



New York City Council

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**Hearing on the Mayor's Fiscal Year 2012 Preliminary Budget &
the Fiscal Year 2011 Preliminary Mayor's Management Report**

Fire Department

March 11, 2011

Committee on Fire and Criminal Justice Services

Hon. Elizabeth Crowley, Chair

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Summary and Highlights

Fire Department

Dollars in Thousands

	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	Difference 2011 – 2012
Personal Services	\$1,436,499	\$1,507,752	\$1,500,596	\$1,569,937	\$1,475,792	(\$24,804)
Other Than Personal Services	156,174	162,268	131,945	214,411	149,104	17,159
Table Total	\$1,592,673	\$1,670,022	\$1,632,540	\$1,784,348	\$1,624,894	(\$7,645)

*Difference refers to the variance between the Fiscal 2011 Adopted Budget and the Projected Fiscal 2012 Budget.

In the February Plan, the Department's Personal Services (PS) Budget for Fiscal 2012 decreases by \$24.8 million when compared to the Adopted Budget. This decrease is due to various budget actions that would reduce the Department's overall headcount by 611 positions, most notably through the elimination of 20 fire companies. The \$17.2-million increase in the Agency's Fiscal 2011 OTPS Budget is primarily due to the recognition of additional Federal grants of which a significant portion is credited to the Department's OTPS budget.

The increase in the Department's Fiscal 2011 Budget from Adoption can be attributed, in large part, to an overtime adjustment that increases the PS Budget, and the receipt of Federal grants which increase both the Department's PS and OTPS Budgets.

FDNY: Issues and Budget Highlights

- **Eliminate Staffing for 20 Fire Companies - Attrition.** The current Financial Plan assumes that 20 Companies will be eliminated beginning in Fiscal 2012. OMB has indicated that in order to fully restore operations at all 20 companies, it would require \$55 million in Fiscal 2012. (see p. 12)
- **Emergency Response Billing.** According to the November Plan, "The Department will begin billing legally insured parties for responses to certain accidents." This action would generate approximately \$1 million per year beginning in Fiscal 2012. (see p. 4)
- **Elimination of 5th Firefighter Post on 60 Engine Companies - Attrition.** In February 2011, the Department executed its plan, included in last year's Preliminary Budget, to eliminate the 5th firefighter post on all 60 engine companies that has been staffed with five firefighters and one lieutenant. This action is projected to generate savings of \$16.7 million in Fiscal 2012. (see p. 12)
- **Voluntary Hospitals Dispatch Fee.** Voluntary hospitals participating in the 911 system as ambulance providers would now be charged fees for 911 system dispatch and telemetry costs, currently borne by the FDNY. This action is designed to generate revenues of \$8.7 million per year beginning in Fiscal 2012. (see p. 15)
- **Overtime.** Because the Department is operating significantly under headcount, \$44.3 million has been added to the Department's Fiscal 2011 overtime budget since Adoption. (see p. 3)

Fire Department

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 288,000 fire and non-fire related emergencies and more than one million medical emergencies each year, and maintains approximately 250 firehouses and ambulance stations.

Key Public Services Areas

- Protect lives and property from fire hazards and other emergency conditions.
- Provide quick, efficient and high-quality response to medical emergencies.

Critical Objectives

- Ensure prompt response time to fires and other non-fire emergencies.
- Reduce the risk of fire incidents through quality inspections, investigations and public education.
- Ensure prompt response time to medical emergencies.

SOURCE: Mayor's Management Report

Fire Department Financial Summary

Dollars in Thousands

	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	Difference 2011–2012
Budget by Program Area						
Fire Exting. / Emergency Resp.	\$1,174,662	\$1,220,481	\$1,202,964	\$1,263,015	\$1,174,252	(\$28,712)
Emergency Medical Services	211,719	222,478	228,643	227,667	228,253	(389)
Executive Administrative	170,453	184,018	154,928	246,978	178,909	23,982
Fire Prevention	23,731	26,029	29,167	29,310	29,207	40
Fire Investigation	12,108	17,015	16,838	17,377	14,272	(2,566)
TOTAL	\$1,592,673	\$1,670,022	\$1,632,540	\$1,784,348	\$1,624,894	(\$7,645)
Funding						
City Funds			\$1,445,645	\$1,488,250	\$1,400,838	(44,807)
<i>Memo: Council Funds</i>			37,386	52,386		
Other Categorical			172,111	172,392	180,995	8,885
Capital-IFA			240	240	240	0
State			1,801	1,840	1,801	0
Federal – Other			2,000	110,868	33,715	31,715
Intra-City			10,743	10,758	7,305	(3,438)
TOTAL			\$1,632,540	\$1,784,348	\$1,624,894	(\$7,645)

Fire Department Headcount Summary

	2009 Actual	2010 Actual	2011 Adopted	2012 Feb. Plan	2012 Feb. Plan	Difference 2011–2012
Positions						
Full-Time Positions – Civilian*	4,690	4,810	4,813	4,834	4,826	13
Full-Time Positions - Uniformed	11,459	11,080	10,906	10,911	10,282	(624)
TOTAL	16,149	15,890	15,719	15,745	15,108	(611)

*Includes all EMS staff

The significant reduction in City-funds in Fiscal 2012 can be attributed to the Department's current PEG program, along with prior PEG actions that take effect in Fiscal 2012.

