

# **Fiscal 2009 Preliminary Budget Hearings**

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## **❖ Committee on Transportation**

***March 2008***

### **Scheduled To Testify:**

- *Taxi & Limousine Commission*
- *MTA/ New York City Transit (Expense)*
- *Department of Transportation (Expense)*

***Hon. Christine C. Quinn  
Speaker of the Council***

***Hon. David I. Weprin, Chair  
Committee on Finance***

***Hon. John C. Liu, Chair  
Committee on Transportation***

***James Caras, Acting Director  
Finance Division***

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**Taxi and Limousine Commission (156)****Agency Operations**

The Taxi and Limousine Commission (TLC) establishes and enforces professional and uniform standards of for-hire car service and ensures public safety. Currently, TLC licenses and regulates 13,087 medallion taxicabs, 39,327 for-hire vehicles, 2,343 paratransit vehicles, 220 commuter vans and 94,082 drivers. The Commission regulates 23 taximeter shops, 24 taxicab brokers and 71 taxicab agents and sets fares charged by medallion taxicabs.

**AGENCY FUNDING OVERVIEW**

Agency Funding Sources	Fiscal 2008 Adopted Budget	Fiscal 2008 Current Modified	Fiscal 2009 Preliminary Budget
City	\$32,157,622	\$32,157,622	\$28,016,390
Other Categorical	\$0	\$0	\$0
Capital IFA	\$0	\$0	\$0
State	\$0	\$0	\$0
Community Development	\$0	\$0	\$0
Federal-Other	\$0	\$0	\$0
Infra-City	\$0	\$0	\$0
Total	\$32,157,622	\$32,157,622	\$28,016,390

**HEADCOUNT OVERVIEW**

Headcount	Fiscal 2008 Adopted Budget	06/30/08 Forecast	Fiscal 2009 Preliminary Budget
City	428	408	404
Non-City	0	0	0
Total	428	408	404

**AGENCY HIGHLIGHTS**

The 2009 Preliminary Budget for the Commission provides for operating expenses of \$28 million in City-tax levy funding, which represents a net decrease of \$4.1 million when compared to the Fiscal 2008 Adopted Budget. This decrease is primarily due to the non-inclusion of two initiatives funded in Fiscal 2008. The initiatives include \$1.2 million for a comprehensive review of TLC rules (the Rules Project) and \$1.3 million for a Council-funded accessible taxi program.

**UNITS OF APPROPRIATION**

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/As represent the amount appropriated for personal services (i.e. salaries) or Other Than Personal Services (i.e. supplies) for a particular program, purpose, activity or institution.

## Fiscal 2009 Preliminary Budget Report

U/A#	U/A Name	Fiscal 2008 Adopted Budget	Fiscal 2008 Modified as of 1/24/2008	Fiscal 2009 Preliminary Budget
001	Personal Services	\$22,789,282	\$22,789,282	\$21,824,050
002	Other Than Personal Services	\$9,368,340	\$9,368,340	\$6,192,340
	<b>Total</b>	<b>\$32,157,622</b>	<b>\$32,157,622</b>	<b>\$28,016,390</b>

### FUNDING ANALYSIS

The decrease in funding for the personal services unit of appropriation reflects the net effect of the hiring freeze and vacancy reduction initiative. The decrease in funding for the other than personal services unit of appropriation reflects the exclusion of two one-shot initiatives mentioned in the agency highlights section, the Rules Project funded for \$1.2 million and the accessible taxicab program for \$1.3 million. The Rules Project is intended to comprehensively review the Taxi and Limousine Commission's rules with the aim of improving the quality of services provided by the Commission.

### PRELIMINARY BUDGET ACTIONS (\$000)

Description	Fiscal 2008			Fiscal 2009		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the October Plan (in million)	\$32,158	\$0	\$32,158	\$28,967	\$0	\$28,967
New Needs						
Total New Needs	\$0	\$0	\$0	\$0	\$0	\$0
PEG Reductions						
Hiring Freeze and Vacancy Reduction	(\$262)	\$0	(\$262)	(\$1,058)	\$0	(\$1,058)
Total PEG Reductions	(\$262)	\$0	(\$262)	(\$1,058)	\$0	(\$1,058)
PEG Restorations						
Total PEG Restorations	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
Collective Bargaining	\$108	\$0	\$108	\$108	\$0	\$108
Heat, Light and Power	(\$24)	\$0	(\$24)	\$0	\$0	\$0
Total Other Adjustments	\$84	\$0	\$84	\$108	\$0	\$108
Total Preliminary Budget Changes	(\$178)	\$0	(\$178)	(\$950)	\$0	(\$950)
Preliminary Budget	\$31,980	\$0	\$31,980	\$28,017	\$0	\$28,017

### Preliminary Budget Action Analysis

The Fiscal 2009 January Plan contains \$1 million in PEG reductions and \$108,000 in other adjustments for U/As 001 and 002 in Fiscal 2009.

### **Programs to Eliminate the Gap (PEGs)**

- **Hiring Freeze and Vacancy Reduction Program.** To reflect the savings from the partial elimination of vacancies and replacement of future attrition, the Fiscal 2009 Preliminary Budget contains decrease funding of \$262,000 in Fiscal 2008, \$1 million in Fiscal 2009 and \$1.2 million in Fiscal 2010 and the outyears. This action would result in the elimination of 20 positions in Fiscal 2008 and 28 positions in Fiscal 2009 and the outyears within the Commission.

### **Other Adjustments**

- **Collective Bargaining.** The Fiscal 2009 Preliminary Budget contains a funding adjustment of \$108,000 in Fiscal 2008 and the outyears transferred from the Labor Reserve in the Miscellaneous Budget to the budget of the Taxi and Limousine Commission to cover the costs associated with recent collective bargaining settlements.
- **Heat, Light and Power.** Due to re-estimates, the Fiscal 2009 Preliminary Budget decreases the Commission's budget by \$24,000 in Fiscal 2008 only for costs associated with heat, light and power.

## Metropolitan Transportation Authority (MTA)

### Mission Statement

The Metropolitan Transportation Authority (the "Authority" or "MTA") was established under the New York State Public Authorities Law in 1965 as a public benefit corporation. The Authority has responsibility for developing and implementing a unified public transportation policy for New York City and the seven New York metropolitan-area counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. It carries out these responsibilities through its subsidiary and affiliate entities that include the New York City Transit Authority (NYCTA) and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA); the Staten Island Rapid Transit Operating Authority (SIRTOA); The Long Island Rail Road Company (LIRR); the Metro-North Commuter Railroad Company (MNCRC); the Metropolitan Suburban Bus Authority (MSBA); the MTA Bus Company; and the MTA Capital Construction Company. Another affiliate of the MTA, the Triborough Bridge and Tunnel Authority (TBTA), which is now called the MTA Bridges and Tunnels (B&T), is empowered to construct and operate toll bridges and tunnels and other public facilities in New York City. The revenues from all authorities and subsidiaries support the organization as a whole.

### November Financial Plan 2008-2011

#### MTA Consolidated Statement of Operations – Including MTA Bus Company

(\$ in millions)

	2006 Actual	2007 Forecast	2008 Proposed	2009 Projected	2010 Projected	2011 Projected
Operating Revenue						
Farebox	\$3,840	\$3,974	\$4,042	\$4,085	\$4,129	\$4,175
Toll Revenue	1,242	1,249	1,251	1,246	1,248	1,251
Other Revenue	467	475	479	500	521	548
Capital & other Reimburse	0	0	0	0	0	0
<b>Total Operating Revenue</b>	<b>\$5,548</b>	<b>\$5,698</b>	<b>\$5,772</b>	<b>\$5,831</b>	<b>\$5,897</b>	<b>\$5,974</b>
Operating Expenses						
Labor Expenses	\$5,690	\$6,135	\$6,576	\$6,785	\$7,006	\$7,207
Non-Labor Expenses	2,087	2,415	2,619	2,719	2,894	3,009
Other Expenses Adjustmen	(16)	(20)	(15)	(17)	(10)	(11)
General Reserve	0	38	75	75	75	75
Depreciation	1,605	1,681	1,777	1,876	1,976	2,060
Other Post Employment Benefit	0	1,259	1,318	1,377	1,435	1,494
<b>Total Operating Expenses</b>	<b>\$9,366</b>	<b>\$11,507</b>	<b>\$12,350</b>	<b>\$12,815</b>	<b>\$13,376</b>	<b>\$13,834</b>
<b>Net Operating Deficit</b>	<b>(\$3,818)</b>	<b>(\$5,809)</b>	<b>(\$6,578)</b>	<b>(\$6,984)</b>	<b>(\$7,478)</b>	<b>(\$7,860)</b>
Subsidies	\$4,174	\$4,414	\$4,128	\$4,210	\$4,193	\$4,336
Debt Service	(1,310)	(1,714)	(1,529)	(1,432)	(1,869)	(2,006)
<b>Deficit after Subsidies &amp; Debt</b>	<b>(\$954)</b>	<b>(\$3,109)</b>	<b>(\$3,979)</b>	<b>(\$4,206)</b>	<b>(\$5,154)</b>	<b>(\$5,530)</b>
Conversion to Cash						
Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976	\$2,060
OPEB	0	1,259	1,318	1,377	1,435	1,494
All other	(296)	(140)	113	(173)	(83)	(93)
Prior year cash bal.	582	937	628	0	0	0
<b>Baseline Net Cash Balance</b>	<b>\$937</b>	<b>\$628</b>	<b>(\$142)</b>	<b>(\$1,126)</b>	<b>(\$1,827)</b>	<b>(\$2,070)</b>
Cash Bal. Before Prior Yr. Carryover	\$355	(\$309)	(\$770)	(\$1,126)	(\$1,827)	(\$2,070)
Policy & GAP Closing Actions	0	(108)	626	549	1,493	1,659
Prior Year Carryover	582	937	521	377	0	0
<b>Net Cash Surplus/(Deficit)</b>	<b>\$937</b>	<b>\$520</b>	<b>\$377</b>	<b>(\$201)</b>	<b>(\$333)</b>	<b>(\$411)</b>

### **MTA BUDGET OVERVIEW**

#### **The Expense Plan**

The Calendar Year 2008 Adopted Budget for the MTA includes a Four Year Financial Plan for the years 2008 through 2011. The Authority issued a preliminary budget in July of 2007 for public review and comment before issuing a final budget in late November that was presented to the MTA Board for a vote on December 19, 2007. Despite a series of calls from riders' advocates and public officials the Board voted to increase subway and bus fares and tolls by 3.8 percent with the Adopted Budget.

The 2008 Adopted Budget contains \$204 million of net improvements to calendar year 2007 estimates and \$50 million of net improvements to calendar year 2008 when compared to the Preliminary Budget proposed by the Authority in July 2007. The 2008 MTA Adopted Budget remains balanced through the calendar year with an anticipated net cash surplus of \$377 million, however, outlook for the outyears remains bleak as real estate activity in the region that is a major source of revenue for the Authority continues to decline.

After taking into account all proposed gap-closing measures, the MTA 2008 Adopted Budget reflects an end-of-year cash deficit of \$201 million in 2009, \$333 million in 2010 and \$411 million in 2011. Rising debt service costs, increasing pension and health expenses and the depletion of non-recurring resources continue to be the major causes of the Authority's budgetary problems.

Also contained in the Adopted Budget are policy and Gap closing actions that includes \$28 million in 2008 and \$60 million in 2009 and the outyears for service enhancement, \$5 million in 2008 and \$14 in the outyears to implement recommendations of the Staten Island Transportation Task Force and the takeover of the X23/X24 express service from New York City DOT, and \$6 million in 2008 and \$12 million in 2009 and the outyears for costs associated with the implementation of bus rapid transit along five corridors identified by the New York City Transit (NYCT), among others.

Lastly, because the current estimate for the Authority's Fulton Street project, which is federally funded, exceeds available federal funds, \$56 million of the 2007 surplus is being added to the existing federal funds of \$847 million. Also consistent with the Authority's recent Financial Plans, the Adopted Budget provides for a \$75 million general reserve fund in 2008 and the outyears.

#### **The Capital Plan**

The Authority's capital plan for 2005-2009 continues to present significant budgetary problems. This is due in part to the proliferation of construction projects in the region resulting in increased demand not only for construction materials and equipment but for qualified labor. These unanticipated events, in conjunction with construction management inefficiencies, have resulted in severe construction over-runs for the MTA. These cost over-runs could peril the Authority's 2005-2009 Capital Programs if not contained. Even with its share of the \$2.9 billion Bond Act approved by New York voters in 2005, the MTA's current five year capital plan is already \$6.7 billion less than the Authority actually needs to keep the system in a state of good repair. In addition, the capital plan assumed that \$1.4 billion would be generated from the sale of assets, including the West Side Stadium deal, which has not materialized.

## Fiscal 2009 Preliminary Budget Report

The Authority expects to borrow approximately \$9.3 billion to help finance the 2005-2009 Capital Programs of \$21.1 billion. As such, the debt service on these bonds is projected to grow from \$116 million in 2008 to over \$600 million by 2015. Combined with past capital programs, the total debt service would grow from \$1.5 billion in 2008 to \$1.9 billion in 2010 and would reach \$2.1 billion by 2012.

Therefore, it is conceivable that in the absence of additional federal, state and City funding, the Authority will seek to close the gaps through a combination of service cuts, agency efficiencies and additional fare and toll increases. However, it should be noted that the proposed congestion pricing, which is to be acted upon by the State legislature in March of 2008 could present a life line to the MTA capital program with the projected annual revenue of more than \$400 million. As a result, the MTA is currently preparing a new capital plan that it hopes to unveil in the coming months.

### New York City Transit (NYCT)

#### Mission Statement

The New York City Transit (NYCT), a subsidiary of the Metropolitan Transportation Authority (MTA), provides bus and subway service to New York City. The NYCT is responsible for providing safe, clean, and reliable public transportation services to all persons traveling within the City. The NYCT employs approximately 40,000 workers who are responsible for the operation and maintenance of 3,700 buses and 5,900 subway cars. Over 1.5 billion people ride the City's buses and subways each year.

