



New York City Council

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Finance Division

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Hearing on the Mayor's Fiscal Year 2011 Executive Budget

Department of Environmental Protection

May 13, 2010

Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

Committee on Environmental Protection

Hon. James Gennaro, Chair

Jonathan Rosenberg, Deputy Director, Infrastructure and Economic Development
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Summary and Highlights

Department of Environmental Protection

Dollars in Thousands

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference, 2010 – 2011*
Personal Services	\$413,899	\$424,346	\$413,361	\$696,448	\$452,710	\$39,349
Other than Personal Services	505,196	609,749	611,929	597,578	626,228	14,299
Table Total	\$919,095	\$1,034,095	\$1,025,290	\$1,294,026	\$1,078,938	\$53,648

The Department of Environmental Protection (DEP) Fiscal 2011 Executive operating budget is \$1,078.9 million, of which \$955.2 million is funded by City tax levy. The Department's overall operating budget for Fiscal 2011 is \$53.6 million or 5.23 percent more than the agency's Fiscal 2010 Adoption budget. DEP's Fiscal 2011 City tax levy budget decreased by 1.12 percent, however, that decrease was offset by a 2.2 percent increase in Capital IFA and 4.19 percent increase in Intra City spending resulting in a net increase of 5.23 percent. DEP is unique in that it is funded by revenues from water and sewer charges, and because of this DEP is not subject to the City-wide Program to Eliminate the Gap (PEG) program. However, DEP did identify three PEGs in its Fiscal 2011 Executive budget which are:

- **Asbestos Reduction (A-TRU Program):** \$294,000 reduction to the program funding in Fiscal 2011 based upon historical spending for the program.
- **Landfill Remediation Program:** DEP has identified a savings of \$407,000 in Fiscal 2011 from a historical surplus in this program.
- **OTPS Baseline Reduction:** DEP has instituted an agency wide baseline reduction initiative to the Other Than Personal Services budget, with savings of \$299,000 identified in Fiscal 2011.

DEP's new needs are all related to either mandated responsibilities, such as the operation of the Croton Filtration Plant and the Catskill/Delaware U/V plant, or uncontrollable expense items such as the collective bargaining settlements and expenses such as upstate property taxes and fuel oil. The largest year to year increases are highlighted below:

- **The Collective Bargaining Agreement:** adding \$44.5 million to the Fiscal 2011 budget.
- **New Hires:** New hires at the Croton Filtration Plant (19), Alley Creek CSO Facility (2), and the Catskill/Delaware UV Plant (19) have resulted in an increase of \$2.9 million in Fiscal 2011.
- **Environmental Health and Safety, Restoration of Positions:** the restoration of 20 Environmental Health and Safety positions increases the Fiscal 2011 budget by \$3.9 million. It should be noted that 113 Environmental Health and Safety and Lead positions were allowed to sunset prior to the addition of the 26 new positions for a net reduction of 87.
- **Upstate Property Taxes:** these taxes, related to the purchases of land in the watershed area, totaled \$15.1 million in Fiscal 2011.
- **Fuel and Gasoline increases:** increases in fuel and gasoline prices totaled \$5.4 million in Fiscal 2011.

The aforementioned increases were partially offset by the following reductions:

- **Headcount Reductions:** Agency wide reductions in headcount totaling 147 positions resulted in a savings of \$11.8 million for Fiscal 2011.
- **Chemical Purchases:** a reduction of the chemical purchasing budget going forward for savings of \$6.7 million in Fiscal 2011.
- **OTPS Baseline Reduction:** DEP instituted an agency wide baseline reduction totaling \$39.4 million in Fiscal 2011 alone, and with more budgeted savings in the outyears.
- **OTPS Non-Baseline Reductions:** one time agency wide OTPS savings in the amount of \$1.9 million in Fiscal 2011 only.
- **Vehicle Purchases Reductions:** one time reduction to vehicle purchases budget totaling \$1.6 million in Fiscal 2011.

Department of Environmental Protection

The Department of Environmental Protection (DEP) protects the environmental health, welfare, and natural resources of the City and its residents. The Department manages the City's water supply, which provides more than one billion gallons of quality drinking water daily and serves more than half the population of New York State, and manages 14 in-City wastewater treatment plants, as well as eight treatment plants upstate. DEP also carries out federal Clean Water Act rules and regulations, handles hazardous materials emergencies and toxic site remediation, oversees asbestos monitoring and removal, enforces the City's air and noise codes, bills and collects on approximately 828,000 water and sewer accounts, and manages citywide water conservation programs.

Key Public Services Areas

- Ensure the sufficiency, quality, and security of the City's water supply.
- Treat wastewater and sewage to maintain and enhance water quality in the receiving waters surrounding the City.
- Repair and maintain in-City water delivery and sewer collection systems.
- Bill and collect revenue for water and sewer usage.
- Improve public safety and quality of life through enforcement of City laws and rules in the areas of air pollution, asbestos, noise pollution, and hazardous materials.