Federal Grants

Since Adoption, the Fire Department has recognized the receipt of approximately \$108.9 million in Federal grants for Fiscal 2011. Large-scale Federal grants that make up this increase include: approximately \$13.6 million in State Homeland Security Grants, approximately \$49.5 million in Urban Area Security Initiative Grants, approximately \$10.5 million for port security and approximately \$28.5 million for medical monitoring related to 9/11/01 workers.

FY 2011 Council Changes by Program Area	
<i>Dollars in Thousands</i>	
Fire Extinguishment/Emergency Response	
<i>Fire Company Restoration</i>	\$37,386
<i>Nighttime Closure Restoration (Nov Plan)</i>	15,000
TOTAL	\$52,386

Included in the Fiscal 2010 and 2011 Adopted Budgets for the Fire Department were proposals to close a combined 20 Fire Companies throughout the City in an effort to close the budget gap. Citing the importance of public safety, the City Council acted to restore \$37.4 million in Cityfunds to maintain operations for these 20 Fire Companies and to retain 505 associated firefighter positions, substituting alternative cuts to close the budget gap. It should be noted, however, that the City Council's restoration was only included in the City's Financial Plan for Fiscal 2011. Absent any other actions, funding to keep these fire companies operational in Fiscal 2012 and beyond does not exist.

Additionally, the 2010 November Plan included a proposal to close 20 companies at night for the remainder of Fiscal 2011. Again the Council acted, and restored \$15 million in funding to maintain overnight operations at all 20 companies.

The FDNY operates 194 Engine Companies and 143 Ladder Companies. There are 136 firehouses that contain both engine and ladder companies.

Overtime

Actual Overtime - Fiscal 2006-2010 (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 - 2011 Preliminary Plan (All Funds)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Uniformed	193,158,970	142,528,573	126,907,412	\$122,369,984	\$122,337,014
Civilian	11,267,256	9,767,190	9,767,190	9,767,190	9,767,190
EMS	27,058,605	24,561,346	24,561,346	24,561,346	24,561,346
Total OT	231,484,831	\$176,857,109	\$161,235,948	\$156,698,520	\$156,665,550

The FDNY's annual overtime budget for Fiscal 2011-2015 averages approximately \$176.6 million, 3 percent lower than the agency's average overtime spending (\$183.5 million) over the 5-year period from Fiscal 2006 to Fiscal 2010. According to the 2011 February Plan, overtime for uniformed firefighters would account for 83.5 percent of the Department's total overtime expenditures for Fiscal 2011. Total overtime funds are significantly higher in Fiscal 2011 (\$231.5 million) compared to 2012 (approximately

\$177 million) and the outyears. This is the result of the receipt of non-City grant funding and a total of \$44.3 million added to the overtime budget since Adoption.

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. As a result, the Department's overtime expenses have been increasing significantly. The November Plan calls for an additional \$30 million and the February Plan calls for an additional \$14.3 million to address the Department's overtime needs.

In January 2010, Judge Garaufis ruled that the City had intentionally discriminated against 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 each 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 plans to appeal the judge's ruling.

Miscellaneous Revenue

	Actual		Planned			
	2009	2010	2011	2012	2013	2014
Private Alarm Co. Fees	\$1,292,256	\$1,338,376	\$1,137,000	\$1,137,000	\$1,137,000	\$1,137,000
Fire Inspection Fees	45,121,055	47,021,346	49,924,148	50,159,714	50,159,714	50,159,714
2% Tax on Fire Insurance	27,569,650	26,773,756	26,465,000	26,465,000	26,465,000	26,465,000
Fire Prevention Liens	2,995,267	3,463,682	2,500,000	2,500,000	2,500,000	2,500,000
Emergency Response Billing			1,380,000	1,380,000	1,380,000	1,380,000
TOTAL	\$76,978,228	\$78,597,160	\$81,406,148	\$81,641,714	\$81,641,714	\$81,641,714

Note: The Miscellaneous Revenue Budget does not include ambulance transport revenue generated by EMS. (See EMS section below.)

The Fire Department issues permits and collects fees for: the inspection of fire suppression and electrical systems; places of public assembly; laboratories, high-rise buildings; and the storage and use of combustible materials. In addition, the Department realizes revenues from fees charged to out-of-state fire insurers that issue policies in New York City, and to private fire alarm companies. Franchise revenue consists exclusively of fees charged to private alarm companies that operate in New York City. In 2011, the Miscellaneous Revenue estimate for the Fire Department is \$81.4 million for these services.

The bulk of revenue in the Department's Miscellaneous Revenue Budget stems from two specific fees: fire inspection fees and a 2-percent tax on fire insurance premiums. In Fiscal 2011, fire inspection fees are projected to generate approximately \$49.9 million, while the 2-percent tax on fire insurance premiums is projected to generate \$26.5 million.

Revenue Budget Proposals

- **Emergency Response Billing.** According to the November Plan, "The Department will begin billing legally insured parties for responses to certain accidents," with the following fee structure:
 - \$495: for fire unit responses to locations of crashes or car fires that include injuries;

- \$415: for fire unit responses to locations of car fires with no injuries; and
- \$365: for fire unit responses to locations of crashes with no injuries

This action would generate approximately \$1 million per year beginning in Fiscal 2012.