### February Financial Plan 2008-2011 (\$ in millions)

	2006 Actual	2007 Forecast	2008 Proposed	2009 Projected	2010 Projected	2011 Projected
Operating Revenue						
Farebox	\$2,758.9	\$2,841.6	\$2,889.0	\$2,911.5	\$2,936.3	\$2,962.2
Other Revenue	282.5	295.1	300.8	313.5	331.8	354.3
<b>Total Operating Revenue</b>	<b>\$3,041.4</b>	<b>\$3,136.6</b>	<b>\$3,189.8</b>	<b>\$3,225.0</b>	<b>\$3,268.1</b>	<b>\$3,316.5</b>
Operating Expenses						
Labor Expenses	\$3,760.1	\$4,118.3	\$4,399.6	\$4,514.9	\$4,643.8	\$4,771.1
Non-Labor Expenses	1,098.8	1,238.5	1,349.5	1,458.4	1,590.4	1,691.9
Other Expenses Adjustment		0	0	0	0	0
<b>Operating Expenses Before Depr. and OPEB 1</b>	<b>\$4,859.0</b>	<b>\$5,356.8</b>	<b>\$5,749.1</b>	<b>\$5,973.3</b>	<b>\$6,234.2</b>	<b>\$6,463.0</b>
Depreciation	\$1,012.1	\$1,065.4	\$1,134.0	\$1,204.0	\$1,274.0	\$1,334.0
Other Post Employment Benef	0.0	963.4	1,009.5	1,005.4	1,098.9	1,144.8
<b>Total Operating Expenses</b>	<b>\$5,871.1</b>	<b>\$7,385.6</b>	<b>\$7,892.6</b>	<b>\$8,232.7</b>	<b>\$8,607.1</b>	<b>\$8,951.8</b>
<b>Net Operating Deficit</b>	<b>(\$2,829.7)</b>	<b>(\$4,249.0)</b>	<b>(\$4,702.8)</b>	<b>(\$5,007.7)</b>	<b>(\$5,339.0)</b>	<b>(\$5,635.2)</b>
Projected Subsidies	\$2,210.8	\$2,259.2	\$2,255.0	\$2,264.1	\$2,072.0	\$2,072.0
Program to Eliminate the Gap	0.0	6.0	38.6	47.3	39.8	39.8
<b>Deficit after Projected Subsidies</b>	<b>(\$618.9)</b>	<b>(\$1,983.8)</b>	<b>(\$2,409.2)</b>	<b>(\$2,696.3)</b>	<b>(\$3,227.2)</b>	<b>(\$3,523.4)</b>
Conversion to Cash						
Depreciation & OPEB	\$1,012.1	\$2,028.8	\$2,143.5	\$2,259.4	\$2,373.9	\$2,488.8
<b>Net Cash Surplus/(Deficit) 2</b>	<b>\$393.2</b>	<b>\$45.0</b>	<b>(\$265.7)</b>	<b>(\$436.9)</b>	<b>(\$853.3)</b>	<b>(\$1,034.6)</b>

Source: Metropolitan Transportation Authority

Note: 1- Excludes Debt Service, 2 - Excludes Prior Year Balance & Interagency Transfers



## **Fiscal 2009 Preliminary Budget Report**

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- **Budget.** As approved by the MTA Board of Directors, the NYCT Operating Budget before depreciation and other post employment benefit is approximately \$5.7 billion for Calendar Year (CY) 2008. Of that amount, \$4.4 billion is for labor costs, \$1.3 billion is for non-labor expenses. In addition the Adopted Budget contains non-cash depreciation expense of \$1.1 billion and other post-employment benefit expenses, in accordance with GASB number 45, of \$1 billion. The budget provides for 49,294 positions of which 5,529 are reimbursable and 43,765 are non-reimbursable positions. Reimbursable positions are those positions generally paid for with capital funds.
- **Operating Revenue / Expense Projections.** For CY 2008, the NYCT operating revenues are projected to be \$3.2 billion, which are largely farebox revenues of \$2.9 billion and fare reimbursements of \$104 million. Also included in operating revenues are other operating revenues of \$103 million and paratransit reimbursements of \$95 million. These funds will support NYCT proposed expenditures of \$5.7 billion, excluding depreciation and other post employment benefits, in 2008.
- **Transit Tax Revenue.** The NYCT is funded, in part, with tax revenues from the Metropolitan Mass Transportation Operating Assistance Account (Metro Account), and the Urban Mass Transportation Operating Account (Urban Account). Combined, the revenue from these accounts is projected to be \$1.8 billion in CY 2008, which is \$3 million less than the CY 2007 amount of approximately \$1.8 billion. Calendar Year 2007 enjoyed a continued increase in real estate activities, which is projected to decline as real estate activities weakens in 2008.
- **The City's Contribution.** For CY 2008, the City's contribution, excluding capital commitments, to the NYCT's budget is expected to be approximately \$602 million. It is comprised of the following: \$45 million for the school fare subsidy; \$14 million for the elderly and disabled subsidy; \$56 million for paratransit reimbursement; \$158 million to match State Operating Assistance; \$252 million for private bus subsidy; and \$77 million for the maintenance and operation of Long Island Railroad and Metro North Railroad stations in the City.
- **Paratransit.** Pursuant to an agreement between the City and the MTA, the NYCT assumed operating responsibility for all paratransit services required under the Americans with Disability Act of 1990. The City reimburses the NYCT for thirty-three percent of net paratransit operating expenses less fare revenues and urban tax proceeds. Total paratransit revenue is expected to be \$105 million in CY 2008, which includes \$56 million from City reimbursements.
- **State Subsidies.** For CY 2008, the State's subsidy to the NYCT's budget is expected to be \$203 million. Of this amount, \$45 million is for school fare reimbursement and \$158 million is to match city operating assistance. This funding does not include State dedicated tax revenues of \$2.2 billion the NYCT expects to receive in 2008.

## Fiscal 2009 Preliminary Budget Report

### The MTA Bus Company (MTABC)

The MTA Bus Company was created in September 2004 pursuant to an agreement between the City of New York and the MTA to consolidate the operations of seven private franchise bus companies. The purpose of the takeover was to improve the quality and efficiency of bus service formerly provided by the private bus franchise operators. The agreement calls for the City to pay MTABC the difference between the actual cost of operating the bus routes and all revenues and subsidies received by the MTABC and allocable to the operation of the bus routes. As a result, the costs of MTABC operations are fully reimbursable by the City to the MTA.

The proposed Calendar Year 2007 budget, the second comprehensive budget for the MTABC, reflects the necessity of restoring overall headcount to pre-transition levels and readjusting of non-operating positions to address the needs of the MTABC in providing a reliable bus service.

### February Financial Plan 2008-2011

(\$ in millions)

	2006 Actual	2007 Forecast	2008 Proposed	2009 Projected	2010 Projected	2011 Projected
Operating Revenue						
Farebox	\$125.1	\$137.5	\$140.8	\$144.2	\$147.3	\$150.6
Other Revenue	16.5	15.5	15.9	16.2	16.5	16.9
<b>Total Operating Revenue</b>	<b>\$141.6</b>	<b>\$153.0</b>	<b>\$156.7</b>	<b>\$160.4</b>	<b>\$163.8</b>	<b>\$167.5</b>
Operating Expenses						
Labor Expenses	\$236.6	\$254.3	\$288.3	\$297.7	\$307.3	\$317.5
Non-Labor Expenses	103.2	135.9	117.8	121.7	123.9	126.7
Other Expenses Adjustment		0	0	0	0	0
<b>Operating Expenses Before Depr. 1</b>	<b>\$339.8</b>	<b>\$390.2</b>	<b>\$406.1</b>	<b>\$419.4</b>	<b>\$431.2</b>	<b>\$444.2</b>
Depreciation	\$14.5	\$26.2	\$36.3	\$38.8	\$41.5	\$44.4
Other Post Employment Benef	0.0	47.8	49.8	51.7	53.6	55.5
<b>Total Operating Expenses</b>	<b>\$354.3</b>	<b>\$464.2</b>	<b>\$492.2</b>	<b>\$509.9</b>	<b>\$526.3</b>	<b>\$544.1</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>(\$212.7)</b>	<b>(\$311.2)</b>	<b>(\$335.5)</b>	<b>(\$349.5)</b>	<b>(\$362.5)</b>	<b>(\$376.6)</b>
Program to Eliminate the Gap	\$0	\$0	\$0.7	\$1.4	\$1.5	\$1.5
<b>Deficit after GAP Actions</b>	<b>(\$212.7)</b>	<b>(\$311.2)</b>	<b>(\$334.8)</b>	<b>(\$348.1)</b>	<b>(\$361.0)</b>	<b>(\$375.1)</b>
Conversion to Cash						
Depreciation & OPEB	\$14.5	\$74.0	\$86.1	\$90.5	\$95.1	\$99.9
<b>Net Cash Surplus/(Deficit) 2</b>	<b>(\$198.2)</b>	<b>(\$237.2)</b>	<b>(\$248.7)</b>	<b>(\$257.6)</b>	<b>(\$265.9)</b>	<b>(\$275.2)</b>

Source: Metropolitan Transportation Authority

Note: 1- Excludes Debt Service, 2 - Excludes Prior Year Balance & Interagency Transfers

- Operating Revenue / Expense Projections.** For CY 2008, the MTABC operating revenues are projected to be \$157 million, which are largely farebox revenues of \$141 million and other operating revenue of \$16 million. The budget also projects non-reimbursable expenses before depreciation of \$406 million for CY 2008. These expenses include \$288 million in labor costs and non-labor costs of \$118 million. The depreciation expense and the other post-employment benefit expenses are projected to be \$36 million and \$50 million respectively, in Calendar Year 2008.

**Department of Transportation (841)****Agency Operations**

The Department of Transportation (DOT) manages approximately 5,800 miles of streets and highways and 790 bridge structures, including six tunnels. The Department ensures traffic safety and mobility by mitigating the effects of construction on traffic; implementing engineering improvements; and installing and maintaining traffic signals at more than 11,900 signalized intersections. DOT also maintains over 1.3 million signs, over 300,000 streetlights, 69 million linear feet of markings and approximately 63,000 parking meters.

The Department encourages the use of mass transit by operating the Staten Island Ferry and promoting new private ferry routes. Additionally, DOT also encourages the use of alternative modes of transportation and administers a citywide program advancing the use of alternative fuels.

**AGENCY FUNDING OVERVIEW**

Agency Funding Sources	Fiscal 2008 Adopted Budget	Fiscal 2008 Current Modified	Fiscal 2009 Preliminary Budget
City	\$427,659,039	\$427,624,039	\$428,461,403
Other Categorical	\$20,179,750	\$21,773,776	\$429,000
Capital IFA	\$138,530,799	\$138,530,799	\$161,059,076
State	\$45,726,049	\$79,289,790	\$38,205,960
Community Development	\$0	\$170,000	\$0
Federal-Other	\$13,746,996	\$57,481,052	\$13,746,996
Intra-City	\$1,423,073	\$1,505,842	\$1,409,073
<b>Total</b>	<b>\$647,265,706</b>	<b>\$726,375,298</b>	<b>\$643,311,508</b>

**HEADCOUNT OVERVIEW**

Headcount	Fiscal 2008 Adopted Budget	06/30/08 Forecast	Fiscal 2009 Preliminary Budget
City	2,257	2,247	2,238
Non-City	1,972	2,617	1,941
<b>Total</b>	<b>4,229</b>	<b>4,864</b>	<b>4,179</b>

The Department of Transportation's Fiscal 2009 Preliminary Budget is a total of \$643 million which amounts to a \$4 million decrease compared to the Fiscal 2008 Adopted Budget of \$647 million. Because of the differences between the City's fiscal year and the State and Federal fiscal years, the Department reports only baseline funding and grants that it anticipates from the other two branches of government at the beginning of each year and will make adjustments throughout the year as additional funds are received. The Fiscal 2009 Preliminary Budget proposes \$429 million in City-tax levy funding for the Department of Transportation - an increase of less than one percent from the Fiscal 2008 Adopted Budget of \$428 million. It includes \$18 million in new needs, \$11 million in program reductions and \$5 million in other adjustments.

## PROGRAM FUNDING OVERVIEW (\$000s)

In addition to examining the agency's operations by funding sources, this document will also provide analysis by program area. The table below highlights the key program areas in this Agency and the amount of funding allocated to those programs. Analysis of the various programs will be provided in the appropriate units of appropriation section where warranted.

Program	2005 Actual Spending	2006 Actual Spending	2007 Actual Spending	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
Bridge Engineering and Administration	\$22,534	\$23,152	\$24,062	\$29,117	\$26,211
Bridge Maintenance, Repair & Operations	\$428,183	\$451,173	\$481,904	\$555,230	\$441,124
Ferry Administration & Surface Transit	\$7,091	\$7,788	\$7,302	\$8,227	\$3,662
Management & Administration	\$39,191	\$39,275	\$43,602	\$56,178	\$41,998
Municipal Ferry Operation & Maintenance	\$54,410	\$70,009	\$74,606	\$96,444	\$81,372
Pre-K Bus Program Intra-City	\$54,299	\$72,082	\$109	\$0	\$0
Roadway Construction Coordination & Administration	\$6,466	\$6,975	\$8,231	\$10,334	\$8,927
Roadway Repair, Maintenance & Inspection	\$109,748	\$129,606	\$157,982	\$187,360	\$166,974
Traffic Operations & Maintenance	\$189,043	\$201,398	\$220,519	\$265,576	\$240,232
Traffic Planning Safety & Administration	\$16,507	\$16,090	\$19,684	\$26,893	\$13,006
Vehicles & Facilities Management & Maintenance	\$11,463	\$11,663	\$13,376	\$23,681	\$16,806
WTC Disaster Related Expenses	\$26	\$11	\$0	\$0	\$0
<b>Total</b>	<b>\$553,591</b>	<b>\$623,222</b>	<b>\$618,377</b>	<b>\$759,040</b>	<b>\$643,312</b>

## PROGRAM HEADCOUNT OVERVIEW

Program	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
Bridge Engineering and Administration	353	336
Bridge Maintenance, Repair & Operations	494	467
Ferry Administration & Surface Transit	64	50
Management & Administration	480	362
Municipal Ferry Operation & Maintenance	634	634
Roadway Construction Coordination & Administration	129	101
Roadway Repair, Maintenance & Inspection	1,166	1,013
Traffic Operations & Maintenance	1,222	1,027
Traffic Planning Safety & Administration	180	67
Vehicles & Facilities Management & Maintenance	142	122
<b>Total</b>	<b>4,864</b>	<b>4,179</b>

## PROGRAM ANALYSIS

- Pre-K Bus Program.** Prior to Fiscal 2007, the Department of Transportation managed the transportation of special needs students in Pre-Kindergarten on behalf of the Department of Education (DOE). In Fiscal 2006, spending for Pre-K transportation that was transferred from DOE's budget to DOT's budget was \$72 million. In Fiscal 2007, this function was transferred back to the DOE and realigned with its Pupil Transportation Unit. As a result, this program area is no longer applicable to the Department of Transportation.
- Traffic Operations and Maintenance.** DOT's Division of Traffic is responsible for facilitating the flow of vehicular traffic on City streets and bridges; regulating parking on city streets and in city-owned lots and garages open to the public; and ensuring the safety of motorists and pedestrians. The Fiscal 2009 Preliminary Budget contains \$240 million in Fiscal 2009 for traffic operations and maintenance. These funds will help the Department to continue its efforts on implementing strategic initiatives to improve traffic conditions citywide. These efforts include the implementation of Bus Rapid Transit (BRT) as recommended in the New York City Bus Rapid Transit Study done in conjunction with the MTA and the State Department of Transportation.

In addition to BRT, the Department, in conjunction with the Department of Economic Development, is conducting a Neighborhood Parking Strategies Study with the goal of developing a toolbox of potential parking management strategies that could be used to achieve a more sustainable transportation network citywide as envisioned in PlaNYC.

Lastly, in Fiscal 2009, the Department will continue the build out process of the City's Bicycle Master Plan, which has identified approximately 1,800 lane mile networks of bicycle routes and car-free greenways citywide. Funding for this initiative was provided as part of the City's PlaNYC initiative in the Fiscal 2008 Adopted Budget.

## UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/As represent the amount appropriated for personal services (i.e. salaries) or Other Than Personal Services (i.e. supplies) for a particular program, purpose, activity or institution.

