



sanitation

Edward Grayson Commissioner

Testimony of Edward Grayson, Commissioner New York City Department of Sanitation

Hearing on the FY 2023 Preliminary Budget and FY 2022 Preliminary Mayor's Management Report

New York City Council Committee on Sanitation and Solid Waste Management

Wednesday, March 23, 2022
2:00 P.M.

Good afternoon Chair Nurse and members of the City Council Committee on Sanitation and Solid Waste Management. I am Edward Grayson, Commissioner of the New York City Department of Sanitation. Thank you for the opportunity to discuss the Department's portion of the Mayor's Fiscal Year 2023 Preliminary Budget and our current programs and operations. With me this afternoon are Deputy Commissioner Gregory Anderson, Deputy Commissioner Bridget Anderson, Chief of Cleaning Operations Stephen Harbin and Assistant Chief of Enforcement Ricky Cyrus. I will present brief testimony, after which I am happy to answer your questions.

Before I begin, I want to thank once again Speaker Adams, Chair Nurse, and the Members of this Committee for passing resolution 55-A today. This important measure supports the Governor's EPR proposal to create transformational change in waste reduction and recycling, by requiring upstream manufacturers and retailers to take some financial responsibility for the end-of-life of the products they produce and sell. The program could bring as much as \$100 million or more to New York City each year, which could free up funds for investment in recycling outreach and education, new waste diversion programs and other vital sanitation services. As the State budget process winds to a close, I urge you to continue speaking with your colleagues in the State Legislature regarding the importance of this proposal. Now let me turn to the FY23 Preliminary Budget.

Preliminary FY 2023 Expense Budget

The Fiscal Year 2023 (FY 2023) preliminary expense budget reflects cost savings associated with the Program to Eliminate the Gap and provides funding for the Department to continue to deliver core, essential services necessary to keep New York City healthy, safe and clean. The Preliminary Budget includes \$1.78 billion in expense funds for the Department in FY 2023.

Our FY 2023 budgeted headcount is 9,359, a decrease of 144 positions from the FY 2022 preliminary budget. In FY 2023, the Department's budgeted headcount includes 7,391 full-time uniform and 1,968 full-time civilian positions.

The preliminary budget includes additional funding in FY 2022 to close deficits in uniform overtime (\$50 million), motor fuel costs (\$5.6 million), and heating fuel costs (\$0.9 million), as well as additional funding related to collective bargaining agreements for Department personnel.

In terms of program areas, the budget is broken down as follows:

- \$808.3 million for Refuse and Recycling Collection and Street Cleaning;
- \$470.1 million for Waste Export;
- \$97.3 million for Motor Equipment Maintenance;
- \$96.7 million for Snow Removal;
- \$51.2 million for Recycling and Sustainability initiatives, not including the cost of collection;
- \$31.7 million for Building Maintenance;
- \$25.6 million for Solid Waste Transfer Station Operations;
- \$21.9 million for Enforcement;
- \$18.9 million for other Waste Disposal costs;
- \$16.8 million for Landfill Closure; and
- \$136.5 million for General Administration and support functions, including facility leases, fuel, utilities, telecommunications, public information, engineering, and legal affairs.

The Department's budget is largely funded by city tax levy funds (\$1.76 billion in FY 2023), but it also includes \$5.7 million in capital IFA funds, \$9.7 million in intracity payments and \$7.6 million in federal funds.

Program to Eliminate the Gap

The preliminary budget includes savings of \$38.0 million in FY 2022 and \$47.8 million in FY 2023 as part of the Administration's Program to Eliminate the Gap (PEG). These savings include reforecasts of certain costs, adjustments based on increased revenue, and the elimination of certain roles through attrition. The PEG initiatives do not include any direct cuts to services.