The Speaker, along with other public officials and civic groups, opposes this plan for reasons that include: (1) services provided by the FDNY for car accidents are a function of public safety and should be provided by the Department as part of its taxpayer-funded mission, meaning these fees would represent a form of double taxation; (2) difficulties in determining who might be at fault in an accident; (3) municipalities who have implemented such charges have generated far less revenue than was projected; (4) most insurance policies would not cover such charges and if they did, those charges would ultimately be passed on to policy holders; and(5) the fees would place a disproportionate burden on minorities and the less fortunate. It was also noted that 10 states have passed legislation banning such charges.

- **New Fire Code-Plan Review Rooftop Access.** The Department will generate additional net revenue of \$36,000 in Fiscal 2011, \$274,000 in Fiscal 2012, \$271,000 in Fiscal 2013, and \$226,000 in Fiscal 2014 from the review of rooftop access plans. The Department will hire 4 administrative staff to administer this new stream of revenue. The fee for rooftop access plan review is \$200 and the Department will review approximately 3,000 plans per year.

Fiscal 2012 Preliminary Contracts Budget

Category	Number	Budgeted	Pct. of FDNY Total	Pct. of City Total	Pct. Change from 2011 Adopted
Contractual Services General	41	\$24,975,205	51.1%	4.97%	-11.5%
Telecommunications Maintenance	1	45,000	0.1%	0.09%	0.0%
Maint & Repair of Motor Vehicle Equipment	35	2,264,000	4.6%	16.10%	0.0%
Maint & Repair, General	97	8,371,629	17.1%	8.48%	-27.5%
Data Processing Equipment	10	5,910,847	12.1%	4.44%	21.3%
Security Services	1	185,516	0.4%	0.21%	N/A
Temporary Services	1	1,192,500	2.4%	3.34%	33.6%
Cleaning Services	2	2,733,000	5.6%	13.32%	0.5%
Training Programs for City Employees	3	94,700	0.2%	0.66%	0.0%
Maint & Oper of Infrastructure	23	1,781,209	3.6%	1.47%	80.5%
Professional Services: Computer Services	1	1,336,000	2.7%	1.03%	22.5%
Professional Services: Other	4	11,125	0.0%	0.01%	0.0%
Preliminary Budget	219	\$48,900,731	100.0%	0.48%	-7.3%

Capital Program

Agency Overview

The Fire Department maintains 218 firehouses, 33 EMS Stations, and approximately 40 support facilities including Department Headquarters, Training Academies at Randall's Island and Fort Totten, repair operations facilities, communications offices, and fire investigation bases.

Capital Budget Summary

The February 2011 Capital Commitment Plan includes \$404.2 million in Fiscal 2011-2014 for the Fire Department (including City and Non-City funds). This represents 1.2 percent of the City's total \$33.2 billion February Plan for Fiscal 2011-2014. The agency's February Commitment Plan for Fiscal 2011-2014 is 6.3 percent less than the \$431.6 million scheduled in the September Commitment Plan, a decrease of \$27.4 million.

Over the past five years (2006-2010), the Fire Department has only committed an average of 42 percent of its annual Capital Plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2011 Capital Plan will be rolled into Fiscal 2012, thus greatly increasing the size of the Fiscal 2012-2015 Capital Plan. Since Adoption last June, the Capital Commitment Plan for Fiscal 2011 has fallen from \$231.6 million to \$193.7 million, a decrease of \$37.9 million, or 16.4 percent.

Currently the Fire Department's appropriations total \$390.84 million in City-funds for Fiscal 2011. These appropriations are to be used to finance the agency's \$170-million City-funded Fiscal 2011 Capital Commitment Program. The agency has \$195.8 million, more than double the funding needed to meet its entire Capital Commitment Program for the current fiscal year.

2011-2014 Commitment Plan: Adopted and Preliminary Budget

Thousands of Dollars

	FY11	FY12	FY13	FY14	Total
Adopted					
Total Capital Plan	\$231,563	\$72,860	\$84,444	\$42,755	\$431,622
Prelim					
Total Capital Plan	\$193,687	\$88,815	\$86,998	\$34,676	\$404,176
Change					
Level	(\$37,876)	\$15,955	\$2,554	(\$8,079)	(\$27,446)
Percentage	-16.36%	21.90%	3.02%	-18.90%	-6.36%

Preliminary Capital Budget Highlights

In the Preliminary Capital Plan, FDNY's planned commitments for Fiscal 2011-2014 decrease by 6.3 percent to a total of \$404.2 million when compared to the Department's 2010 September Plan.

Significant changes in the Preliminary Capital Plan for Fiscal 2011-2014 that result in the net 2.5-percent decrease include:

- A decrease of \$6.4 million in planned commitments for equipment related to the phasing out of the Street Alarm Box system.
- A decrease of \$15.5 million in planned commitments for initial equipment for emergency response vehicles. A total of \$53.5 million remains in the plan for initial equipment for emergency response vehicles.
- A net increase of \$9.3 million spread across multiple facility improvement projects citywide.

Funding for major Fire Department projects in the Capital Plan for Fiscal 2011-2014 include:

- Planned commitments totaling \$247.4 million for citywide vehicle acquisition including approximately \$82.9 million for pumper fire trucks and approximately \$41.2 million for tower ladder fire trucks.
- Planned commitments totaling \$21 million for the Management Information and Control System, technology-related operations that include performing administrative and dispatching functions.
- Planned commitments totaling \$16 million for the Citywide Fire Alarm Communication System, including \$12.7 million for mobile radios.
- Planned commitments totaling \$8.3 million for improvements to the Department's training centers at Fort Totten and Randalls Island.
- Planned commitments totaling \$18.2 million for the Department's Marine 9 facility (Homeport pier complex, Staten Island).
- Planned commitments totaling \$11.8 million for a new Soundview EMS station and \$10 million to upgrade EMS Battalion 35 (Greenpoint).

