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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

## **FIRE DEPARTMENT**

May 14, 2013

### **EXECUTIVE BUDGET HIGHLIGHTS**

#### **BUDGET OVERVIEW**

- Fiscal 2014 Executive Budget totals \$1.715 billion.
  - ✓ \$1.541 billion for Personal Services and \$174 million for Other Than Personal Services. Fiscal 2014 Executive Budget is \$70.4 million less than the Fiscal 2013 Adopted Budget.
- Fiscal 2014 Executive Budget increases the Department's budget by \$2.1 million.
  - ✓ Adds \$1.2 million to fund new ambulance tours, and \$2.5 million for various other new needs.
  - ✓ Restores a PEG that would have imposed fees for Building Safety Inspections (BISP).
  - ✓ Removes \$1.5 million for BISP staff and other adjustments.
- Fiscal 2014 Executive Budget increases the Fiscal 2013 budget by \$13.8 million.
  - ✓ Adds \$9.8 million for EMS staff and \$2.6 million for fire Marshall staff in Fiscal 13 only.
- \$59.2 million would have to be restored in Fiscal 2014 to avoid fire company closures.

#### **OVERTIME**

- The Executive Budget for Fiscal 2014 includes \$251.5 million for overtime. The projected total spending on overtime in Fiscal 2013 is \$346.6 million.

#### **STAFFING**

- The Department's Fiscal 2014 budget supports a workforce of 15,216 positions which includes 4,934 civilian positions and 10,282 uniform positions. At present, FDNY firefighter staffing is approximately 650 firefighters below its authorized headcount of 8,278. EMS staffing is approximately 291 positions over its budgeted headcount of 3,321.

#### **CAPITAL BUDGET**

- The May 2013 Capital Commitment Plan totals \$448.2 million in Fiscal 2013-2017 for the Fire Department and includes \$39 million in non-City funds in Fiscal 2013.

## **FINANCE DIVISION**

Preston Niblack, Director  
Jeffrey Rodus, First Deputy Director

Regina Poreda Ryan, Deputy Director  
John Lisyanskiy, Legislative Financial Analyst

## FIRE DEPARTMENT OVERVIEW

This report provides an overview of the Fire Department's Fiscal 2014 Budget, a review of the significant initiatives included in the Executive Budget, and a summary of the Department's Capital Budget for Fiscal 2013-2017. A list of Executive Budget changes is presented in Appendix 1. The changes to the Department's Fiscal 2013 and Fiscal 2014 budgets introduced since adoption of the Fiscal 2013 Budget are listed in Appendix 2. For additional information on the Department's Budget and its various programs, please refer to the Committee's report on the Fire Department's Fiscal 2014 Preliminary Budget available at: <http://tinyurl.com/d3pbzts>

### FINANCIAL SUMMARY

<i>Dollars in Thousands</i>	2012	2013		2014	*Difference
	Actual	Adopted	Exec. Plan	Exec. Plan	2013 - 2014
<b>Spending</b>					
Personal Services	\$1,579,170	\$1,618,216	\$1,660,576	\$1,540,694	(\$77,522)
Other Than Personal Services	174,143	167,113	252,359	174,238	7,125
<b>TOTAL</b>	<b>\$1,753,313</b>	<b>\$1,785,329</b>	<b>\$1,912,935</b>	<b>\$1,714,932</b>	<b>(\$70,396)</b>
<b>Budget by Program Area</b>					
Emergency Medical Services	\$233,874	\$231,241	\$248,182	\$237,294	\$6,053
Executive Administrative	199,171	195,413	275,467	198,533	3,121
Fire Extinguishment/Emergency Response	1,275,641	1,314,230	1,341,863	1,233,569	(80,660)
Fire Investigation	16,656	14,272	17,317	14,366	94
Fire Prevention	27,970	30,174	30,106	31,170	996
<b>TOTAL</b>	<b>\$1,753,313</b>	<b>\$1,785,329</b>	<b>\$1,912,935</b>	<b>\$1,714,932</b>	<b>(\$70,396)</b>
<b>Funding</b>					
City Funds	N/A	\$1,524,939	\$1,545,864	\$1,454,085	(\$70,854)
Other Categorical	N/A	202,535	203,054	203,948	1,413
Capital- IFA	N/A	240	266	400	160
State	N/A	1,801	1,943	1,801	0
Federal - Other	N/A	53,786	159,253	52,670	(1,116)
Intra City	N/A	2,029	2,554	2,029	0
<b>TOTAL</b>	<b>\$1,753,313</b>	<b>\$1,785,329</b>	<b>\$1,912,935</b>	<b>\$1,714,932</b>	<b>(\$70,396)</b>
<b>Positions</b>					
Full-Time Positions - Civilian	5,055	4,834	4,944	4,934	100
Full-Time Positions - Uniform	10,243	10,282	10,282	10,282	0
<b>TOTAL</b>	<b>15,298</b>	<b>15,116</b>	<b>15,226</b>	<b>15,216</b>	<b>100</b>

\*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 Exec. Plan funding.