In particular, the PEG includes the following savings:

- \$15.5 million in annual recurring savings related to the elimination of 188 currently-vacant civilian positions, reflecting an 8.4% reduction in overall civilian headcount at the agency;
- \$9.4 million in FY2022 and \$18.2 million in FY 2023 due to the suspension in expansion of the opt-in curbside organics program;
- \$5.6 million in FY 2022 and \$5.0 million in FY 2023 in lower projected costs for Fresh Kills landfill closure and post-closure maintenance;
- \$4.6 million in FY 2022 and \$5.0 million in FY 2023 due to the reduction of 71 Garage Utility staff posts per day, equivalent to a reduction in uniformed headcount of 107 lines;
- \$1.6 million in FY 2022 and \$2.7 million in FY 2023 due to the reduction in uniformed staff assigned to administrative and support roles, a reduction in uniformed headcount of 37 lines;
- \$1.3 million in FY 2023 related to adjusting the frequency of defensive driving training courses;
- \$0.7 million in FY 2022 in prior year State revenue; and

- \$0.7 million in FY 2022 in reusable bag fee revenue.

The recurring savings related to the PEG initiatives in the preliminary budget increase to \$51.7 million in FY 2026.

Preliminary Capital Budget for Fiscal Years 2022-2026

The Department's capital commitment plan for FY 2022 through 2026 is \$2.01 billion. This includes \$1.01 billion for collection trucks and other equipment, \$902 million for garages and other facilities, \$75 million for solid waste management, and \$36 million for information technology and telecommunications.

In FY 2023, the Department's capital budget totals \$362 million, including \$171 million for equipment, \$151 million for facilities, \$27 million for solid waste management infrastructure, and \$12 million for information technology projects. The Department also advanced some equipment funding into the FY 2022 capital budget to take advantage of lower pricing for collection trucks in the current contract, which expires this fiscal year.

2022-2023 Winter Season

Snow-fighting is a core component of the Department's mission, and this winter has had its fair share of snowstorms. To date this winter, the Department has responded to 17 winter weather conditions and 5 storms, with a total accumulation of 17.5 inches as measured by the National Weather Service in Central Park.

Every snowstorm and season bring its unique challenges. This year, as the Omicron wave swept through New York City and DSNY, the men and women of this Department, as always, rose to the occasion during each of these snow events to ensure our streets remained safe and passable. I thank them for their service. This season we also had nearly 1,000 new hires, our largest cohort in over a decade, and their training and preparation have served them well.

This year, we expanded the number of mini-plows on hand to service protected bike lanes and other narrow areas, leasing a total of 30 units citywide. For the first time, we have not only pre-treated bike lanes with anti-icing brine but also deployed these mini-plows during the snowstorm to provide real-time snow-fighting for our expanding network of protected bike lanes. We hope to continue and expand this approach in the future.

To date this winter season, the Department has used 340,000 tons of road salt, 449,000 gallons of calcium chloride, and 230,000 gallons of liquid brine to treat New York City's roadways. While we hope that we have seen the last of snow this winter and have begun to see the first buds of spring, we remain prepared for whatever Mother Nature has in store for us.

The preliminary FY 2023 snow budget is \$96.7 million and is calculated based on a rolling five-year average of previous year actual spending per the New York City Charter.

Commercial Waste Zones

Commercial Waste Zones will create a safe and efficient collection system for commercial waste that provides high quality service to New York City businesses while advancing the City's zero waste and sustainability goals. The new system is expected to reduce commercial waste truck traffic by more than 50 percent, eliminating millions of miles of truck travel, cutting air pollution

and reducing the time it takes workers to complete their routes. It is also expected to nearly double the commercial diversion rate for recyclables and organic waste.

The Department released Part 2 of the request for proposals (RFP) for Commercial Waste Zones in November 2021, and responses are now due on July 15, 2022. This second and final part of the RFP requests detailed plans and pricing proposals from the 50 responsive companies that responded to Part 1 of the RFP last year. We have extended the response deadline by 90 days to ensure that carters have enough time to submit high quality proposals are up to the standards that fully meet DSNY's goals for the program.

DSNY is currently staffing up a new Bureau of Commercial Waste to continue the implementation of this program, including outreach staff, technical experts, and contract administrators. We expect to finalize the contracts by the end of the year and begin customer transition in 2023. The zones will be transitioned in phases over a period of up to two years.

In closing, I wish to thank Chair Nurse and all members of this committee for your dedication and support as we continue to deliver our essential services. You are all an important part of our work to keep New York City healthy, safe and clean. My colleagues and I are now happy to answer your questions.