Preliminary Capital Budget Issues

Emergency Communications

The City is undertaking significant upgrades and enhancements to its 911 Emergency Call Taking and Dispatch System. The majority of planned Capital commitments for this initiative totaling \$765 million, known as the Emergency Communications Transformation Project (ECTP), is housed in the Department of Information Technology and Telecommunications (DoITT) budget. This project includes the development of a consolidated dispatch system; an upgraded telecommunications infrastructure; and redundant call taking and dispatch centers. In 2010, the City will complete the consolidation of Police, Fire, and EMS call taking and dispatch operations in the existing Public Safety Answering Center (PSAC 1). Design of a fully redundant backup call center (PSAC 2) will continue in 2010. When completed, the ECTP project is expected to cost the City \$2 billion.

The Administration has indicated that it will scale back plans for PSAC 2 facilities, reducing its Capital budget by \$100 million. This reduction is not yet recognized in the Capital Plan as specifics are being developed.

Preliminary Ten-Year Capital Strategy

The Department's Ten-Year Capital Strategy includes a total of \$500.4 million in funding for the acquisition and maintenance of: facilities, equipment, communications, and computer systems for Fiscal 2012-2021.

Facilities Renovation

The Ten-Year Capital Strategy includes \$78.3 million for the renovation of firehouse components such as boilers, electrical upgrades, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows. The average age of the Department's 218 firehouses is 77 years, with 44 percent over 90 years old.

Vehicles, Fire-Fighting Tools, and Equipment

The Ten-Year Capital Strategy includes \$400.3 million for vehicle replacement and for firefighting tools and equipment, including approximately \$153.3 million for Pumper fire trucks and \$71.1 million on Ladder fire trucks. The average lifecycle for the Department's vehicles is 11 years.

Communications

The Ten-Year Capital Strategy includes \$16.1 million for the upgrade of emergency communications systems, radio replacement and fire alarm call box cabling.

Electronics and Data Processing

The Ten-Year Capital Strategy includes \$5 million for computer network and applications development, as well as equipment replacement.

Program Areas

Fire Extinguishment/Emergency Response

The Fire Department currently provides fire and rescue operations via 357 units including 194 Engine Companies, 143 Ladder Companies.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	Difference 2011–2012
Spending						
Personal Services	\$1,135,711	\$1,188,480	\$1,176,864	\$1,237,155	\$1,152,979	(\$23,885)
Full-Time Salaried – Civilian	14,970	17,341	17,448	17,522	16,366	(1,082)
Full-Time Salaried – Uniform	831,290	848,892	861,011	859,590	822,851	(38,161)
Other Salaried & Unsalariated	72	310	41	534	41	0
Additional Gross Pay	142,295	147,170	140,370	141,867	147,675	7,304
Overtime - Civilian	3,706	3,664	5,240	5,240	3,740	(1,500)
Overtime - Uniformed	125,490	153,908	133,754	190,905	140,275	6,521
Fringe Benefits	17,887	17,194	18,999	21,496	22,031	3,032
Other Than Personal Services	38,951	32,001	26,100	25,860	21,274	(4,826)
Supplies and Materials	10,326	11,693	13,371	12,269	11,849	(1,521)
Property and Equipment	1,961	1,477	1,314	1,734	1,058	(256)
Other Services and Charges	1,015	1,140	1,168	1,293	1,168	0
Fixed and Misc. Charges	0	88	0	0	0	0
Contractual Services	25,649	17,603	10,247	10,564	7,199	(3,049)
TOTAL	\$1,174,662	\$1,220,481	\$1,202,964	\$1,263,015	\$1,174,252	(\$28,712)
Funding						
City Funds			\$1,193,695	\$1,237,765	\$1,157,584	(\$36,111)
Federal – Other			0	15,992	10,837	10,837
Intra-City			8,314	8,314	4,876	(3,438)
State			955	944	955	0
TOTAL			\$1,202,964	\$1,263,015	\$1,174,252	(\$28,712)
Positions						
Full-Time Positions - Civilian	266	285	313	315	299	(14)
Full-Time Positions - Uniformed	11,320	10,924	10,720	10,725	10,114	(606)
TOTAL	11,586	11,209	11,033	11,040	10,413	(620)

The Department's Fiscal 2012 Fire Extinguishment and Emergency Response Budget decreases by \$28.7 million (2.4 percent) compared to the 2011 Adopted Budget. This decrease is due, in large part, to budget proposals that would eliminate 805 firefighter positions.

Performance Measures

	FY 08	FY 09	FY 10	4-Month Actual FY 10	4-Month Actual FY 11	Target FY 12
Average response time to structural fires, Citywide (minutes:seconds)	4:22	4:05	3:59	3:56	4:01	4:15
Average response time to structural fires and medical emergencies by fire units (minutes:seconds)	4:20	4:13	4:15	4:12	4:15	*
Serious fires per 1,000 structural fires	108	97	92	87	107	*
Civilian fire fatalities	85	78	67	16	23	*
Firefighter burns	354	252	241	92	105	*
Firefighter injuries	10,332	10,607	10,914	3,920	3,823	*

According to the Fiscal 2011 Preliminary Mayor's Management Report (PMMR), the average citywide response time to structural fires was 5 seconds slower during the most recent 4-month reporting period than it was in Fiscal 2010 due, in large part, to a 10-percent increase in total fire unit incidents.