FDNY's budget for Fiscal 2014 is \$1.7 billion, most of which supports personal services (PS) spending. The Department's Budget for Fiscal 2014 decreases by \$70.4 million when compared to the Adopted Budget. This decrease is due to various budget actions including a planned decrease in overtime spending. The Department's uniformed headcount remains unchanged, since it is still operating 650

firefighters below its authorized headcount, however, the Department's civilian workforce will see an increase of 100 positions due to additional EMS staffing and various administrative needs.

Since adoption of the Fiscal 2013 Budget, there have been several changes made to the FDNY's budget. These changes include new needs of \$23 million, restorations of \$1.6 million, and Programs to Eliminate the Gap (PEGs) totaling \$7.4 million.

## NEW IN THE EXECUTIVE BUDGET

- ☑ **WESTCHESTER SQUARE EMS TOURS** – Westchester Square Hospital ceased providing six ambulance tours, effective April 1, 2013. The Department replaced these tours with municipal tours, adding 24 new positions to maintain the current level of ambulance coverage citywide. This action would generate additional costs of \$300,831 in Fiscal 2013 and \$1.2 million in Fiscal 2014. By Fiscal 2014, these ambulance tours will generate \$1.2 million in revenue to partially offset the cost.
- ☑ **EMS PROJECTED DEFICIT** – Because the current firefighter class is entirely comprised of EMTs and paramedics from EMS, in anticipation of their promotions the EMS unit has been staffing up to maintain the current level of service. As a result, it is operating with approximately 291 positions over its budgeted headcount. The Department is adding \$9.8 million to cover its costs associated with the inflated headcount, of which \$8.7 million will cover salaries and \$1.1 million will cover overtime.
- ☑ **FIRE MARSHALL PROJECTED DEFICIT** – The Fire Prevention Unit's budgeted headcount is 100 Fire Marshalls, however, there are currently 111 on the job. The Department had maintained a higher headcount using federal stimulus funds, but that revenue has expired. The Executive Budget adds \$2.6 million in Fiscal 2013 only to support the additional Fire Marshalls. FDNY plans to reach its budgeted Fire Marshall headcount by eliminating positions through attrition.
- ☑ **BUILDING INSPECTION SAFETY PROTOCOL FEE** – The Executive Budget restores \$913,000 beginning in Fiscal 2013 reversing the administration's proposal to establish a fee for Building Safety Inspections. This PEG restoration also eliminates 14 administrative positions that would have been added to manage the fee program. This PEG reversal also affects the City's revenue budget, since this fee was projected to generate \$7.5 million for the Department.

## MAJOR FIRE DEPARTMENT ISSUES

- ☑ **FIRE COMPANY ELIMINATION** - The Mayor's Executive Budget for Fiscal 2014 does not include the Council's restoration and again proposes to eliminate 20 engine companies. According to the Office of Management and Budget, approximately \$59.2 million would have to be added to the Department's Fiscal 2014 Budget to avoid fire company closures and restore 505 associated positions, which include 405 Firefighters, 80 Lieutenants and 20 Captains. In Fiscal 2013 the Council restored \$43.6 million to the Department's budget to keep all the fire houses open, however, since uniformed staffing is currently below its authorized headcount, the 505 positions associated with the 20 fire companies were not restored.

## CAPITAL PROGRAM

The May 2013 Capital Commitment Plan includes \$448.2 million in Fiscal 2013-2017 for the Fire Department (including City and Non-City funds). This represents one percent of the City's total \$44.5 billion May Plan for Fiscal 2013-2017. The Fire Department's Executive Commitment Plan for Fiscal 2013-2017 is \$21.9 million or 5.2 percent more than the Preliminary Commitment Plan of \$426.2 million.

The majority of capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal Year 2012, the Fire Department committed \$87.4 million or 48.2 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the FDNY's Fiscal 2013 Capital Plan will be rolled into Fiscal 2014. Since adoption last June, the City's total Capital Commitment Plan for Fiscal 2013 has decreased from \$17.9 billion in the September Capital Commitment Plan to \$16.6 billion in the May Capital Commitment Plan, a decrease of \$1.3 billion or 7.3 percent.