U/A	U/A Name	Fiscal 2008 Adopted Budget	Fiscal 2008 Modified as of 1/24/2008	Fiscal 2009 Preliminary Budget
001	Executive Admin & Plan Management	\$33,244,832	\$42,435,148	\$33,503,355
002	Highway Operations	\$97,554,218	\$106,795,777	\$96,125,194
003	Transit Operations	\$55,826,926	\$57,579,760	\$54,961,746
004	Traffic Operations	\$62,559,660	\$79,587,550	\$61,944,535
006	Bureau of Bridges	\$57,329,352	\$60,416,767	\$58,312,118
	Total PS	\$306,514,988	\$346,815,002	\$304,846,948
007	Bureau of Bridges	\$12,890,935	\$22,632,527	\$12,022,935
011	Executive Admin & Plan Management	\$33,533,032	\$34,840,528	\$25,300,286
012	Highway Operations	\$76,375,187	\$79,544,329	\$79,775,489
013	Transit Operations	\$35,744,172	\$42,831,049	\$30,072,049
014	Traffic Operations	\$182,207,392	\$199,711,863	\$191,293,801
	Total OTPS	\$340,750,718	\$379,560,296	\$338,464,560
	Total Agency	\$647,265,706	\$726,375,298	\$643,311,508

# Fiscal 2009 Preliminary Budget Report

## PRELIMINARY BUDGET ACTIONS (\$000)

Description	Fiscal 2008			Fiscal 2009		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as per the October Plan</b>	<b>\$428,516</b>	<b>\$257,048</b>	<b>\$685,564</b>	<b>\$416,826</b>	<b>\$183,398</b>	<b>\$600,224</b>
<b>New Needs</b>						
Work Over Water Rescue Boat	\$250	\$0	\$250	\$500	\$0	\$500
Pedestrian Bridge Inspection	\$50	\$0	\$50	\$50	\$0	\$50
Environmental Compliance	\$50	\$0	\$50	\$50	\$0	\$50
Continue Ferry Night Service	\$0	\$0	\$0	\$609	\$0	\$609
Bio-diesel Fuel Increase Cost	\$430	\$0	\$430	\$860	\$0	\$860
Security Contract Increase	\$121	\$0	\$121	\$104	\$0	\$104
Agency-wide Vehicle Need	\$1,603	\$0	\$1,603	\$658	\$0	\$658
Comprehensive Street Mgmt Study	\$4,560	\$0	\$4,560	\$0	\$0	\$0
Collision & Body Work Veh Mte. Contract	\$107	\$0	\$107	\$174	\$0	\$174
Signal Maintenance Contract	\$8,524	\$0	\$8,524	\$14,612	\$0	\$14,612
Priority Regulatory Signs (Intro 581)	\$310	\$0	\$310	\$310	\$0	\$310
Parking Meter Credit Card Acceptance	\$424	\$0	\$424	\$448	\$0	\$448
East River Bridge Necklace Lighting	\$500	\$0	\$500	\$0	\$0	\$0
<b>Total New Needs</b>	<b>\$16,929</b>	<b>\$0</b>	<b>\$16,929</b>	<b>\$18,375</b>	<b>\$0</b>	<b>\$18,375</b>
<b>PEG Reductions</b>						
Eliminate Overnight Watch in Shipyard	\$0	\$0	\$0	(\$100)	\$0	(\$100)
Elimination of Generator Watch	\$0	\$0	\$0	(\$528)	\$0	(\$528)
Reduce Weekend O/T Ferry Mte.	\$0	\$0	\$0	(\$375)	\$0	(\$375)
Delivery of Training via Stream Video	\$0	\$0	\$0	(\$88)	\$0	(\$88)
Energy Reduction Program - Street Lighting	\$0	\$0	\$0	(\$2,476)	\$0	(\$2,476)
Eliminate City Fund Signs & Markings	(\$41)	\$0	(\$41)	(\$61)	\$0	(\$61)
State Ferry Subsidy	\$0	\$0	\$0	(\$6,017)	\$0	(\$6,017)
Hiring Freeze & Vacancy Reduction	(\$381)	\$0	(\$381)	(\$1,739)	\$0	(\$1,739)
<b>Total PEG Reductions</b>	<b>(\$422)</b>	<b>\$0</b>	<b>(\$422)</b>	<b>(\$11,384)</b>	<b>\$0</b>	<b>(\$11,384)</b>
<b>Other Adjustments</b>						
Highway Repairer Arbitration Award	\$770	\$2,860	\$3,630	\$770	\$2,860	\$3,630
Collective Bargaining	\$866	\$125	\$991	\$866	\$125	\$991
Heat, Light and Power	\$3,632	\$0	\$3,632	\$0	\$0	\$0
Fuel	\$97	\$0	\$97	\$98	\$0	\$98
Gasoline	\$3,072	\$0	\$3,072	\$2,908	\$0	\$2,908
State Ferry Subsidy	\$0	\$6,017	\$6,017	\$0	\$6,017	\$6,017
Debris Removal Contract Fresh Kills	\$0	\$2,748	\$2,748	\$0	\$2,748	\$2,748
Asphalt Cost Increase	\$0	\$7,256	\$7,256	\$0	\$5,000	\$5,000
Rental / Repair of Safety Trucks	\$0	\$483	\$483	\$0	\$241	\$241
Hamilton Ave Mte & Repr Shop Lease	\$0	\$300	\$300	\$0	\$600	\$600
Resurfacing 100 Lane Miles IPA	\$0	\$13,875	\$13,875	\$0	\$13,875	\$13,875
Reduce DOT WEP I/C Allocation	\$0	(\$14)	(\$14)	\$0	(\$14)	(\$14)
FY08 Funding Adjustments - Non-City	\$0	\$14,878	\$14,878	\$0	\$0	\$0
<b>Total Other Adjustments</b>	<b>\$8,437</b>	<b>\$48,528</b>	<b>\$56,965</b>	<b>\$4,642</b>	<b>\$31,452</b>	<b>\$36,094</b>
<b>Total Preliminary Budget Changes</b>	<b>\$24,944</b>	<b>\$48,528</b>	<b>\$73,472</b>	<b>\$11,633</b>	<b>\$31,452</b>	<b>\$43,085</b>
<b>Preliminary Budget</b>	<b>\$453,460</b>	<b>\$305,576</b>	<b>\$759,036</b>	<b>\$428,459</b>	<b>\$214,850</b>	<b>\$643,309</b>

### **Preliminary Budget Action Analysis**

#### **New Needs**

- **Work Over Water Rescue Boat.** Due to OSHA regulations requirement, the Department of Transportation will receive an additional \$250,000 in Fiscal 2008 and \$500,000 in Fiscal 2009 and the outyears for the services of rescue boats under bridges.
- **Pedestrian Bridge Inspection.** The Fiscal 2009 Preliminary Budget contains baseline funding of \$50,000 in Fiscal 2008, Fiscal 2009 and the outyears for diving inspections for 20 City-owned pedestrian bridges that cross over water.
- **Environmental Compliance.** The Fiscal 2009 Preliminary Budget contains baseline funding of \$50,000 in Fiscal 2008, Fiscal 2009 and the outyears for mandated hazardous waste removal contracts.
- **Continue Ferry Night Service.** The Fiscal 2009 Preliminary Budget contains additional funding of \$609,000 for 16 positions for overnight ferry service for the Staten Island Ferry. Funding for night ferry service was eliminated as a result of a 2003 proposal to contract out overnight ferry service on the Staten Island Ferry to a private contractor between the hours of 12 am and 6 am for a savings of \$1.2 million annually. However, that has not happened and this action would only provide for half-year overnight ferry service in Fiscal 2009.
- **Bio-diesel Fuel Increase Cost.** Due to a re-estimate of costs, DOT will receive increase funding of \$430,000 in Fiscal 2008 and \$860,000 in Fiscal 2009 and the outyears for bio-diesel fuel. This initiative is to help reduce sulfur emissions from ferry boats.
- **Security Contract Increase.** Due to a rate increase to the DCAS-managed citywide security contract, DOT will receive additional funding of \$122,000 in Fiscal 2008 and \$104,000 in Fiscal 2009 only for increased security costs.
- **Agency-wide Vehicle Need.** DOT will receive additional funding of \$1.6 million in Fiscal 2008 and \$658,000 in Fiscal 2009 and the outyears for the replacement of aging operations vehicles.
- **Collision and Major Body Work Vehicle Maintenance Contract.** DOT will receive additional funding of \$107,000 in Fiscal 2008 and \$174,000 in Fiscal 2009 only for light-duty vehicle fleet maintenance contract costs.
- **Signal Maintenance Contract.** DOT will receive additional funding of \$8.5 million in Fiscal 2008 and \$14.6 million in Fiscal 2009 and the outyears for increases in signal maintenance contracts. This action brings the Department's total budget for signal maintenance contracts to \$51.9 million for five contracts in Fiscal 2009.
- **Priority Regulatory Signs (Intro 581).** DOT will receive additional funding of \$310,000 in Fiscal 2008, Fiscal 2009 and the outyears for costs associated with the implementation of a new legislation (intro 581) passed by the Council last year. The legislation requires that

## **Fiscal 2009 Preliminary Budget Report**

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DOT repair and replace priority regulatory signs within three business days of a work request.

- **Parking Meter Credit Card Acceptance Efficiencies.** The Department of Transportation will receive funding of \$424,000 in Fiscal 2008, \$448,000 in Fiscal 2009, \$421,000 in Fiscal 2010 and Fiscal 2011 and \$377,000 in Fiscal 2012 to increase the use of credit card and hand held devices in parking meter collection.

### **Programs to Eliminate the Gap (PEGs)**

- **Elimination of Overnight Watch in Shipyard.** Because overnight security watch on boats in drydocking is provided by the drydocking contract, DOT will eliminate overtime costs for overnight security watch on boats for a savings of \$100,000 in Fiscal 2008, Fiscal 2009 and the outyears.
- **Elimination of Generator Watch.** DOT anticipates savings of \$528,000 in Fiscal 2009 and the outyears from elimination of the Molinari Class generator watch. The Department will install a remote alarm system, thus reducing related overtime costs.
- **Reduction of Weekend Overtime for Ferry Maintenance.** By limiting weekend overtime for ferry maintenance to every other weekend except for emergency repairs, DOT anticipates savings of \$375,000 in Fiscal 2009 and the outyears from overtime costs.
- **Delivery of Training via Streaming Video.** DOT will generate savings of \$88,000 in Fiscal 2009 and the outyears by enabling mandated training via streaming video, thereby saving travel time between worksites and central training sites.
- **Energy Reduction Program – Street Lighting.** DOT will generate savings of \$2.5 million in Fiscal 2009, \$4.9 million in Fiscal 2010 and \$5.4 million in Fiscal 2011 and the outyears by replacing 250 and 150 watt street lights with more energy efficient street light bulbs and reflectors.
- **Eliminate City-funded Signs and Marking Positions.** DOT will eliminate one position from the Geometric Design Unit for a savings of \$41,000 in Fiscal 2008 and \$61,000 in Fiscal 2009 and the outyears.
- **State Ferry Subsidy.** Due to increased State funding for the Staten Island Ferry, a City savings of \$6 million is anticipated in Fiscal 2009 and the outyears.
- **Hiring Freeze and Vacancy Reduction Program.** To reflect the savings from the partial elimination of vacancies and replacement of future attrition, the Fiscal 2009 Preliminary Budget contains decrease funding of \$381,000 in Fiscal 2008, \$1.7 million in Fiscal 2009 and \$2.2 million in Fiscal 2010 and the outyears. This action would result in the elimination of 30 positions in Fiscal 2008 and 50 positions in Fiscal 2009 and the outyears within the Department.



### Other Adjustments

- **Supervisor Highway Repairer Arbitration.** Due to an arbitration agreement, the Fiscal 2009 Preliminary Budget contains funding adjustment of \$700,000 in Fiscal 2008 and Fiscal 2009 and the outyears for costs associated with overtime on Sundays and holidays for highway repairers.
- **Collective Bargaining.** The Department of Transportation will receive City funding of \$866,000 in Fiscal 2008 and Fiscal 2009 and the outyears for collective bargaining costs.
- **Fuel.** Due to re-estimates, the Department will receive additional funding for fuel costs of \$97,000 in Fiscal 2008 and \$98,000 in Fiscal 2009 and the outyears.
- **Gasoline.** Due to re-estimates, the Department will receive additional funding for gasoline costs of \$3.1 million in Fiscal 2008 and \$2.9 million in Fiscal 2009 and the outyears.

## Department of Transportation

The Department of Transportation (DOT) is responsible for approximately 5,800 miles of streets and highways and 787 bridge structures, including six tunnels. The Department ensures traffic safety and mobility by mitigating the effects of construction on traffic; implementing engineering improvements; and installing and maintaining traffic signals at more than 11,900 signalized intersections. The Department also maintains over 1.3 million signs, over 300,000 streetlights, 69 million linear feet of markings and approximately 63,000 parking meters. The Department encourages the use of mass transit by operating the Staten Island Ferry and promoting new private ferry routes. The Department also encourages the use of alternative modes of transportation, and administers a citywide program advancing the use of alternative fuels.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending by Program</b>					
Bridge Engineering and Administration	\$22,533,954	\$23,152,015	\$24,061,817	\$29,116,993	\$26,211,345
Bridge Maintenance, Repair & Operations	\$42,813,484	\$45,173,205	\$48,903,826	\$55,230,163	\$44,123,708
Ferry Administration & Surface Transit	\$7,090,889	\$7,788,359	\$7,301,880	\$8,227,149	\$3,661,892
Management & Administration	\$39,190,941	\$39,275,083	\$43,602,140	\$56,177,673	\$41,997,707
Municipal Ferry Operation & Maintenance	\$54,410,257	\$70,008,631	\$74,606,253	\$96,443,883	\$81,371,903
Pre-K Bus Program Intra-City	\$54,299,070	\$72,082,438	\$108,994	\$0	\$0
Roadway Construction Coordination & Administration	\$6,466,105	\$6,975,065	\$8,231,048	\$10,334,107	\$8,926,978
Roadway Repair, Maintenance & Inspection	\$109,747,676	\$129,606,197	\$157,982,012	\$187,360,482	\$166,973,705
Traffic Operations & Maintenance	\$189,042,553	\$201,397,902	\$220,518,667	\$265,575,666	\$240,232,394
Traffic Planning Safety & Administration	\$16,506,759	\$16,090,027	\$19,683,505	\$26,892,710	\$13,005,942
Vehicles & Facilities Management & Maintenance	\$11,463,143	\$11,663,261	\$13,375,797	\$23,680,712	\$16,805,934
WTC Disaster Related Expenses	\$25,571	\$11,120	\$0	\$0	\$0
<b>Total</b>	<b>\$553,590,400</b>	<b>\$623,223,303</b>	<b>\$618,375,941</b>	<b>\$759,039,538</b>	<b>\$643,311,508</b>
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$165,230,921	\$161,059,076
City Funds	NA	NA	NA	\$453,463,157	\$428,461,403
Federal - Community Development	NA	NA	NA	\$170,000	\$0
Federal - Other	NA	NA	NA	\$57,481,052	\$13,746,996
Intra City	NA	NA	NA	\$1,505,842	\$1,409,073
Other Categorical	NA	NA	NA	\$1,898,776	\$429,000
State	NA	NA	NA	\$79,289,790	\$38,205,960
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$759,039,538</b>	<b>\$643,311,508</b>
<b>Full-Time Positions</b>	<b>4,081</b>	<b>4,187</b>	<b>4,296</b>	<b>4,864</b>	<b>4,179</b>

Note: "NA" means that data is not available

## Bridge Engineering and Administration

This program is responsible for designing and supervising consultant designs of bridge projects and to oversee capital budget work on City-owned bridges. The funding for bridge engineering and design is provided primarily from the City's capital budget through intra-fund agreements (IFA).