During the reporting period, the combined average time for fire units to respond to structural fires and medical emergencies increased by 3 seconds during the reporting period. The number of serious fires per 1,000 structural fires increased 23 percent during the reporting period due in part to a spike in the number of fires during the record high temperatures during the 2010 summer.

Civilian fire fatalities increased from 16 to 23 during the reporting period. Firefighter burns sustained in service increased 14 percent and service-connected firefighter injuries decreased 3 percent.

Budget Proposals

- 1.5% Availability Increase.** As per the 2010 November Plan, the Department will seek to increase uniformed availability by 1.5% through controls on medical leave, light duty, and/or other leave. The Department is currently working on specific details of the plan which would generate savings of \$15 million per year beginning in Fiscal 2012.
- Elimination of 100 Uniformed Administrative Positions.** The 2010 November Plan includes a proposal in which the Department will eliminate 100 uniformed administrative positions. Firefighters currently serving in those administrative positions will be redeployed to the field. This action would generate savings of \$5.8 million in Fiscal 2012, \$6.4 million in Fiscal 2013, \$6.9 million in Fiscal 2014, and \$7.6 million in Fiscal 2015. This proposal was created as a substitute for an earlier civilization program that would have eliminated 75 uniformed administrative positions, replacing 60 of those positions with civilian lines for which funding was restored.
- Medical Boards Savings.** As per the 2010 November Plan, the Department will hire 3 additional staff to shorten the turnaround time in reviewing and closing active and pending retirement cases, leading to uniformed salary savings. This action is designed to generate a net savings of \$301,000 in Fiscal 2012, \$298,000 in Fiscal 2013, and \$271,000 in Fiscal 2014.
- Increased Grant Reimbursement.** The Department will be reimbursed \$5 million in Fiscal 2011 and 2012 for additional grant-eligible expenditures associated with fringe benefits related to Homeland Security Projects.

- **Longevity and Assignment Differentials.** In order to address higher-than-anticipated longevity and assignment salary differentials, a baseline adjustment of \$7.3 million will be added to the Department's budget beginning in Fiscal 2012.

Budget Actions from Previous Years that will Impact Fiscal 2012

- **Eliminate Staffing at 20 Engine Companies – Attrition.** The Council restored funding in Fiscal 2011 to maintain operations at 20 fire companies slated to be eliminated as per combined actions in the City's FY 2009 & 2010 Budget Plans. The current Financial Plan assumes that these 20 Companies will be eliminated beginning in Fiscal 2012. OMB has indicated that in order to fully restore operations at all 20 companies, it would require \$55 million in Fiscal 2012. Uniformed Headcount would be reduced by a total of 505 positions.

The companies to be eliminated would predominately be engine companies, although the Department has not determined specifics. The Department uses three main criteria when making decisions about closures: 1) projected post-closing response time to the company's first-due alarm boxes; 2) the number of occupied structural fires the company works; and 3) projected post-closing response time to the company's second-due alarm boxes. The Department also considers: total runs; medical emergencies; "workers" (runs where the company performed any work); the operational knowledge of senior chiefs; proximity to other units; workload impact on surrounding units; street layout and geographic obstacles; response of perimeter companies; impact of the company closing in the community it serves; and overall safety of the City. The primary function of Engine Companies is to put out the fire ("get water on the fire"). The primary function of Ladder Companies is search and rescue.

Note: In early 2003, Mayor Bloomberg proposed eliminating eight engine companies as part of the Fiscal 2004 budget plan. In June 2003, six of the proposed engine companies were eliminated, which resulted in four firehouses being shut down (two of the six engine companies were located in firehouses that also housed ladder companies which continue to operate). The elimination of these companies generated annual budget savings of approximately \$8 million. In the wake of these closures, the response time to structural fires increased by two seconds the following fiscal year.

The Fire Companies eliminated were:

Engine Company 204 – Cobble Hill, Brooklyn (Firehouse closed)

Engine Company 212 – Greenpoint, Brooklyn (Firehouse closed)

Engine Company 278 – Sunset Park, Brooklyn (Firehouse closed)

Engine Company 209 – Bedford Stuyvesant, Brooklyn (Ladder Co. 102 continues to operate.)

Engine Company 261 – Long Island City, Queens (Ladder Co. 116 continues to operate.)

Engine Company 36 – Harlem, Manhattan (Firehouse closed)

- **Elimination of 5th Firefighter Post on 60 Engine Companies – Attrition.** In February 2011, the Department executed its plan, included last year's Preliminary Budget, to eliminate the 5th firefighter post on all 60 engine companies that have been staffed with five firefighters (not including one lieutenant). These 60 companies were staffed with five firefighters due to a stipulation in the UFA contract which expired on January 31, 2011 and a new contract has yet to be agreed upon. The remaining 134 engine companies normally staff four firefighters per shift. The UFA has filed a petition with the City's Office of Labor Relations in an effort to reverse the staffing reduction, claiming that the Administration does not have the authority to unilaterally implement this change in deployment practices. This action is estimated to result in savings of \$7.9 million in Fiscal 2011 (partial year), \$16.7 million in Fiscal 2012, \$18.9 million in Fiscal 2013, and \$20.6 million in Fiscal 2014. Uniformed headcount would be reduced by 300 positions through attrition.