Critical Objectives

- Monitor water to ensure compliance with federal and State water quality standards.
- Protect and secure the watershed area
- Promote water conservation.
- Comply with federal and State standards for the treatment of wastewater.
- Respond to emergencies and perform repairs in a timely manner.
- Maintain the integrity of the water supply and distribution systems.
- Maintain the integrity of the storm water and wastewater sewer collection system.
- Ensure that billing is accurate.
- Respond to complaints in a timely manner.
- Enforce the administrative code provisions that regulate asbestos, air, noise, and hazardous materials.
- Respond to asbestos and hazardous materials emergencies in a timely manner.

SOURCE: Mayor's Management Report

Department of Environmental Protection Financial Summary*Dollars in Thousands*

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference 2011–2010
Budget by Program Area						
Agency Admin. & Support	\$75,010	\$80,020	\$79,849	\$81,061	\$80,287	\$438
Customer Services / Water Board Support	42,152	47,020	56,186	54,080	49,575	(6,611)
Engineering Design and Construction	28,330	30,278	31,160	31,669	31,774	614
Environmental Control Board	17,702	7,988	78	78	58	(20)
Environmental Management	14,486	15,373	14,468	14,910	14,520	52
Miscellaneous	6,969	3,590	(1,770)	20,956	859	2,629
Upstate Water Supply	214,127	231,988	252,917	257,591	270,232	17,316
Wastewater Treatment Operations	353,700	367,104	386,668	648,362	427,837	41,168
Water & Sewer Maintenance & Operations	166,618	250,733	205,733	185,318	203,796	(1,937)
TOTAL	\$919,095	\$1,034,095	\$1,025,290	\$1,294,025	\$1,078,939	\$53,649
Capital – IFA	<i>N/A</i>	<i>N/A</i>	\$57,846	\$58,876	\$59,119	\$1,273
Other Categorical	<i>N/A</i>	<i>N/A</i>	-	-	63,192	63,192
City Funds	<i>N/A</i>	<i>N/A</i>	966,069	1,213,850	955,205	(\$10,864)
State	<i>N/A</i>	<i>N/A</i>	-	72	-	72
Federal – Other	<i>N/A</i>	<i>N/A</i>	240	20,030	240	-
Intra-City	<i>N/A</i>	<i>N/A</i>	1,135	1,197	1,182	48
TOTAL	<i>N/A</i>	<i>N/A</i>	\$1,025,290	\$1,294,025	\$1,078,939	\$53,649
Positions						
Fulltime Positions	5,895	5,785	6,115	6,150	5,968	(147)

Capital Program

The Department of Environmental Protection (DEP) protects the environmental health and welfare of the City's residents and natural resources. The Department manages the City's water supply system, including upstate water collection and downstate distribution; collects, treats, and disposes of waste and storm water; regulates the discharge of pollutants into the City's air; responds to emergencies involving hazardous materials; manages programs to clean up sites contaminated with hazardous waste and asbestos; enforces the City's noise code; and promotes water and energy conservation. DEP manages over 2,000 square miles of watershed in upstate New York from which the City and nine upstate counties draw their supply of drinking water. In addition to a system of dams, reservoirs, aqueducts, and water tunnels, DEP maintains approximately 6,300 miles of water mains which distribute water throughout the five boroughs, and 6,600 miles of sewers which collect waste and storm water and transport it to 14 wastewater treatment plants. The Department also operates facilities and equipment to maintain and support these systems.

DEP's Capital Program, relating to the City's water and sewer systems, is financed by the New York City Municipal Water Finance Authority (Authority) and paid for by water and sewer charges collected through the New York City Water Board. The Ten-Year Capital Strategy includes \$12.9 billion for DEP programs, of which \$12.8 billion is Authority funded.

DEP is in the process of completing many significant capital projects in order to comply with State and Federal mandates. The Ten-Year Capital Strategy for the City's water and sewer system seeks to balance necessary investment in this vital service with as moderate an impact on City water and sewer rate payers as can be achieved.

FY 2011 Executive Capital Commitment Plan

Dollars in Thousands

	2011	2012	2013	2014	2014-2019
DEP Equipment	\$67,466	\$87,904	\$44,109	\$96,620	\$205,631
Sewers	40,781	111,261	73,276	138,180	1,118,463
Water Supply	88,988	263,024	139,470	501,893	2,880,466
Water Mains	476,922	251,487	429,690	148,991	909,083
Water Pollution Control	664,956	426,677	465,985	351,901	1,895,932
TOTAL	\$1,339,113	\$1,140,353	\$1,152,530	\$1,237,585	\$7,009,575

Capital Budget Summary

The Executive 2011 Capital Commitment Plan includes \$4.87 billion in Fiscals 2011 -2014 for DEP (including City and Non-City funds). This represents 17.03 percent of the City's total \$28.6 billion Executive Commitment Plan for Fiscals 2011-2014. The agency's May Commitment Plan for Fiscals 2011 - 2014 is just under one percent less than the \$4.91 billion scheduled in the January Commitment Plan, a decrease of \$44.3 million.

