

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

JOINT COMMITTEE ON FINANCE
and SANITATION AND SOLID WASTE MANAGEMENT
and TRANSPORTATION

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May 13, 2009
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HELD AT: Council Chambers
City Hall

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SIMCHA FELDER
Chairperson

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Chairperson

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A P P E A R A N C E S (CONTINUED)

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First Deputy Commissioner of Operations

Larry Cipollina
NYC Department of Sanitation
Deputy Commissioner for Administration

Robert Orlin
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A P P E A R A N C E S (CONTINUED)

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CHAIRPERSON WEPRIN: Good morning and welcome to today's Finance hearing on the Mayor's executive budget for Fiscal 2010. My name is David Weprin. This part of the Finance hearing is joint with the Council's Committee on Sanitation and Solid Waste Management, chaired by my able colleague next to me Simcha Felder.

CHAIRPERSON FELDER: Thank you.

CHAIRPERSON WEPRIN: We will hear testimony from the Department of Sanitation and hear the way in which the Mayor's Fiscal 2010 Executive Budget affects its budget. This year, the Department of Sanitation's Fiscal 2010 Executive Budget is \$1.3 billion. The department's total operating budget, \$1.27 billion, is city funding, which is only about 1.5% less than the Fiscal 2010 preliminary budget. Since the Fiscal 2010 preliminary budget, a number of changes have been proposed in the Department of Sanitation budget, including two programs to eliminated the gap PEGs, first embracing an alternative saving proposal made by the City Council, OMB included in the November plan lump sum reductions in city funds associated with a

citywide fleet reduction. DSNY will have its fleet reduced by 100 vehicles as a result of the citywide fleet reduction program. Only the NYPD will be giving up more. The agency plans to spend over \$17 million less on fuel and gasoline in Fiscal 2010, although it looks like gas prices are going up. On the capital side, as a result of the Mayor's 30% cut to the capital plan to reduce the amount of the city's general obligation debt service as a percentage of total revenues, plan commitments are reduced by \$118.9 million to \$40 million in Fiscal 2011 and again by \$67.8 million to \$39.3 million in Fiscal 2012. These are considerable reductions and may hamper the agency's ability to perform its core functions. I am anxious to hear from the Sanitation Department on the way these executive budget actions affect the Department of Sanitation's budget and how they will deal with the cuts. After we hear from the Sanitation Department, we will be joined by the Committee on Transportation and that hearing will be co-chaired by John Liu, Chairman of the Transportation Committee to hear testimony from the Department of Transportation, the MTA, and the

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2 Taxi and Limousine Commission. I will now turn
3 the mike over to my co-chair, Chair Simcha Felder.

4 CHAIRPERSON FELDER: Good morning,
5 Chair Weprin, and thank you for giving me the
6 opportunity to co-chair this hearing with you. I
7 don't want to repeat the numbers that you've
8 mentioned, so I'll stick to acknowledging the
9 staff from the committee that prepared for today's
10 hearing, Jarret Hova, who is sitting to my right,
11 whose the counsel to the committee, and Siobhan
12 Watson, who is sitting to the left of Chair
13 Weprin, and Walter Pitts who is sitting to the
14 right who just waved, who is the analyst to the
15 committee, and my legislative director J.D.
16 Dargan, who is sitting where the media usually
17 sits. You can see the keen interest that the
18 media has in this hearing this morning.

19 CHAIRPERSON WEPRIN: It's too early
20 for them.

21 CHAIRPERSON FELDER: It's too early
22 for them. With that, I'm anxious to hear from the
23 department.

24 MICHAEL BIMONTE: Good morning,
25 Chairman Weprin, Chairman Felder and members of

the City Council Committee on Finance and Sanitation and Solid Waste Management. I am Michael Bimonte, First Deputy Commissioner of Operations for the New York City Department of Sanitation. With me today on my left is Larry Cipollina, Deputy Commissioner for Administration and Financial Management and on my right Robert Orlin, Deputy Commissioner for Bureau of Legal Affairs. Thank you for providing us with this opportunity to testify on the department's expense and capital portions of the Mayor's Fiscal Year 2010 Executive Budget. The FY 2010 Executive Budget allocates \$1.3 billion in operating funds for the department. These funds will allow the department to maintain current refuse and recyclable collections in every neighborhood, arrange for out of city disposal of approximately 11,200 tons of department-managed refuse collected by the department daily, provide mechanical broom street cleaning in all curbside areas, clean and remove debris from vacant lots and provide snow plowing and spreading salt over the city's roadways during the winter snow and ice storms. The department's capital portion of the FY 2010

Executive Budget is approximately \$694 million. Of this, \$569 million is allocated toward construction costs and \$125 million is for equipment and vehicle replacement and computer technology upgrades. Since Sanitation Commissioner John Doherty last testified in March on the FY 2010 preliminary budget, the mayor requested all agencies to achieve a citywide reduction target of 30% in capital spending each year from FY 2010 through FY 2019. Additionally, the department is reducing its street cleaning operations by 187 people. From FY 2010 through FY 2019 the department is funded to construct four converted marine transfer stations, MTS's, located in Brooklyn, Manhattan and Queens pursuant to the city's approved comprehensive solid waste management plan; constructive in Manhattan 125 Spring Street garage and purchase replacement collection trucks, mechanical brooms and other major pieces of equipment. As the department continues to implement the long-term export component of the solid waste management plan in FY 2010, the department's interim export program will continue. The FY 2010 budget allocates \$329.2

million in export tipping fees for the department, a reduction of \$6.5 million as a result of lower tipping costs associated with the new contract for the department managed waste generated in Manhattan. In FY 2010, we will finalize the negotiations of a long-term rail export contract for the Queensway Shed, formerly served by the Greenpoint MTS. This contract will be similar to the 20-year long-term rail export contract we recently entered into with the owner of a private transfer facility in Greenpoint Brooklyn that is handling the department's managed Brooklyn solid waste that was formerly served by the Greenpoint MTS. Additionally, we will continue to negotiate a long-term export agreement with the Port Authority of New York and New Jersey for the use of the Essex Resource Recovery Facility for the receipt of a portion of Manhattan's waste. Negotiations are also underway with proposes for long-term contracts for the transport and disposal of solid waste from the four proposed converted MTSS included in the swap. We also expect to award contracts to construct North Shore MTS in College Point Queens and the Hamilton Avenue MTS

1 in Sunset Park section of Brooklyn. These
2 facilities have received permits to construct and
3 operate from the New York State Department of
4 Environmental Conservation and the Army Corps of
5 Engineers. The permitting process conducted by
6 the State DEC and the Army Corps for the East 91st
7 Street in Manhattan and Southwest Brooklyn MTSS
8 will continue in the upcoming fiscal year.

9 Additionally, we expect to conclude our
10 negotiations with the Sims Group on a contract to
11 operate the West 59th Street Marine Transfer
12 Station in Manhattan as an export facility for
13 Manhattan commercial waste in FY 2010. The FY
14 2010 Executive Budget also allocates \$17.3 million
15 for processing metal, glass and plastic
16 recyclables and to continue post-holiday Christmas
17 tree composting next January. Through the efforts
18 of the Council, the Department's Bureau of Waste
19 Prevention and Reuse and Recycling will also
20 continue to explore and expand the number of
21 public space recycling sites in the city where it
22 is feasible and where there is no additional cost
23 to collection services. The department now has 50
24 public space recycling sites situated throughout
25

all five boroughs. You can't miss them. They are bright blue and green containers which in most part are adjacent to one another. And if you look right outside here at City Hall Park, you will see six pairs of containers to collect metal, glass, plastic and paper situated throughout the park.

Might I add, a special thanks to Councilwoman Jessica Lappin for working closely with the department to increase our public recycling sites. The Bureau of Waste Prevention Reuse and Recycling staff will continue enhancing the existing department-provided web-based resources for residents and building management, including the conversion of all its public education materials to downloadable resources which can be printed from the convenience of one's home. Staff will also continue providing information and the fulfillment of decals and brochure requests through 311 operators and the department's various websites. The bureau's waste prevention and recycling outreach staff will continue to assist the city's landlords, building managers, co-op boards and condo associations and building superintendents requesting department education

and assistance to improve their building's recycling rates. The Bureau of Waste Prevention Reuse and Recycling, our outreach staff is a constant presence in the five boroughs, attending various tenant, co-op and condo association meetings as well as providing hands-on outreach assistance to individual superintendents and building managers where needed. In FY 2010, the department will continue to seek out green initiatives to apply and enhance state of the art technology to our fleet. The department will put into service ten new CNG refuse collection trucks. Soon we will take delivery of the first of three hybrid electric and the first of three hybrid hydraulic collection trucks. These trucks will be the first of this type in the entire country. It is our intention to test the performance and fuel efficiencies of these vehicles on the streets of New York as reported by industry experts. Even during these difficult times, the proposed FY 2010 executive budget preserve the department's ability to meet its core service obligations to the public. It also allows us to continue advancing our long-term program goals under the solid waste

management plan. My staff and I will be happy to answer any of your questions.

CHAIRPERSON WEPRIN: Thank you very much. I'll just open up with a couple of questions and then turn it over to Chair Felder. Can you tell us how you were able to realize savings of \$6.5 million in your waste export contracts?

MICHAEL BIMONTE: We realized \$6.5 million in savings based on the lower export fees that came in.

CHAIRPERSON WEPRIN: Are there any other contracts that you can look at? This is the third day of budget hearings but we have this with almost every agency when it comes to cutting services we want to try to have them all look at their outside contracts. So that could be a model. Is there anything you can give us as far as looking at other contracts or ways that we can save money in some of the contracting budgets?

MICHAEL BIMONTE: Well, we have other contracts that are currently being looked at and if they come in lower then monies are appropriated into the budget based on previous

export prices. When the new contract comes up, if those prices are lower then we realize the savings.

CHAIRPERSON WEPRIN: What is your overall contracting budget, approximately?

MICHAEL BIMONTE: It's about \$300 million for export. We currently have a contract out for Queens which has not been finalized. When those bids come in, if that price is lower, then the monies that have been appropriated, then we would realize the savings.

CHAIRPERSON WEPRIN: The \$300 million for export, how does that compare to previous years?

MICHAEL BIMONTE: It's basically the same.

CHAIRPERSON WEPRIN: How will the citywide fleet reduction program impact your agency's operations?

MICHAEL BIMONTE: The fleet reduction was targeted on nonessential vehicles and it's expected to have a minimal impact on the operations.

CHAIRPERSON WEPRIN: I see you

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2 saved over \$17 million for fuel and gasoline in
3 Fiscal 2010, is that based on the reduced price of
4 gas over the last year?

5 MICHAEL BIMONTE: That budget is
6 handled essentially by OMB. The department's
7 involvement is very minimal. But our
8 understanding is a result of anticipated lower
9 fuel costs.

10 CHAIRPERSON WEPRIN: But it looks
11 like costs may be going up again though.

12 MICHAEL BIMONTE: Well, if they go
13 up, then the \$17 million will come down.

14 CHAIRPERSON WEPRIN: Earlier this
15 year, the city signed a new 20-year contract for
16 transporting refuse picked up by the Sanitation
17 Department in Brooklyn to landfills and
18 incinerators outside the city. The new Brooklyn
19 contract is estimated to \$134 per ton, well more
20 than last year's average citywide cost of \$85.11
21 per ton. What do you think is the reason for this
22 increase and how does that affect the contract
23 budget?

24 MICHAEL BIMONTE: I think the
25 increase reflects the additional cost incurred by

the vendor to provide rail infrastructure and transportation. Our current export costs for this contract are reflected in the budget.

CHAIRPERSON WEPRIN: I'm just going to touch on the capital budget now for a second. The department's 10-year capital budget from Fiscal 2010 through 2019 was reduced by nearly \$370 million, going from \$2.48 billion to \$2.11 billion. That's a reduction of about 15%. What was your strategy in deciding what projects to cut from the budget and which projects will be cut and which ones won't be?

MICHAEL BIMONTE: Well, when you include the FY 2009, the overall capital cut was 30%. DSNY reduced its budget by approximately \$750 million. Legally mandated, negative impacts on health and safety and those projects critical to providing service were the priorities. Our main priorities are I guess the projects associated with the solid waste management plan and along with the Manhattan 125 Garage and equipment replacement.

CHAIRPERSON WEPRIN: I'm going to reserve to ask questions later, but I'm going to

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2 turn it over to Chair Felder. Before I do, since
3 Chair Felder was nice enough to introduce the
4 staff that helped in preparation for this
5 committee, I'd like to introduce our counsel in
6 the Finance Committee who also does a yeoman's job
7 and is here every day at the budget hearings and
8 that's Tanisha Edwards behind us. Chair Felder.

9 CHAIRPERSON FELDER: Thank you.

10 Good morning. Before I ask, maybe it'll become a
11 ritual of mine, I just want to repeat how much we
12 appreciate the work that the people in your
13 department, everyone but especially the men and
14 women on the street who keep the city clean and I
15 think are not appreciated enough. No matter what
16 I say here, are really not appreciated enough.
17 They are unsung heroes. The only time you really
18 see people acknowledging to some extent is during
19 a snowstorm or a garbage strike, which we haven't
20 had, thank God, in a long time. When you don't
21 have something, when it's missing it seems that
22 people appreciate it more. So we appreciate it
23 very much. I have some questions that I'm sure
24 you don't have the answers to. So before I ask
25 them, I want to tell you that I'm not asking them

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2 to stump you in any way, and if I want to, I'll
3 tell you in advance that I'm asking you to stump
4 you.

5 MICHAEL BIMONTE: I appreciate
6 that.

7 CHAIRPERSON FELDER: But otherwise,
8 I expect you to just say I don't have the
9 information and you'll hopefully get it.

10 MICHAEL BIMONTE: And I have no
11 problem saying that either.

12 CHAIRPERSON FELDER: So that's it.
13 In terms of the NOVAS electronic ticketing
14 program, what's your opinion on how it's been
15 effective or not effective?

16 MICHAEL BIMONTE: NOVAS in our
17 opinion is a very effective tool for monitoring
18 and reporting the issuer's activity. Also, the
19 violations are system time stamped with the
20 issuer's input. Violation details are concise and
21 uniform. NOVAS is now being used by all of our
22 enforcement division personnel. It's reduced the
23 number of errors on violations and produces an NLV
24 that is legible or more legible, easier for the
25 respondent to understand and it allows the

department's enforcement personnel to issue higher penalties to repeat violators because it's automatically in the system.