- **De-activation of the Street Alarm Box System.** As per last year's Preliminary Budget, the Department plans to de-activate the street alarm box system beginning in Fiscal 2012. This plan is subject to the lifting of existing judicial and legislative restraints, and is designed to generate savings of \$2.9 million in Fiscal 2012, \$3.2 million in Fiscal 2013, and \$3.5 million in Fiscal 2014. Savings would be related to the elimination of system maintenance. Headcount would be reduced by 10 positions.

Judicial action is needed to de-activate the 15,000 boxes because in 1997 a federal judge said such a move would violate the civil rights of the deaf. Due to advances in technology and the prevalence of cell phones, the Department feels the alarm boxes are no longer necessary. The fire dispatchers union argues, however, that relying exclusively on phones in an emergency is dangerous because the cell phone system can become overloaded during times of disaster or mass emergencies.

Emergency Medical Services

EMS is responsible for delivering ambulance and pre-hospital emergency medical services citywide, as well as providing tactical and medical direction to field personnel and administrative and support services to the EMS Bureau. EMS operates 372 Basic Life Support (BLS) ambulance tours and 200 Advanced Life Support (ALS) ambulance tours citywide. The Department anticipates its ambulances will respond to over 1.2 million medical incidents in 2012.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	Difference 2011–2012
Spending						
Personal Services	\$190,896	\$199,419	\$205,734	\$206,198	\$205,891	\$158
Full-Time Salaried – Civilian	143,663	154,732	159,457	159,635	161,095	1,638
Full-Time Salaried – Uniform	189	190	190	190	190	0
Other Salaried and Unsalariated	576	619	518	518	518	0
Additional Gross Pay	16,972	18,600	17,964	17,966	18,751	787
Overtime - Civilian	29,055	24,882	26,831	27,059	24,561	(2,270)
Fringe Benefits	390	396	774	831	776	2
Amounts to be Scheduled	51	0	0	0	0	0
Other Than Personal Services	20,823	23,059	22,909	21,469	22,362	(547)
Supplies and Materials	7,759	8,452	7,035	7,239	7,085	50
Property and Equipment	1,028	1,249	766	1,197	766	0
Other Services and Charges	2,365	3,103	3,753	3,181	3,157	(596)
Contractual Services	9,651	10,220	11,354	9,850	11,353	(1)
Fixed and Misc. Charges	22	35	1	2	1	0
TOTAL	\$211,719	\$222,478	\$228,643	\$227,667	\$228,253	(389)
Funding						
City Funds			\$53,657	\$52,390	\$44,383	(9,274)
Intra-City			2,029	2,029	2,029	0
Federal-Other			0	9	0	0
Other Categorical			172,111	172,392	180,995	8,885
State			846	846	846	0
TOTAL			\$228,643	\$227,667	\$228,253	(389)
Positions						
Full-Time Positions - Civilian	3,172	3,290	3,207	3,205	3,224	17
Full-Time Positions - Uniformed	1	1	1	1	1	0
TOTAL	3,173	3,291	3,208	3,206	3,225	17

Performance Measures

	FY 08	FY 09	FY 10	4-Month Actual FY 10	4-Month Actual FY 11	Target FY 12
Average response time to life-threatening medical emergencies by ambulance units (mins:secs)	6:39	6:40	6:41	6:39	6:51	6:35

According to the PMMR, average response time to life-threatening medical emergencies by ambulance units was 12 seconds slower during the reporting period compared to last year's figure. Combined response time to life-threatening medical emergencies by ambulance and fire units was 9 seconds slower. Average response time to life-threatening medical emergencies by fire units was 3 seconds slower. A 4-percent increase in total medical incidents, including a 7-percent increase in life-threatening incidents, led

to decreased ambulance availability. Additionally, the hospital closures at St. Vincent's in Manhattan and St. John's and Mary Immaculate in Queens continued to affect ambulance availability, as units must travel greater distances to other hospitals and spend more time in busy emergency rooms.

Ambulance Transport Revenue

	Actual Revenue				
	<i>(Dollars in Thousands)</i>				
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Medicare	\$25,746	\$24,591	\$20,912	\$31,312	\$26,124
Commercial	42,446	44,969	64,263	75,798	78,878
Self Pay	6,095	6,827	6,532	6,398	6,250
Bad Debt Sold			1,847	1,084	731
Total FDNY Collections	\$74,287	\$76,387	\$93,554	\$114,593	\$111,983

Note: Medicare figures have been adjusted to accurately reflect claims made for Fiscal 2008 and Fiscal 2009.

HHC Subsidy	\$57,421	\$56,655	\$56,745	\$60,204	\$56,851
Total Revenue	\$131,708	\$133,043	\$150,299	\$174,797	\$168,834

Note: The significant year to year increases in revenue collected in Fiscal 2006 through 2010 can be attributed to the FDNY's hiring of a billing and collections vendor.

The Department generates revenue from EMS ambulance transports. In 2011, revenue from Medicaid and non-Medicaid sources is projected at approximately \$172 million, increasing to \$181 million in Fiscal 2012 and the outyears. The increase in revenue between Fiscal 2011 and Fiscal 2012 is primarily the result of the Department's plan to charge voluntary hospitals a 911 dispatch fee (discussed below). Approximately \$60 million of EMS's total ambulance revenue stems from Health and Hospitals Corporation (HHC) Medicaid payments for ambulance transports to HHC hospitals. The overwhelming majority of the remainder is collected from persons who have private insurance.