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$19,749,061	\$19,648,213	\$20,965,013	\$22,814,599	\$22,286,031
Other than Personal Services	\$2,784,893	\$3,503,802	\$3,096,804	\$6,302,394	\$3,925,314
Total	\$22,533,954	\$23,152,015	\$24,061,817	\$29,116,993	\$26,211,345
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$17,356,876	\$17,360,208
City Funds	NA	NA	NA	\$9,243,425	\$8,851,137
Federal - Other	NA	NA	NA	\$2,516,692	\$0
Total	NA	NA	NA	\$29,116,993	\$26,211,345
Full-Time Positions	274	286	290	353	336

Note: "NA" means that data is not available

## Bridge Maintenance, Repair & Operations

This program is responsible for the inspection, maintenance, and repair of City-owned bridges.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$32,318,291	\$33,544,804	\$37,019,040	\$38,600,030	\$36,026,087
Other than Personal Services	\$10,495,193	\$11,628,401	\$11,884,787	\$16,630,133	\$8,097,621
<b>Total</b>	<b>\$42,813,484</b>	<b>\$45,173,205</b>	<b>\$48,903,826</b>	<b>\$55,230,163</b>	<b>\$44,123,708</b>
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$1,509,694	\$1,509,694
City Funds	NA	NA	NA	\$39,018,726	\$40,578,941
Federal - Other	NA	NA	NA	\$9,012,315	\$0
Intra City	NA	NA	NA	\$285,073	\$285,073
State	NA	NA	NA	\$5,404,355	\$1,750,000
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$55,230,163</b>	<b>\$44,123,708</b>
Full-Time Positions	443	434	432	494	467

## Performance Measures

	Type of Measure	2005 Annual Target	2005 Annual Actual	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 4-Month Actual
Bridges rated fair (%)	Outcome	NA	57.7%	NA	58.0%	NA	57.9%	NA	NA
Bridges rated good or very good (%)	Outcome	NA	41.5%	NA	41.5%	NA	41.7%	NA	NA
Bridges rated poor (%)	Outcome	NA	0.8%	NA	0.5%	NA	0.4%	NA	NA
Bridge flags eliminated in-house	Output	476	437	18.1	430	465	451	465	NA
Bridge projects (structural work) substantially completed on schedule- East River	Service Quality	NA	NA	NA	NA	100%	100%	100%	100%
Bridge projects (structural work) substantially completed on schedule- Non-East River	Service Quality	100%	80%	100%	81%	100%	89%	100%	100%

Note: "NA" means that data is not available

## Ferry Administration & Surface Transit

This program is responsible for the supervision of private ferries, in addition to subsidized franchised bus companies, including the MTA bus companies.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$5,616,067	\$6,031,849	\$4,579,329	\$5,348,088	\$3,595,832
Other than Personal Services	\$1,474,822	\$1,756,510	\$2,722,552	\$2,879,061	\$66,060
<b>Total</b>	<b>\$7,090,889</b>	<b>\$7,788,359</b>	<b>\$7,301,880</b>	<b>\$8,227,149</b>	<b>\$3,661,892</b>

## Funding

Capital- IFA	NA	NA	NA	\$146,213	\$146,213
City Funds	NA	NA	NA	\$4,950,102	\$3,515,679
Federal - Other	NA	NA	NA	\$3,130,834	\$0
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$8,227,149</b>	<b>\$3,661,892</b>
Full-Time Positions	92	91	52	64	50

## Performance Measures

	Type of Measure	2005 Annual Target	2005 Annual Actual	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 4-Month Actual
Private ferry surface- change in number of passengers (%)	Demand	NA	-28.5%	NA	-1.3%	NA	-4.4%	NA	0.5%
Private ferry surface- change in number of routes (%)	Demand	NA	0.0%	NA	-6.1%	NA	-16.0%	NA	-4.8%

Note: "NA" means that data is not available

## Management & Administration

This program includes funding to support all aspects of administration and planning for the Department including payroll, budgeting, accounting, purchasing, legal services, data processing, training, community relations, franchises and revocable consents, and other services required to support executive and administrative operations that cannot be clearly linked to specific program areas.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$22,830,387	\$23,387,680	\$27,105,030	\$32,759,818	\$24,620,326
Other than Personal Services	\$16,360,553	\$15,887,403	\$16,497,111	\$23,417,855	\$17,377,381
Total	\$39,190,941	\$39,275,083	\$43,602,140	\$56,177,673	\$41,997,707
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$3,707,077	\$2,812,969
City Funds	NA	NA	NA	\$43,500,090	\$38,158,138
Federal - Other	NA	NA	NA	\$4,186,153	\$177,600
Intra City	NA	NA	NA	\$49,000	\$49,000
Other Categorical	NA	NA	NA	\$195,361	\$0
State	NA	NA	NA	\$4,539,992	\$800,000
Total	NA	NA	NA	\$56,177,673	\$41,997,707
Full-Time Positions	365	368	414	480	362

Note: "NA" means that data is not available

## Municipal Ferry Operation & Maintenance

This program is responsible for the operation of the Staten Island Ferry and the Hart Island Ferry services, as well as the maintenance of dock and ferry terminal facilities.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$35,226,066	\$40,697,727	\$43,092,207	\$52,988,943	\$51,365,914
Other than Personal Services	\$19,184,191	\$29,310,904	\$31,514,046	\$43,454,940	\$30,005,989
Total	\$54,410,257	\$70,008,631	\$74,606,253	\$96,443,883	\$81,371,903
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$1,743,773	\$1,743,773
City Funds	NA	NA	NA	\$60,769,733	\$49,889,130
Federal - Other	NA	NA	NA	\$8,178,127	\$2,259,000
Intra City	NA	NA	NA	\$1,075,000	\$1,075,000
State	NA	NA	NA	\$24,677,250	\$26,405,000
Total	NA	NA	NA	\$96,443,883	\$81,371,903
Full-Time Positions	478	537	557	634	634

## Performance Measures

	Type of Measure	2005 Annual Target	2005 Annual Actual	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 4-Month Actual
Staten Island Ferry- Trips that are on-time (%)	Service Quality	90.0%	88.7%	85.0%	88.5%	85.0%	91.7%	85.0%	90.6%

Note: "NA" means that data is not available

## Pre-K Bus Program Intra-City

Prior to Fiscal 2007, the Department managed the transportation of special needs students in Pre-Kindergarten for the Department of Education. The Department's contracts with private companies for Pre-K transportation services was transferred from the Department of Education to the Department of Transportation during Fiscal 2007.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$473,829	\$416,667	\$92,366	\$0	\$0
Other than Personal Services	\$53,825,241	\$71,665,771	\$16,628	\$0	\$0
Total	\$54,299,070	\$72,082,438	\$108,994	\$0	\$0
Full-Time Positions	9	9	0	0	0

Note: "NA" means that data is not available



## Roadway Construction Coordination & Administration

The Department supervises street resurfacing and repair work, permit management, and maintains and repairs vehicles and equipment used for street and arterial maintenance programs.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$6,258,540	\$6,824,770	\$7,843,175	\$9,609,784	\$8,266,175
Other than Personal Services	\$207,566	\$150,295	\$387,872	\$724,323	\$660,803
<b>Total</b>	<b>\$6,466,105</b>	<b>\$6,975,065</b>	<b>\$8,231,048</b>	<b>\$10,334,107</b>	<b>\$8,926,978</b>
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$2,092,394	\$1,499,644
City Funds	NA	NA	NA	\$7,270,854	\$7,427,334
Federal - Community Development	NA	NA	NA	\$170,000	\$0
Federal - Other	NA	NA	NA	\$750,000	\$0
State	NA	NA	NA	\$50,859	\$0
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$10,334,107</b>	<b>\$8,926,978</b>
<b>Full-Time Positions</b>	<b>101</b>	<b>104</b>	<b>117</b>	<b>129</b>	<b>101</b>

Note: "NA" means that data is not available

## Roadway Repair, Maintenance & Inspection

The Department maintains the City's streets and arterial highways, and also monitors "street cut" activity by utilities, private contractors and other agencies to ensure that repairs meet required standards.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$67,134,344	\$70,915,555	\$91,967,375	\$100,265,086	\$87,859,019
Other than Personal Services	\$42,613,332	\$58,690,642	\$66,014,637	\$87,095,396	\$79,114,686
<b>Total</b>	<b>\$109,747,676</b>	<b>\$129,606,197</b>	<b>\$157,982,012</b>	<b>\$187,360,482</b>	<b>\$166,973,705</b>

## Funding

Capital- IFA	NA	NA	NA	\$126,729,994	\$122,576,120
City Funds	NA	NA	NA	\$41,462,836	\$36,530,625
Intra City	NA	NA	NA	\$96,769	\$0
State	NA	NA	NA	\$19,070,883	\$7,866,960
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$187,360,482</b>	<b>\$166,973,705</b>
Full-Time Positions	949	1,012	1,094	1,166	1,013

## Performance Measures

	Type of Measure	2005 Annual Target	2005 Annual Actual	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 4-Month Actual
Pothole work orders	Demand	NA	51,460	NA	45,228	NA	47,934	NA	12,602
Street maintained with a pavement rating of fair (%)	Outcome	NA	26.8%	NA	30.0%	NA	29.6%	NA	NA
Street maintained with a pavement rating of good (%)	Outcome	NA	73.0%	NA	69.9%	NA	70.3%	NA	NA
Street maintained with a pavement rating of poor (%)	Outcome	NA	0.2%	NA	0.1%	NA	0.1%	NA	NA
Potholes repaired	Output	NA	216,107	NA	179,728	NA	205,227	NA	42,941
Average time to close a pothole work order where repair was done (days)	Service Quality	NA	NA	NA	NA	NA	2.1	NA	2.6
Pothole work orders closed within 30 days of notification (%)	Service Quality	65%	98%	65%	99%	85%	99%	85%	No longer in use
Average cost per lane mile resurfaced citywide (\$)	Unit Cost	NA	\$87,237	NA	\$92,786	NA	\$118,594	NA	NA
Average cost per ton of asphalt placed citywide (\$)	Unit Cost	NA	\$97.11	NA	\$99.56	NA	\$118.67	NA	NA
Average in-house cost of asphalt per ton (\$)	Unit Cost	NA	\$33.45	NA	\$42.06	NA	\$44.01	NA	NA
Average vendor cost of asphalt per ton (\$)	Unit Cost	NA	\$43.74	NA	\$49.53	NA	\$56.69	NA	\$61.18

Note: "NA" means that data is not available

## Traffic Operations & Maintenance

The Division of Traffic Operations is responsible for all activities aimed at facilitating traffic flow and enforcing regulations that support those activities. The division installs and maintains streetlights, traffic control devices, parking meters, and bus stops.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$60,309,562	\$62,130,164	\$64,397,176	\$66,080,340	\$55,133,315
Other than Personal Services	\$128,732,990	\$139,267,738	\$156,121,490	\$199,495,326	\$185,099,079
<b>Total</b>	<b>\$189,042,553</b>	<b>\$201,397,902</b>	<b>\$220,518,667</b>	<b>\$265,575,666</b>	<b>\$240,232,394</b>
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$11,395,044	\$13,010,599
City Funds	NA	NA	NA	\$209,383,477	\$214,098,399
Federal - Other	NA	NA	NA	\$21,294,307	\$11,310,396
Other Categorical	NA	NA	NA	\$1,703,415	\$429,000
State	NA	NA	NA	\$21,799,423	\$1,384,000
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$265,575,666</b>	<b>\$240,232,394</b>
Full-Time Positions	1,129	1,093	1,069	1,222	1,027

## Performance Measures

	Type of Measure	2005 Annual Target	2005 Annual Actual	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 4-Month Actual
Monetary value of commercial parking cards sold (\$000)	Output	NA	\$9,082.0	NA	\$10,056.0	NA	\$12,530.0	NA	No longer in use
Percent of metered spaces that have multi-meters (multi-space meters)	Output	NA	NA	NA	21.2%	NA	25.5%	NA	26.9%
Average time to fix traffic signals (hours)	Service Quality	NA	NA	NA	NA	NA	56.3	NA	28.3
Average time to repair priority regulatory signs after notification (days)	Service Quality	NA	2.4	NA	2.5	NA	2.9	NA	2.1
Average time to repair streetlights- by ConEd (days)	Service Quality	NA	83.9	NA	39.4	NA	16.8	NA	12.9
Average time to repair streetlights- by DOT (days)	Service Quality	NA	19.0	NA	9.0	NA	2.4	NA	2.1
On-street parking meters that are operable (%)	Service Quality	90.0%	91.3%	90.0%	90.9%	90.0%	90.9%	90.0%	90.6%
Priority regulatory signs repaired or replaced within nine days of notification (%)	Service Quality	100%	100%	100%	100%	100%	100%	100%	No longer in use
Streetlight defects responded to within 10 days of notification (%)	Service Quality	95.0%	92.9%	95.0%	94.4%	95.0%	96.5%	95.0%	No longer in use
Traffic signal defects responded to within 48 hours of notification (%)	Service Quality	98.0%	98.7%	98.0%	98.8%	98.0%	99.0%	98.0%	No longer in use
Traffic signals installed within six months of approval (%)	Service Quality	95%	100%	95%	100%	95%	100%	95%	No longer in use

Note: "NA" means that data is not available

## Traffic Planning Safety & Administration

This program is responsible for the supervision, planning and research, and general support of the Department's traffic and parking programs.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$7,775,325	\$8,787,148	\$8,521,006	\$13,830,406	\$6,811,220
Other than Personal Services	\$8,731,434	\$7,302,879	\$11,162,499	\$13,062,304	\$6,194,722
<b>Total</b>	<b>\$16,506,759</b>	<b>\$16,090,027</b>	<b>\$19,683,505</b>	<b>\$26,892,710</b>	<b>\$13,005,942</b>
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$299,856	\$149,856
City Funds	NA	NA	NA	\$16,106,108	\$12,856,086
Federal - Other	NA	NA	NA	\$8,412,624	\$0
State	NA	NA	NA	\$2,074,122	\$0
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$26,892,710</b>	<b>\$13,005,942</b>
<b>Full-Time Positions</b>	<b>114</b>	<b>124</b>	<b>132</b>	<b>180</b>	<b>67</b>

## Performance Measures

	Type of Measure	2005 Annual Target	2005 Annual Actual	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 4-Month Actual
Citywide traffic fatalities	Outcome	NA	300	NA	307	NA	310	NA	112
Inspected street work rated satisfactory (%)	Outcome	75%	76%	75%	76%	75%	76%	75%	77%
Traffic fatalities - bicyclists/pedestrians	Outcome	NA	162	NA	180	NA	174	NA	66
Traffic fatalities - motorists/passengers	Outcome	NA	138	NA	127	NA	136	NA	46
Bicycle lane miles installed	Output	NA	11.8	NA	3.5	77.1	41.8	70.0	NA
Bicycle racks installed	Output	NA	250	NA	523	275	320	300	NA
Construction permits issued (000)	Output	NA	200.4	NA	214.0	NA	227.4	NA	81.8
Inspections of permitted street work (000)	Output	285.0	311.0	285.0	340.6	325.0	437.1	385.0	180.4
Speed humps installed near schools	Output	NA	40	NA	72	NA	101	NA	7

Note: "NA" means that data is not available

**Vehicles & Facilities Managenemt & Maintenance**

This program provides for the maintenance of the Department's vehicles and facilities citywide.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$7,888,480	\$8,485,897	\$9,643,318	\$10,043,727	\$8,883,029
Other than Personal Services	\$3,574,662	\$3,177,364	\$3,732,479	\$13,636,985	\$7,922,905
<b>Total</b>	<b>\$11,463,143</b>	<b>\$11,663,261</b>	<b>\$13,375,797</b>	<b>\$23,680,712</b>	<b>\$16,805,934</b>
<b>Funding</b>					
Capital- IFA	NA	NA	NA	\$250,000	\$250,000
City Funds	NA	NA	NA	\$21,757,806	\$16,555,934
State	NA	NA	NA	\$1,672,906	\$0
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$23,680,712</b>	<b>\$16,805,934</b>
<b>Full-Time Positions</b>	<b>127</b>	<b>129</b>	<b>139</b>	<b>142</b>	<b>122</b>

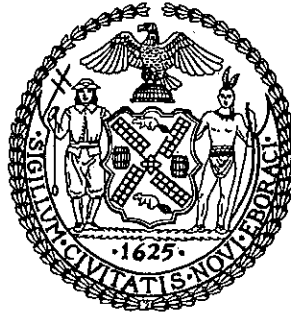
Note: "NA" means that data is not available

**WTC Disaster Related Expenses**

Funding for World Trade Center Disaster-Related expenses are in this program area.

