

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Melissa Mark-Viverito  
Speaker of the Council

Hon. Ben Kallos  
Chair, Committee on Governmental Operations

Report on the Fiscal 2016 Preliminary Budget and the  
Fiscal 2015 Preliminary Mayor's Management Report

Financial Information Services Agency (FISA)

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## Table of Contents

Financial Information Services Agency (FISA) Overview ..... 1

Fiscal 2016 Preliminary Plan Highlights..... 1

Financial Summary ..... 2

Citywide Information Technology Systems ..... 3

    CityTime ..... 3

    New York City Automated Payroll System (NYCAPS) ..... 3

    Financial Management System (FMS) ..... 3

    FISA Lump Sum Capital Funding..... 4

Appendix A: Budget Actions in the November and Preliminary Plans ..... 5

Appendix B: Contract Budget ..... 5



## Financial Information Services Agency (FISA) Overview

The Financial Information Services Agency controls and coordinates data processing functions and operations for the City's payroll, accounting and purchasing systems; manages the citywide Financial Management System (FMS); generates and distributes reports for accounting and budget oversight; and provides on-line access to budgetary or related data for use by city managers and others. FISA also maintains the operational integrity of the Payroll Management System (PMS) and the Integrated Comprehensive Contracts Information System (ICCIS). FISA is jointly controlled by the Mayor and the Comptroller, as defined by the City Charter.

This report provides a review of the Fiscal 2016 Preliminary Budget for FISA. In the first section the highlights of the Preliminary Plan are presented. The report then presents FISA's financial summary and discusses actions included in the November and Preliminary Financial Plans. Finally, the report provides a review of citywide IT systems maintained and operated by FISA and a review of FISA's contract budget.

### Fiscal 2016 Preliminary Plan Highlights

- **FISA Fiscal 2016 Preliminary Budget.** FISA's proposed budget for Fiscal 2016 totals \$104.9 million, including personal services funding of \$48.6 million to support 459 full-time positions. FISA relies entirely on City tax-levy funding.
- **FISA - Office of Payroll Management (OPA) Co-location.** The Preliminary Plan includes funding of \$2.5 million (partial year value) in Fiscal 2016, increasing to \$12.4 million by Fiscal 2019 to cover lease expenses for the OPA co-location with FISA. Additional capital funding for the co-location includes planned commitments totaling \$4.6 million for the renovation of the new leased space.
- **FISA Capital Funding.** The Preliminary Capital Commitment Plan includes \$66.1 million in Fiscal 2015-2018 for FISA-managed capital projects. In coordination with several City agencies, FISA plays a significant role in the planning, maintenance and management of upgrades of many of the City's large scale IT systems, most notably NYCAPS, FMS, and CityTime.
- **FISA's Contract Budget.** FISA's Fiscal 2016 Contract Budget totals \$32 million which accounts for 30.6 percent of the its total budget. Because FISA is responsible for maintaining several citywide IT systems, contracts for data processing services comprises 92.2 percent of its total contract budget.