CHAIRPERSON FELDER: I'm sorry.

Did I cut you off?

MICHAEL BIMONTE: No, I was just going to give you some more on NOVAS. But if you're satisfied, I'm satisfied.

CHAIRPERSON FELDER: But it's up to you. I don't want to interrupt.

MICHAEL BIMONTE: Well it's enhanced the department's reporting abilities and there is no longer a need for clerical personnel to manually investigate property ownership for summonses. So it's been a windfall from the get-go.

CHAIRPERSON FELDER: Now you know that a colleague of mine and a number of us have proposed legislation to take photographs as well. There are different pieces of legislation, some for enforcement on tickets, general tickets from a traffic agent and as well with tickets that would be issued, although a little more difficult because you would have to sort of capture the

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2 address in the picture with the violation which
3 may not be perfect. So, before you tell me that
4 it may not work, I would say that let's say it
5 works 50% of the time, that's 50% more than we
6 have now, which would be actual proof. And
7 especially in our offices when constituents come
8 in and the constituent is always right, you know
9 that.

10 MICHAEL BIMONTE: Yes, sir.

11 CHAIRPERSON FELDER: So this would
12 be a very good tool for us as well as the
13 department. I think that it would help in that
14 those that are actually guilty would stop
15 bothering us and those that are really innocent
16 would have something more to say. What do you
17 think about the whole issue with the photographs?

18 MICHAEL BIMONTE: Well, I think
19 it's a complicated thing to do. Having not tried
20 it, and this is my personal opinion, I think it
21 would be very, very hard to capture the summons
22 and like you said the address at the same time.
23 We would have to issue I guess cameras to all of
24 our agents. And then there is the argument that
25 the picture was taken at what time and what day.

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2 So having not tried it, having not looked at it
3 fully, this is my own personal opinion.

4 CHAIRPERSON FELDER: Councilman
5 David Yassky.

6 COUNCIL MEMBER YASSKY: Thank you
7 Mr. Chair. Am I correct that the proposed budget
8 does have some reduction in the street corner
9 basket collection?

10 MICHAEL BIMONTE: That's correct.

11 COUNCIL MEMBER YASSKY: If a local
12 community board said that they preferred to keep
13 the street corner collection at the level it's at
14 and instead to cut back on the street sweeping
15 machines, the alternate side of the street parking
16 because in my area at least there are many in the
17 neighborhoods who feel that the street corner
18 collection is a much more important way of
19 controlling litter than the trucks that drive
20 around with the brooms. Would the department be
21 willing to go along with that request?

22 MICHAEL BIMONTE: I would not be in
23 agreement. I don't think that the mechanical
24 broom or the corner pickup nowhere comes close to
25 the amount of work, the amount of territory and

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2 the amount of litter that is picked up by the
3 mechanical broom. I think the mechanical broom
4 keeps our streets clean much more so. I think
5 you're talking about taking the broom guy and
6 putting him on a basket, is that it?

7 COUNCIL MEMBER YASSKY: However
8 you'd do it operationally.

9 MICHAEL BIMONTE: I don't see that
10 helping us citywide in keeping the streets clean.

11 COUNCIL MEMBER YASSKY: I'd urge
12 you to consider that because I will tell you that
13 in the neighborhoods I represent, the community
14 boards and I think many of the community
15 organizations that really do focus on this feel
16 that the frequency of collection of the street
17 corner baskets is absolutely essential for the
18 neighborhoods to be clean and that the mechanical
19 brooms don't have a measurable impact. I'm not
20 saying as a matter of citywide policy shift from
21 one to the other, but if there are areas where
22 that's what the local people say suits that area
23 best, I feel like that deserves some recognition.

24 MICHAEL BIMONTE: Well the baskets
25 receive service every day by collection vehicles

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2 that are doing collection in the area in addition
3 to our basket trucks that we have out. You have
4 to realize that for every one basket truck, I
5 would have to cut two mechanical brooms. So for
6 me to put out five basket trucks in an area, I
7 would have to cut ten mechanical brooms because
8 there are two men on the basket truck and there's
9 one man on the broom. So to take ten brooms out
10 of any area would be totally ridiculous. It just
11 wouldn't work. The city would be inundated with
12 litter. The streets would be covered with litter.
13 In a lot of areas, those brooms are vital, vital,
14 vital pieces of machinery in keeping the city
15 clean.

16 COUNCIL MEMBER YASSKY: Well I
17 won't repeat my question. I will just say in the
18 areas of north Brooklyn where you've cut back on
19 the mechanical brooms, have you noticed an impact
20 on street cleanliness?

21 MICHAEL BIMONTE: Yes, we have. I
22 would much rather take a look at removing the
23 basket as an entirety if you think it's such a
24 clean area and not give you service there at all.

25 COUNCIL MEMBER YASSKY: No, thank

1
2 you.

3 MICHAEL BIMONTE: Okay.

4 COUNCIL MEMBER YASSKY: Thank you,
5 Mr. Chair.

6 CHAIRPERSON WEPRIN: Commissioner,
7 what was your snow budget for this year?

8 MICHAEL BIMONTE: About \$35
9 million.

10 CHAIRPERSON WEPRIN: But I think we
11 allocated about \$50 million didn't we?

12 MICHAEL BIMONTE: I'll tell you the
13 exact amount in a minute. \$42 million, I stand
14 corrected.

15 CHAIRPERSON WEPRIN: The actual
16 money that was spent was \$42 million.

17 MICHAEL BIMONTE: Pretty close,
18 yeah. Pretty close to it.

19 CHAIRPERSON WEPRIN: And we
20 allocated about \$50 million.

21 MICHAEL BIMONTE: \$45.

22 CHAIRPERSON WEPRIN: We allocated
23 45?

24 MICHAEL BIMONTE: Yeah.

25 CHAIRPERSON WEPRIN: Was that less

1
2 than previous years because I always remember
3 about \$50 million?

4 MICHAEL BIMONTE: No, it's a little
5 more than previous years. It's based on a five-
6 year average. So this year's allocation based on
7 the snowfall that we had may be less. In other
8 words, they drop off the last year, add the latest
9 year and then they average that out and that's
10 what they appropriate toward snow. If you get a
11 bad winter, you go over.

12 CHAIRPERSON WEPRIN: But this was a
13 relatively mild winter as far as winter goes.

14 MICHAEL BIMONTE: People consider a
15 relatively mild winter when we don't get a 15-inch
16 snowstorm. But if you get five two or three-inch
17 snowstorms, you wind up using as much if not more
18 salt and more personnel people than you would if
19 you had one 15-inch. You plan for three and
20 sometimes the weather forecast tell us three,
21 possible six, possible ten. So sitting in this
22 seat or the commissioner's seat you plan for six
23 to ten and you discount to three. That's the
24 nature of the beast. I would hate to plan for
25 three and get ten and then come in here and then

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2 you would say to me we appropriated \$50 million,
3 what'd you do with it? So I spend it and I plan
4 for what I think is the worst-case scenario. If
5 that doesn't happen, then I have plans for those
6 people to go on baskets, to go on collection and
7 to go on street cleaning.

8 CHAIRPERSON WEPRIN: Has anybody
9 ever looked into possibly using a different
10 rolling average? Maybe making it contingent on a
11 ten-year average for snow, or is five years the
12 right number?

13 MICHAEL BIMONTE: Well five years
14 seems to work out pretty good, although this year
15 we probably were right around that average. I
16 grant you, in some years we use a lot more. But
17 it's just based on the weather, the patterns and
18 what our forecasters are saying.

19 CHAIRPERSON WEPRIN: What happens
20 to the excess revenue? Does it go back into the
21 general fund or does it stay in the transportation
22 fund?

23 MICHAEL BIMONTE: It goes back into
24 the general fund.

25 CHAIRPERSON WEPRIN: Along with

1
2 that excess rental payment for the Water
3 Authority?

4 MICHAEL BIMONTE: I have nothing to
5 do with that.

6 CHAIRPERSON WEPRIN: I understand.
7 It was just on my mind.

8 MICHAEL BIMONTE: I know.

9 CHAIRPERSON WEPRIN: The four
10 marine transfer stations have gone from costing
11 \$512.3 million to \$903.5 million since the
12 preliminary budget. Even if most of this increase
13 is for contingency, what's the rationale behind
14 including so much contingency in the marine
15 transfer station budget? Could you just identify
16 yourself for the record?

17 LARRY CIPOLLINA: I'm Larry
18 Cipollina. The commitment level in the executive
19 budget for FY 2010 is unchanged from 2009. The
20 only changes were slipping two of the facilities.
21 The additional money is actually additional
22 appropriation which is in there. For instance, we
23 slipped the Southwest Transfer Station from FY
24 2010 to 2011, but working with OMB we left enough
25 appropriation there should our schedule allow for

us to actually award that contract in 2010, the additional money is there. So it's a little misleading to think that the commitment levels have changed for the four transfer stations. It's really remained unchanged.

CHAIRPERSON WEPRIN: I'm going to turn it back to Chair Felder.

CHAIRPERSON FELDER: Thank you. Totally off topic, but nothing like that has happened yet and I know that you'd be disappointed if we left the hearing without asking questions that are unrelated to the budget. I know it's not your responsibility, but the question of recycling throughout city agencies. For example, in City Hall more recently they've installed these boxes that have three compartments. Are you aware of how or if throughout city agencies and city buildings any sort of recycling program is taking place?

MICHAEL BIMONTE: We support the recycling at city agencies. As a matter of fact, I think our commissioner was probably instrumental in getting the recycling containers here at City Hall. I think we've also reached out to Dcash

1 [phonetic] and tried to advise them that we'll
2 help them in any way we can. We're in support of
3 the building's recycling.
4

5 CHAIRPERSON FELDER: But you're not
6 familiar and I don't expect you to necessarily be
7 familiar with what other agencies actually have
8 and types of boxes to recycle or not.

9 MICHAEL BIMONTE: The amount of
10 tonnage, is that what you're asking?

11 CHAIRPERSON FELDER: No.

12 MICHAEL BIMONTE: We are servicing.

13 CHAIRPERSON FELDER: I'm asking you
14 an unfair question and you're anticipating that
15 I'm more intelligent than I am. It's a very
16 simple question. I just want to know whether you
17 know at all whether city agencies, whether it be
18 finance or anywhere else, whether they have some
19 sort of recycling plan in their offices and how
20 that gets done.

21 MICHAEL BIMONTE: They do and they
22 do recycle and we do service them.

23 CHAIRPERSON FELDER: Okay. We've
24 been joined by Council Member Arroyo. Do you have
25 any questions right now? No? Another topic that

1
2 has nothing to do with the budget is the issue of
3 leachate, what we call the garbage juice that
4 leaks out of the trucks. Now during the winter
5 it's not such a problem because it's cold and it
6 doesn't smell. Or if it smells, we don't smell it
7 I should say. But when the weather is warmer it
8 really smells. I didn't know there was a term for
9 it until somebody on the staff found out that it's
10 called leachate. I'm just wondering, can you tell
11 us how they clean the trucks? What's the process
12 normally?

13 MICHAEL BIMONTE: The trucks are
14 PN'd periodically and that's preventive
15 maintenance. When that takes place the entire
16 power washed and hosed down. The hopper is a
17 solid metal but there is a drain plug in there
18 that's there for maintenance work. When they do
19 power wash, they remove that plug so that the
20 fluid that does gather in the hopper can get out.
21 Sometimes, I'm not saying all the time, sometimes
22 that plug inadvertently may not be put back in.
23 That's when you get leachate. If that happens,
24 you should get back to the agency and we'll take
25 the necessary steps to correct it.

CHAIRPERSON FELDER: We've been joined by Council Member Mitchell. Would it be fair to say that if people call my office and say the truck is dripping garbage juice, call 311 with the truck number or something like that?

MICHAEL BIMONTE: Yes, you can call 311 with the truck number and the district will take a look at the truck.

CHAIRPERSON FELDER: Very good.

MICHAEL BIMONTE: I mean you have to understand that in servicing some waste is gushy and wushy and there may be some slight drippings. It happens. But if there's a steady stream coming out of that hopper, then that plug is probably not there. Just call 311, give us the truck number and we'll take care of it.

CHAIRPERSON FELDER: In other words, it's supposed to not happen.

MICHAEL BIMONTE: Yes.

CHAIRPERSON FELDER: Or I should say it's not supposed to happen.

MICHAEL BIMONTE: Yes.

CHAIRPERSON FELDER: When it happens it's because the plug is missing or

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something else.

MICHAEL BIMONTE: The plug may be missing.

CHAIRPERSON FELDER: I just want you to know on the record that the garbage from my home is not gushy and wushy at all. My wife would be very offended. So I just wanted to say that for the record. There was a program to advertise on the sanitation trucks. I'm just wondering whether it worked. I don't see too much of that. Maybe it wasn't effective. Can you tell us anymore?

MICHAEL BIMONTE: I think there was some litigation as to whether or not we could do it or we couldn't do it.

CHAIRPERSON FELDER: I see.

MICHAEL BIMONTE: It's not completely a dead program. We're looking to do it again.

CHAIRPERSON FELDER: So we don't know if it's been effective or not. Is that fair to say that you don't know?

MICHAEL BIMONTE: We don't know.
No, we don't know.

CHAIRPERSON FELDER: I thought that perhaps it had started and stopped.

MICHAEL BIMONTE: No.

CHAIRPERSON FELDER: It never started?

MICHAEL BIMONTE: It never got started.

CHAIRPERSON FELDER: Can you explain, back to my favorite topic about the enforcement agents, can you explain how you determined the number of agents for each borough? It seems that since I've taken over the chair of the Sanitation Committee you've allocated ten more agents to Brooklyn. I see that you've reduced the number to Staten Island even though McMan is no longer here. It doesn't make sense.

MICHAEL BIMONTE: Councilman, I would never ever even consider doing that. I don't think that our agents have been reallocated at all. I mean, if we do any reallocation, it's usually just to cover shortages that we may incur through vacation or sick or some unexpected absences.