Over the past five years the DEP has committed an average of 87.7 percent of its annual capital plan. Therefore, it is assumed that some of the agency's Fiscal 2010 capital plan will be rolled into Fiscal 2011 increasing the size of the Fiscal 2011-2014 capital plan. Since adoption last June, the Capital Commitment

Plan for Fiscal 2010 has risen from \$3.21 billion to \$3.22 billion, an increase of \$4.9 million or less than one percent.

Currently DEP's appropriations total \$6.48 billion in city-funds for Fiscal 2010. These appropriations are to be used to finance the remaining portion of the agency's \$1.47 billion city-funded Fiscal 2010 capital commitment program. The agency has over four times more funding available than it needs to complete its entire Fiscal 2010 capital program.

Issues / Highlights

The Department of Environmental Protection's capital budget has decreased by \$44.3 million, or less than one percent, over Fiscal Years 2010 to 2014. While the overall capital budget did not decrease a great deal, and even this decrease was offset in the out-years, there was significant movement of funding between the DEP project areas. Some projects with the greatest amount of funding movement are as follows:

- **Shaft 17B, Shaft 18B and Valve Chamber:** The \$192.9 increase in funding for this project has been self-funded from other areas of DEP's capital budget and will allow for critical work prior to the activation of the 3rd Water Tunnel.
- **Plant Upgrading and Reconstruction:** Re-allocation of funding from other areas of DEP's capital budget to create adequate baseline funding for plant components and equipment critical for the reliable operation of the City's various Water Pollution Control Plants.
- **Upgrading of the Croton Filtration Plant:** Funding for the Croton Filtration Plant was increased by \$121.1 million dollars over the four years for a total of \$249.8 million. The increase will support continued work at the plant along with ancillary change orders.
- **Water Meter Replacements:** Funding for critical meter replacements and installations has been increased by \$34.7 million to a new total of \$47.9 million. The work that this funding allows supports the Automated Meter Reading program that DEP is currently implementing.
- **Catskill Aqueduct Pressurization Aqueduct Rehabilitation, Bypass Chamber:** \$357.6 million in funding for the project was re-allocated to address other areas of more immediate need and will be revisited during the next plan.
- **Dewatering and Inspection, City Tunnel #1:** \$85.5 million in funding for this project was re-allocated pending the completion of the 3rd Water Tunnel, and to address areas of need.
- **Schoharie Reservoir, GILBOA Dam Intake/Outlet Chamber:** Cost savings of \$71.9 million were identified in this project through revised estimates.
- **Activation of the Brooklyn/Queens portion of City Tunnel #3:** \$69 million in funding for this project has been re-allocated to reflect the current construction schedule and to address other areas of need with in DEP.

Program Areas

Water & Sewer Maintenance & Operations

The Bureau of Water and Sewer Operations (the Bureau) operates, maintains, and protects the City's drinking water and wastewater collection systems, protects adjacent waterways, and develops and protects the Department's Capital Water and Sewer Design Program. This program includes approval and inspection of water and sewer connections performed by licensed plumbers and/or authorized contractors. Additionally, the Bureau is responsible for the approval and inspection of all public and private construction projects.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 vs. 2011
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$77,353	\$82,249	\$88,359	\$89,174	\$88,399	\$40
Other Salaried and Unsalaries	220	220	38	50	50	12
Additional Gross Pay	6,347	7,199	4,250	4,250	5,957	1,707
Overtime - Civilian	8,473	7,626	5,184	5,184	5,184	-
Fringe Benefits	0	0	24	24	24	-
Subtotal, PS	\$92,394	\$97,295	\$97,855	\$98,681	\$99,613	\$1,759
Other Than Personal Services						
Property and Equipment	\$1,214	\$629	\$1,124	\$844	\$847	(\$277)
Other Services and Charges	46,825	48,889	84,154	52,860	70,029	(14,125)
Supplies and Materials	17,858	36,814	13,407	25,233	24,006	10,599
Contractual Services	7,999	7,439	5,518	7,579	7,199	1,680
Fixed and Misc Charges	328	59,668	3,676	120	2,102	(1,574)
Subtotal, OTPS	74,224	153,439	107,879	86,636	104,183	(3,695)
TOTAL	\$166,618	\$250,733	\$205,733	\$185,318	\$203,796	(\$1,937)
Funding						
City Funds	NA	NA	\$196,488	\$175,939	\$188,782	(\$7,706)
Capital IFA	NA	NA	9,245	9,379	9,384	139
Other Categorical	NA	NA	-	-	5,630	5,630
TOTAL			\$205,733	\$185,318	\$203,796	(\$1,937)

The Bureau's Fiscal 2011 expense budget is \$1.9 million less than its Adopted Fiscal 2010 budget. The majority of the Bureau's OTPS reduction is the result of actions in the Other Services and Charges line including: a one-time deferral of \$2.6 million from Fiscal 2009 to Fiscal 2010, the removal of a one time Fiscal 2010 new need \$7.5 million, a \$2.3 million baseline OTPS reduction as a part of an agency wide OTPS baseline reduction initiative, \$200,000 in fleet expenses, with the remaining \$1.5 million re-allocated to Contractual Services. The Contractual Services line was increased by the \$1.5 million re-allocation which addresses a need for chemical purchases. The Bureau's budget for Fiscal 2011 Personal Services is \$1.8 million greater than Fiscal 2010 Adoption, with an overall staff reduction of 27 heads. The reason for the increase in spite of a headcount reduction is due to the collective bargaining agreement which more than offset the savings associated with the head count reduction and resulted in a \$40k increase in the Full-Time Salaried line. The increase in the Additional Gross Pay line is caused by a shortfall in personal services differentials new need.