Budget Proposals

- **Voluntary Hospitals Dispatch Fee.** The November Plan includes a proposal in which Voluntary hospitals participating in the 911 system as ambulance providers would now be charged fees for 911 system dispatch and telemetry costs, currently borne by the FDNY. This action is designed to generate revenues of \$8.7 million per year beginning in Fiscal 2012.
- **EMS Leases.** The Department has adjusted its EMS lease budget to reflect current costs resulting in a baseline savings of \$596,000 beginning in Fiscal 2011.
- **Woodlawn EMS Station Supervision.** Supervisory staff is needed for the new Woodlawn EMS Station. According to the February Plan, the Department would hire 7 supervisory staff (6 Lieutenants and 1 Captain) at a cost of \$415,000 in Fiscal 2011 and 2012, increasing to \$438,000 in Fiscal 2013 and 2014.
- **New BLS Ambulance Tours.** Due to the bankruptcy of North General Hospital, the Department will run 3 additional BLS EMS tours to maintain coverage. This action will incur a net cost of \$242,000 in Fiscal 2012, \$229,000 in Fiscal 2013, \$235,000 in Fiscal 2014 and \$295,000 in Fiscal 2015. Headcount will increase by 11 positions.

Executive Administrative

These units of appropriation provide for all civilian policy direction, administration, human resources support, and funding to purchase supplies, materials and other services required to support executive and administrative operations (Fiscal Services, Personnel, Budget and Health Services) for the entire Department. Also included are the infrastructure and vehicle maintenance units, and the Bureau of Information and Computer Services.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	Difference 2011–2012
Spending						
Personal Services	\$74,578	\$77,317	\$72,858	\$80,827	\$74,067	\$1,209
Full-Time Salaried – Civilian	58,181	57,932	56,689	61,096	57,984	1,295
Full-Time Salaried – Uniform	2,415	2,815	4,681	4,193	4,681	0
Other Salaried and Unsalariated	2,793	4,012	2,763	3,863	2,763	0
Additional Gross Pay	3,533	3,796	3,121	2,951	3,127	7
Overtime - Civilian	7,542	8,719	4,728	4,728	4,728	0
Overtime - Uniformed	31	3	94	94	94	0
Fringe Benefits	736	683	659	3,778	659	0
Amounts to be Scheduled	32	149	124	124	31	(93)
PS Other	(685)	(790)	0	0	0	0
Other Than Personal Services	95,875	106,700	82,070	166,152	104,842	22,773
Supplies and Materials	17,168	27,315	11,138	18,034	11,530	392
Property and Equipment	6,922	5,040	1,809	14,233	1,809	0
Other Services and Charges	37,034	35,672	38,102	71,858	61,273	23,171
Contractual Services	34,283	37,973	30,968	61,794	30,178	(790)
Fixed and Misc. Charges	467	700	53	233	53	0
TOTAL	\$170,453	\$184,018	\$154,928	\$246,978	\$178,909	\$23,982
Funding						
City Funds			\$154,288	\$153,996	\$155,392	\$1,104
Capital-IFA			240	240	240	0
Federal – Other			0	92,328	22,878	22,878
Intra-City			400	415	400	0
TOTAL			\$154,928	\$246,978	\$178,909	\$23,982
Positions						
Full-Time Positions - Civilian	833	800	806	823	812	6
Full-Time Positions - Uniformed	22	22	39	39	39	0
TOTAL	855	822	845	862	851	6

Since Adoption, both the Fiscal 2011 and 2012 Budgets increase significantly due primarily to the recognition of Federal grants including State Homeland Security Grants, Urban Area Security Initiative Grants and Port Security grants.

Budget Proposals

- **National Institute of Occupational Safety and Health (NIOSH) Grant.** The Department received a grant of \$2.3 million in Fiscal 2011 from NIOSH which will help cover salaries of personnel in the Bureau of Health Services that serve the World Trade Center Medical Programs.

Fire Prevention

The Bureau of Fire Prevention is responsible for the enforcement of New York City's fire code through the inspection of all multi-unit dwellings, the collection of revenues from inspection fees and code violation fines, certificate of fitness testing of all vocations that handle combustible materials, and the development and implementation of public education programs. The City council enacted the new Fire Code on May 28, 2008 and it was signed into law, Local Law No. 26, on June 3, 2008.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	Difference 2011-2012
Spending						
Personal Services	\$23,275	\$25,593	\$28,379	\$28,457	\$28,660	\$281
Full-Time Salaried – Civilian	19,702	21,721	23,251	23,329	23,531	281
Full-Time Salaried – Uniform	899	0	2,343	2,343	2,442	99
Other Salaried and Unsalariated	58	35	37	37	37	0
Additional Gross Pay	1,126	896	1,297	1,297	1,198	(99)
Overtime - Civilian	1,454	1,944	1,297	1,297	1,297	0
Overtime - Uniformed	0	958	93	93	93	0
Fringe Benefits	36	39	61	61	61	0
Other Than Personal Services	456	436	789	853	548	(241)
Supplies and Materials	76	70	383	210	142	(241)
Property and Equipment	22	14	5	159	5	0
Other Services and Charges	245	273	230	273	230	0
Contractual Services	113	80	170	211	170	0
TOTAL	\$23,731	\$26,029	\$29,167	\$29,310	\$29,207	\$40
Funding						
<i>City Funds</i>			\$29,167	\$29,261	\$29,207	\$40
<i>State</i>			0	50	0	0
TOTAL			\$29,167	\$29,310	\$29,207	\$40
Positions						
Full-Time Positions - Civilian	413	429	481	485	485	4
Full-Time Positions - Uniformed	0	0	28	28	28	0
TOTAL	413	429	509	513	513	4