CHAIRPERSON FELDER: Believe it or

not, that was a joke. But the serious part of the question is that in your numbers you're increasing, for example, to 51 the number of agents in Brooklyn. There are only 30 in Queens and 28 in Manhattan. We feel loved but not by having more enforcement agents. Why is that?

MICHAEL BIMONTE: Well I think Brooklyn has a much larger area to cover than some of the other boroughs.

CHAIRPERSON FELDER: Than Queens as well?

MICHAEL BIMONTE: Well, Queens is a little smaller. Queens only has--

CHAIRPERSON FELDER: [interposing]
Queens has 30 now.

MICHAEL BIMONTE: Queens has 30 and you have 40 I believe.

CHAIRPERSON FELDER: No, I have 51.

MICHAEL BIMONTE: You have 51.

CHAIRPERSON FELDER: If you can get back to me on that I would appreciate it.

MICHAEL BIMONTE: The plan number may be 51 but my records indicate right now you have 40.

CHAIRPERSON FELDER: The
projections aren't mine, I think they're yours.
That you plan on putting 51.

MICHAEL BIMONTE: Let me check into
it and I'll get back to you.

CHAIRPERSON FELDER: Sure.

CHAIRPERSON WEPRIN: We've been
joined by Council Member Alan Gerson from
Manhattan. Welcome.

CHAIRPERSON FELDER: Can you tell
me how much revenue has been brought in over the
last five years on enforcement on tickets? Do you
have the information by borough? Can you get that
to me?

MICHAEL BIMONTE: I can get that
for you, yes.

CHAIRPERSON FELDER: Over the last
five fiscal years if you can get me garbage
recycling violations and by borough I'd appreciate
it. Not by councilman district, although I'd be
interested but I can't ask that question right
not. The stickers that you are permitted by law
to stick on cars that do not move when they're
supposed to move, do you know how many violations

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are correlated with the stickers?

MICHAEL BIMONTE: I can give you probably stickers issued by borough. I could probably come up with the number of stickers issued by borough if you needed that and if that would help you.

CHAIRPERSON FELDER: I'll tell you the reason I'm asking.

MICHAEL BIMONTE: I mean because sometimes the stickers and the summonses may not coincide.

CHAIRPERSON FELDER: That's why I'm asking. I don't know if you're able to tell me that.

MICHAEL BIMONTE: I'm able to tell you pretty closely how many stickers are issued. You want summonses and stickers?

CHAIRPERSON FELDER: How much the stickers cost also because people who run campaigns like to get good deals on stickers. Of course they don't put them on city poles, we're talking about cars. But in terms of those stickers we know that you're permitted by law to do it. That's not the question. But some have

1 argued that obviously people don't like them at
2 all. It's very difficult. You intentionally
3 probably fine the place that makes the stickers
4 that takes the hardest to get off for a reason
5 because you're trying to discipline people. But
6 the fact is that it's the only example of that.
7 In other words, traffic agents for what some would
8 say are safety infractions; do not have the
9 ability to do that. I'm not arguing about its
10 success because anyone that has the sticker put on
11 their car will never forget it.
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13 MALE VOICE: It won't come off.

14 CHAIRPERSON FELDER: Right, will
15 never forget it. So I'm wondering whether you
16 feel that it's appropriate given the fact that, I
17 think under the regulations, the only time that
18 anyone slaps a sticker on somebody's car, you know
19 that type of response.

20 MICHAEL BIMONTE: My personal
21 feeling, Councilman, and again this is my personal
22 feeling, is that we have to clean the streets. I
23 get rated on how clean the streets are. My boss
24 is not really a very, very tolerable person. He's
25 getting older and grouchier than he normally is.

CHAIRPERSON WEPRIN: Does he put stickers on your car?

CHAIRPERSON FELDER: Can you just repeat that for Sally Goldenberg from the Post wanted to hear that quote one more time.

MICHAEL BIMONTE: If the streets aren't clean and the squad car drops and you know he keeps raising the bar. It was 79 and now it's up to 85 or 95. I have to answer to him and then someone else out here has to answer to me. Like you said, when you get that sticker, you don't park your car anymore on the ASP day and it allows my broom to get down there and I'm happy. It takes you a while to get it off and you curse me or you curse the guy that did it but you'll think twice before you go back and do it again. So I mean it's effective and that's all I look at.

CHAIRPERSON FELDER: Right. I just wanted to put your fears at ease that no one here from the department disagreed with you about your boss.

MICHAEL BIMONTE: All right. Did I sound like I was on the defensive?

CHAIRPERSON FELDER: No, not at

all.

CHAIRPERSON FELDER: Not at all. I don't question its effectiveness; it's just interesting that that's the only place. Somebody could argue that somebody parking in a bus stop or at a fire pump where it's really possibly endangering people's lives should have a sticker put on the windshield perhaps or something like that. But that's not your area of concern. You're just telling me that it works for you and that's that.

MICHAEL BIMONTE: It works for me.

CHAIRPERSON FELDER: This is really a small item in the budget but there was an adjustment of \$24,000 for the Snapple revenue commission offset. Can you tell us a little bit about? It's been zeroed out.

MICHAEL BIMONTE: The city was in agreement with Snapple that they would put the Snapple machines and Snapple would be the drink of the city. I know we did, we had Snapple machines in all of our garages and our building and whatever revenues were generated from that the agency received its fair share of. I understand

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2 that this year was the last year that that would
3 take place. I think it's kind of zeroed out now.

4 CHAIRPERSON FELDER: I'll give it
5 back to the Finance chair. I just wanted to ask
6 you, in the budget we see a drastic cut in the
7 spending for vehicles for the coming years and
8 affecting replacements as well. So the question
9 is normally with the resources that you have in
10 place you have done an extraordinary job where
11 even in cases where you had difficulty, let's say
12 a truck breaks down, you had another one to
13 replace it. If you're not going to have enough
14 resources how are you going to be able to do the
15 super duper job that you've been doing in the past
16 without having enough resources to do it?

17 MICHAEL BIMONTE: We expect our
18 vehicle replacement to be adversely impacted.
19 However, what we think we're going to do is to
20 monitor the condition of our various fleets and
21 then make our purchases in the areas of our
22 greatest need with the smallest impact on services
23 such as collection trucks and recycling vehicles.
24 This will allows us to get the most out of our
25 limited budget. Then we're hoping to get some

1 funding from the government. Do you want me to go
2 through it again? No? Apology accepted.

3 CHAIRPERSON FELDER: You were
4 supposed to say it's nothing. It's okay.

5 MICHAEL BIMONTE: It's nothing.

6 CHAIRPERSON WEPRIN: I believe
7 Council Member Gerson had some questions.

8 COUNCIL MEMBER GERSON: Thank you,
9 Mr. Chair, you believe correct. Thank you, Mr.
10 Chairs. Good morning. It's great to see you.
11 Everyone in my district loves your new can, you
12 know the full enclosure.

13 MICHAEL BIMONTE: The blue and the
14 green one?

15 COUNCIL MEMBER GERSON: The one
16 that replaced the mesh that's enclosed on all
17 side. It does a better job of keeping the rodents
18 away, it looks nicer, it's handsome and all that
19 stuff. It enhances the community. But we still
20 have mesh cans in some locations. For FY 2010,
21 will we continue to replace the mesh with the new
22 cans?

23 MICHAEL BIMONTE: No.

24 COUNCIL MEMBER GERSON: Oh no.

That's not good, Mr. Chair.

MICHAEL BIMONTE: We have purchased some additional what we call high end baskets at a much reduced price. Those are the ones that you're talking about. They normally run about \$300 or \$400, compared to about \$125 for the wire mesh. We have upwards to I guess around 25,000 baskets in the street. So dollars and cents, we could not provide that particular basket citywide.

COUNCIL MEMBER GERSON: We're not doing anymore replacements?

MICHAEL BIMONTE: We're doing some. But right now it's not our intention to replace the wire mesh basket with those baskets.

COUNCIL MEMBER GERSON: I understand financial realities might prevent a universal replacement over the course of one fiscal year but a multi-year plan to phase out the mesh and to replace them with these new cans would well serve the city.

MICHAEL BIMONTE: Well each year we do buy some.

COUNCIL MEMBER GERSON: About how many? What is the rate of replacement?

MICHAEL BIMONTE: We buy very few.

COUNCIL MEMBER GERSON: I know in the past my office and other offices have given you money out of our discretionary allotments and I understand that helps. This program that you've piloted has made such a difference. It shouldn't depend on that. I urge that the department go back, look at it and see what we can do and do the most we can and have a multi-year approach to this. I tell you at the community level it really does make a difference.

MICHAEL BIMONTE: I hear what you're saying. In dollars and sense I could never condone going out and spending \$400 for one basket when I can buy four baskets for the same amount of money. If that were the case, I would take those dollars, sir, and put out another basket truck.

COUNCIL MEMBER GERSON: That's a good idea. But I'm betting in dollars and cents the city overall is saving on rodent abatement and cleaning up. I mean it really makes a difference to the areas where you have these cans.

MICHAEL BIMONTE: Those baskets are not maintenance-free.

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2 COUNCIL MEMBER GERSON: I don't see
3 why the differential if you buy in bulk should be
4 that much.

5 MICHAEL BIMONTE: That's the cost.
6 Our vendor is Lighthouse which uses very, very
7 cheap labor.

8 COUNCIL MEMBER GERSON: I want to
9 get to two other issues, but let's see if we could
10 do better, cheaper, more. Maybe other vendors can
11 produce it. Maybe issue an RFP and see what you
12 get in response. I just request that you put that
13 on the agenda.

14 MICHAEL BIMONTE: I have no problem
15 going out with an RFP and see if I can't get that
16 basket for \$150.

17 COUNCIL MEMBER GERSON: You never
18 know. That would be great.

19 MICHAEL BIMONTE: I have no problem
20 doing that.

21 COUNCIL MEMBER GERSON: Terrific.
22 I appreciate that. I appreciate the fact that in
23 your testimony you referred to the new technology
24 trucks which will be greener, less emissions. I
25 just want to make sure that as part of our

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2 environmental conscious we also incorporate noise
3 in that the new trucks as we replace trucks will
4 also be quieter and are using state of the art
5 noise muffling abatement technology.

6 MICHAEL BIMONTE: I think that may
7 be all part of the specs in the truck.

8 COUNCIL MEMBER GERSON: Good.
9 Obviously emissions are of critical importance but
10 noise as well. Finally, on the capital plan, you
11 include reference to the Spring Street station
12 which as you know has been under construction,
13 which as you know has been a source of
14 conversation between the department, Speaker
15 Quinn's office, my office and the community. What
16 is the current budget for the Spring Street
17 garage?

18 MICHAEL BIMONTE: It's
19 approximately \$340 million.

20 COUNCIL MEMBER GERSON: All for FY
21 2010?

22 MICHAEL BIMONTE: Yes.

23 COUNCIL MEMBER GERSON: That'll be
24 enough to complete the entirety including as
25 planned?

MICHAEL BIMONTE: That should be enough to complete it in its entirety, yes.

COUNCIL MEMBER GERSON: As you know, the community has proposed alternatives which would involve relocating one of the trucks from one of the three districts to another location. Has the department completed its financial analysis of the alternatives presented to you recently, I think a few weeks ago, of those alternatives?

MICHAEL BIMONTE: Yes, the department looked at all of the alternatives that were provided, most of which did not meet the criteria that were needed to move one of those garages out of Spring Street. But we continue to look. There are other alternatives that were put on the table that we are looking at.

COUNCIL MEMBER GERSON: So that process is underway?

MICHAEL BIMONTE: That process is underway, yes.

COUNCIL MEMBER GERSON: As long as the process is underway and we can continue the conversation I'll leave it with a reiteration of

1 the strong request, indeed demand by the community
2 and by my office that we come up with a viable
3 alternative location. Locating three districts on
4 one side, you should know Mr. Chairs and my
5 colleagues that this site is in an extraordinarily
6 sensitive location right near the entrance to the
7 Holland Tunnel, one of the most trafficked and
8 polluted areas of Manhattan and indeed the entire
9 city. The third garage is an uptown garage.
10 You'd bring trucks into the area. From an
11 environmental, from a community standpoint but
12 also from a cost effective standpoint, if we could
13 find an alternative for that garage that is closer
14 to the district it serves, we would wind up all in
15 a better place and over time certainly with lower
16 operating costs for the department. I implore you
17 in the strongest of possible terms to find that
18 alternative. I assure you the community is not
19 going to accept the three garages. Let's work
20 this out together rather than in an adversarial
21 context. I am heartened to hear your testimony
22 that the review is underway. So we'll continue
23 the conversation.
24

25 MICHAEL BIMONTE: The department

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2 will continue to look at alternatives and based on
3 evaluating them make a decision.

4 COUNCIL MEMBER GERSON: Thank you
5 very much, Mr. Chair.

6 CHAIRPERSON FELDER: On that note,
7 we see that the commitments for that garage have
8 increased by \$43.4 million to \$322.4 million.

9 MICHAEL BIMONTE: Councilman, I'm
10 sorry, I stand corrected. It's \$240 million. I
11 think I said \$340 million and I stand corrected,
12 it's \$240 million. That's for construction.

13 CHAIRPERSON FELDER: But I think
14 the information that we have shows that the cost
15 for FY 2009 through 2013 compared to the January
16 commitment plan went up \$43 million.

17 LARRY CIPOLLINA: Council Member
18 that's the same issue in terms of contingency for
19 appropriation. So it's not in the commitment
20 level, it's just should there be a need.

21 CHAIRPERSON FELDER: That was the
22 right answer. Jarret told me that's the answer
23 but we were testing you. The department cut \$114
24 million, or 74% from its Fiscal 2011 vehicle and
25 equipment purchase and \$73 million or 65% for

2012. Which vehicles and equipment do you expect to cut from the budget and how did you prioritize?

MICHAEL BIMONTE: We answered that one already I think.

CHAIRPERSON FELDER: All right, then forget it.

MICHAEL BIMONTE: I'll answer it again. We expect our vehicle replacement system to be impacted. However, we're going to look at the part of our fleets or the trucks that we need to maintain core services to the public and provide those vehicles first and cut vehicles that we feel are not needed as much.

CHAIRPERSON FELDER: In terms of the suggestion that many have made to eliminate all the enforcement vehicles entirely, what's your feeling about that?