Wastewater Treatment Operations

The Bureau of Wastewater Treatment (the Bureau) maintains the chemical and physical integrity of the New York Harbor and other local water bodies. It sustains the continued use and viability of the New York environment through the removal of organic and toxic pollutants from the City's wastewater, control of discharges from Combined Sewer Overflows and dry weather bypassing; optimum operation of treatment plant collections system; integration of watershed management concepts into facilities' planning and design; and enforcement of a city-wide industrial pre-treatment and pollution prevention program. The Bureau operates the 14 water pollution control plants, 89 wastewater pump stations, eight dewatering facilities, 490 sewer regulators, and 6,000 miles of intercepting sewers as well as the management and testing of the local waterways.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 vs. 2011
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$106,270	\$109,128	\$117,624	\$388,216	\$155,138	\$37,514
Other Salaried and Unsalariated	469	387	88	102	45	(43)
Additional Gross Pay	8,484	9,083	7,557	7,558	7,558	1
Overtime – Civilian	20,398	18,913	10,097	9,117	11,097	1,000
Fringe Benefits	2,908	2,887	2,225	3,205	2,225	-
Subtotal, PS	\$138,529	\$140,398	\$137,591	\$408,198	\$176,063	\$38,472
Other Than Personal Services						
Property and Equipment	\$1,787	\$1,775	\$2,524	\$1,350	\$2,246	(\$278)
Other Services and Charges	59,582	66,079	128,095	83,909	122,869	(5,226)
Supplies and Materials	50,698	48,060	34,062	53,620	56,252	22,190
Contractual Services	102,685	110,352	83,793	100,557	69,810	(13,983)
Fixed and Misc Charges	419	439	604	728	597	(7)
Subtotal, OTPS	\$215,172	\$226,705	\$249,077	\$240,164	\$251,774	\$2,696
TOTAL	\$353,700	\$367,104	\$386,668	\$648,362	\$427,837	\$41,168
Funding						
City Funds	NA	NA	\$380,883	\$642,464	\$355,793	\$1,740
Capital IFA	NA	NA	5,786	5,898	5,900	115
Other Categorical	NA	NA	-	-	39,314	39,314
TOTAL			\$386,669	\$648,362	\$427,837	\$41,168

The Bureau's Fiscal 2011 expense budget is \$41.2 million more than its Fiscal 2010 Adopted budget. Wastewater Treatment Operation Fiscal 2011 personal service budget is \$38.5 million greater than its 2010 Adopted budget as a result of collective bargaining increases for Full-Time Salaried employees increased by \$37.5 million. This increase was net of any savings incurred from the elimination of 71 positions. The remaining increase in personal services expenses is the result of a new need for Environmental Health and Safety overtime of \$1.0 million. The majority of the Bureau's OTPS increase is the result of re-allocations from agency holding codes to the Supplies and Materials line for the purchase of chemicals in the amount of \$22.2 million. Baseline reductions of \$5.2 million in Other Services and Charges and \$18.4 million for sludge disposal in the Contractual Services line comprise the bulk of the OTPS reductions.

Upstate Water Supply

The Bureau of Water Supply (the Bureau) manages, operates, and protects the City's upstate water supply to ensure the delivery of a sufficient quantity of high quality drinking water. Additionally, it is responsible for the overall management and implementation of the provisions of the City's \$1.5 billion Watershed Protection Program. The Bureau also maintains, operates, and protects the upstate water supply system including the monitoring of the provisions of the Filtration Avoidance Determination and any other federal requirements or agreements.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 vs. 2011
Spending						
Personal Services						
Full-Time Salaried – Civilian	\$54,524	\$58,377	\$60,560	\$65,262	\$60,959	\$398
Other Salaried and Unsalariated	327	421	113	116	116	3
Additional Gross Pay	2,557	2,852	1,021	1,021	2,044	1,022
Overtime – Civilian	2,793	2,672	2,164	2,164	1,864	(300)
Fringe Benefits	44	41	20	20	20	-
Subtotal, PS	\$60,244	\$64,363	\$63,878	\$68,583	\$65,002	\$1,124
Other Than Personal Services						
Property and Equipment	\$4,130	\$4,074	\$1,828	\$2,904	\$1,962	\$134
Other Services and Charges	17,191	23,075	54,438	34,014	43,511	(10,927)
Supplies and Materials	12,475	13,523	8,693	15,156	13,251	4,558
Contractual Services	9,738	12,013	9,022	13,962	9,677	655
Fixed and Misc Charges	110,349	114,938	115,058	122,972	136,829	21,771
Subtotal, OTPS	153,883	167,625	189,039	189,008	205,230	16,191
TOTAL	\$214,127	\$231,988	\$252,917	\$257,591	\$270,232	\$17,316
Funding						
City Funds	NA	NA	\$247,160	\$251,750	\$249,479	\$2,318
Capital IFA	NA	NA	5,757	5,841	5,849	92
Other Categorical	NA	NA	-	-	14,905	14,905
TOTAL			\$252,917	\$257,591	\$270,232	\$17,316