### 2013-2017 Commitment Plan: Executive Budget and Preliminary Budget

*Dollars in Thousands*

	FY13	FY14	FY15	FY16	FY17	Total
<b>Preliminary</b>						
Total Capital Plan	\$278,330	\$54,625	\$36,947	\$39,241	\$17,094	<b>\$426,237</b>
<b>Executive</b>						
Total Capital Plan	\$266,290	\$77,793	\$42,793	\$44,211	\$17,094	<b>\$448,181</b>
<b>Change</b>						
Level	(\$12,040)	\$23,168	\$5,846	\$4,970	\$0	<b>\$21,944</b>
Percentage	<b>(4.33%)</b>	<b>42.41%</b>	<b>15.82%</b>	<b>12.67%</b>	<b>0.0%</b>	<b>5.15%</b>

## EXECUTIVE BUDGET HIGHLIGHTS

- The Executive Plan adds \$14.3 million to replace the FDNY's antiquated Alarm Teleprinter System (ATS) that send alarms to all fire stations;
- Planned Commitments totaling \$12.4 million for the construction of Queens General Hospital EMS station.

## MAJOR CAPITAL PROJECTS

The Department's Fiscal 2013-2017 Capital Plan totals approximately \$448.2 million, with acquisition of emergency vehicles and firefighting equipment and the rehabilitation of existing facilities accounting for the majority of the funding. Funding for major Fire Department projects in the Capital Plan for Fiscal 2013-2017 includes the following.

- Planned Commitments totaling \$253.6 million for the replacement of front-line fire-fighting apparatus as well as support vehicles and equipment;

- ☑ Planned Commitments totaling \$56.9 million for the renovation of firehouse components such as boilers, electrical upgrades, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows;
- ☑ Planned Commitments of \$3.9 million for the purchase of radio equipment;
- ☑ Planned Commitments of \$3.7 million for the cabling to support the Department's Voice Alarm System, which includes \$1.3 million in the 2014-2017.

**APPENDIX 1: BUDGET ACTIONS IN THE EXECUTIVE PLAN**

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
<b>FDNY Budget as of Preliminary 2014</b>	<b>\$1,535,922</b>	<b>\$363,651</b>	<b>\$1,899,573</b>	<b>\$1,453,141</b>	<b>\$259,654</b>	<b>\$1,712,795</b>
<b>New Needs</b>						
Bureau of Legal Affairs	\$0	\$0	\$0	\$108	\$0	\$108
EMS Backpay	1,100	0	1,100	0	0	0
EMS Projected Deficit	9,800	0	9,800	0	0	0
EMS Computer Aided Dispatch (CAD)	361	0	361	0	0	0
Facilities Personnel	0	0	0	91	0	91
Fire Marshal Projected Deficit	2,566	0	2,566	0	0	0
OTPS Baseline Need	0	0	0	1,854	0	1,854
Risk Based Inspection System	0	0	0	411	0	411
Westchester Square EMS Tours	3	298	301	29	1,193	1,222
<b>TOTAL</b>	<b>\$13,830</b>	<b>\$298</b>	<b>\$14,128</b>	<b>\$2,493</b>	<b>\$1,193</b>	<b>\$3,686</b>
<b>Other Adjustments</b>						
Misc City Adjustments	(\$3,219)	\$978	(\$2,241)	(\$619)	\$0	(\$619)
Fringe	242	0	242	0	0	0
Intra-City Adjustments	0	199	199	0	0	0
State Grants and Adjustments	0	100	100	0	0	0
Federal Grants and Adjustments	0	(468)	(468)	0	0	0
Hurricane Sandy	0	2,313	2,313	0	0	0
<b>TOTAL</b>	<b>(\$2,977)</b>	<b>\$3,122</b>	<b>\$145</b>	<b>(\$619)</b>	<b>\$0</b>	<b>(\$619)</b>
<b>PEG Restorations and Substitutions (PRS):</b>						
Building Inspection Safety Protocol Fee PRS	(\$913)	\$0	(\$913)	(\$930)	\$0	(\$930)
<b>TOTAL</b>	<b>(\$913)</b>	<b>\$0</b>	<b>(\$913)</b>	<b>(\$930)</b>	<b>\$0</b>	<b>(\$930)</b>
<b>TOTAL ALL CHANGES</b>	<b>\$9,940</b>	<b>\$3,420</b>	<b>\$13,360</b>	<b>\$944</b>	<b>\$1,193</b>	<b>\$2,137</b>
<b>FDNY Budget as of Executive 2014</b>	<b>\$1,545,863</b>	<b>\$367,071</b>	<b>\$1,912,934</b>	<b>\$1,454,085</b>	<b>\$260,847</b>	<b>\$1,714,932</b>