MICHAEL BIMONTE: I'll talk to you after the hearing.

CHAIRPERSON FELDER: The Brooklyn garage has its funding cut by almost \$92 million. What's the impact this will have on the department's operations in Brooklyn?

MICHAEL BIMONTE: There is no

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2 commitment funding outside the site acquisition at
3 \$20 million remaining in the capital budget for
4 1315. The 15.7 mentioned for contingency purposes
5 is for design and construction management in the
6 event the capital commitment plan can be restored
7 to its prior funding level at some point.

8 CHAIRPERSON FELDER: I see.

9 MICHAEL BIMONTE: We'll continue to
10 operate out of the old facility and intend to
11 maintain the same level of existing services from
12 that facility.

13 CHAIRPERSON FELDER: Finally, the
14 cans that you placed in City Hall were supposed to
15 have my name on them.

16 MICHAEL BIMONTE: Were they?

17 CHAIRPERSON FELDER: If in the
18 future any cans that are placed in city agencies
19 can have my name on it, I would appreciate it.

20 MICHAEL BIMONTE: I will personally
21 paint them on myself.

22 CHAIRPERSON FELDER: Thank you very
23 much. Does anyone else have any other questions?
24 Chair Weprin? I shouldn't have said that.

25 COUNCIL MEMBER GERSON: I

1
2 appreciate the point that you raised in your
3 questioning about Spring Street. The response of
4 course was correct. The costs are still being
5 worked out. Our analysis project that the cost in
6 fact will be much higher than the department or
7 the administration. If we go forward with the
8 three district plan because of all of the extra
9 mitigation and that's not counting the
10 externalities in terms of cost to the city and to
11 the community by having an unusual if not
12 unprecedented concentration. So I just needed to
13 make that point because you were correct in
14 raising those issues. Again, that's just another
15 reason that we work together to find a more viable
16 and cost effective alternative. Thank you, Mr.
17 Chair.

18 CHAIRPERSON WEPRIN: Thank you,
19 Council Member. I think we're just about wrapped
20 up. We've been joined by Council Member Robert
21 Jackson who wanted to say a quick hello.

22 COUNCIL MEMBER JACKSON: Thank you,
23 Mr. Chair and Chair Simcha Felder. Let me just
24 say that as a member of the Sanitation and Solid
25 Waste Committee, this is my eighth year. One of

1 the things that I was happy about when the mayor
2 announced his executive budget, he said that that
3 uniform agencies were only going to take one-half
4 percent additional PEG compared to 4%. Let me
5 just say that I've said all along that when it
6 comes to the City of New York, even though I chair
7 the Education Committee, the most important thing
8 is the safety and security of our city. In order
9 to keep our city together in these tough economic
10 times, safety and security is number one and our
11 streets and city needs to be clean and that
12 depends on the Department of Sanitation. Not only
13 you as an agency that does the cleaning and all of
14 the things but the people of New York also.
15 Everyone has to pitch in. I say that as a
16 representative in northern Manhattan. I
17 appreciate everything that the Department of
18 Sanitation is doing. Obviously I would love to
19 see more enforcement in certain areas. I always
20 talk about the dog waste. I believe in education
21 first. But clearly when you're trying to
22 communicate with your neighbors and people about
23 picking up after their dogs, about not putting
24 their household garbage into the corner cans and
25

1
2 stuff like that and trying to deal with graffiti
3 because when you look at all of those things, when
4 people are dodging waste in the street and litter
5 in the street, that says something about the
6 quality of our life. So whatever you have to do
7 make sure that you have the personnel in order to
8 keep our streets clean and what have you, I think
9 that's not only important to me but all of the
10 people that I represent because I hear it in
11 community meetings. I appreciate everything that
12 you're doing and knowing that keeping our streets
13 clean is going to be important for us in the
14 budgetary process. I think our Chair David Weprin
15 has said that. Is that correct?

16 CHAIRPERSON WEPRIN: Absolutely.

17 COUNCIL MEMBER JACKSON: I know
18 that Simcha Felder talks about it because I've
19 been in the areas in which Simcha Felder lives and
20 where he works as far as his district. I know
21 that the residents, not only in his district but
22 everywhere in the city, want a neighborhood that
23 is clean that we all can be proud of and that's
24 where I want our city to shine. Quite frankly,
25 when it comes to cleaning and making sure that

things work as far as sanitation, we depend on all of you and all of the men and women that are in uniform in order to that. You have a supporter here in me and trying to make sure that the budget reflects that as what I said.

MICHAEL BIMONTE: Thank you.

COUNCIL MEMBER JACKSON: Thank you.

CHAIRPERSON WEPRIN: Thank you, Council Member. I think we're finished with Sanitation and Solid Waste. The Finance Committee will stand in recess until noon today where we will be joint with the Committee on Transportation and hear from the Transportation Department.

[Pause]

CHAIRPERSON WEPRIN: Good afternoon. The Finance Committee is back in session and we are now joint with the Transportation Committee, chaired by Council Member John Liu. We have Council Member Leroy Comrie here; Council Member Diana Reyna, Council Member Dan Garodnick, Council Member Simcha Felder, Council Member Vincent Ignizio, and I think that's it for now. I made a statement and I'm going to turn it over to Chair Liu for an

opening statement.

CHAIRPERSON LIU: Thank you very much, Chairperson Weprin. I want to thank the Department of Transportation deputy commissioners for joining us. For some reason the commissioner is not here. I think it's the first time in eight years that the Department of Transportation commissioner failed to show up for an executive budget hearing. I guess there will be some kind of excuse for that. Good afternoon, I want to also join the Finance Chair David Weprin for convening this hearing. It's important to recognize some of the changes that have taken place since we conducted the Fiscal 2010 preliminary budget hearing. Particularly, the funding changes within the MTA. At the time of our last hearing, the Authority was faced with a budget deficit of \$1.2 billion. That later skyrocketed to over \$1.8 billion supposedly, prompting the MTA board to vote to implement fair and toll increases that would have seen base subway and bus fares rise to \$2.50. Today because of state action taken just recently in the last few days that produced a \$2.3 billion rescue

package for the MTA. It now appears that many of the cuts and services and increases in fares are no longer needed. However, the Authority obviously still has challenges ahead and we will hear from officials of the Metropolitan Transportation Authority at 1 p.m. Right now we'll hear from officials of the Department of Transportation who will update the committee on many of its projects, its ongoing efforts to obtain federal stimulus funding and various projects I'm sure, such as bus rapid transit, the bicycle lane changes and efforts to increase the number of red light cameras and what the DOT is doing with regard to parking revenues and parking ticket revenues. In addition, we look forward to the DOT discussing its Fiscal 2010 capital budget of \$2.4 billion and the implications of the recent 30% cut to the city's five-year capital plan. At 2:00 approximately, we expect to hear from officials of the New York City Taxi and Limousine Commission which we expect to receive updates from on its ongoing efforts to increase accessible taxicabs and implement programs help clean the environment. I really want to thank Chairperson

1 Weprin and the members of the committees here
2 today, including Council Member Vincent Ignizio of
3 Staten Island, Simcha Felder of Brooklyn and Dan
4 Garodnick of Manhattan. I want to thank the
5 staffs to the committees for preparing the work
6 requisite for holding today's hearing. And with
7 that we'll have our esteemed colleagues from the
8 Department of Transportation.
9

10 LORI ARDITO: Good afternoon
11 Chairman Liu and Weprin and the members of the
12 Transportation and Finance Committee. I am Lori
13 Ardito, First Deputy Commissioner for the
14 Department of Transportation. With me here today
15 are Joe Jarrin, Deputy Commissioner for
16 Administrative Services and David Woloch, Deputy
17 Commissioner of External Affairs. Thank you for
18 inviting us here today to discuss the department's
19 executive budget. Since we testified in March on
20 the preliminary budget, DOT has continued to work
21 to improve safety and maintain the city's
22 infrastructure throughout all five boroughs. Of
23 course, in these difficult financial times, we
24 must all strive to do more with less. In April,
25 DOT was asked to find a 4% expense savings in its

financial plan to help close the city's budget gap. The executive budget reflects a combined expense savings program of over \$18 million annually beginning in Fiscal 2010, which was achieved without substantially affecting those core programs that sustain the city's transportation network. Examples of these savings include \$7.5 million annually in increased parking meter revenue; \$2.6 million from various steps to improve the efficiency of the Staten Island Ferry; the utilization of \$6.7 million from non-city and grant-related funding sources; and \$1 million from the elimination of 15 vacancies in the traffic division. It should be noted that if the economic slide continues, we may find it increasingly difficult to reduce spending without compromising delivery of our core public services. Yet, because of the steps we have already taken to combat current budget constraints in this fiscal year, we are confident that the department will continue to perform excellent work on behalf of New Yorkers. DOT's total expense budget for Fiscal Year 2010 is \$707 million. This allocation, combined with grant funding, will

1 provide the department with the resources to
2 continue to deliver vital services throughout the
3 five boroughs. These include the operation of the
4 Staten Island Ferry 24 hours a day 7 days a week;
5 preventive maintenance and repair work on the
6 city's 789 bridges; street resurfacing and repair;
7 maintenance and cleaning of arterial highways; and
8 the insulation and maintenance of street lights
9 and traffic signals. DOT's capital plan for
10 Fiscal Year 2009 through 2019 is \$10.1 billion
11 aimed at enhancing the city's transportation
12 network and maintaining the state of good repair
13 of the city's streets and bridges. Our Fiscal
14 Year 2010 capital program is very aggressive,
15 totaling \$2.4 billion. Between now and the fall,
16 approximately \$1 billion in contracts will be
17 registered for the rehabilitation of the trams and
18 painting of the Brooklyn Bridge. The cabling
19 rewiring and suspender rehabilitation of the
20 Manhattan Bridge; and reconstruction of Brooklyn's
21 belt parkway bridges, Paerdegat Basin, Fresh Creek
22 and Rockaway Parkway. In addition to these
23 initiatives, our Fiscal Year 2010 capital program
24 includes \$38.8 million for reconstruction of
25

Pelham Parkway in the Bronx, \$14.7 million for reconstruction of Nassau Avenue in Brooklyn, \$47.8 million for the reconstruction of streets around the World Trade Center site, \$12.8 million for reconstruction at Hillside Avenue in Queens, \$13.8 million for dry docking of the Austin, Barberry and Millenary class ferry boats and \$33.8 million for reconstruction of sidewalks and complex ped ramps citywide. While we continue in our commitment to improving safety, mobility and quality of life, the current economic crisis has necessitated certain budget reductions. The Fiscal Year 2010 executive plan reflects a 30% cut in the capital budget, including the deferment of 42 bridge reconstruction projects, the reduction of 50 lane miles of street reconstruction per year, the elimination of 300 lane miles of resurfacing per year and \$104 million cut to the PlaNYC programs. Budget cuts will allow DOT to do its part to help balance the city's budget gap. However, to ensure we can meet our ambitious goals for the coming years, we understand that it is crucial to maximize funding from other sources. As you know, the city will receive an anticipated

\$260 million of federal highway funding from the American Recovery and Reinvestment Act of 2009, funding that will be spent on six projects, including the reconstruction of St. George Ferry Terminal ramps and the Brooklyn Bridge rehabilitation. The existing funding already in place for these initiatives will be used to support 25 projects that would not have otherwise had adequate funding to move forward at this time. The 2010 executive budget also includes the addition of \$46.7 million in federal transit funds for Staten Island Ferry service. Despite our budgetary constraints, DOT continues to focus on initiatives that will improve safety and mobility throughout the city. Our green light for Midtown plan will transform Broadway between West 59th and West 35th Streets, improving traffic flow, enhancing safety and providing much needed pedestrian space, dramatic improvements for minimal expense. The department is also moving ahead with a second round of the NYC Plaza Program. Through this program, non-for-profit organizations can propose sites within the public right of way for conversion from standard streets

or a sidewalk to vibrant public spaces. If selected, sites will be fully designed and constructed as permanent plazas. Applicants are involved in the design of the plazas and become partners with the city to maintain, program and manage the sites. In addition, our ambitious plan to improve pedestrian safety and movement around schools, subway entrance and bus stops is still in motion. Our Safe Routes to Transit Program will make utilizing mass transit easier and more convenient by modifying roadway geometry to improve pedestrian visibility, raising bus stops behind new curb lines and installing sidewalks where they currently do not exist at bus stop locations. Our Safe Streets for Seniors program focuses on areas with high fatality or crash rates for seniors and incorporate safety measures such as new neck downs and pedestrian refuge islands, retiming of traffic signals and repair of broken curbs and pedestrian ramps. Last but not least, our Safe Routes to School program focuses safety improvements at school intersections with high accident rates. Safety improvements made to date include new traffic and pedestrian signals, the

addition of exclusive pedestrian crossing time and insulation of speed humps and high visibility crosswalks. After the successful launch of select bus service on Fordham Road, DOT is working with the New York City Transit on the second phase of this innovative program. By offering a high performance service with dedicated lanes, traffic signal priority and off board fare collection, we are improving the city's transportation network by increasing bus speeds, attracting more transit riders and providing more efficient bus operations. We have invited the public to take part in an interactive workshop next month that will lay the groundwork for future BRT corridors. Mindful of the uncertain economic times ahead, we are also making investments that can result in long-term cost savings. As many of you are aware, we are pursuing the acquisition of a second municipally owned asphalt plant in Queens. A second plant will allow for most cost effective operations through the efficient delivery of materials and our increased use of RAP, recycled asphalt pavement, which reclaims aggregates and asphalt cement from our roadways to minimize waste

1 and keep material cost down. The site's size will
2 accommodate the delivery and the storage of
3 adequate quantities of recycled asphalt materials,
4 thus minimizing our need for interim storage at
5 other locations. Overall, the new facility will
6 stabilize our asphalt supply in Queens and bring
7 logistical balance to our existing operations in
8 Brooklyn. Give our current fiscal constraints, it
9 is more important than ever to obtain a second
10 plan and take advantage of the considerable cost
11 savings it will achieve. DOT is doing all it can
12 to maximize resources and minimize effects on the
13 city's infrastructure. Moving forward, we will
14 continue our efforts to pursue alternative means
15 to achieve our goals of safer streets, improved
16 mobility and transportation choice and a cleaner
17 environment. Thank you again for inviting us here
18 today and at this time we would happy to answer
19 any of your questions.
20

21 CHAIRPERSON WEPRIN: Thank you
22 First Deputy Commissioner Ardito. We've been
23 joined by Council Member James Oddo of Staten
24 Island and Brooklyn. I've got a few questions and
25 I know a couple of our colleagues have questions

1
2 and Chair Liu has probably more questions than I
3 do. It is our understanding that the state
4 approved only 50 out of the 150 red light cameras
5 that you anticipated in the January plan for
6 fiscal 2010, resulting in a \$20.2 million revenue
7 adjustment in the Fiscal 2010 Executive Budget.
8 What is the implication of this action and how
9 does it affect your overall budget? It's a three-
10 part question. And is anything being done to try
11 to get the additional cameras?