## Financial Summary

### FISA Financial Summary

| <i>Dollars in Thousands</i>         | 2013            | 2014            | 2015             | Preliminary      |                  | *Difference    |
|-------------------------------------|-----------------|-----------------|------------------|------------------|------------------|----------------|
|                                     | Actual          | Actual          | Adopted          | 2015             | 2016             | 2015 - 2016    |
| <b>Spending</b>                     |                 |                 |                  |                  |                  |                |
| <b>Personal Services</b>            | <b>\$36,225</b> | <b>\$40,370</b> | <b>\$45,449</b>  | <b>\$47,215</b>  | <b>\$48,621</b>  | <b>\$3,171</b> |
| Full-Time Salaried                  | 35,079          | 39,070          | 44,762           | 46,341           | 47,923           | 3,161          |
| Other Salaried & Unsalariated       | 85              | 126             | 113              | 120              | 123              | 10             |
| Additional Gross Pay                | 905             | 962             | 406              | 506              | 406              | 0              |
| Overtime                            | 156             | 211             | 168              | 248              | 168              | 0              |
| <b>Other Than Personal Services</b> | <b>46,828</b>   | <b>42,080</b>   | <b>54,994</b>    | <b>54,994</b>    | <b>56,322</b>    | <b>1,327</b>   |
| Supplies and Materials              | 2,030           | 1,876           | 10,388           | 9,696            | 10,234           | (153)          |
| Property and Equipment              | 34              | 135             | 114              | 114              | 114              | 0              |
| Other Services and Charges          | 11,335          | 11,519          | 11,338           | 11,362           | 13,868           | 2,531          |
| Contractual Services                | 33,429          | 28,549          | 33,155           | 33,824           | 32,105           | (1,050)        |
| <b>TOTAL</b>                        | <b>\$83,053</b> | <b>\$82,449</b> | <b>\$100,444</b> | <b>\$102,209</b> | <b>\$104,942</b> | <b>\$4,499</b> |
| <b>Funding</b>                      |                 |                 |                  |                  |                  |                |
| <i>City Funds</i>                   | \$83,053        | \$82,449        | \$100,444        | \$102,209        | \$104,942        | \$4,499        |
| <b>TOTAL</b>                        | <b>\$83,053</b> | <b>\$82,449</b> | <b>\$100,444</b> | <b>\$102,209</b> | <b>\$104,942</b> | <b>\$4,499</b> |
| <b>Positions</b>                    |                 |                 |                  |                  |                  |                |
| Full-Time Positions                 | 391             | 406             | 459              | 459              | 459              | 0              |

\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.

FISA's proposed budget for Fiscal 2016 totals \$104.9 million, including personal services funding of \$48.6 million to support 459 full-time positions. FISA relies entirely on City tax-levy funding. FISA's Fiscal 2015 and 2016 budgets are significantly higher than the Agency's actual spending in the Fiscal 2013 and 2014, indicating the potential of a budget surplus.

FISA's Fiscal 2016 Preliminary Budget increases by \$4.5 million when compared to the Fiscal 2015 Adopted Budget. This is the result of the identification of new lease expenses as well as staff salary increases including collective bargaining adjustments. (See Appendix A on page 5 for details).

**FISA and OPA Co-location.** The Preliminary Plan includes funding of \$2.5 million (partial year value) in Fiscal 2016, increasing to \$12.4 million by Fiscal 2019 to cover lease expenses for the OPA co-location with FISA. This funding provides for additional leased space at 450 West 33<sup>rd</sup> Street in Manhattan, where FISA offices are currently located. Additional capital funding for the co-location includes planned commitments totaling \$4.6 million for the renovation of the new leased space.

## Citywide Information Technology Systems

In coordination with several City agencies, FISA plays a significant role in the planning, maintenance and management of upgrades of many of the City's large scale IT systems, most notably NYCAPS, the City's Financial Management System and CityTime. Because these systems are part of the City's infrastructure, costs associated with system development and upgrades are funded through the capital budget. Funding for these projects is in the Citywide Equipment (PU) Capital Program. The Preliminary Capital Commitment Plan includes \$66.1 million in Fiscals 2015-2018 for FISA-managed capital projects (including City and Non-City funds).

In an effort to track the budgets of large-scale capital projects, the Council passed Local Law 18 of 2012 requiring the City to notify the Council when a capital contract over \$10 million is modified and increases in cost by 20 percent.

Prompt notification to the Council about such cost overruns will allow the Council to exercise its oversight function to determine whether continued funding for a project is appropriate, or whether changes need to be made to ensure that a project's costs does not continue to increase.

### CityTime

CityTime is the web-based citywide municipal employee timekeeping system that serves over 80 City agencies. The project, which was originally projected to cost \$63 million, increased to over \$700 million and was the subject of a federal fraud investigation.

In March of 2012, SAIC, the main contractor of CityTime, agreed to pay back \$500 million in restitution and penalties for "defrauding the City into significantly overpaying" for services. CityTime's final cost is estimated to be between \$134 million and \$186 million.

In June of 2011, an agreement was reached between the Comptroller and the Mayor's Office, which called for a gradual transfer of the management of the system from outside consultants to City employees. In all, 83 consultant positions will be phased out and replaced by City employees. The conversion, which is expected to be completed by Fiscal 2015, is expected to save the City \$20 million annually.

FISA's proposed expense budget for Fiscal 2016 includes \$9.99 million for the CityTime system maintenance. Additional resources for the operation of CityTime, are included in OPA's budget.