	2005 Actuals	2006 Actuals	2007 Actuals	2008 Budget (Jan 24, 2008 Financial Plan)	2009 Preliminary Budget
<b>Spending</b>					
Personal Services	\$25,571	\$11,120	\$0	\$0	\$0
Total	\$25,571	\$11,120	\$0	\$0	\$0

Note: "NA" means that data is not available



# **Fiscal 2009 Preliminary Budget Hearings**

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## **Transit Authority (Capital)**

*March 2008*

*Hon. Christine C. Quinn  
Speaker of the Council*

*Hon. David I. Weprin, Chair  
Committee on Finance*

*Hon. John Liu, Chair  
Committee on Transportation*

*James Caras, Acting Director  
Finance Division*

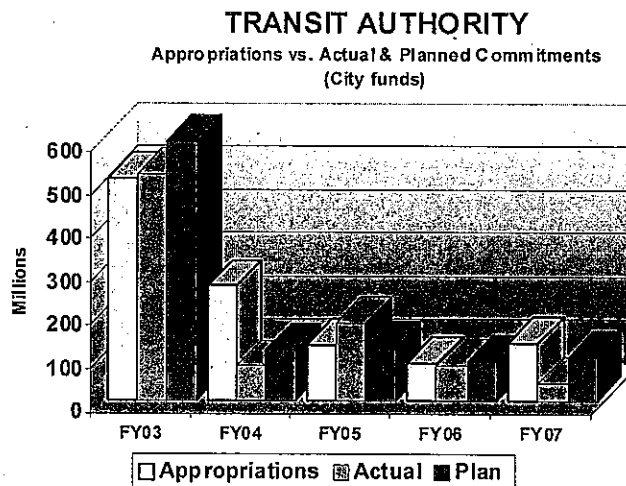
## Fiscal 2009 Preliminary Capital Budget Report

### Agency Overview

The Metropolitan Transportation Authority New York City Transit (NYCT) operates one of the largest public transportation systems in the world. The Metropolitan Transportation Authority (MTA), the parent corporation of New York City Transit, is a New York State public authority responsible for coordinating and implementing a mass transportation program for New York City and seven adjacent counties. The MTA operates five agencies: New York City Transit, Long Island Rail Road, Metro North Rail Road, Bridges and Tunnels, and Long Island Bus.

The New York City subway system operates on more than 700 miles of track in over 238 directional route-miles serving the boroughs of Manhattan, the Bronx, Queens, and Brooklyn. The Staten Island Rapid Transit Authority (SIRTOA) operates a 14-mile rapid transit line linking 22 communities and the Staten Island-Manhattan Ferry service. The Authority's bus system, including the newly created MTA Bus, serves all five boroughs. On average, the combined transit (6,200 subway cars) and bus systems (5,600 buses) transport over 2.3 billion riders annually.

Capital expenditures for the NYCT are coordinated by the MTA. NYCT's capital program includes major infrastructure improvements to subway stations (for example, track and signal replacements and upgrading of security), modernization of subway stations, major equipment replacements and the implementation of an Automated Fare System.





## **Fiscal 2009 Preliminary Capital Budget Report**

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### ***Current Budget Summary***

The January 2008 Capital Commitment Plan includes \$385.6 million in Fiscal 2008-2011 for the Transit Authority (including City and Non-City funds). This represents less than one percent of the City's total \$52.5 billion January Plan for Fiscal 2008-2011. The agency's January Commitment Plan for Fiscal 2008-2011 maintains the same level of funding as the agency's September Commitment Plan.

Over the past five years, the Transit Authority on average has committed slightly less than 90 percent of its annual capital plan. Therefore, it is assumed that a portion of the agency's Fiscal 2008 Capital Plan will be rolled into Fiscal 2009, thus increasing the size of the Fiscal 2009-2012 Capital Plan. Since adoption last June, the agency's Capital Commitment Plan has remained essentially the same with no noticeable changes.

Currently, NYCT's appropriations total \$285.2 million in City funds for Fiscal 2008. These appropriations will finance the agency's remaining \$64.7 million city-funded Fiscal 2008 capital commitment program. The agency has over four times more funding than it needs to meet its entire capital commitment program for the current fiscal year. Projects funded in the Plan for Fiscal 2008 include various transit construction projects. These include \$4 million for video surveillance for the Staten Island Railway, \$35 million for track and rail reconstruction projects, and \$20.1 million for bus purchases.

## **Fiscal 2009 Preliminary Capital Budget Report**

The Transit Authority's capital commitments for the last five years are shown below:

<b>FIVE YEAR HISTORY – CAPITAL BUDGET</b> (S in millions)					
	FY03	FY04	FY05	FY06	FY07
CITY	521	80	180	83	43
NON-CITY	0	0	0	0	0
TOTAL	521	80	180	83	43

The Adopted Four-Year Capital Plan is shown below:

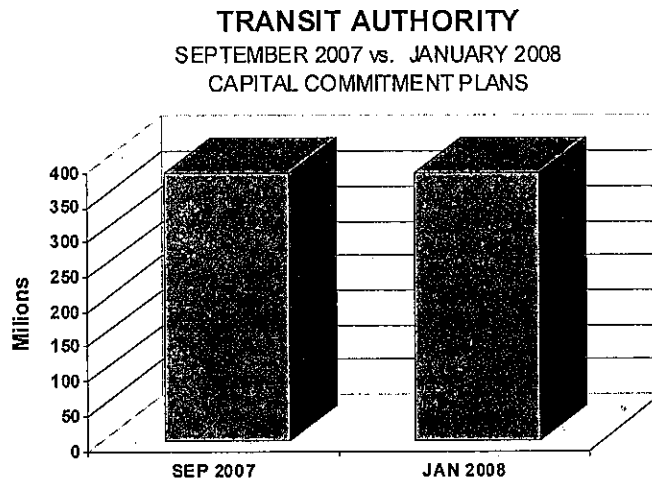
<b>ADOPTED CAPITAL BUDGET – SEPTEMBER 2007</b> (S in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	99.7	88.9	90.0	74.8	353.4
NON-CITY	32.2	0	0	0	32.2
TOTAL	131.9	88.9	90.0	74.8	385.6

The Preliminary Four-Year Capital Plan is shown below:

<b>PRELIMINARY CAPITAL PLAN – JANUARY 2008</b> (S in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	99.7	88.9	90.0	74.8	353.4
NON-CITY	32.2	0	0	0	32.2
TOTAL	131.9	88.9	90.0	74.8	385.6

### PRELIMINARY BUDGET ISSUES:

- **2005-2009 MTA Capital Program.** The Capital Program Review Board (CPRB) approved a \$21.1 billion 2005-2009 capital program in July of 2005 and, subsequently, an updated version in March of 2006 and April of 2007. Since 1982, the Authority has committed approximately \$77 billion in Capital Program investments. These efforts helped the Authority to replace most of its entire fleet of subway cars and buses, rehabilitate miles of train tracks and subway stations and upgrade security and communication systems. In addition to core programs to maintain a system of good repair, the 2005-2009 Capital Plan contains major system expansion projects that include the Second Avenue Subway, East Side Access, and the Number 7 Line Extension, which is City-funded. However, with increased cost overruns for projects already underway and rising costs for construction materials and labor in the region, the MTA is now faced with serious shortfalls. These shortfalls could force the Authority to either scale back or eliminate components of the expansion projects.



On August 14, 2007, the Federal Transit Administration authorized a \$354 million grant to the City for transportation service enhancements. The federal grant is contingent on the City implementing a congestion pricing plan, which requires State authorization. Since a portion of the proceeds from the congestion pricing is intended to benefit the MTA, the State Legislature directed the Authority to submit a new Capital Plan to be considered concurrently with the recommendations of a 17-member commission appointed to review the City's congestion pricing initiative. As a result, the MTA is currently scheduled to release a new five-year Capital Plan by March 31, 2008.

**CAPITAL BUDGET SUMMARY**

**2005-2009 MTA Capital Program Amendment (\$ in millions)**

	January 06 Approved	December 06 Amendment	Variance
<b>Core Capital Programs</b>			
New York City Transit	\$11,301.1	\$11,219.5	(\$81.6)
Long Island Rail	2,176.0	2,169.9	(6.1)
Metro-North Rail Road	1,383.1	1,375.5	(7.6)
CPRB Core Subtotal	\$14,860.2	\$14,764.9	(\$95.2)
<b>Security Program</b>			
Security Program	495.0	495.0	0.0
Interagency	159.1	155.4	(3.7)
Core & Security Subtotal	\$15,514.2	\$15,415.3	(\$98.9)
ESA/SAS/JFK Link	2,475.0	2,475.0	0.0
Total 2005-2009 CPRB Program	\$17,989.2	\$17,890.3	(\$98.9)
<b>Other Programs</b>			
City #7 Line Extension	1,990.0	2,100.0	110.0
Bridges and Tunnels	1,167.9	1,202.1	34.2
MTA Bus	138.2	138.2	0.0
<b>TOTAL</b>	<b>\$21,285.3</b>	<b>\$21,330.6</b>	<b>\$45.3</b>

Source: Metropolitan Transportation Authority

**New York City Transit**

- For NYCT, the proposed amended 2005-2009 Capital Plan would commit \$11.2 billion in core programs, a decrease of \$82 million from the \$11.3 billion approved by the Board in January 2006. These funds would provide for the purchase of 959 state-of-the-art new subway cars, 1,122 low-emission buses, 951 paratransit vehicles and the rehabilitation of the 86<sup>th</sup> Street station in Bay Ridge, Brooklyn among others.

**MTA-NYCT 2005-2009 Capital Program by Investment Category**

(\$ in millions)

	January 06 Approved	December 06 Amendment	Variance
Subway Cars	\$1,804.6	\$1,804.6	\$0.0
Buses	834.0	846.7	12.7
Passenger Stations	1,655.1	1,665.0	9.9
Tracks	1,141.7	1,156.2	14.5
Line Equipment	963.5	940.5	(23.0)
Line Structures	626.9	606.6	(20.3)
Signals & Communications	1,882.5	1,736.7	(145.7)
Power	584.8	499.2	(85.5)
Shops	289.6	306.0	16.4
Yards	272.1	264.1	(8.0)
Depots	612.7	591.2	(22.0)
Service Vehicles	113.5	118.9	5.4
Miscellaneous	434.2	598.7	164.5
Staten Island Railway	85.9	85.1	(0.8)
<b>NYCT TOTAL</b>	<b>\$11,301.1</b>	<b>\$11,219.5</b>	<b>(\$81.6)</b>

Source: Metropolitan Transportation Authority

**Expansion Projects**

- Number 7 Line Extension.**

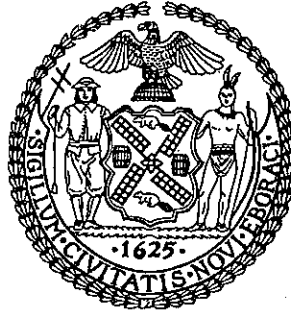
The Plan will invest \$2.1 billion in the Number 7 Line Westside extension over five years. This project will extend the Number 7 line west from Times Square and then south along 11<sup>th</sup> Avenue, and will include a new station at 34<sup>th</sup> Street and 11<sup>th</sup> Avenue. Design work is funded through the City's capital budget; however, all construction for the Number 7 Line extension will be funded by the City through a local development corporation called the Hudson Yard Infrastructure Development Corporation (HYDC). The funding arrangement calls for the project to be paid for, in part, with revenues from the Hudson Yard Development district and with revenues appropriated from the City's general revenue funds. In November 2006, the City, in a memorandum of understanding with the MTA, agreed to increase by \$100 million its funding for the Number 7 Line extension project bringing total funding for this project to its current level of \$2.1 billion.

- Second Avenue Subway/East Side Access/JFK Expansion.**

The current amended 2005-2009 Capital Plan contains funding of \$3.7 billion for the Second Avenue Subway (SAS), the East Side Access (ESA), and JFK rail link projects, even though the Board estimated the need for these projects to be \$7.9 billion. However, according to the MTA, continued adjustments to each of these budgets will be made when additional federal funds are received.

- **Security Program.**

In the 2005-2009 amended Capital Budget, the security program's budget and the program objectives remain unchanged at \$495 million, except for a change in the funding sources. The Plan originally approved by the Capital Program Review Board assumed full federal funding for the security program. In the amended Plan, the Authority will use \$141 million in Bridges and Tunnels bonds and cash to replace anticipated federal funds for critical security needs for the MTA Bridges and Tunnels. As of December 2007, the MTA had only secured a total of \$175.6 million in Federal Security funding. A recent report issued by the State Comptroller found that construction costs and cost overruns have ballooned by more than 40 percent could be adversely affecting the Authority's security programs. Unless new funding sources are found, the Authority could be forced to significantly scale back its security programs.