12 JOE JARRIN: The department is
13 moving forward with the installation of those
14 cameras. OMB has approved 12 new positions for
15 the agency to accomplish that. The adjustments
16 you've seen in the financial plan though include
17 removals from the budget that OMB had put in
18 January when they were expecting or hoping that
19 the state would approve unlimited cameras. So
20 you're actually be seeing in the documents I think
21 your staff has questioned us.

22 CHAIRPERSON WEPRIN: So the 150
23 figure was based on the state not having any limit
24 at all?

25 JOE JARRIN: Right. There was \$115

million.

CHAIRPERSON WEPRIN: Could you just identify yourself for the record?

JOE JARRIN: I'm sorry. I'm Joe Jarrin, Deputy Commissioner for Administrative Services. There had been \$115.8 million in revenue put in the budget in January, now that's been removed and replaced with the amount that we're now expecting with only the 50 cameras.

CHAIRPERSON WEPRIN: What was the reason why the legislature only approved 50 out of the 150, or out of putting any cap?

DAVID WOLOCH: David Woloch, Deputy Commissioner for External Affairs. It's really more of a question for Albany. As you know, over the past few years, often with your support, we've been in Albany pushing for more red light cameras. We had legislation that actually was going to ask for 100 new ones and we only got the 50. This year we're told we're only going to get the 50 relative to what we've been able to get over the past few years which was an increase of zero. We're better off this year. Hopefully next year we'll be able to get more. We also need approval

1 from Albany for bus lane cameras and speed
2 cameras. So I think it's fair to say that on all
3 these fronts they've curtailed what we've been
4 able to do. Even if we can get a few hundred more
5 red light cameras, we have 12,000 signalized
6 intersections. Relative to the red light camera
7 programs that have been approved at some of the
8 other municipalities around the state who only
9 have a total of a few hundred cameras; we would
10 definitely like to see more. We have less than 1%
11 of our signal locations with cameras. So we
12 agree, we'd like to get more. Fifty was the best
13 we could get this year.

14
15 CHAIRPERSON WEPRIN: But you can
16 put in what I call the fake cameras. I don't know
17 what you call them. The dummy cameras, the decoy
18 cameras, you can do that without legislative
19 approval, is that correct?

20 DAVID WOLOCH: Correct.

21 CHAIRPERSON WEPRIN: What are you
22 doing to install more of those? I understand it
23 doesn't produce revenue, but it does help in
24 deterring violations that could contribute to
25 public safety problems.

1
2 DAVID WOLOCH: We agree. We have a
3 few hundred of those around the city. I should
4 also add that we have the ability to move the
5 cameras around. So what the legislation limits us
6 to is a certain number of working cameras at any
7 time. So we actually have outfitted more than 100
8 locations right now and we're able to move the
9 cameras around.

10 CHAIRPERSON WEPRIN: So you're in
11 the process of installing more of the dummy
12 cameras?

13 DAVID WOLOCH: Right now what we're
14 focused on is getting ready to add the new
15 functioning cameras that the legislation afford
16 us. We can certainly look into putting up more
17 dummy cameras. As I said, right now we have a few
18 hundred of those around the city.

19 CHAIRPERSON WEPRIN: What's
20 happening with federal stimulus money and which
21 projects do you have that are shovel-ready that
22 can go ahead right away? If you have some of
23 those projects that are shovel-ready with federal
24 stimulus money, does that free up the opportunity
25 to do some capital projects that you might not

1
2 have done otherwise but would be able to do with
3 the freeing up of that extra federal stimulus
4 money?

5 JOE JARRIN: As the Mayor announced
6 on March 30th, the federal stimulus money is being
7 placed on the highway side. It's being placed on
8 six bridge projects. Two are then are immediately
9 shovel-ready, one being the St. George ramps
10 project of \$175 million. Then we were putting \$47
11 million of the highway funds on the Brooklyn
12 Bridge contact which we expect to start very soon.
13 There are four other bridge projects that are
14 benefiting from those funds. And all together
15 we're expecting \$261 million in federal highway
16 funds from the stimulus. As the announcement also
17 specified, all that funding will be replacing city
18 funds on those projects that then will be moved to
19 fund 25 other projects that would have otherwise
20 had to be cut during this 30% cut exercise. So,
21 on the Mayor's website you'll see specifics on all
22 25 projects plus the six projects that are using
23 the federal funds. Those 25 projects include many
24 street projects, some bridge projects and also
25 include projects that are not just handled by DOT

1
2 but also EDC and Parks.

3 CHAIRPERSON WEPRIN: So it actually
4 will result in cutting the capital budget less?
5 Is that an accurate statement?

6 JOE JARRIN: Yes.

7 CHAIRPERSON WEPRIN: I'm going to
8 turn it back to Chair Liu.

9 CHAIRPERSON LIU: Thank you,
10 Chairperson Weprin. We've also been joined by
11 Councilman Eric Ulrich from Queens. So let's
12 continue on the topic of the stimulus package.
13 The idea of the stimulus package was actually to
14 not only fund long-term capital construction
15 projects but to create jobs in the near term. And
16 yet, what we have seen is simply supplanting city
17 allocated money with this federal money. It
18 doesn't seem like we're using the stimulus package
19 to stimulate anything. How does this create jobs?
20 How does this carry out what the American Recovery
21 and Reinvestment Act was meant to do?

22 JOE JARRIN: The addition of the
23 federal funds coincides the 30% cut. As I
24 mentioned earlier, the funding being put on the
25 bridges is replacing city funds, that's correct.

1
2 But that city funding is then being put on other
3 projects that would have had to be cut. So
4 clearly jobs will be created on those projects
5 that would not be created otherwise.

6 CHAIRPERSON LIU: I mean look, the
7 Brooklyn Bridge project was about to proceed
8 regardless. That was not subject to any cuts. It
9 was going to happen.

10 JOE JARRIN: You're correct.

11 CHAIRPERSON LIU: It was going to
12 happen imminently from a year ago; six months ago
13 we talked about it a bit. It was going to happen.
14 Three months it was going to happen. It was going
15 to happen regardless of any stimulus package. So
16 the idea that we're just simply using it, you know
17 I'm not faulting you necessarily for doing that,
18 but we have to understand we're not introducing
19 any additional work here. No jobs are being
20 created. That was really the rationale, the
21 justification, the reason the stimulus package.
22 Yet we're not stimulating anything and people are
23 still losing their jobs.

24 JOE JARRIN: Sorry, Mr. Chairman,
25 we don't really agree with that. The jobs will be

created, well were saved in the projects that are using the \$261 million that would have been cut.

CHAIRPERSON LIU: I know. Mr. Jarrin, the two projects you cite that are shovel-ready, they were going to be done regardless of any stimulus package.

JOE JARRIN: Right. But the 25 other projects were not going to happen regardless. They would have been cut.

CHAIRPERSON LIU: They would have been cut immediately or they were simply deferred?

JOE JARRIN: They would have probably been cut with this 30% cut, absolutely.

CHAIRPERSON LIU: So how much in totality would those 25 street projects entail?

JOE JARRIN: \$261 million.

CHAIRPERSON LIU: So then that means that the stimulus package is \$261 million. So that means none of it is actually being used to the St. George Ferry and the Brooklyn Bridge rehabilitations?

JOE JARRIN: Sorry, the mayor's announcement included, and I believe Chairman Weprin was there, the announce included \$261

1
2 million of federal funds and then the same dollar
3 amount in city funds benefiting these other
4 projects. So in total there's \$522 million of
5 work, half of which is federal funds replacing
6 city and the other half is jobs for the city
7 projects that would not be there otherwise. So it
8 is fully \$261 million of work that is jobs that
9 would not have been there is this money had not
10 come in.

11 CHAIRPERSON LIU: We had asked the
12 Department of Transportation, your department, to
13 come to a hearing that we convened a couple of
14 month ago on the stimulus package and what kind of
15 contracting process would be followed in order to
16 use the federal stimulus funds. Is there any
17 change with regard to the Department of
18 Transportation's contract and procurement
19 processes in light of the fact that now a large
20 amount of money is coming through the federal
21 stimulus package?

22 JOE JARRIN: The department is
23 following all the requirements of federal
24 procurement as we normally do with our regular
25 federally funded projects. The stimulus did

1
2 include some new language on Buy America that
3 we've been working with the law department to
4 include language in our contracts for, but beyond
5 that there really was not any difference in the
6 requirements on the contracting side that we would
7 have otherwise had to follow with FHOA and normal
8 funding.

9 CHAIRPERSON LIU: Are you aware of
10 Local Law 129 and where the Department of
11 Transportation is performing with regard to the
12 requirements of that law?

13 JOE JARRIN: I believe we are
14 complying with the law and proceeding with what's
15 required on that.

16 CHAIRPERSON LIU: I think the
17 Department of Transportation is far short of the
18 goals under Local Law 129, in fact, far shorter
19 than most of the other agencies. So you're saying
20 that there's no change in the fundamental
21 contracting and procurement process under the
22 Department of Transportation and yet you're saying
23 that there's some language that has to be reworked
24 by the Corp Counsel's office to comply with the
25 federal requirements.

JOE JARRIN: Just under the Buy America piece.

CHAIRPERSON LIU: Oh just under the Buy American piece?

JOE JARRIN: Right.

CHAIRPERSON LIU: I've got more questions but we'll take some questions from Council Members.

CHAIRPERSON WEPRIN: We're been joined by Council Member Oliver Koppell, Council Member Jessica Lappin and Council Member Lou Fidler. I believe Council Member Garodnick had a question.

COUNCIL MEMBER GARODNICK: Yes, thank you Chairman Weprin and Chairman Liu. I wanted to first welcome you and ask you about the bus rapid transit phase one. I know that last June New York City Transit and the DOT launched the first BRT in phase one in Fordham Road in the Bronx. And as we understand it, that's the first of five corridors that are planned. The first question I had for you was if you could give us a sense of the progress on that initiative and feedback you've gotten from riders as well as your

1
2 plans for the next phase? Because as you know,
3 we're certainly very eager to see this program
4 implemented further, particularly on the corridors
5 where we have to provide real alternatives to the
6 subway like First and Second Avenue in response to
7 massive overcrowding on the Lexington Avenue.

8 DAVID WOLOCH: First of all, in
9 answer to the first part of the question, the BX12
10 select bus service on Fordham Road has been I
11 think even more successful than we had initially
12 hoped. Travel time has been reduced by 20% and
13 ridership is up a total of about 10% which is
14 particularly remarkable over the course of the
15 past year other Bronx bus service saw ridership
16 fall. On the BX12 we're basically seeing 4,000
17 new rides a day, or about 2,000 new riders that
18 are taking the BX12 service between the local and
19 the select bus service that weren't taking it
20 before. We think a lot of that has to do with the
21 red bus lanes and the signal prioritization and in
22 particular the off board fare collection which is
23 something new to the city that we've been working
24 on with New York City Transit which allows
25 customers to pay at the curb before they board so

1 the buses can pull right into the stop. People
2 have already paid. They can get on the front door
3 or they can get on the back door and then the bus
4 can pull right out. I think the service on
5 Fordham Road has also been successful in another
6 sense. Over the course of the past year since
7 last June when the service launched, we've made a
8 number of improvements and changes to the service
9 based on feedback that we've gotten and dialogue
10 that we've had with the community, which I think
11 has taught us a lot about how this process has to
12 work going forward. That it's something that DOT
13 and New York City Transit can't do in a vacuum.
14 And accordingly, we're actually going to be
15 meeting later tonight to bring together
16 stakeholders for the First and Second Avenue
17 corridor. We hope to see you and hopefully
18 Council Member Lappin or your staffs there
19 tonight. Hopefully that can get us off to a good
20 start for all the work we have to do over the
21 course of the next year to implement select bus
22 service on First and Second Avenue next summer.

24 COUNCIL MEMBER GARODNICK: Thank
25 you. We'll look forward to that. And the

1
2 timeframe for First and Second Avenue is next
3 summer?

4 DAVID WOLOCH: Correct.

5 MALE VOICE: Mr. Chairman, if I
6 might interrupt just for a moment to make one
7 short comment and that is that I agree with
8 Commissioner Woloch with respect to the 12 which
9 goes through part of my district.

10 COUNCIL MEMBER GARODNICK: I must
11 say that to have 2,000 new riders on a bus line is
12 impressive. I think that we will find if we
13 implement a real system on the next route you will
14 similarly be impressed with the number of people
15 who will take advantage of it because their
16 options are not particularly good at the moment.
17 One other question on the subject of the Park
18 Avenue Tunnel. I understand that there were \$30
19 million in commitments for this Park Avenue Tunnel
20 project that were removed from the plan and moved
21 to the 2014-2019 capital plan. Can you give us a
22 sense of the status of the project and what the
23 implications are of that delay?

24 LORI ARDITO: Council Member,
25 obviously due to the budget constraints that was

one of the reasons why it was delayed. This decision is based on a range of factors, including the condition of the tunnel. So as it remains in still good condition, we were able to take this project and move it out a little bit to deal with our budget situation.

COUNCIL MEMBER GARODNICK: The \$30 million, was it for reconstruction?

LORI ARDITO: A total reconstruction of the tunnel, yes.

COUNCIL MEMBER GARODNICK: So the changes that have already been done, directional changes, rerouting of cars, that is separate and apart from all of this. You don't need capital work to address those issues. You're talking about just the reconstruction of the tunnel itself, which is what this \$30 million applies to?