Performance Measures

	FY 08	FY 09	FY 10	4-Month Actual FY 10	4-Month Actual FY 11	Target FY 12
Completed inspections performed by fire prevention staff	162,474	167,844	164,395	53,784	58,419	162,000
Field force inspections	56,383	61,732	57,719	23,099	19,153	*

According to the PMMR, completed fire prevention inspections, performed by FDNY inspectors who visit sites to ensure compliance with the City's Fire Code, increased 9 percent in the first four months of Fiscal 2011 compared with the same period in Fiscal 2010

Field force inspections, performed by fire units who visit commercial and residential buildings within designated areas, decreased 17 percent during the reporting period. Inspections of commercial buildings decreased 2 percent and inspections of residential buildings decreased 23 percent. Fire units conducted 9,569 Construction, Demolition and Abatement (CDA) inspections during the reporting period, 10.5 percent more than the same period last year.

Fire Investigation

The Bureau of Fire Investigation is responsible for investigating and determining the cause and origin of all suspicious fires, and for the apprehension of arsonists. The Department will deploy 100 Fire Marshals to field duty in 2011.

<i>Dollars in Thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	Difference 2011–2012
Spending						
Personal Services	\$12,039	\$16,943	\$16,761	\$17,300	\$14,195	(\$2,566)
Full-Time Salaried – Civilian	271	294	314	314	307	(7)
Full-Time Salaried – Uniform	7,723	11,557	12,531	12,669	9,928	(2,603)
Additional Gross Pay	1,537	1,815	1,655	2,028	1,699	44
Overtime - Civilian	12	5	2	2	2	0
Overtime - Uniformed	2,097	2,844	2,067	2,067	2,067	0
Fringe Benefits	399	429	192	220	192	0
Other Than Personal Services	69	72	77	77	77	0
Supplies and Materials	40	14	53	20	53	0
Property and Equipment	20	52	10	43	10	0
Other Services and Charges	3	0	14	9	14	0
Contractual Services	6	7	0	5	0	0
TOTAL	\$12,108	\$17,015	\$16,838	\$17,377	\$14,272	(\$2,566)
Funding						
City Funds			\$14,838	\$14,838	\$14,272	(\$566)
Federal – Other			2,000	2,539	0	(2,000)
TOTAL			\$16,838	\$17,377	\$14,272	(\$2,566)
Positions						
Full-Time Positions - Civilian	6	6	6	6	6	0
Full-Time Positions - Uniformed	116	133	118	118	100	(18)
TOTAL	122	139	124	124	106	(18)

Compared to the Adopted Budget, the Fire Investigation Budget decreases in Fiscal 2012 by \$2 million due to the expiration of a Federal Stimulus Grant that provided funding for 18 fire marshal positions.

Performance Measures

	FY 08	FY 09	FY 10	4-Month Actual FY 11	4-Month Actual FY 11	Target FY 12
Investigations	5,940	6,118	6,339	2,198	2,296	*

According to the PMMR, investigations by fire marshals into the causes and origins of fires and other fire-related offenses increased 5 percent during this period.

Appendix A: Budget Actions in the November and February Plans

<i>Dollars in thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2010 Plan	\$1,445,645	\$186,895	\$1,632,540	\$1,405,046	\$181,457	\$1,586,503
Program to Eliminate the Gap (PEGs)						
1.5% Staffing Availability Increase			\$0	(\$15,000)		(\$15,000)
Medical Board Savings			0	(301)		(301)
Civilianization of Uniformed Posts - Restoration			0	860		860
Elimination of 100 Uniformed Admin. Positions			0	(5,864)		(5,864)
Emergency Response Billing			0	337		337
EMS Leases	(596)		(596)	(596)		(596)
Increased Grant Reimbursement	(5,000)		(5,000)	(5,000)		(5,000)
New Fire Code - Plan Review Rooftop Access	114		114	326		326
NIOSH Savings	(2,277)		(2,277)			0
Voluntary Hospitals' Dispatch Fee			0	(8,678)	8,678	0
Total, PEGs	(\$7,759)	\$0	(\$7,759)	(\$33,916)	\$8,678	(\$25,238)
New Needs						
Overtime Adjustment	\$44,300		\$44,300	\$15,000		\$15,000
Differentials			0	7,300		7,300
North General BLS Tours			0	241	207	448
Woodlawn EMS Supervision			0	415		415
			0			0
Total, New Needs	\$44,300	\$0	\$44,300	\$22,956	\$207	\$23,163
Other Adjustments						
Misc City Adjustments	\$5,189		\$5,189	\$5,878		\$5,878
Collective Bargaining	874		874	874		874
Intra-City Adjustments		14	14			0
State Grants and Adjustments		39	39			0
Federal Grants and Adjustments		108,869	108,869		33,715	33,715
Other Categorical Grants and Adjustments		282	282			0
Total, Other Adjustments	\$6,063	\$109,204	\$115,267	\$6,752	\$33,715	\$40,467
Agency Budget as of February 2011 Plan	\$1,488,250	\$296,097	\$1,784,347	\$1,400,838	\$224,057	\$1,624,895