**APPENDIX 2: BUDGET ACTIONS IN THE NOVEMBER, FEBRUARY AND EXECUTIVE PLANS**

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
<b>FDNY Budget as of June 2012 Plan</b>	<b>\$1,524,940</b>	<b>\$260,389</b>	<b>\$1,785,329</b>	<b>\$1,440,237</b>	<b>\$238,278</b>	<b>\$1,678,515</b>
<b>Program to Eliminate the Gap (PEGs)</b>						
Fire Prevention Revenue	\$727	\$0	\$727	\$1,966	\$0	\$1,966
Grants Fringe Savings	(5,000)	0	(5,000)	(5,000)	0	(5,000)
Officer Training Grant Reimbursement	(549)	0	(549)	0	0	0
Probationary Firefighter CFR Training Charge	0	0	0	(110)	0	(110)
WTC/Zadroga Grant Reimbursement	(2,578)	0	(2,578)	(2,578)	0	(2,578)
<b>TOTAL</b>	<b>(\$7,400)</b>	<b>\$0</b>	<b>(\$7,400)</b>	<b>(\$5,722)</b>	<b>\$0</b>	<b>(\$5,722)</b>
<b>New Needs</b>						
Bureau of Legal Affairs	\$0	\$0	\$0	\$108	\$0	\$108
Brookdale EMS Tours	93	2,354	2,447	251	2,354	2,605
Westchester Square EMS Tours	3	298	301	29	1,193	1,222
EMS Backpay	1,100	0	1,100	0	0	0
EMS Projected Deficit	9,800	0	9,800	0	0	0
EMS Computer Aided Dispatch (CAD)	361	0	361	0	0	0
Facilities Personnel	0	0	0	91	0	91
Fire Marshal Projected Deficit	2,566	0	2,566	0	0	0
Increase Arrears Collection	28	0	28	57	0	57
Investigators for Bureau of Personnel	45	0	45	135	0	135
Lease Increases - Fleet Consolidation/Review Avenue	1,683	0	1,683	2,194	0	2,194
Mobile Electronic Patient Care Record (ePCR) Citywide Rollout	835	0	835	973	0	973
OTPS Baseline Need	0	0	0	1,854	0	1,854
OTPS Need	1,603	0	1,603	250	0	250
Personnel and OTPS for the Bureau of Health Services	776	0	776	1,026	0	1,026
Quartermaster	3,821	0	3,821	5,371	0	5,371
Risk Based Inspection System	0	0	0	411	0	411
Washington Heights Supervision	241	0	241	241	0	241
<b>TOTAL</b>	<b>\$22,955</b>	<b>\$2,652</b>	<b>\$25,607</b>	<b>\$12,991</b>	<b>\$3,547</b>	<b>\$16,538</b>
<b>Other Adjustments</b>						
Misc City Adjustments	(\$1,446)	\$1,058	(\$388)	\$664	\$160	\$824
Fringe	5,170	(5,000)	170	4,712	(5,000)	(288)
Intra-City Adjustments	0	473	473	0	0	0
State Grants and Adjustments	0	142	142	0	0	0
Federal Grants and Adjustments	0	97,829	97,829	0	25,996	25,996
Hurricane Sandy	0	11,661	11,661	0	0	0
Other Categorical Grants and Adjustments	0	2	2	0	0	0
<b>TOTAL</b>	<b>\$3,724</b>	<b>\$106,165</b>	<b>\$109,889</b>	<b>\$5,376</b>	<b>\$21,156</b>	<b>\$26,532</b>

<i>Dollars in Thousands</i>	Fiscal 2013			Fiscal 2014		
	City	Non-City	Total	City	Non-City	Total
<b>PEG Restorations and Substitutions (PRS):</b>						
Delay in Unified Call Taking (UCT) Full Implementation	\$422	\$0	\$422	\$0	\$0	\$0
Voluntary Hospital Dispatch Fee	2,133	(2,133)	0	2,133	(2,133)	0
Building Inspection Safety Protocol Fee PRS	(913)	0	(913)	(930)	0	(930)
<b>TOTAL</b>	<b>\$1,642</b>	<b>(\$2,133)</b>	<b>(\$491)</b>	<b>\$1,203</b>	<b>(\$2,133)</b>	<b>(\$930)</b>
<b>CHECK</b>	<b>(\$2)</b>	<b>\$2</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1</b>	<b>\$1</b>
<b>TOTAL ALL CHANGES</b>	<b>\$20,921</b>	<b>\$106,684</b>	<b>\$127,605</b>	<b>\$13,848</b>	<b>\$22,570</b>	<b>\$36,418</b>
<b>FDNY Budget as of Executive 2014</b>	<b>\$1,545,863</b>	<b>\$367,071</b>	<b>\$1,912,934</b>	<b>\$1,454,085</b>	<b>\$260,847</b>	<b>\$1,714,932</b>

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