LORI ARDITO: Yes, correct.

COUNCIL MEMBER GARODNICK: Thank you very much.

CHAIRPERSON WEPRIN: Thank you, Council Member. We've been joined by Council Member Gale Brewer. The next questioner is Council Member Vincent Ignizio.

COUNCIL MEMBER IGNIZIO: Thank you very much. With regards to the bus rapid transit is one of the things that I have severe concerns about in terms of the commercial strips. I don't think there is enough room and I've said it before. At this stage I'm not in favor of that proposal because I think ultimately you will lose a lane of parking on Highland Boulevard, which will negatively impact small businesses. Until or unless that's worked out, Staten Island will be happy to be lower on the list in terms of implementation of that ill-conceived plan which will hurt business. That being said, I find myself in a rare position to be applauding DOT because we always bring the negatives and we always bring the criticism. The yeoman's work that was done in my district with regards to Amboy Road corridor study which was just announced very recently and the collaboration between the borough office, both under Tom Curitore and now Tom Cocola and my office has been great. We're moving things along at great speed. We're working on some projects together and jointly funding it between the Council and your agency and I do appreciate

1
2 that. One of the projects I wanted to get an
3 understanding or an update of is the Arthur Kill
4 Road widening. My understanding is I disagreed
5 with DOT said they believe it requires an EIS.
6 That was about a year and a half ago. My question
7 is where is the EIS?

8 DAVID WOLOCH: I think we'd have to
9 get the precise answer from DDC and we're happy to
10 go back and get that. I mean I think we share
11 your frustration in a way that a lot of the
12 roadway projects that have been long awaited in
13 Staten Island in particular are requiring EISs and
14 they do take a long time.

15 COUNCIL MEMBER IGNIZIO: Look, I'm
16 not afraid of EISs and I don't think the agency
17 should be. Upon the reaction of there needs to be
18 an EIS, let's hire a consultant and get an EIS
19 done. The problem has been and in particular with
20 regard to this administration as a whole, not
21 yours, the administration as a whole is you hear
22 EIS, people throw up their hands and walk away.
23 For instance, in the target center in my district
24 which requires an EIS, it's been five years. The
25 frustration that I have is not that we need an

1
2 EIS, it's that was two years ago we needed an EIS
3 and why isn't there an EIS? EIS takes a four
4 season study and then probably some time on the
5 front end and the back end for administrative
6 purposes but I would have thought we would be here
7 by now with an EIS saying okay, we got it and
8 let's move forward. That's a concern that I have.
9 I don't know if you can shed some light on that
10 process for me. If it's relating specifically to
11 this project I guess you need to get back. But as
12 a general rule, projects that require EISs how
13 long does that take to get?

14 DAVID WOLOCH: I think it's going
15 to vary by project. I think EISs do tend to take
16 a long time. DDC in our case is trying to do what
17 they can to move the many EISs along.

18 COUNCIL MEMBER IGNIZIO: We'll have
19 to convey and talk about that in greater depth.
20 If need be, I'm happy to allocate some space
21 towards the bike lane on the right-hand side to
22 move things along in DOT. I know these days that
23 helps projects so I'm happy to sign off on that to
24 get the project moving. I'm sure you appreciate
25 that David. The final question I wanted to ask

1
2 was regarding our roads. Staten Island roads are
3 a wreck. I know the statistics. I know the scout
4 team goes out. I don't know what it's looking at.
5 The scout team sometimes has blinders on I think
6 when driving through my district. We the
7 delegation on Staten Island are very concerned
8 about the overall cut. So much so that we're
9 talking about how we can mitigate that or have
10 that done away with vis-à-vis our own capital
11 allocation. Is that a permissible utilization of
12 capital funding?

13 LORI ARDITO: Yes, Council Member
14 we are certainly looking into your proposal and we
15 believe it's feasible. Staten Island Council
16 Members are basically going to kind of offset the
17 30% cut in resurfacing using their capital dollars
18 and we'll put it into a milling contract and then
19 our in-house forces will do the paving. We
20 welcome other monies to do that.

21 COUNCIL MEMBER IGNIZIO: Thank you
22 very much. I think it's a great way of where we
23 are working together to not have our borough be
24 inundated with that and to make sure that our
25 districts are protected and I encourage the

1
2 Council Member throughout that have similar issues
3 to engage in those discussions. I would like to
4 have a sit-down with your agency regarding the
5 progress of capital projects which I funded like
6 widening of streets, particularly corners which
7 are in the various stages and processes in your
8 agency. If we can have that within the next
9 several weeks I'd appreciate it. Thank you for
10 your time.

11 CHAIRPERSON WEPRIN: Thank you
12 Council Member. Council Member Lou Fidler.

13 COUNCIL MEMBER FIDLER: Thank you,
14 Mr. Chairman. I want to associate myself with the
15 initial remarks of Councilman Ignizio. I too have
16 concerns about how bus rapid transit will work on
17 places like Nostrum Avenue. I just don't think we
18 have space. Uncharacteristic as it is for me to
19 say thank you to an agency in the Bloomberg
20 Administration, I don't always get the answers I
21 want from DOT but I always get answers and I get
22 them in a prompt way. I very much appreciate that
23 going back to your days in Brooklyn, Deputy
24 Commissioner. I always know that we will get an
25 answer from DOT. It will look at what we ask and

1
2 we ask a lot. I want to say thank you. My one
3 question is regarding the status of the bridge
4 contracts, the reconstructions of the bridges on
5 the Belt Parkway. Once a week I get a complaint
6 about the quality of the roadwork on the bridges.
7 I've been writing now for two years to people
8 saying don't worry the bridges are being replaced.
9 Can you tell me where we stand with those
10 contracts and those projects, particularly Mill
11 Basin.

12 LORI ARDITO: Deputy Commissioner
13 for Bridges, Henry Perahia is going to answer that
14 question.

15 HENRY PERAHIA: We recently
16 received bids for three of the bridges on the Belt
17 Parkway, Mill Basin not being included. Paerdegat
18 Basin, Fresh Creek and Rockaway Parkway, we're
19 analyzing the bids. We expect that contract to be
20 awarded in a couple of months. Mill Basin had to
21 be delayed a little bit because the Coast Guard
22 asked us to raise the elevation of the bridge
23 above mean high water from 55 to 60 feet. So it
24 involved a redesign. We expect to be going out
25 for bids on Mill Basin in about a year and a half.

1
2 COUNCIL MEMBER FIDLER: Thank the
3 Coast Guard for that. The bids on the other three
4 will result in a beginning of construction
5 projected for when and a completion projected for
6 when?

7 HENRY PERAHIA: I can't tell you
8 completion off the top of my head. I can get that
9 for you. I anticipate that the start of the
10 contract will be in about four to six months.
11 Generally contractors need about six months to set
12 up to start fabricating material and say about six
13 months after that or about ten months from now
14 you'll start to see construction. Just as a
15 reminder, Paerdegat Basin Bridge will be an
16 offline replacement. So we'll be constructing the
17 new bridge off to the side and traffic will be
18 going on the current bridge during construction.

19 COUNCIL MEMBER FIDLER: Obviously
20 we want to see those repairs and replacements as
21 quickly as possible. When it gets to Mill Basin,
22 I'm sure that you know that the Personal Injury
23 Bar in New York City calls the Mill Basin
24 drawbridge the launching pad. So that five feet
25 that the Coast Guard is asking for had best be

1
2 important because we have fatalities on that
3 bridge. I don't have to tell you that. It is a
4 dangerous bridge when it is in its current
5 construction and it is especially dangerous when
6 it's in ill repair as it is. Whatever can be done
7 to move that along faster I think truthfully could
8 save someone's life. So I ask you to put the
9 pedal to the metal.

10 HENRY PERAHIA: We share your
11 feelings.

12 COUNCIL MEMBER FIDLER: Thank you.

13 CHAIRPERSON WEPRIN: Thank you,
14 Council Member. Council Member Ulrich.

15 COUNCIL MEMBER ULRICH: Thank you,
16 Mr. Chairman, especially for that very German
17 pronunciation. Thank you. Commissioners I have
18 two questions and they're somewhat related. The
19 first is regarding the status of the findings of
20 the congested corridors project with respect to
21 Woodhaven and Cross Bay Boulevard in Queens. As I
22 understand it that was supposed to be completed
23 and the results were supposed to be published
24 already. I don't know if you can speak to that.
25 I'll wait for the response and then I'll come back

1
2 with a left hook.

3 LORI ARDITO: Council Member, let
4 me get back to you. I don't want to wrongly say
5 anything here. So let me just get back to you. I
6 just want to make sure I have the right
7 information.

8 COUNCIL MEMBER ULRICH: That's
9 fine. I just understand that DOT had identified
10 throughout the city a number of very congested
11 corridors that they were looking at solutions to
12 try to ease pedestrian safety but also increase
13 the flow of traffic and cut down on the wait time.
14 One of the follow-up questions that I have is in
15 relation to the bus rapid transit and maybe
16 perhaps the possibility of bringing that to
17 Woodhaven or Cross Bay Boulevard and shooting it
18 straight down to Rockaway. I had met with members
19 of the MTA a few weeks ago and they had explained
20 to me that the corridor in Queens that was slated
21 for bus rapid transit was rejected. I think it
22 Merrick Boulevard. It was rejected by the
23 community board there and also some of the area's
24 elected officials were not in favor of it. So as
25 a result obviously that was scraped from the

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2 table. However, now I'm not sure that Queens has
3 an area or a route that's slated for bus rapid
4 transit and I would urge your department to look
5 into the feasibility of perhaps bringing that to
6 Woodhaven or Cross Bay Boulevard. That may be a
7 part of the findings that come out of this study
8 which haven't come out yet. But obviously there's
9 a need to address the situation. I think the two
10 may be more related than people may think.

11 LORI ARDITO: Actually I do have an
12 answer for you on the actual report. The final
13 reports will be issued over the next several
14 months for each of the first five corridors. It's
15 supposed to be beginning with Amboy Road in mid
16 2009. Implementation of some of the operational
17 improvements can actually, like some early action
18 items, can be implemented if the community and all
19 involved agree. Obviously after the final report
20 comes out we could review that and possibly do
21 some early action items before the final reports.

22 COUNCIL MEMBER ULRICH: My last
23 question has to do with a capital project that's
24 probably taboo to bring up for people from South
25 Queens. It's called Highway Project 411B. Are

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you familiar with that, HQ411B?

DAVID WOLOCH: I have my suspicions
but why don't you say it.

COUNCIL MEMBER ULRICH: This is a
massive project involving streets, sewers,
sidewalks. It's in collaboration with DEP and
DDC. My office just received a letter from DDC
saying that they're waiting for DOT's approval.
When we have a meeting and we do, about once a
year, it's like a tradition now in Ozone Park
where we have a meeting with the borough
commissioner for DOT, with the DEP liaison and
with the person in charge of contracts at DDC and
we put them all in one room in front of about 50-
100 community residents. It's like Junction City.
You know they all start pointing their guns at
each other. The DOT says it's DEP's fault and DEP
says it's DDC's fault and DDC says it's DOT's
fault and it goes back and forth. For a project
that's been fully funded for more than 20 years
there hasn't been a shovel in the ground. It's
very disturbing. I've talked to the Bloomberg
Administration. I've talked to every city agency
I can get on the phone with but nobody seems to

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2 have an answer. And the latest that I heard back
3 from DDC was that they were waiting for DOT's
4 approval for some of the design plans and that
5 they were somehow going to parlay the funding
6 which has been there for 20 years. Every few
7 years they just keep pumping more money into this
8 so that they can't say it's not the funding that's
9 holding it up. They're saying now it's going to
10 2014. That's unacceptable for a lot of my
11 constituents and it's a problem for me because I
12 get nasty phone calls and letters on a biweekly
13 basis about this.

14 LORI ARDITO: Council Member, I
15 will follow up and we certainly will get back to
16 you with a definitive answer. If it is being held
17 up by DOT we will make sure that we move it out of
18 DOT.

19 COUNCIL MEMBER ULRICH: Thank you
20 very much.

21 DAVID WOLOCH: Councilman, just to
22 jump back to the Merrick Boulevard issue that you
23 had raised before. One result of the request from
24 the community that we not pursue Merrick Boulevard
25 bus rapid transit was that based on that feedback

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2 we're working on a different project to improve
3 bus service in downtown Jamaica not just for the
4 Merrick Boulevard corridor but all the bus service
5 in downtown Jamaica. We are doing that study this
6 year. There is also going to be an opportunity in
7 early June where we're holding workshops around
8 the city including two in Queens to start thinking
9 about the next round of bus rapid transit
10 corridors. It would be great if you could come to
11 one of those workshops.

12 COUNCIL MEMBER ULRICH: I would be
13 very happy to attend. Of course we have to keep
14 in mind that Woodhaven Boulevard from Queens
15 Boulevard straight down to the Rockaways involves
16 much more than myself. We have Council Member
17 Katz and Crowley respectively who represent
18 portions of that corridor because it runs straight
19 through. But it would be such a tremendous
20 benefit in my opinion to the people of South
21 Queens because of the lack of adequate public
22 transportation not only in Rockaway but also on
23 the mainland portion of Queens as well. I just
24 think it's a great idea. It would definitely
25 encourage more people to use bus rapid transit.

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2 If it's worked in other boroughs, I don't see why
3 it wouldn't work in Queens. You're going to sit
4 in the car for an hour or you can take a bus for
5 40 minutes. I mean it's a no-brainer in my
6 opinion. I'd like to get there in 10 but it's not
7 going to happen. I thank you again. Thank you,
8 Mr. Chairman.

9 CHAIRPERSON WEPRIN: Thank you,
10 Council Member. We've been joined by Council
11 Member Eric Gioia, Council Member Diana Reyna and
12 Council Member Melissa Mark-Viverito. The next
13 questioner is Council Member Gale Brewer.

14 COUNCIL MEMBER BREWER: Thank you.
15 Margaret Forgione is the best. I know you're good
16 but she's the best. She's the best. The 79th
17 Street Rotunda, I know you have the funding and
18 Parks doesn't. Can you help me to understand the
19 timing of that or is it just dependent on Parks'
20 funding for the 79th Street Rotunda at the Hudson
21 River. It's a big project, many dollars, three to
22 four years.