# **Fiscal 2009 Preliminary Budget Hearings**

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## **Department of Transportation (Capital)**

*March 2008*

*Hon. Christine C. Quinn  
Speaker of the Council*

*Hon. David I. Weprin, Chair  
Committee on Finance*

*Hon. John Liu, Chair  
Committee on Transportation*

*James Caras, Acting Director  
Finance Division*

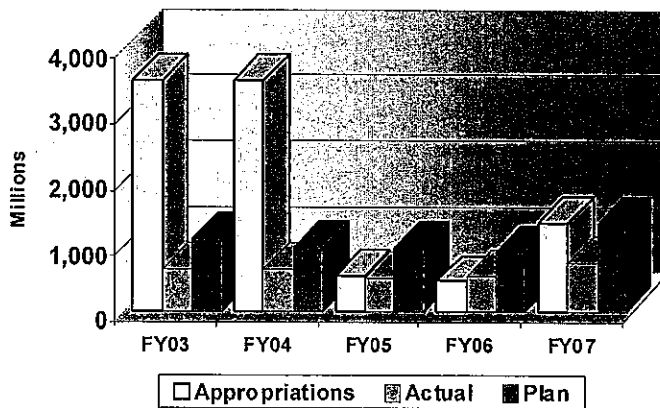
## Fiscal 2009 Preliminary Capital Budget Report

### Agency Overview

The Department of Transportation (DOT) is responsible for the movement of pedestrian and vehicular traffic throughout the City. DOT is comprised of five operating bureaus: The Bureau of Highway Operations, the Parking Violations Bureau, the Bureau of Traffic Operations, the Bureau of Bridges and the Bureau of Transit Operations.

The goals of DOT's Capital Program include, but are not limited to, providing roads in good condition for safe travel, providing safe and efficient travel throughout the City by maintaining bridge and tunnel structures, improving the flow of traffic and minimize congestion, and maintaining the safe and efficient operation of ferries and ferry terminals. To meet these and other objectives, the Bureau of Highway Operations builds and maintains approximately 5,700 linear miles of streets and highways. It also operates an asphalt plant to provide materials for resurfacing and repair work.

**DEPARTMENT OF TRANSPORTATION**  
Appropriations vs. Actual & Planned Commitments  
(City funds)



The Bureau of Bridges inspects, maintains, repairs and operates 842 bridge and tunnel structures, oversees major bridge and tunnel construction work. The Bureau of Bridges also manages the "Flag" Repair Program to correct deficient bridge conditions. The Staten Island and Harts Island Ferries, various aviation facilities, and the repair of docks and terminal facilities are the responsibility of the Bureau of Transit Operations.

Under the previous Administration, the Department of Design and Construction (DDC) was created to manage the majority of the City's infrastructure projects, including many projects funded through DOT's capital program. For example, DDC manages DOT's highway reconstruction and resurfacing contracts, sidewalk and curb contracts and parking facility reconstruction projects. While most capital personnel were transferred to DDC, some stayed at DOT for those projects assigned to the agency. DOT personnel manage all Highway Bridge and Waterway Bridge contracts.



## **Fiscal 2009 Preliminary Capital Budget Report**

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### ***Current Budget Summary***

The January 2008 Capital Commitment Plan includes \$6.58 billion in Fiscals 2008-2011 for the Department of Transportation (including City and Non-City funds). This represents 12.5 percent of the City's total \$52.5 billion January Plan for Fiscals 2008-2011. The agency's January Commitment Plan for Fiscals 2008 - 2011 is 3.1 percent more than the \$6.39 billion September Commitment Plan, an increase of \$196.6 million.

Over the past five years the Department of Transportation has only committed an average of 57.3 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2008 capital plan will be rolled into Fiscal 2009 thus greatly increasing the size of the Fiscal 2009-2012 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2008 has decreased from \$2.68 billion to \$2.20 billion, a reduction of \$482.2 million or 18 percent.

Currently DOT's appropriations total \$3.48 billion in city-funds for Fiscal 2008. These appropriations are to be used to finance the DOT's \$1.08 billion city-funded Fiscal 2008 capital commitment program. The agency has 3.2 times more funding than it needs to meet its entire capital commitment program for the current fiscal year.

## **Fiscal 2009 Preliminary Capital Budget Report**

The Department of Transportation's capital commitments for the last five years are shown below:

<b>FIVE YEAR HISTORY – CAPITAL BUDGET</b> (S in millions)					
	FY03	FY04	FY05	FY06	FY07
CITY	627	623	410	530	736
NON-CITY	139	284	301	74	93
TOTAL	766	907	711	604	829

The Adopted Four-Year Capital Plan is shown below:

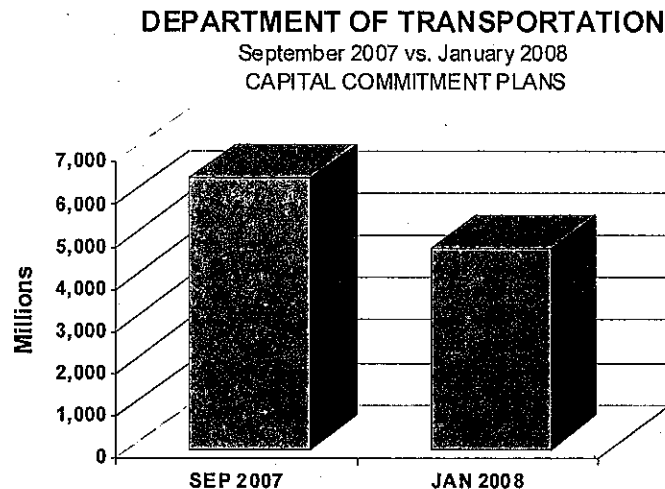
<b>ADOPTED CAPITAL BUDGET – SEPTEMBER 2007</b> (S in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	1,800.1	1,463.8	635.5	557.2	4,456.5
NON-CITY	881.2	767.2	179.1	102.5	1,929.9
TOTAL	2,681.3	2,231.0	814.6	659.7	6,386.5

The Preliminary Four-Year Capital Plan is shown below:

<b>PRELIMINARY CAPITAL PLAN – JANUARY 2008</b> (S in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	1,461.9	1,810.5	919.9	542.7	4,735.0
NON-CITY	737.2	699.3	345.8	65.5	1,847.7
TOTAL	2,199.1	2,509.8	1,265.6	608.2	6,582.7

### PRELIMINARY BUDGET ISSUES:

- In the January Plan, the four-year capital commitment plan for Fiscals 2008-2011 is \$6.58 billion of which \$4.74 billion is City funds and \$1.85 billion is Non-city funds. City-funded commitments for Fiscal 2008-2011 have increased by \$278.5 million while Non-City commitments have decreased by \$82.2 million when compared to the September Plan. However, most of the increase in the City-funded portion of the plan occurs in Fiscal 2009 and Fiscal 2010, which increase by \$346.7 million and \$284.4 million, respectively, after a decrease of \$338.2 million in Fiscal 2008.



- In the January Plan, funding (City and non-City) is deferred for all components of DOT's Capital Plan. Planned commitments for Waterway Bridges are reduced by \$10.8 million in Fiscal 2008 but \$151.4 million is added in Fiscal 2009. For Highway Bridges, planned commitments are reduced by \$29.6 million over the four year window despite an increase of \$341 million in planned commitments in Fiscal 2010. Funding for Highways decreases in Fiscal 2008, but increases in 2009-2011 for a net increase of \$27.2 million over the four years. Traffic, Ferries, and Transportation Equipment all see reductions in planned commitments in Fiscal 2008 but increase by \$48.8 million, \$3.7 million, and \$5.6 million, respectively, over the four year capital plan.

The major changes between the September Plan and the January Plan for Fiscals 2008-2011 are:

- Reconstruction of Willis Avenue Bridge: \$61.2 million is added for change orders in Fiscal 2009 bringing total commitments for this project up to \$378.5 million.
- Brooklyn Bridge: \$25 million is added in Fiscal 2009 for the rehabilitation and painting of the Brooklyn approach and the Brooklyn ramps. Total planned commitments for this project are now \$184.5 million, reflecting the most recent cost estimate. The project will be going out to bid in 2009.
- Belt Parkway Bridge: Due to a recent cost re-estimate, \$16.3 million is added for the replacement of the Belt Parkway Bridge over the Paerdegat Basin, bringing total planned commitments for this project up to \$76.4 million.

## **Fiscal 2009 Preliminary Capital Budget Report**

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- Reconstruction of the Roosevelt Avenue Bridge: \$20 million in planned commitments have rolled from Fiscal 2009 to Fiscal 2010. Total planned commitments for this project remain at \$34.5 million.
- Bruckner Expressway over the Westchester Creek: \$33 million was rolled from Fiscals 2008 and 2009 into Fiscal 2010 and \$46.3 million was added to the Capital Plan. Total planned commitments for this project are now \$92.1 million.
- 11th Avenue Viaduct South Section - 30 Street to 33 Street: \$21.2 million was removed from this project in FY08, leaving \$43.1 million in planned commitments.
- Town Square Initiative: DOT is creating a new (or enhancing an existing) pedestrian plaza in every community in the City as part of PlaNYC 2030. The plazas will be created from existing road space. \$130.4 million was added to the Fiscal 2008 Executive Plan for this project. Although total project costs remain roughly the same in the Fiscal 2009 Preliminary Capital Budget, \$29.2 million has been rolled from the Fiscal 2008-2012 window into 2013.

**Remarks by Hilary Ring  
Director of Government Affairs  
Metropolitan Transportation Authority  
New York City Council – Transportation Committee  
March 25, 2008**

Good morning Chairman Liu and members of the Committee. My name is Hilary Ring and I am the Director of Government Affairs at the Metropolitan Transportation Authority. I am joined today by Gary Lanigan, MTA Director of Budgets, Greg Kullberg, MTA Director of Capital Programs, and Michael Chubak, Executive Vice President at MTA New York City Transit. We appreciate this opportunity to discuss the status of the MTA's budget.

The MTA moves 8.5 million people per day, knitting together a 5,000-square-mile region with safe, fuel efficient, reasonably priced, environmentally sound travel alternatives. The mobility provided by the MTA opens up a world of job opportunities for millions of people and ensures New York's place as a world center of finance, commerce, culture, media and entertainment. It enables the region's residents to access music, theater, cultural events, sports, and shopping more varied than anywhere in the country. While nearly 85 percent of America's workers need automobiles to get to their jobs, four of every five rush-hour commuters to New York City's central business district avoid traffic congestion by taking transit service, most of it operated by the MTA. It is no exaggeration to say that the world-renowned, wonderfully diverse economy of New York City, from Broadway to Fashion Week to buzzing trading floors, is made possible by the services provided by the MTA.

In recent years, much attention has been paid to the rising costs of oil and gasoline. As these costs have risen, regions like ours with access to mass transit are at a competitive advantage because residents have multiple choices available in their pursuit of affordable mobility. The MTA's ridership is up more than 40% since 1996, and our operating agencies reported big ridership gains over the past year.

- MTA New York City Transit, which already operated by far the nation's busiest subway and bus services, recorded a ridership increase of 2.7% over 2006, resulting in the highest overall ridership since 1969, and the highest subway ridership since 1951. On the Staten Island Railway, ridership rose 9%.
- The MTA Bus Company recorded a very large 11.1% increase in its first year-to-year comparisons available since the takeover of seven private bus companies was completed in February 2006.
- On MTA Long Island Rail Road, the busiest of the nation's 20 regional passenger or commuter railroads, ridership increased 4.9%, to its highest level since 1949.
- MTA Metro-North Railroad, the nation's second-busiest commuter railroad, recorded a ridership increase of 4.3%, to its highest level ever, nearly double the ridership of when the railroad was created a quarter century ago.
- Vehicular volumes over MTA Bridges & Tunnels increased 0.7% over last year to reach their highest level in the agency's 72-year history.
- Ridership on MTA Long Island Bus, which knits together Eastern Queens with Nassau County, remained virtually unchanged after a

record setting year in 2006, largely because of the way that holidays fell in 2007.

However, it would be a mistake to attribute these ridership increases solely to higher prices for oil and gasoline. Record-breaking on-time performance, greater attention to vehicle cleanliness, increases to service frequency and a newer fleet of vehicles all contribute to encourage people to use our services.

And increases to MTA ridership represent a positive development in the fight against global warming and dependence on overseas energy supplies, with the MTA network being a big reason for New York City's lowest-in-the-nation per-capita energy consumption.

However, even as more people have been boarding our trains and buses and driving across our bridges and tunnels, the MTA budget picture has grown increasingly bleak. This may seem counterintuitive. The important point to realize is that the weak link in our revenue sources is not fare or toll collection, which grows as ridership numbers increase. The weak link is real estate taxes that are dedicated to the MTA and form roughly a quarter of our income. We are also concerned about overall effect that the weakening economy will have on other MTA tax revenues and ridership.

We adopted a \$10.8 billion budget in December after passing a preliminary budget in July. Although ridership is increasing significantly, real estate taxes dedicated to the MTA are projected to decline even as we face increasing uncontrollable costs like debt service, pensions and health and welfare benefits. Caught between rising costs and declining revenues, we are

projecting a \$216 million deficit next year, a \$335 million deficit in 2010, and \$416 million deficit in 2011.

As adopted in December, the 2008 MTA operating budget includes 44% income from fares, 14% from tolls, and 5% from other MTA revenue such as sales of advertising space. 28% of our income comes from the dedicated taxes that are now projected to decline, and 9% from state and local subsidies.

Debt service is 14% of our budget but expanding year by year after 12 years in which the MTA was forced by a reduction in state assistance to essentially live on credit. Pensions are 8%, also a cost that is increasing, and health and welfare benefits are 10%. Payroll expenses are 38% of our budget, overtime pay is 4%, and non-labor expenditures are 25%.

In total, our 2008 budget expenses are projected to be \$390 million greater than our annual income, but this is offset largely by the use of prior year cash balances, which provide us with a year-end surplus of \$368 million, which will be used to reduce the projected 2009 deficit.

Our budget takes a balanced approach to reducing the deficits, asking for contributions from all stakeholders. MTA agencies are being asked to do more with less. MTA Executive Director and CEO Lee Sander has asked all agency presidents to trim their budgets by 1.5% each year starting in 2009. Second, we will be asking labor for modest contributions as contracts come up for renegotiation. Third, MTA financial staff has or will be taking cash management actions including the early retirement of debt, prepayment of



pension obligations, and forward energy contracts, or hedges against future price increases. Fourth, fare and tolls were raised this month, providing a 3.85% revenue yield, down from the 6.5% we had called for in July in the preliminary budget. This fare and toll increase represents a cost-of-living adjustment to allow us to keep pace with inflation. Although nobody likes increased fares (and nobody at the MTA likes to ask for them), they do not represent a “real” increase in the cost of using MTA services, to use an economics term. Finally, we are seeking additional government aid totaling \$600 million annually beginning in 2010.

All of these steps will help mitigate the risks of a cooling real estate market. We anticipate a drop in the mortgage recording taxes and the urban tax, dedicated to the MTA. The big questions hanging over all of us is: How much will that drop be?

To recap our financial plan: The 2008 adopted budget and financial plan maintains and advances a robust and affordable transportation network. Prior-year cash surpluses are put to work. State and local funding partners are called upon to do their share. Labor is asked to make a modest contribution. Gains in efficiency are expected of management. Fare increases are limited to normal inflationary growth. Meanwhile, we are making strategic investments to improve service, security, safety and maintenance.