The Bureau's Fiscal 2011 expense budget is \$17.3 million greater than its Fiscal 2010 Adopted budget. The majority of the Bureau's increase is in OTPS. The \$21.8 million increase in Fixed and Miscellaneous Charges was composed of a \$6.7 million reallocation from a holding code in the Other Services and Charges line and a \$15 million new need for upstate taxes. The remaining reduction in the Other Services and Charges line is the result of one time deferrals from Fiscal 2009 to Fiscal 2010 totaling \$4 million. The Supplies and Materials line was increased by \$4.6 million due to an agency reallocation of chemical purchases. The Personal Services increase of \$398,000 is the result of a net need resulting from the combination of collective bargaining expenses, a new need for 12 positions to be assigned to the Croton/Delaware UV plant, and the sun-setting of 32 Environmental Health and Safety positions for a net headcount reduction of 11.

Customer Services & Water Board Support

The Bureau of Customer Services (the Bureau) is responsible for all functions related to water and sewer billing for residents of New York City and certain upstate communities. In addition, the Bureau is responsible for water meter contracts and to test and validate the accuracy of water meters installed by private plumbers prior to installation. The Water Board is a public benefit corporation created by the New York State Legislature to primarily fix, revise, charge, collect, and enforce water and sewer rates and other charges for New York City.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2011 vs. 2010
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$25,549	\$26,867	\$29,002	\$29,253	\$28,917	(\$85)
Other Salaried and Unsalariated	2,765	2,907	2,798	2,801	2,301	(497)
Additional Gross Pay	811	816	490	490	480	(10)
Overtime - Civilian	2,577	2,631	2,070	2,070	1,703	(367)
Subtotal, PS	\$31,702	\$33,222	\$34,360	\$34,614	\$33,401	(\$959)
Other Than Personal Services						
Property and Equipment	\$365	\$550	\$1,368	\$1,064	\$1,188	(\$180)
Other Services and Charges	1,144	1,384	11,979	4,617	7,338	(4,641)
Supplies and Materials	1,624	2,691	2,530	3,462	2,080	(450)
Contractual Services	7,319	9,174	5,950	10,322	5,568	(382)
Subtotal, OTPS	\$10,451	\$13,799	\$21,826	\$19,466	\$16,174	(\$5,652)
TOTAL	\$42,152	\$47,020	\$56,186	\$54,080	\$49,575	(\$6,611)
Funding						
City Funds	NA	NA	\$56,055	\$53,949	\$49,444	(\$6,611)
Capital IFA	NA	NA	131	131	131	-
TOTAL			\$56,186	\$54,080	\$49,575	(6,611)

The Bureau's Fiscal 2011 budget is \$6.6 million less than its Fiscal 2010 Adopted budget. The majority of the Bureau's OTPS reduction is in the Other Services and Charges line and consists of a one time Fiscal 2010 deferral from Fiscal 2009 of \$3.5 million, a Fiscal 2010 one-time new need for computer consultants and postage of \$1.7 million, and a baseline OTPS reduction of \$1.9 million. The aforementioned reductions in Other Services and Charges are partially offset by new needs of \$2.4 million which is made up of a third party collection contract for \$660k and IBM consultants for \$1.8 million. The Supplies and Materials line was reduced by \$227,000 as a part of the baseline reduction and \$223,000 for the fleet reduction initiative for a total of \$450,000. Contractual Services was reduced by \$500,000 as a part of the baseline reduction initiative which was offset by a new need for security services of \$118,000 for a total reduction of \$382,000. The decrease in the Personal Services category is a net result of collective bargaining increases coupled with a reduction in headcount of 10 positions for an overall savings of \$959,000.

Engineering Design and Construction

The Bureau of Environmental Design and Construction (the Bureau) handles the planning, design, and construction of major water quality related capital projects. Funding in this program area supports the creation of projects that focus on the continued delivery of high quality drinking water to the City and the continued improvement of water quality within the New York Harbor and estuaries.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 vs. 2011
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$25,586	\$27,403	\$28,634	\$29,226	\$29,246	\$611
Other Salaried and Unsalaries	148	118	8	11	11	2
Additional Gross Pay	1,357	1,464	1,424	1,424	1,424	-
Overtime - Civilian	872	910	639	639	639	-
Subtotal, PS	\$27,963	\$29,895	\$30,705	\$31,299	\$31,319	\$614
Other Than Personal Services						
Property and Equipment	\$65	\$93	\$128	\$49	\$128	-
Other Services and Charges	105	100	198	113	198	-
Supplies and Materials	88	156	101	154	101	-
Contractual Services	107	34	28	54	28	-
Fixed and Misc Charges	1	0	-	-	-	-
Subtotal, OTS	\$367	\$383	\$455	\$370	\$455	-
TOTAL	\$28,330	\$30,278	\$31,160	\$31,669	\$31,774	\$614
Funding						
City Funds	NA	NA	\$30,705	\$31,299	\$31,319	\$614
Capital IFA	NA	NA	455	370	455	-
TOTAL			\$31,160	\$31,669	\$31,774	\$614

The Bureau's Fiscal 2011 expense budget is \$614,000 greater than its Fiscal 2010 Adopted budget due almost entirely to collective bargaining increases.