23 DAVID WOLOCH: DOT is funded for
24 that project. Parks, our understanding is still
25 not funded for their portion of that bridge

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2 project. Our hope and expectation is that they
3 will receive the funds they need, which I
4 understand would be over \$25 million.

5 COUNCIL MEMBER BREWER: And you
6 have 50 I think, right?

7 DAVID WOLOCH: Right.

8 COUNCIL MEMBER BREWER: I was just
9 wondering if you could get some federal money for
10 them.

11 DAVID WOLOCH: I believe they are
12 pursing earmarks for the portion of that cost.
13 That would be a big number for earmarks.

14 COUNCIL MEMBER BREWER: Next is the
15 Brooklyn Navy Yard has what I call the windmill
16 solar street lights. They are streetlights that
17 have a little thing that goes like this and a
18 solar panel. My understanding is that I don't
19 know if they'd work in Manhattan. I guess there
20 was some concern. But they certainly work in
21 other places. I wanted to know if you are really
22 seriously looking at them. I know Jeanette has
23 been out there a couple of times. My
24 understanding is you don't have to dig up the
25 street. You put a battery in and they work. So I

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2 want to know what the status is of the twirly
3 solar street lights.

4 LORI ARDITO: Council Member, let
5 us get back to you on that. I will definitely
6 check with our street lighting division.

7 COUNCIL MEMBER BREWER: My
8 understanding is they're saving \$600,000 a year
9 just as Brooklyn Navy Yard by using them and boy
10 you'd save a lot more.

11 LORI ARDITO: Okay we'll look into
12 it.

13 COUNCIL MEMBER BREWER: The other
14 thing is I know this came up before, it came a
15 little bit from probably other colleagues but we
16 have tons of potholes. I understand it was a bad
17 winter, et cetera. What's the timing if somebody
18 calls 311? Do you group them? Do you do them
19 respondent to a call? How does that work for
20 potholes? I'm sorry if you answered it earlier.
21 I apologize.

22 LORI ARDITO: That's okay, no I did
23 not. The way that a pothole works is if it's
24 called into 311, it does get grouped. So what
25 will happen is within the next several days when a

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2 crew is out, we do group them and then obviously
3 as we're going up an avenue or a street if there's
4 other potholes that happen not to be called in to
5 311, our crews just pick them up and we just
6 continue up a corridor and just pick up any
7 potholes that are there.

8 COUNCIL MEMBER BREWER: So the best
9 scenario would be to work with the community board
10 and to group them as a community as much as
11 possible. We have tons. I'm sure everybody else
12 does also.

13 LORI ARDITO: Yes. Right now our
14 pothole numbers are a little higher than normal.
15 I think with the rain we have seen a significant
16 increase.

17 COUNCIL MEMBER BREWER: It's the
18 weather.

19 LORI ARDITO: Yes. We are trying
20 to combat that by doing some pothole days and
21 addressing them. Manhattan gives us a little bit
22 more of a challenge because sometimes when we do a
23 Saturday pothole day Manhattan is difficult with
24 all of the street fairs that we contend with. But
25 we are working on them.

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2 COUNCIL MEMBER BREWER: We like
3 street fairs. I like street fairs. I may be the
4 only one who likes street fairs but I like street
5 fairs. Is that a cut in the budget though when
6 you talked about your budget cut? Are pothole
7 repairs part of that cut?

8 LORI ARDITO: No. Our budget cut
9 was for 300 lane miles of resurfacing. So, no,
10 potholes have not been cut.

11 COUNCIL MEMBER BREWER: Finally,
12 the summer bicycling Park Avenue and so on, what's
13 the status of that? I'm a big proponent. Park
14 Avenue to be closed. We hoped maybe you could
15 come over to the west side. What's the status of
16 that?

17 LORI ARDITO: The department is
18 going to continue the three weekends in August for
19 Summer Streets in Manhattan.

20 COUNCIL MEMBER BREWER: Then
21 finally, if Staten Island doesn't want the BRT,
22 we'll take it on the West Side. Thank you.

23 CHAIRPERSON WEPRIN: Thank you
24 Council Member. We've been joined by Council
25 Member Helen Sears who has a question.

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2 COUNCIL MEMBER SEARS: Thank you,
3 Mr. Chairman and good morning. My question is
4 what is the DOT's relationship to Consumer Affairs
5 because I don't know if you have enough inspectors
6 or what. As it relates to the newsstands being
7 put up against where the community boards and the
8 elected officials say now and suddenly there they
9 are. Do you have the authority? Do you get the
10 application before Consumer Affairs in terms of
11 safety? It's an ambiguity as to who has the
12 authority to say and it's done.

13 DAVID WOLOCH: Consumer Affairs
14 gives the approval based in part on input from us.
15 So we'll make a technical analysis of whether a
16 newsstand can fit on a street, given the other
17 infrastructure like a fire hydrant or a bus stop
18 and given the pedestrian activity at a location.

19 COUNCIL MEMBER SEARS: So does the
20 sidewalk have to have some very specific
21 dimensions in order to do that?

22 DAVID WOLOCH: Yes. I don't have
23 them with me but there are specific criteria.

24 COUNCIL MEMBER SEARS: That's okay.
25 I don't need to know that now.

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2 DAVID WOLOCH: If there isn't
3 enough room because of other items on the
4 sidewalk, a newsstand would not be allowed. If
5 the sidewalk is too crowded based on a pedestrian
6 level of service analysis, it wouldn't be allowed.

7 COUNCIL MEMBER SEARS: Are vendors
8 considered, the proximity of vendors to these
9 newsstands? Is that a consideration in whether
10 you advise yes or no?

11 DAVID WOLOCH: I'm not sure. We
12 can get you the list.

13 COUNCIL MEMBER SEARS: Could you do
14 that because I can tell you if it's a safety issue
15 that you're going to deal with you really should
16 come out. You know my district and I give you
17 those communities because it has reached that.
18 They're just popping up all over. Community board
19 is saying no, I say no and yet suddenly they are.
20 It just makes me wonder if you have enough
21 inspectors and that's why I'm bringing up, to
22 actually look at these applications, get out to
23 the sites, look at the neighborhood as a whole and
24 not just the block that it's going on, because
25 they're not independent. So it could be an

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2 expense issue or what I don't know. But I do know
3 that somehow community board input and the elected
4 officials' inputs are being ignored. I'd like to
5 see exactly where it fits with Consumer Affairs
6 and with DOT. Will you get back to me?

7 DAVID WOLOCH: Absolutely.

8 COUNCIL MEMBER SEARS: Thank you.
9 Thank you, Mr. Chair.

10 CHAIRPERSON WEPRIN: We've been
11 joined by Council Member Miguel Martinez. I
12 believe Chairman Liu has some more questions and
13 then we're going to be hearing from the MTA, so
14 stay tuned.

15 CHAIRPERSON LIU: Thank you very
16 much. So there have been some grumblings about
17 the parking meter rates that they have increased
18 substantially in some neighborhoods. What is the
19 budget impact of increasing those parking rates?

20 DAVID WOLOCH: The January plan as
21 I think you know, had an increase in the outer
22 boroughs for increasing the rates from 50 cents
23 for every hour to 75 cents for the hour. That
24 budget impact was effective in the January plan.
25 That was the \$7 million figure. The plan has a

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2 separate initiative for the commercial rates in
3 the theater district and then in the commercial
4 area beyond that. There is approximately \$7
5 million of revenue in this financial plan from
6 that initiative, also including some amount left
7 over from the January plan initiative.

8 CHAIRPERSON LIU: Is that a total
9 of \$14 million increase?

10 DAVID WOLOCH: Between those two
11 initiatives, yes.

12 CHAIRPERSON LIU: All right, so \$14
13 million additional parking meter revenue and yet
14 the main purpose that's put out there is to
15 increase turnover of the parking spaces. Right?
16 Have the \$14 million been mentioned at all?

17 DAVID WOLOCH: I think we've been
18 discussing both. I mean clearly the money is
19 going to be helpful and prevent other cuts from
20 happening. But as you point out we have many
21 areas around the city, Council Member Sears'
22 Jackson Heights for example where there is no room
23 for parking and there's very little turnover at
24 meters and we haven't raised meter rates around
25 most of the city for over a decade. Private

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2 parking rates have gone up dramatically since then
3 and it's still a good deal at 75 cents for an
4 hour. We do want to encourage turnover. If the
5 price is too low we don't achieve that turnover.

6 CHAIRPERSON LIU: The possible
7 issue is that actually in almost all of the
8 reports the Department of Transportation and the
9 administration has talked about raising the
10 parking meter rates for the purpose of increasing
11 turnover. Nary has it been mentioned that it's
12 been for the purpose of generating revenue. In
13 fact, we are going to generate \$14 million more
14 revenue because of the parking meter rate
15 increases. So my question to you is what kind of
16 study has actually been conducted that
17 demonstrates that in fact raising parking meter
18 rates actually increases turnover? Or is that
19 just a hypothetical?

20 DAVID WOLOCH: I think any analysis
21 done, not just in New York but around the world
22 about parking has concluded that it's basic rules
23 of economics that if you raise the price you
24 reduce the demand. That's been our experience
25 here.

CHAIRPERSON LIU: Well not if it's such a good deal as you mentioned. I mean the basic rules of economics don't apply if the rates are far below market rate. So I'm just saying has the DOT conducted any studies that measure the impact or assess the impact on street parking space turnover due to the increase in the parking meter rates?

DAVID WOLOCH: We've done many studies.

CHAIRPERSON LIU: When was the last time that this was done?

DAVID WOLOCH: We'll get back to you.

CHAIRPERSON LIU: Within the last five years?

DAVID WOLOCH: We'll pull together various studies for you.

CHAIRPERSON LIU: I'm saying the Department of Transportation in New York City. Your department.

DAVID WOLOCH: Correct.

CHAIRPERSON LIU: Do you have any idea when the last study was done?

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2 DAVID WOLOCH: We are routinely
3 doing studies and analysis of parking turnover.

4 CHAIRPERSON LIU: So within the
5 past five years such a study would have been
6 conducted. Is that correct?

7 DAVID WOLOCH: Yes.

8 CHAIRPERSON LIU: A study that
9 measures on street parking space turnover as
10 impacted by a change in the parking meter rates.
11 Is that the study that must have been conducted
12 within the last five years?

13 DAVID WOLOCH: There have been a
14 number of studies done that get at this issue and
15 we can share them with you.

16 CHAIRPERSON LIU: Look, the
17 complaint here is that the parking meter rates are
18 being increased. The Department of Transportation
19 asserts that it's to increase parking space
20 turnover and yet there is no evidence empirical
21 just from the casual observer or otherwise that
22 suggests that increasing or in some cases doubling
23 the parking meter rates actually increased
24 turnover of the on-street parking spaces. There's
25 a fallacy in some of the arguments that are being

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presented publicly.

DAVID WOLOCH: It does. We'll get you studies that demonstrate that.

CHAIRPERSON LIU: Please do. Are they readily available or do they have to be dug up from the archives?

LORI ARDITO: We will be able to get you some information Council Member, readily available.

CHAIRPERSON LIU: Like by next week?

LORI ARDITO: Yes.

CHAIRPERSON LIU: Great. We have a law that is on the books that requires the Department of Transportation to put all parking restrictions online by this September. That is in four months, is that on track?

LORI ARDITO: That is on track, Council Member. We will meet that date for getting it online.

CHAIRPERSON LIU: Wonderful. Are you meeting with some of these commercial providers that have been knocking at the doors trying to include the Department of

Transportation's resources in their applications?

DAVID WOLOCH: We've had a number of discussions with many vendors that are out there. And we're trying on many fronts to push our information out to make more information available on our website but also to make it available in a format that's going to be useful to these third party providers.

CHAIRPERSON LIU: I don't think they need any format. I'm pretty sure that these small companies and I won't mention names here but I don't think these companies want any data formatted for them. They can do the formatting themselves. They just want access to the data that really should be publicly available.

DAVID WOLOCH: They do. It would certainly be easier for us if they really could take it in any form.

CHAIRPERSON LIU: So are you saying that they are actually requesting that the department provide them in specific formats the information that should be publicly available?

DAVID WOLOCH: Absolutely.

CHAIRPERSON LIU: That is not the

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2 information that we get. These companies are
3 probably as capable as the Department of
4 Transportation could be. I think these companies
5 are far more capable at massaging and formatting
6 data. So I think they simply want the information
7 and access to the information. They don't need
8 anything packaged for them.

9 DAVID WOLOCH: There's a difference
10 between just putting information on a piece of
11 paper or putting it on a website and giving it to
12 a provider in a way where they're actually going
13 to be able to use that data. Sometimes it's easy
14 to do and sometimes it requires work. Again, not
15 just in terms of the data you're talking about,
16 but other data source as well where we want to do
17 what we can to make it as useful as possible.
18 There are steps you have to take to make data
19 useful, not so somebody can just look at it but so
20 they can do something with it.

21 CHAIRPERSON LIU: They'll say
22 consistently and over and over that they've been
23 waiting for years for this information and that
24 they don't need anything special done to the
25 information. Your testimony seems to counter

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that.

DAVID WOLOCH: In some cases, it's going to depend on what the data is.

CHAIRPERSON LIU: In any event, it'll all be publicly available online by September. So at that point you wouldn't need to massage or format any kind of data for these companies.

DAVID WOLOCH: I mean it'll depend. The one thing we know we're going to be able to do is provide it to the public. That's going to be the most important thing.

CHAIRPERSON LIU: If you provide it to the public these companies would have the same kind of access. Again the idea here is not to help these companies in any way. The rationale behind putting these parking restrictions online is actually to bring accountability to the city to make sure that these parking regulations are in fact being enforced consistently and that people are not getting unfairly ticketed. Chairman Weprin.

CHAIRPERSON WEPRIN: I believe Council Member Melissa Mark-Viverito had a

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2 question.

3 COUNCIL MEMBER MARK-VIVERITO: Yes,
4 thank you Mr. Chair. I had two specific
5 questions. I want to echo what Gale Brewer said
6 about Margaret Forgione. Definitely she's been
7 very helpful to us. The stimulus money, there was
8 an allocation made for the pedestrian bridge,
9 Randall's Island. Does that fall under DOT? I
10 think it does.