Of course, most of the long-term strategic investments in the MTA system are made through our Capital Program. Although we still have nearly two years to go on our present five-year, 2005-2009 Capital Program, we have

recently presented a draft capital plan to Albany, which was accelerated pursuant to the legislation that created the Traffic Congestion Mitigation Commission to consider congestion pricing.

This proposed Capital Plan, which runs from July 2008 through December 2013 calls for a greatly expanded commitment to mass transit to allow the MTA to handle the 20% increase in ridership that we anticipate by 2030, to keep the New York City region competitive with other global world centers like London and Shanghai that are making big commitments to their transit infrastructure, and to foster the region's environmental sustainability.

The 2008-2013 Capital Plan proposes \$29.5 billion in spending over five and a half years, or a 39% increase over the '05-'09 plan. It is divided into three tiers, all of which are critical to our region's economic and environmental health. The first tier, or \$20 billion, is funding dedicated to maintaining our core infrastructure through the normal replacement and state-of-good-repair programs.

We all remember the negative operating impacts caused by deferred maintenance in the 1970s and early 1980s. Track fires became routine. Trains derailed every 18 days on average. And 325 scheduled subway runs were abandoned every day. Subway crime was a fact of life in a system covered with graffiti. We must never let our system decline to that state again, and we will not if this capital program is passed.

Tier 2 of the proposed plan adds \$6.3 billion to Tier 1, for a total of \$26.3 billion. It will fund the continuation of those megaprojects that are currently

underway: The first phase of the Second Avenue Subway, the extension of the No. 7 train, and East Side Access. This investment tier funds the timely completion of these critical projects.

Finally, Tier 3 represents a bold and much-needed continuation of the expansion that has begun: \$3.25 billion, to bring the total capital plan to \$29.5 billion. This tier would fund projects around the region: a second phase of the Second Avenue Subway; communications-based train control on the Flushing Line and the Queens Boulevard Line to increase the frequency and capacity of those crowded lines; and access to Penn Station for Metro-North trains, building a base for further regional rail interoperability projects connecting Long Island, New Jersey and the northern suburbs with one another.

Our biggest challenge is funding this plan. We have identified potential revenue sources totaling \$20 billion. These sources include \$8.1 billion in federal funding, plus another \$590 million from Washington for security. We expect \$527 million from the City, \$500 million from asset sales, and \$1.8 billion that is being carried over from the current plan. We are also assuming \$4 billion from new bond sales, which can be supported by the financial plan that the MTA proposed last year that assumes new state funding and a local match. Finally, we are counting on congestion pricing to generate \$4.5 billion when bonded.

Congestion pricing is a critical component of this plan's financing. You all have been made aware of service enhancements planned under congestion pricing: 12 new bus routes, increased service on 48 routes, 309 new buses,

and improved service on the 1, C, E and F trains. These improvements focus on serving those neighborhoods that currently do not enjoy good enough transit connections, and they would be implemented in the short term to handle the switch from automobiles anticipated with congestion pricing. However, over the long term, the pricing revenues support everything in the Capital Program, from much-needed maintenance to critical system expansion projects to more far-sighted plans, like expanding the Second Avenue Subway into Brooklyn, Queens and the Bronx, and creating light rail on Staten Island. These are the things we would love to do if resources were available.

I thank you for this opportunity to address you, and we will be happy to answer any questions you may have.

**Testimony of Taxi & Limousine Commission  
Commissioner/Chair, Matthew W. Daus**

**Before the City Council Transportation Committee  
March 25<sup>th</sup>, 2008, 10 AM**

**Preliminary Budget Hearing**

Good morning, Chairman Liu and members of the City Council Transportation Committee. My name is Matthew Daus, and I am the Commissioner/Chair of the New York City Taxi and Limousine Commission (TLC). Thank you for the opportunity to appear before you today to present testimony specific to the Fiscal Year 2009 Preliminary Budget for the TLC. Joining me are First Deputy Commissioner Andrew Salkin and Deputy Commissioner for Finance and Administration Louis Tazzi.

The TLC's operations will be conducted within a Preliminary Budget for Fiscal Year 2009 of \$28,016,390. Of that amount, \$21,824,050 is for Personnel Service (PS) and \$6,192,340 is for Other Than Personnel Service (OTPS). Although our Fiscal 2009 preliminary budget review headcount was reduced by 28 positions, the reduction was taken from vacant positions. I want to assure the Council that this headcount reduction will not compromise the service that we provide either to the riding public or to our licensees.

Every day TLC works on ways to increase efficiencies across the Agency that enhance our ability to provide better service and open clearer lines of communication with both our licensees and the riding public. For example, after hiring several new call center representatives we have more than doubled the amount of calls that our call center has

answered and significantly reduced the wait time callers experience prior to speaking with one of our representatives. We answer an average of 9,000 calls per month from both licensees and the riding public. A year ago the average wait time for a licensee to speak to a call center representative was approximately seven minutes. The current wait time has been reduced to approximately one minute. Another area of our agency that has been making operational improvements to enhance customer service is the Division of Licensing and Standards. This division has implemented several specific licensee service improvements that I would like to bring to your attention. We finalized the staffing for the newly created Licensee Support/Customer Relations Unit. This unit is focused on improving customer relations and making information on our process clearer and more readily available to our applicants and licensees. All of our greeters are bilingual, which better serves our clientele.

As many of you know, we have undertaken a Rules Revision project with the goal of making our more than 3,000 rules easier to understand. We are doing this by re-organizing and re-formatting the rules and using plain language wherever possible. The project has three main phases, and we are well into Phase 1. We are working to revise the language of our rules, and are working pro-actively with our constituents in this process. We will shortly begin another round of outreach to stakeholders to obtain additional feedback. This phase will not change policy or the content of the rules. Phase 2 should begin this fall. When completed, this project will increase our licensees' ability to understand our rules and requirements, which we believe will ultimately result in better customer service to passengers.

As a regulator and licensor, we also work to ensure that each passenger's riding experience is a safe, comfortable, and convenient one. Many of our initiatives are focused on meeting this goal.

Pursuant to State and local authorizing legislation, we are in the process of auctioning accessible and alternative-fuel medallions. Last November, we sold 63 independent accessible medallions. Almost all of these medallions have now closed and those few that are not yet on the road should be in service shortly. The final authorized auction will take place this spring, at which time we will be auctioning 86 corporate accessible, 1 independent accessible, and 2 independent alternate-fuel medallions.

The medallion auction scheduled to take place this Spring will be the first sale since the TLC passed the 25/30 minimum miles per gallon rules for yellow taxis. This recent rule change requires that all medallion taxis, except accessible medallions, meet this new mileage standard and essentially will make all New York City taxis alternative fuel vehicles. I am also excited to propose regulations requiring similar standards for all vehicles associated with black car bases, which will be considered by the Commission in April.

Another way we are working to improve service for the riding public is by requiring all accessible medallions to participate in a demonstration project that will dispatch accessible vehicles to passengers in wheelchairs. The TLC is working diligently to ensure that all of the appropriate stakeholders are involved in this project and we will

continue to work with them throughout the term of the demonstration project. The contract for this service is currently at the Comptroller's Office and, once approved, we anticipate that training, testing and marketing for the full scale launch will happen this summer.

I would also like to update you on the Taxi of Tomorrow project. As I have mentioned in prior testimony before this Committee, the Taxi of Tomorrow project seeks to gain input on the possibilities of creating a vehicle for the New York City taxi fleet that incorporates the needs of the diverse world of our stakeholders—passengers, drivers, owners, and New York City residents. Since September of last year, we have been working with the stakeholder committee to move this project forward quickly. On February 20, the TLC released a Request for Information, (RFI) seeking feedback from the auto industry and other interested parties on the feasibility of our Vehicle Technical Specifications (VTS). The RFI also asked respondents to suggest ways that these specifications could be achieved. Our next steps will depend on the responses we receive back from the RFI.

To conclude, my testimony today showcases the diverse set of constituents our agency serves and our continuous commitment to better serve our licensees and the riding public. Thank you again for the opportunity to testify today. I would now be happy to address any questions you may have.



**JANETTE SADIK-KHAN  
COMMISSIONER  
NEW YORK CITY DEPARTMENT OF TRANSPORTATION**

**HEARING BEFORE THE CITY COUNCIL  
COMMITTEE ON TRANSPORTATION  
MARCH 25, 2008**

Good morning Chairman Liu and Members of the Transportation Committee. I am Janette Sadik-Khan, Commissioner of the New York City Department of Transportation (DOT) and with me here today is Lori Ardito, DOT's First Deputy Commissioner and Joseph Jarrin, DOT's Deputy Commissioner for Administrative Services. Thank you for inviting us here today to discuss DOT's Preliminary Budget.

Since my tenure at DOT began almost one year ago, we have made great strides in moving forward on priorities that I outlined in my testimony last year: improving safety, creating better streets, enhancing mobility and greening our transportation system. I would first like to update the Members on these initiatives and then discuss DOT's budget.

Underlying our programs is PlaNYC -- and our efforts to address the challenges that the City faces as we add 900,000 people to our population and take on global warming. A key element of our strategy is to implement a congestion pricing program for Manhattan that will reduce congestion throughout the City and provide the necessary funds to improve transit in both the short and the long term. Shortly, we will know whether or not we have approval to move forward on this critical program.

However, for PlaNYC to be successful we need to begin to see a number of other improvements to our transportation network as well -- and over the past year we have seen these changes begin to take shape. We have begun to improve the connections between transportation modes -- subway, bus and walking -- through our Safe Routes to Transit program. This initiative, in fact, also goes hand-in-hand with improving safety for all streets users which continues to be one of my top priorities -- as safety has to come first.

The goal of DOT's Safe Routes to Transit initiative is to improve pedestrian and motor vehicle movement around subway entrances and bus stops to make accessing mass transit easier, safer and more convenient. This is in keeping with PlaNYC goals of encouraging more walking and transit use, less traffic and cleaner air.

As part of the program we are accelerating improvements at more than 40 bus stop locations that are located underneath elevated subways by installing pedestrian neckdowns. We completed three bus stop locations last year: 20<sup>th</sup> Avenue at 86<sup>th</sup> Street in Brooklyn; and Broadway at 231<sup>st</sup> and 238<sup>th</sup> Streets in the Bronx. The engineering survey work for the next set of locations will commence this spring with capital construction starting in early 2010.

In addition to the neckdowns, we are installing sidewalk along streets surrounding various bus stop locations. In August 2007, we added a new sidewalk at the southeast corner of West Mosholu Parkway South and Paul Avenue in the Bronx; and looking forward, we anticipate installing up to 4 miles of new sidewalk access to buses each year. DOT is coordinating with the MTA to identify additional sites for implementation and in FY09 we anticipate registering a contract for various locations in Riverdale, Bronx and Woodside, Queens. Approximately half of the total miles of the new sidewalk in the contract will be implemented using Urban Partnership Agreement (UPA) funds and matching funds.

As part of Safe Routes to Transit, we also plan to improve safety and connections at 22 subway stations. To date, improvements to two of the locations have been implemented at 33<sup>rd</sup> Street and Bedford Avenue in Brooklyn. In FY09 we anticipate working with the Department of Design and Construction to register construction contracts for four more locations: Ozone Park/Lefferts Boulevard, Queens (A train); Fordham Road, Bronx (B/D train); Kings Highway, Brooklyn (Q train); and Gun Hill Road, Bronx (5 train).

While our Safe Routes to Transit program focuses on improving safety at transit locations, our Safe Routes to School program continues to focus on safety around schools. As of December 2007, installation of the recommended operational safety measures at 135 Priority

Schools was 100% complete. The operational improvements included over 2,000 signs, 390 high visibility school crosswalks, 56 speed bumps, 90 crosswalks and 40 traffic signal improvements around City schools. In addition traffic calming pavement markings such as painted medians, buffers, and bike lanes were installed at 19 locations.

For the first group of 135 Priority Schools, our plans include recommended capital work including 775 neckdowns (sidewalk extensions that narrow the crossing for pedestrians), more than 80 new pedestrian islands and 17 raised medians. At 56 locations DOT plans to widen existing raised medians and at 8 locations the entire sidewalk will be widened. As of February 2008, detailed construction documents have been completed for the first 32 of the 135 schools, and construction is underway at five locations. Construction at 7 more locations is scheduled to begin through the summer of 2008 and construction at the next 20 locations will be scheduled in 2009.

As the Priority Schools Initiative continues to improve student safety at the first 135 locations, we have also begun re-analyzing the latest available accident data in order to select the second group of 135 Priority Schools to receive safety improvements. Once the second group of priority schools is selected, each school will receive individualized planning studies, as well as recommendations for short-term operational and long-term capital safety measures. We expect to have these schools selected later this spring with their studies beginning in early 2009. Later this year our program will expand again through the selection of a group of 40 High Schools that will receive planning studies and safety improvements.

The success of our Safe Routes to Transit and Schools Programs lead us to focus on one of the most vulnerable groups of pedestrians – our seniors. The purpose of our Safe Streets for Seniors Program is to address senior pedestrian safety issues in 25 areas with high senior accident rates located within all five boroughs. The key components of the Program are to: eliminate “barriers” to senior pedestrian activity and to prioritize a list of short- and long-term

and pro-pedestrian safety improvements. Four of the areas are located in the Bronx, seven in Brooklyn, five in Queens, eight in Manhattan and one in Staten Island.

DOT has begun studying two of the five pilot locations. Implementation in the Brighton Beach senior area in Brooklyn has already begun and improvements will be implemented in May. Plans for the Flushing, Queens area are currently under review, and early action implementation measures began this month. The other three pilot locations will be completed by the end of 2008. Twenty other locations will be addressed in 2009.

These programs are all critical to enhancing safety in our communities – as is the work that continues to come out of our Truck Route Management and Community Impact Reduction Study. Last May we created the Office of Freight Mobility which is tasked with coordinating the agency's goods movement initiatives and advancing the recommendations of the Study. To minimize the impact of off-route trucks in communities, we have made New York City Truck Route Maps available online and have distributed over 36,000 truck route maps to truck industry stakeholders. The maps provide a comprehensive update to the policies and regulations that govern truck movement in New York City. To help facilitate enforcement efforts, we have been working with the NYPD in developing a Citywide program of police officer summons books that illustrate truck routes and applicable truck rules at a precinct level which will be initiated this year.

We are also addressing truck safety by developing a program to mitigate bridge strikes by off-route and over-height trucks by improving access to bridge vertical clearance information and providing improved low clearance warning signage. A pilot project to install improved signage at highly struck bridge locations is currently in development for implementation this year. I would also like to note, that we continue to pursue legislation in Albany that would require all large trucks over 26,000 pounds to be equipped with a cross over mirror. This would eliminate a truck driver's "blind spot" and allow a truck driver to see a child passing in front of

their vehicle. We are hopeful that both houses of the Legislature will pass this important safety measure this year.

In addition to making our streets safer, we are also continuing to focus on the safety of our 789 City-owned bridges. As I stated in my testimony last September, today our bridges are in the best condition they have been in generations. This can be attributed to the City's substantial investment through capital reconstruction projects, preventative maintenance and our inspection program. I would like to point out that we are continuing our new program of monitoring poorly rated components of poor bridges every three months; and poorly rated components of all bridges on a regular basis. We have also engaged the American Association of State Highway and Transportation Officials (AASHTO) to study the financial controls that are in place in our Division of Bridges. AASHTO is the nation's standards setting body in terms of transportation specifications and guidelines, and is committed to developing improved management techniques.