Environmental Management

The Bureau of Environmental Compliance (the Bureau) regulates air, noise, and hazardous materials, performs inspections, issues licenses and permits, and reviews technical plans related to asbestos control, air quality, and noise abatement laws. Funding in this program area supports the self-regulation of DEP's employees for testing, keeping up with federal regulations, and disposal of materials as well as the overall outside regulation and control of these areas.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 vs. 2011
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$9,936	\$10,759	\$11,424	\$11,413	\$11,418	(\$7)
Other Salaried and Unsalaries	236	248	320	324	324	4
Additional Gross Pay	592	734	381	381	381	-
Overtime - Civilian	2,417	2,391	710	710	710	-
Subtotal, PS	\$13,181	\$14,131	\$12,835	\$12,828	\$12,833	(\$2)
Other Than Personal Services						
Property and Equipment	\$328	\$289	\$298	\$118	\$298	-
Other Services and Charges	190	177	564	349	473	(91)
Supplies and Materials	193	203	220	250	220	-
Contractual Services	602	573	550	1,365	695	145
Fixed and Misc Charges	(8)	-	-	-	-	-
Subtotal, OTPS	1,305	1,243	1,633	\$2,082	\$1,687	\$54
TOTAL	\$14,486	\$15,373	\$14,468	\$14,910	\$14,520	\$52
Funding						
City Funds	NA	NA	\$14,082	\$14,524	\$14,068	(\$14)
Capital IFA	NA	NA	-	-	66	66
Intra City	NA	NA	386	386	386	-
TOTAL			\$14,468	\$14,910	\$14,520	\$52

There is very minimal change in the Bureau's expense budget. The Other Services and Charges line was reduced by \$91,000 which is comprised of a \$149,000 fleet reduction, and a one time deferral of \$81,000 from Fiscal 2009 to Fiscal 2010. These reductions are partially offset by a \$138,000 new need for maintenance to the Myrtle Avenue Facility. Contractual Services was increased by \$145,000 due to a new need for security services.

Environmental Control Board

The Environmental Control Board (ECB) is an administrative tribunal that provides hearings on notices of violations issued by other City agencies for various “quality of life” infractions of the City’s laws and rules. As of On August 12, 2008 Mayor Bloomberg signed legislation into law consolidating ECB under the jurisdiction of the Office of Administrative Trials and Hearings (OATH). The remaining funding for the ECB will be transferred out of DEP and into OATH in the next budget cycle.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 vs. 2011
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$6,723	\$2,709	-	-	-	-
Other Salaried and Unsalariad	6,612	2,964	-	0	0	0
Additional Gross Pay	417	239	57	57	37	(20)
Overtime - Civilian	145	83	-	-	-	-
Subtotal, PS	\$13,896	\$5,994	\$57	\$57	\$37	(\$20)
Other Than Personal Services						
Property and Equipment	\$87	\$22	-	-	-	-
Other Services and Charges	378	205	0	0	0	-
Supplies and Materials	1,268	646	21	21	21	-
Contractual Services	2,049	1,122	-	-	-	-
Fixed and Misc Charges	23	-	-	-	-	-
Subtotal, OTPS	3,806	1,994	21	21	21	-
TOTAL	\$17,702	\$7,988	\$78	\$78	\$58	(\$20)
Funding						
City Funds	NA	NA	\$78	\$78	\$58	-
TOTAL			\$78	\$78	\$58	(\$20)

Administration and Central Agency Support

Funding in this program area supports administrative staff that manages and directs the Department, sets policies, creates agency strategic planning, provides support for personnel, budget implementation, and does payroll, purchasing, auditing, building and vehicle maintenance, computer services, and community and intergovernmental relations.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 vs. 2011
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$30,883	\$32,976	\$32,699	\$33,544	\$31,637	(\$1,063)
Other Salaried and Unsalariated	1,404	1,474	1,333	1,345	826	(507)
Additional Gross Pay	1,239	1,305	616	617	602	(15)
Overtime – Civilian	1,043	1,111	482	485	400	(82)
Fringe Benefits	1	1	-	-	-	-
P.S. Other	(78)	(60)	-	-	-	-
Subtotal, PS	\$34,491	\$36,807	\$35,131	\$35,991	\$33,464	(\$1,666)
Other Than Personal Services						
Property and Equipment	\$1,560	\$817	\$1,965	\$1,040	\$1,526	(\$440)
Other Services and Charges	24,074	28,477	33,767	30,559	35,110	1,344
Supplies and Materials	5,402	4,502	4,554	4,450	4,568	14
Contractual Services	9,100	7,421	4,406	8,975	5,592	1,186
Fixed and Misc Charges	383	1,997	27	46	27	-
Subtotal, OTPS	\$40,520	\$43,214	\$44,719	\$45,069	\$46,823	\$2,104
TOTAL	\$75,010	\$80,020	\$79,849	\$81,061	\$80,287	\$438
Funding						
City Funds	NA	NA	\$72,878	\$73,923	\$69,678	(\$3,200)
Capital IFA	NA	NA	6,223	6,327	6,470	247
Intra City	NA	NA	749	811	796	48
Other Categorical	NA	NA	-	-	3,343	3,343
TOTAL			\$79,849	\$81,061	\$80,287	\$438

