122,337,014
Civilian	11,276,886	9,767,190	9,767,190	9,767,190	9767190
EMS	27,044,958	24,561,346	24,561,346	24,561,346	24,561,346
Total OT	**$200,538,160**	**$157,551,918**	**$156,930,757**	**$156,698,520**	**$156,665,550**

Uniformed Firefighter Association (UFA) Labor Contract

The current UFA labor contract expires at the end of the calendar year. The new contract will have significant impact on the Department's financial plan. The 2011 Adopted Budget included two actions that the Department hopes to incorporate into the new labor contract:

- The Department plans to negotiate the elimination of the 5th firefighter post on all 60 engine companies that currently staff five firefighters (not including one lieutenant). This action is estimated to generate savings of $7.9 million in Fiscal 2011 (partial year), increasing to $20.6 million in Fiscal 2014. Headcount will be reduced by 300 positions through attrition.
- The Department plans to reduce by 50 percent contractually mandated overtime for firefighters that perform administrative duties. This action will generate savings of $486,000 in Fiscal 2011, increasing to baseline savings of $1.17 million beginning in Fiscal 2012

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