Additionally - and since the hearing in September - we will be implementing a new underwater inspection program for a number of bridges including 19 pedestrian bridges such as the Wards Island Bridge, as part of our existing Bridge Inspection and Repair Program. We are also expecting to add an additional 17 positions to enhance and supplement this innovative and expanded bridge inspection program.

Our safety efforts also extend to our Staten Island Ferry operations. This past year, all captains, assistant captains and mates have attended bridge resources management training, licensed engineering personnel have attended electrical training and engineering resource management training, and the bid specification for the acquisition and installation of Electronic Chart Display and Information Systems (ECDIS) on all ferryboats will be let before the end of this fiscal year. We are also continuing to implement our preventative maintenance system, and the security enhancements at the St. George Ferry Terminal are scheduled to be completed by the end of this month. Looking forward, we will be developing ship-handling training for our

licensed deck officers, electrical training for unlicensed engineers, and hospitality training for deckhands. Lastly, we are nearing the installation of racon transponders at both Whitehall and St. George. This technology sends a signal to the ferryboats' radars which then indicates the terminal's location, which will greatly assist us with navigation in periods of reduced visibility. All these efforts will help ensure the safety of our 65,000 daily passengers.

We are also working hard to create better streets that are designed for all users by continuing to pursue a state of good repair for the City's 20,000 lane miles of streets as outlined in PlaNYC. This past year, we increased the number of lane miles resurfaced from 900 to 950. We are increasing resurfacing another 50 lane miles in the coming fiscal year for an annual total of 1,000 lane miles. This represents over a 40% increase in resurfacing lane miles from 700 to 1,000 since 2002.

We are also creating better streets through programs such as our Complete Streets Program whose goal is to improve the design of the public space in the City so that streets will better serve their many important functions, from safety and mobility to stormwater management, greening and visual quality. Members of the Street Design Standards Task Force which include DOT, DDC, DCP, Parks, DEP, EDC, the Art Commission, Landmarks, and the Mayor's offices of Long-Term Planning and Sustainability and Capital Project Development are developing a set of consistent and cost effective design standards for the materials and geometry of street design projects across agencies, to be proposed as City policy. Looking ahead, the Task Force will be focusing on finalization and implementation of the standards this year.

In another effort to improve the condition of our infrastructure, we initiated a Comprehensive Street Management Plan last December aimed at developing a broad strategy for coordinating street work by public agencies, utilities, property owners/developers and contractors. This is aimed at reducing the level of disruption caused by street work, streamlining street-work processes, and improving the condition of the streets. The contract is for a two year

term and this year we will receive recommendations for "best practices" of asset management, pavement management, and capital planning and allocation.

Consistent with creating plazas and complete streets to enable citizens to stroll, linger and enjoy the public realm, we have initiated a temporary art program that will augment the benefits of these programs by engaging the artistic community of New York. The first project, completed in partnership with the DUMBO BID, was installed recently on a DOT fence at the base of the Manhattan Bridge. We are working on ways to complete at least five projects per year throughout the five boroughs.

Not only are we working to create safer and improved streets, but to also get those on our streets moving better by making changes to our transportation network -- as increasing mobility is really at the heart of PlaNYC.

Over the past year, we have begun to get buses moving quicker as they navigate our City's streets. We continue to work cooperatively with MTA New York City Transit and New York State DOT on our Bus Rapid Transit (BRT) Program. With new leadership at all of the agencies involved in BRT and the potential infusion of \$120 million from the Federal Transit Administration under the UPA agreement, we have developed an aggressive set of corridor plans, with a full complement of features to improve the speed, reliability and attractiveness of the service. This morning we kicked off the first generation of BRT projects for New York City.

The first BRT line will open on Fordham Road in late June and key features will include:

- Red bus lanes with more aggressive NYPD enforcement.
- Transit signal priority to give buses an advantage at intersections.
- Off-board fare collection to reduce the time that buses spend at stations.
- The service will also have a unique brand identity, Select Bus Service and more frequent service.

Looking forward, we plan to roll out additional BRT corridors over the next few years, including First Avenue/Second Avenue and 34<sup>th</sup> Street in Manhattan, Hylan Boulevard in Staten Island and Nostrand Avenue in Brooklyn.

This year we will also be looking at a variety of bus priority and bus “hot spot”

improvements throughout the City, such as:

- Expanded bus lanes on Fifth Avenue/Madison Avenue and 34<sup>th</sup> Street this year to improve the speed and reliability of bus services.
- Jamaica Center bus study to look at improving bus access and circulation to and within Downtown Jamaica.
- Queensboro Bridge bus priority study to look at improving bus operations to and across the Queensboro Bridge.

In addition to BRT, we will be improving conditions for buses and other users on a number of major routes as part of our Citywide Congested Corridor Project, using \$7 million in Federal funding for planning studies and \$44 million in City capital funding provided under PlaNYC in fiscal year 2009 through 2012. This project selected five corridors throughout the City to address issues such as traffic congestion, truck traffic, pedestrian mobility, safety and air quality. They include Amboy Road on Staten Island, Church Avenue in Brooklyn; West 181st Street in Manhattan; White Plains Road in the Bronx; and Woodhaven Boulevard in Queens. Data at these locations has been collected and is currently being reviewed. We also plan to add more corridors to this project as Federal funding for the planning studies becomes available.

Our Parking Strategies Program is another initiative aimed at improving mobility. From November 2007 through early February 2008, DOT conducted parking studies in seven neighborhoods across the City (the Upper East Side and Central Harlem in Manhattan; the Atlantic/4th/Flatbush Avenues Area and Brooklyn Heights/Boerum Hill/Fort Greene in Brooklyn; Forest Hills and Long Island City in Queens; and the Yankee Stadium area of the Bronx).

The purpose of the studies and accompanying workshops was to give communities an opportunity to work with the agency to develop a toolbox of potential parking management strategies that may then be tailored and applied to neighborhoods Citywide, particularly in conjunction with congestion pricing. Approximately 350 New Yorkers attended the meetings



and ideas discussed included raising on-street meter fees, expanding the use of Muni-meters and residential parking permits. The majority of workshop attendees (77%) stated that they would support residential parking permits (RPP); and on March 12<sup>th</sup> we announced such a program. As you know, the creation of a RPP program is part of the congestion pricing legislation awaiting approval.

The proposed RPP program is an opt-in program with a process that starts at the neighborhood level through the local Community Board(s). It then requires approval from the local Council Member(s) before being forwarded to DOT. After our review, it is then sent to the Borough President for final approval before implementation. Permits would be issued on an annual basis and eligibility would be contingent on the vehicle being registered in zone and the applicant and vehicle being free of any traffic violations. The purpose of the program is threefold: (1) address community concerns about on-street parking availability arising from congestion pricing; (2) give residents priority to on-street parking on residential streets, and; (3) discourage commuter park-and-ride activity.

Our efforts to improve mobility also extends to bicycles. We are on pace to reach PlaNYC's goal of 200 new lane miles of bicycle facilities by 2009 – with 60 installed last year. Not only are we installing more lane-miles, but we are doing so by bringing some of the best practices in bicycle design to the City. Last year, we installed a new protected bike path on 9<sup>th</sup> Avenue between 16<sup>th</sup> and 23<sup>rd</sup> Streets in Manhattan -- this is the first of its kind in the United States. This facility protects cyclists from moving vehicles by concrete islands and a line of parked cars and protects cyclists from turning vehicles by special signal phases. We also installed a similar protected bike path at Grand Army Plaza in Brooklyn. In another first for the City, we introduced high visibility green bike lanes in Brooklyn and a high-visibility green crossing at 9<sup>th</sup> Avenue and 14<sup>th</sup> Street to promote more awareness of cyclists – treatments we will be expanding to other locations.

To encourage cycling as a means of transportation, it's important to not only provide the necessary infrastructure, but to also provide safe places where cyclists can park their bikes. In this regard, we installed 800 new bike racks Citywide last year for a total of nearly 4,700 racks which puts us ahead of pace to meet PlaNYC's goal of installing an additional 1,200 on-street bike racks. In addition to the racks, we introduced the first sheltered bike parking facilities in the City as part of our coordinated street furniture program with Cemusa. This program will include 37 sheltered bicycle parking facilities Citywide.

In fact, there has been a 75% increase in commuter cycling since 2000. However, as the number of cyclists has increased so has the number of vehicles on our streets making it more and more important to make sure that the users of our streets treat each other with respect and operate in a safe manner. Our LOOK Campaign, which kicked off last fall, in conjunction with bicycle advocacy groups, the Public Advocate, DOH, NYPD and other agencies, created an edgy and effective new marketing campaign to encourage motorists and cyclists to literally look out for each other. The Look campaign advertisements ran on bus stop shelters, bus tails, phone kiosks, taxi tops, at gas stations and on postcards that were placed in restaurants around the City. Looking forward we will be doing a second phase of this campaign later this year.

We have also moved forward on greening our transportation system - from creating green spaces, to utilizing recycled asphalt, to reducing emissions from our vehicular fleet and ferries, to maximizing the energy efficiency of our streetlights.

We are transforming underutilized road space into active public spaces and walkable destinations as part of DOT's Public Plaza Initiative. This is a key part of PlaNYC and an important element in the City's effort to ensure that all New Yorkers live within a 10-minute walk of public open space. The initiative's intent is not only to create new public spaces, but to strengthen the capacity of local organizations to care for them. Accordingly, we are partnering with community-based organizations to create vibrant, social public places that attract diverse user groups to neighborhoods in every Community District in New York City.

The Public Plaza Initiative has short- and long-term components. For the short-term, 20 “pipeline” plaza projects are already in some stage of planning, design or construction; and five of them have already been completed including: Harriet Tubman Triangle, Sherman Creek Street Ends, 9<sup>th</sup> Avenue/14<sup>th</sup> Street Avenue in Manhattan; Manhattan Avenue/Newtown Creek, and DUMBO Plaza in Brooklyn. Our goal is to expedite these projects to provide tangible benefits to New Yorkers quickly. The long-term component of the initiative involves working with community partners to identify new opportunity sites in communities not already served by existing plazas; areas that currently lack adequate open space. We are confident that this initiative will have all neighborhoods seeing green.

Additionally, our efforts to bring City streets into a state of good repair are being carried out in the most sustainable and green fashion possible. DOT’s asphalt plant located on Hamilton Avenue in Brooklyn is a national leader in the use of recycled asphalt pavement or RAP. Nearly half of all asphalt used in DOT resurfacing projects is manufactured at our plant and the material produced contains 40% RAP. This has resulted in savings to the City of approximately \$10 million annually in reduced asphalt costs, while reducing over 300,000 local truck miles traveled each year. Additionally, plans are underway to upgrade our plant to permit 50% RAP content. We have also been working with our partners in the private sector to increase the RAP content in purchased asphalt. At present, about one-quarter of all asphalt used is RAP, or to put it another way, 250 lane miles of old roadway will be reclaimed for resurfacing projects in the coming fiscal year.

We are also greening our fleets. DOT operates one of the largest vehicle fleets in the City that includes light and heavy-duty vehicles and we have an active alternative fuels program. We have 385 light duty hybrids currently operating in our fleet, expect another 160 vehicles to be replaced with hybrids in the upcoming year and hope to expand our use of hybrids into our heavy duty fleet. In addition, our alternative fuel program staff is working to expand the use of clean vehicle technologies in the private delivery fleets that ply our streets everyday. Our

ferryboats are also part of our fleet and, as you may know, we recently worked collaboratively with the Council on a new local law that now codifies our use of Ultra Low Sulfur Diesel and best available technology for our Staten Island ferry fleet. Looking ahead we will expand all these programs and stay on the cutting edge of new pollution reduction technologies.

Lastly, we are also maximizing the energy efficiency of all street lighting and signals through our green lighting initiative. DOT lights New York City's streets with over 250,000 bulbs and we are in the process of switching to more energy efficient lighting to help reduce the City's greenhouse gas emissions and save taxpayer dollars over time. All told, this will result in electricity savings of 71,299 megawatt-hours per year and commensurate greenhouse gas emission reductions. Additionally, by the end of 2008, the 160 mercury vapor necklace lights on the Brooklyn Bridge will be replaced with more energy efficient fixtures resulting in an annual energy savings of as much as 75%.

As you can see, DOT is moving forward on many fronts, while at the same time doing our share to achieve financial savings for the City during this period of economic uncertainty. The Preliminary Budget reflects expense savings of 5% annually for DOT, achieved through the improved energy efficiency in the city's streetlights, the enhancement of revenue-generating programs, the utilization of grant funding instead of City funds where possible, and the elimination of 51 vacant positions without any significant impacts on existing DOT service levels. In light of these budget constraints, I am pleased to report that the Preliminary Budget includes funding in both the Capital and Expense budgets needed to continue the implementation of DOT's critical transportation initiatives. However, given our uncertain fiscal future, as we move forward with our core programs and ambitious agenda, we may not be able to absorb future cuts so easily.

DOT's Capital Plan for FY 2008 through 2012 is \$7.2 billion, focused on advancing the design and construction work needed to improve the city's transportation network and to ensure

the state of good repair of the city's streets and bridges. We have an aggressive program for FY 2009 that will include \$2.5 billion to fund, among other projects:

- \$349 million for the reconstruction and painting of the Brooklyn Bridge's Approaches and Ramps;
- \$341 million for the reconstruction of three Belt Parkway Bridges (Paerdegat / Fresh Creek / Rockaway Parkway) in Brooklyn;
- \$161 million for the cable re-wrapping and suspender rehabilitation of the Manhattan Bridge;
- \$166 million for the rehabilitation of the Bus Ramps at the St. George Ferry Terminal on Staten Island;
- \$90 million for the replacement of the City Island Bridge in the Bronx;
- \$24 million for the reconstruction of West 33<sup>rd</sup> Street, in Manhattan;
- \$15 million for the reconstruction of Hillside Avenue in Queens;
- \$10 million for the rehabilitation of the Grand Concourse in the Bronx;
- \$118 million for in-house street resurfacing, Citywide;
- \$42 million for the modernization of signal systems, Citywide;
- \$8 million for the installation of energy efficient luminaires, Citywide.

DOT's total Expense Budget for FY 2009 is \$643 million. This funding will provide DOT with the resources to meet the transportation needs of New York City. Specifically, funding to serve the 65,000 daily passengers on the Staten Island Ferry which operates 365 days a year; to do maintenance and repair work on the City's 789 bridges located throughout the five boroughs, ensure the structural integrity of the historic East River Bridges that carry 498,213 vehicles each day; and to maintain the City's 20,000 lane miles of streets. DOT funds will also be used to power and maintain approximately 300,000 street lights, 12,300 traffic signals and 1.3 million signs across the City, and to maintain the 47 City-owned parking facilities.

Let me close by saying that I am very proud of what we have accomplished this past year and looking forward, our agency strategic plan which will be completed next month, will help guide us as we continue to pursue our priorities and make the transportation network of our City less congested, greener, safer and better. Thank you again for inviting us here today, at this time. I would be happy to answer any questions that you may have.