The Administration and Central Support Fiscal 2011 budget is \$438,000 greater than the Fiscal 2010 Adopted Budget. The \$1.7 million reduction in personal services is the result of a 25 position reduction in headcount which was partially offset by collective bargaining increases. Further savings were identified in the OTPS budget with a baseline cut to the Property and Equipment line of \$440,000. One time deferrals of \$344,000 in the Other Services and Charges line along with a \$225,000 re-allocation for software licenses reduces the Personal Services savings. The remaining savings were eradicated by new needs of \$1 million for a climate change study and \$225,000 for security services.

Miscellaneous

Funding in this program area provides for any personal or other than personal services expenses that receive one-time funding. The program's increase of \$2.6 million is almost entirely represented by the ending of an agency wide light duty fleet reduction in Fiscal 2010 only.

<i>Dollars In Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 vs. 2011
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$1,010	\$1,715	\$949	\$4,915	\$978	\$29
Additional Gross Pay	32	59	-	-	-	-
Overtime - Civilian	456	467	-	-	-	-
Fringe Benefits	1	1	-	1,280	-	-
Subtotal, PS	\$1,499	\$2,242	\$949	\$6,195	\$978	\$29
Other Than Personal Services						
Property and Equipment	\$2,253	\$148	(\$2,836)	\$3,305	(\$236)	\$2,601
Other Services and Charges	45	80	-	309	-	-
Supplies and Materials	164	66	-	522	-	-
Contractual Services	3,008	1,054	117	10,624	117	-
Subtotal, OTPS	\$5,469	\$1,348	(\$2,719)	\$14,760	(\$119)	\$2,601
TOTAL	\$6,969	\$3,590	(\$1,770)	\$20,956	\$859	\$2,629
Funding						
City Funds	NA	NA	(\$2,010)	\$853	\$619	\$2,629
Federal - Other	NA	NA	240	20,030	240	-
State	NA	NA	-	72	-	-
TOTAL			(\$1,770)	\$20,956	\$859	\$2,629

Appendix A: Budget Actions Since Fiscal Year 2010 Adoption

<i>Dollars in Thousands</i>	FY 2010			FY 2011		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the June 2009 Plan	\$966,069	\$59,221	\$1,025,290	\$906,373	\$59,464	\$965,837
Program to Eliminate the Gap (PEGs)						
Reduction to the Asbestos Abatement (A-TRU Program)	(\$145)	\$0	(\$145)	(\$294)	\$0	(\$294)
Reduction to Landfill Remediation Program	(232)	-	(232)	(287)	-	(287)
Headcount Reduction	-	-	-	(684)		(684)
Headcount Reduction Vacancies	-	-	-	(11,078)		(11,078)
Fluoride Reduction	-	-	-	(1,488)		(1,488)
Reduction of Vehicles	-	-	-	(1,632)		(1,632)
DEP OTPS Baseline Reduction	-	-	-	(39,415)		(39,415)
DEP OTPS Reduction	-	-	-	(1,953)		(1,953)
DEP Chemicals Reduction	-	-	-	(2,519)		(2,519)
Orthophosphate Reduction	-	-	-	(2,732)		(2,732)
Lease Adjustment	-	-	-	(270)		(270)
Reduction to the Budget for Operation of Remediated Landfills	-	-	-	(120)		(120)
Total, PEGs	(\$377)	\$0	(\$377)	(\$62,472)	\$0	(\$62,472)
New Needs						
Bureau of Customer Services - IBM Consultants	\$0	\$0	\$0	\$1,758	\$0	\$1,758
Environmental Health & Safety Restoration of Water Supply Positions	-	-	-	2,354	-	2,354
Reduction of Water Supply Headcount to Offset EH&S	-	-	-	(1,093)	-	(1,093)
Croton Forestry MOU with NYC Parks Dept.	-	-	-	1,950	-	1,950
Croton Treatment Plan - New Hires	-	-	-	1,432	-	1,432
Water & Sewer Operations - Engineering Lead Program	-	-	-	312	-	312
Contract 1216-MV Skimmer Operations	-	-	-	340	-	340
Wastewater Treatment - Dockside Repair of Vessels	-	-	-	250	-	250
Wastewater Treatment - Drydock Repair of Vessels	-	-	-	1,237	-	1,237
Petroleum and Chemical Bulk Storage	-	-	-	825	-	825
Environmental Health & Safety Restoration of Wastewater Treatment Positions	-	-	-	583	-	583
Customer Service Third Party Collection Contract	-	-	-	660	-	660
Environmental Health & Safety Wastewater Treatment Overtime	-	-	-	1,000	-	1,000
MOU with DOI	-	-	-	2,125	-	2,125
Alley Creek CSO Abatement Facility	-	-	-	124	-	124
Jamaica Bay Environmental Benefit Fund	-	-	-	1,000	-	1,000
Wastewater Treatment - Residual Removal Contracts	-	-	-	3,075	-	3,075
Wastewater Treatment - Rental Emergency Generators	-	-	-	1,872	-	1,872
Personal Services - Differentials Shortfall	-	-	-	2,729	-	2,729
Security Guard Service Shortfall	-	-	-	3,145	-	3,145
Environment Health & Safety - Radio Lease	-	-	-	275	-	275
Maintenance for Myrtle Ave. Facility	-	-	-	138	-	138