### New York City Automated Payroll System (NYCAPS)

NYCAPS is the City's employee self-service system that allows instant access to human resources, payroll, tax, and benefits data. The initial projected cost of the project was estimated at \$66 million in 2002 and has increased significantly to its current projected cost of \$335 million.

Funding for maintenance of the NYCAPS system included in FISA's Other Than Personal Services budget totals \$5.3 million and the Preliminary Capital Plan for Fiscal 2015-2018 includes planned commitments totaling approximately \$1.7 million for NYCAPS.

### Financial Management System (FMS)

FMS is the City's computerized accounting and financial data management system. The City continuously upgrades the system's wide ranging functions and the Preliminary Capital Plan includes planned commitments totaling approximately \$4.1 million for FMS.

**FISA Lump Sum Capital Funding**

The Capital Plan also includes lump sum funding of \$14.2 million for upgrades to FISA's main data center. Planned commitments totaling \$33.2 million for the Alternative (Backup) Data Center are included in the plan for Fiscal 2017.



## Appendix A: Budget Actions in the November and Preliminary Plans

| <i>Dollars in Thousands</i>                       | FY 2015          |            |                  | FY 2016          |            |                  |
|---|------------------|------------|------------------|------------------|------------|------------------|
|   | City             | Non-City   | Total            | City             | Non-City   | Total            |
| <b>FISA Budget as of Fiscal 2015 Adopted Plan</b> | <b>\$100,443</b> | <b>\$0</b> | <b>\$100,443</b> | <b>\$99,990</b>  | <b>\$0</b> | <b>\$99,990</b>  |
| <b>New Needs</b>                                  |                  |            |                  |                  |            |                  |
| FISA & OPA Co-location Lease                      | 0                | 0          | 0                | 2,531            | 0          | 2,531            |
| <b>TOTAL, New Needs</b>                           | <b>\$0</b>       | <b>\$0</b> | <b>\$0</b>       | <b>\$2,531</b>   | <b>\$0</b> | <b>\$2,531</b>   |
| <b>Other Adjustments</b>                          |                  |            |                  |                  |            |                  |
| Collective Bargaining Adjustments                 | 466              | 0          | 466              | 725              | 0          | 725              |
| Staff Salary Increases and Adjustments            | 1,300            | 0          | 1,300            | 1,697            | 0          | 1,697            |
| <b>TOTAL, Other Adjustments</b>                   | <b>\$1,766</b>   | <b>\$0</b> | <b>\$1,766</b>   | <b>\$2,422</b>   | <b>\$0</b> | <b>\$2,422</b>   |
| <b>TOTAL, All Changes</b>                         | <b>\$1,766</b>   | <b>\$0</b> | <b>\$1,766</b>   | <b>\$4,953</b>   | <b>\$0</b> | <b>\$4,953</b>   |
| <b>FISA Budget as of Fiscal 2016 Prelim. Plan</b> | <b>\$102,209</b> | <b>\$0</b> | <b>\$102,209</b> | <b>\$104,943</b> | <b>\$0</b> | <b>\$104,943</b> |

## Appendix B: Contract Budget

| Category                                 | FY 2015 Adopted   | Number of Contracts | FY 2016 Preliminary | Number of Contracts |
|--|-------------------|---------------------|---------------------|---------------------|
| Maint & Repair, General                  | 29,200            | 1                   | 29,000              | 1                   |
| Data Processing Equipment                | 30,019,856        | 58                  | 29,589,856          | 58                  |
| Temporary Services                       | 2,500             | 1                   | 2,500               | 1                   |
| Training Programs for City Employees     | 50,000            | 1                   | 50,000              | 1                   |
| Professional Services: Computer Services | 3,053,882         | 3                   | 2,433,882           | 3                   |
| <b>Total</b>                             | <b>33,155,438</b> | <b>64</b>           | <b>32,105,238</b>   | <b>64</b>           |

FISA's Fiscal 2016 Contract Budget totals \$32.1 million for 64 contracts which accounts for 30.6 percent of the FISA's total budget. Because the FISA is responsible for maintaining several citywide IT systems, contracts for data processing services comprises 92.2 percent of its total contract budget.