<i>Dollars in Thousands</i>	FY 2010			FY 2011		
	City	Non-City	Total	City	Non-City	Total
Climate Change	-	-	-	\$1,000	-	\$1,000
Hydro/Legal Engineering	-	-	-	1,500	-	1,500
Upstate property Taxes	-	-	-	15,072	-	15,072
Catskill/Delaware UV Disinfection Plant FY11	-	-	-	648	-	648
Total, New Needs	\$0	\$0	\$0	\$44,311	\$0	\$44,311
Other Adjustments						
Biowatch Program PS	\$0	\$1,022	\$1,022	\$0	\$0	\$0
Biowatch Program Rollover OTPS Portion	-	231	231	-	-	-
Biowatch Program Year 4	-	2,988	2,988	-	-	-
Brownfields	-	24	24	-	-	-
BZPP	-	1,000	1,000	-	-	-
BZPP-Chem	-	654	654	-	-	-
SHSG'07	-	1,161	1,161	-	-	-
SHSG'08	-	684	684	-	-	-
Urban Area Security init. 05	-	37	37	-	-	-
Urban Area Security init. 07	-	500	500	-	-	-
Water Security Initiative - Rollover	-	9,544	9,544	-	-	-
CB Managers and OJ's	2,077	975	3,052	2,077	975	3,052
CB CWA Administrative Managers	38	14	52	38	14	52
Asbestos A-TRU Program	35	-	35	75	-	75
shsg'08grang	-	1,455	1,455	-	-	-
LGRMIF-WWT	-	72	72	-	-	-
Water Security Initiative	-	490	490	-	-	-
CB Bricklayers	22	-	22	22	-	22
CB Stationary Engineers	7,303	-	7,303	7,303	-	7,303
CB Senior Stationary Engineers	3,499	-	3,499	3,499	-	3,499
CB for CSBA Attorneys RIP	1	-	1	1	-	1
CB Settlement Retro Pay	232,594	-	232,594	-	-	-
CB Sewage Treatment Workers	31,604	40	31,644	31,604	40	31,644
Fringe Benefit Adjustment	-	-	-	70	-	70
Fringe Benefit Adjustment	-	-	-	2,049	-	2,049
Utility Rollovers U/A 006 Exec 11	(601)	-	(601)	601	-	601
Utility Rollovers U/A 004 Exec 11	(15,874)	-	(15,874)	15,874	-	15,874
Heat, Light and Power	(16,305)	-	(16,305)	(1,733)	-	(1,733)
Fuel	3,773	-	3,773	5,075	-	5,075
Gasoline	(8)	-	(8)	366	-	366
Lease Adjustment	-	-	-	71	49	120
Clean Fleet Transition	-	63	63	-	-	-
GASB 49 Adjustment	-	-	-	-	63,191	63,191
Total, Other Adjustments	\$248,158	\$20,954	\$269,112	\$66,992	\$64,269	\$131,261
Agency Budget as per the Fiscal 2011 Executive Plan	\$1,213,850	\$80,175	\$1,294,025	\$955,206	\$123,733	\$1,078,939

*Continued from previous page

Appendix B: Reconciliation of Program Areas to Units of Appropriation

Dollars in thousands

	Personal Services			OTPS					TOTAL
	001	002	003	004	005	006	007	008	
Agency Administration & Support	\$29,408	-	-	-	-	\$46,823	\$4,057	-	\$80,287
Customer Services & Water Board Support	-	-	-	16,174	-	-	33,401	-	49,575
Engineering Design and Construction	-	-	-	455	-	-	31,319	-	31,774
Environmental Control Board	10	27	-	-	21	-	-	-	58
Environmental Management	404	11,766	-	624	1,064	-	662	-	14,520
Miscellaneous	-	969	9	117	-	(236)	-	-	859
Upstate Water Supply	-	-	64,684	205,230	-	-	318	-	270,232
Wastewater Treatment Operations	-	-	-	249,992	1,781	-	-	176,063	427,837
Water & Sewer Maintenance & Operations	-	-	99,613	104,183	-	-	-	-	203,796
TOTAL	\$29,822	\$12,762	\$164,306	\$576,775	\$2,866	\$46,587	\$69,757	\$176,063	\$1,078,939