11 DAVID WOLOCH: Yes.

12 COUNCIL MEMBER MARK-VIVERITO: What
13 is the timeline with regards to the repairs and
14 how is that going to be rolled out?

15 DAVID WOLOCH: I can tell you the
16 project is going through design completion now and
17 construction is scheduled to be awarded by this
18 time next year let's say. The construction as I
19 understand it is scheduled to occur over two
20 winters during the period that the bridge is
21 normally closed plus some time thereafter that
22 would be needed for the construction to occur.
23 But it would primarily be focused during the
24 period that it's not normally used during the
25 winter months.

COUNCIL MEMBER MARK-VIVERITO: So it would not impact access because you're doing it during the times that it's typically closed and other times it will stay open?

DAVID WOLOCH: Primarily yes. I think there is some period that would impact on the edges of the winter season just because it would be required for the construction to occur but they're trying very hard to make that not impact at all during that period. There is still some time to work that out.

COUNCIL MEMBER MARK-VIVERITO: So you're projected to do it over a two-year period?

DAVID WOLOCH: That's the current plan, yes.

COUNCIL MEMBER MARK-VIVERITO: What's the total money allocated for that?

DAVID WOLOCH: It's \$14.3 million.

COUNCIL MEMBER MARK-VIVERITO: Because obviously the access issue is a concern, this is constantly an issue with regards to access to Randall's Island period. It's very limited the ability for people to get there walking or other than car. The issue of that bridge being up or

1 down continues to be an issue with the community.
2 I really would want to work with DOT about trying
3 to either communicate to the community at large or
4 to really get information out there as to the
5 access issue, like when the bridge is up or down
6 because it does impact people's ability to get on
7 the island. I know there are safety issues. NYPD
8 gets involved. There are a whole bunch of factors
9 involved with deciding when the bridge is up or
10 down. But it does become an issue for the
11 community about getting to the island and getting
12 access. I just want to raise that because it is a
13 concern that keeps coming up. The other question
14 I had because I don't see it on the analysis of
15 the budget is capital monies, the public plazas
16 that are part of PlaNYC, does that not fall under
17 DOT? I didn't see it in the analysis. That would
18 be under expense, correct?

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20 LORI ARDITO: No, it's under
21 capital.

22 COUNCIL MEMBER MARK-VIVERITO: I'm
23 sorry under capital, that's what I meant to say.

24 LORI ARDITO: It's under our
25 capital budget.

COUNCIL MEMBER MARK-VIVERITO: So it's under capital. What is the amount allocated for that? How many do you project doing in the next fiscal year?

DAVID WOLOCH: We have currently from Fiscal Year 2009-2013 \$52 million funded for public plazas. That was intended originally under PlaNYC for fund four plazas per year. With this cut now we're down to maybe two or maybe three depending on the individual cost of each plaza.

COUNCIL MEMBER MARK-VIVERITO: How many were done last fiscal year?

DAVID WOLOCH: Well we actually haven't started any. We're just still in the design phase for plazas.

COUNCIL MEMBER MARK-VIVERITO: So you're saying that the \$52 million that's indicated in the budget is for two plazas.

DAVID WOLOCH: That's a five year value.

COUNCIL MEMBER MARK-VIVERITO: I see. So about \$5 a plaza basically.

DAVID WOLOCH: I've referring specifically to the construction of sort of more

capital work for plazas. There is also a lot of work for temporary plazas having occurred already.

COUNCIL MEMBER MARK-VIVERITO: So what's the plan in the next couple of fiscal years? Which ones have been identified? What communities? Have you decided that yet?

LORI ARDITO: Council Member, actually no. What we do is we have an interactive with the community. So we just put out for the second go around of plazas an initiative where the community could propose locations to us. From that we will then decide on what the criteria is. We have a criteria for what could be met there and then we make a determination on which locations would best fit the plaza program.

COUNCIL MEMBER MARK-VIVERITO: So you've identified two so far. So where are those first two going to be.

LORI ARDITO: Deputy Commissioner, he said that there were none so far. There are actually four temporary ones that we have already completed this year. So there are four and I can give you those locations obviously. Two of them are in Brooklyn, actually three are in Brooklyn

and one is in Manhattan.

COUNCIL MEMBER MARK-VIVERITO: Can you let us know exactly where? I'm just curious.

DAVID WOLOCH: If I may just add, I'm sorry, just a small caveat to this. From the first round of plazas that was announced last year, nine sites were selected from that. The commitment plan has now indicated clearly which plaza is funded for what amount. So we've been drawing from the funding that was originally put in the lump sum to pay for these individual plazas. Now with the 30% cut, some portion of those nine have had to be cut actually. So we can provide a list of what's actually in the plan specifically by plaza for the construction moving forward.

COUNCIL MEMBER MARK-VIVERITO: We would appreciate that. Those are the questions I had. Thank you very much.

CHAIRPERSON WEPRIN: Thank you, Council Member. We'll now hear from the MTA. Thank you very much for coming.

CHAIRPERSON LIU: I want to thank our deputy commissioners from the Department of

Transportation once again.

CHAIRPERSON LIU: Where is everybody else?

CHAIRPERSON WEPRIN: Lean and mean MTA.

CHAIRPERSON LIU: Here they are. Good afternoon. Nice of you to join the party today. Once again, we're continuing with out joint hearing on the executive budget. I'm delighted to join Chairperson Weprin in chairing this hearing. We have heard testimony and have had questions answered by the New York City Department of Transportation. We are now going to hear testimony and ask questions of our esteemed officials of the Metropolitan Transportation Authority and New York City Transit. Then we expect that in about an hour we will convene a hearing with officials of the New York City Taxi and Limousine Commission. Gentlemen, please proceed.

HILARY RING: Thank you, Councilman. Councilman Fidler, Liu, Weprin, Sears, Mark-Viverito, Ms. Reyna and Mr. Martinez, thank you very much for inviting us. My name is

1 Hilary Ring. I'm the Director of Government
2 Affairs for the MTA. I believe you have copies of
3 my testimony. I tried to keep it very short and
4 sweet for you. I'm joined today by Gary Lanigan,
5 Director of Budgets for MTA; Greg Kullberg, the
6 Director of Capital Programs at MTA; Aaron Stern,
7 the Director of Management and Budget and New York
8 City Transit; and Tom Del Sorbo, the Executive
9 Vice President of MTA Bus. Since this hearing is
10 in relation to New York City Executive Budget, I
11 want to spend a moment discussing the important
12 support that the MTA receives from New York City.
13 We receive financial support in several ways. In
14 2009, we're budgeted to receive \$501 million for
15 the urban taxes, taxes that are levied on
16 mortgages in New York City that exceed half a
17 million dollars and on the transfer of commercial
18 properties valued over half a million dollars.
19 Since the budget was adopted, urban tax receipts
20 have been significantly lower than projected.
21 Through April our receipts are \$108 million less
22 than forecast, or 65% below budget. These taxes
23 support the operations of MTA and New York City
24 Transit which operates the subway system, Staten
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1
2 Island Railway and most of the buses in New York
3 City. The MTA also budgeted \$259 million in
4 reimbursement from the city for the operations of
5 the MTA Bus company. This subsidiary was created
6 in 2005 to operate the seven formerly private bus
7 companies that provided local and express service
8 in Brooklyn and Queens and express service into
9 Manhattan. The MTA also expects to receive a \$148
10 million subsidy called station maintenance that is
11 a Peg to the expenses of operating the Long Island
12 Railroad and Metro North Stations in New York
13 City. Finally, the MTA capital program receives
14 \$80 million annually from New York City. But
15 while the MTA receives substantial financial
16 support from New York City, as you know our fiscal
17 situation has been precarious. When I testified
18 in front of you about two months ago, I discussed
19 the need for the state legislature to adopt a
20 funding plan to stave off the nearly 30% fare and
21 toll increases that the MTA board was about to
22 enact at its March meeting and to restore the deep
23 service cuts that we adopted as part of our 2009
24 budget. Additionally, as I made clear when I last
25 appeared before you, our capital plan which was

not funded at the time, needed a revenue source if we were going to be able to continue the progress in restoring the system that had been made over the past 25 years. About a month after I testified, the MTA re-forecasted its revenues citing declining ridership and further erosion in state subsidies and real estate taxes and we projected another \$600 million deficit in 2009 and \$1 billion additional in 2010. These would be after the fare increases and service cuts were enacted. This is where we stood as recently as last week. But in a few short days our situation has markedly changed. Last Wednesday night, the state legislature passed and Governor Paterson signed a financial rescue package, chapter 25 of the laws of 2009, that gave the MTA something it had been lacking, a more diversified revenue base and a substantial increase in financial support. Through a new regional payroll tax of 34 cents per \$100 of payroll, a 50 cent fee in Yellow Cab rides and increases to motor vehicle and drivers license fees, the MTA will receive a projected \$1.1 billion in new revenue in 2009 and \$1.8 billion in new revenue in 2010. I might want to add that the

payroll tax was as far as I know originally floated by Councilman Fidler as an alternative to congestion pricing last year. So thanks for the idea. We are very grateful to Governor Paterson and the Senate and the Assembly for making hard decisions and dedicating such a substantial amount of revenue to the MTA in an exceedingly difficult budget year. In addition to these new state revenues, the agreement also provided that the MTA would increase fares and toll revenue by about 10% in 2009 and by 7.5% in 2011 and again in 2013. Combined, these new state taxes and fees and the fares and tolls approved by the MTA board will be used to support the operation of the MTA's transportation network including buses and trains in New York City, Long Island bus in Nassau County, the Long Island Railroad, Metro North Railroad and MTA bridges and tunnels. There is also enough funding to finance the first two years of the capital program which I will discuss in a moment. On Monday the MTA board met to adopt a new tariff, putting into effect the lower fare increases that have been agreed to in conjunction with the Albany bailout plan. A proposal to

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2 restore the service cuts, which had been adopted
3 by the MTA board in December will be considered by
4 the board at its regular meeting later this month.
5 We are still working out the details of when the
6 fare and toll increases will take effect, but
7 right now it looks like the new fares will be in
8 place sometime toward the end of June with the new
9 tolls in effect by mid July. Regarding our
10 capital plan, this funding package is projected to
11 generate enough revenue for us to support about \$6
12 billion in debt issuance. Combined with our
13 historical share of federal funds, this is a
14 funding level equivalent to about two years of
15 funding for our program and work on our so-called
16 mega projects, East Side access and Second Avenue
17 subway. As you know our current capital plan runs
18 through the end of this year and we'll be
19 submitting a new list of capital projects for the
20 years 2010-2014 this October. But the fact that
21 we will have funds to continue repairing core
22 infrastructure, facilities and equipment as well
23 as to continue to work on our current expansion
24 projects is vitally important to the health of the
25 New York region. The fact that we're able to move

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2 millions of people every day and night safety and
3 relatively inexpensively is what keeps the New
4 York region going. We appreciate this new
5 investment and recognize as well the
6 responsibility to not only be the steward of this
7 infusion of cash but also of the trillion dollar
8 asset that is the New York region's transit
9 system. I would now be happy to take any budget-
10 related questions that you may have.

11 CHAIRPERSON LIU: It's great that
12 everybody is so cheerful today. Why was it that
13 the MTA board could adopt new tariffs but not
14 restore the service cuts in the same meeting? Why
15 do we have to wait until later this month for the
16 board to restore the service cuts?

17 HILARY RING: I think that it was a
18 function of just logistics of getting the
19 paperwork. I don't think that there's anything
20 more to it than that. The board is scheduled to
21 meet May 25th. Some of the service cuts that were
22 adopted are planned to be restored I think
23 immediately thereafter. But just the normal cycle
24 of things.

25 CHAIRPERSON LIU: Ms. Tandler, feel

free to come up.

LOIS TENDLER: My name is Lois Tandler. I'm Vice President of Government and Community Relations and New York City Transit. I think everything would have waited for the May meeting but for the fact it's a substantial lead time to program all the fare boxes and to do the work to implement the fare so that the fare could go in as soon as possible because the revenues depend upon having the new fare in place for as long as possible. The thought was the board needed to approve the fare so all the back office work could proceed.

CHAIRPERSON LIU: So it takes longer to change the fares than it act takes to cut service or restore service that had actually not been cut yet.

LOIS TENDLER: Right. Yes, because the picks through the service changes, as best as I remember, weren't going to take place until later in June anyway. It was getting certainty on what the fare was going to be so we could begin the back office work.

CHAIRPERSON LIU: Okay. When is

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the next board meeting, the last week of May?

HILARY RING: Wednesday, May 27th.

CHAIRPERSON WEPRIN: Wednesday May 27th. We are expecting all the service to be restored?

HILARY RING: We're expecting the service with passenger impact to be restored, yes. There are some things that the board did in efficiencies that are going to continue to be implemented as was discussed. But as far as all the scheduled bus service and the subway service and all that stuff will continue.

CHAIRPERSON LIU: So none of the bus lines are being eliminated.

HILARY RING: Assuming the board adopts this. Being a legislator I wouldn't want to--

CHAIRPERSON LIU: [interposing]
It's that assumption that makes people nervous. People on the street are asking why were they able to do the fare increases and yet all those service reductions, the bus eliminations that people were fearing, they're being deferred until the end of the month and meanwhile we keep getting additional

1
2 reports about how the MTA's finances are
3 continuing to decline. You've got to understand
4 why people would be suspicious or at least fearful
5 that by the end of this month those service
6 reductions or maybe some part of those proposed
7 service reductions would still go into effect.

8 HILARY RING: The only reason I'm
9 being careful in what I've said is because as you
10 know, you're a legislator, you wouldn't want your
11 staff to be presupposing your action before you
12 took an action and I don't want to presuppose what
13 our board is going to do before they do that. I
14 think there's every expectation that they're going
15 to rescind the budget cuts that were done, but
16 until they do that I don't think that it's
17 appropriate for me as a staff person to presuppose
18 them. But I don't have any fear that it's not
19 being done.

20 CHAIRPERSON LIU: You're a staff
21 person that's knowledgeable. Did Mr. Stern want
22 to add something? You seemed like you were
23 itching to say something. We want you to be able
24 to say things.

25 HILARY RING: No, we're fine.

CHAIRPERSON LIU: You really looked like you wanted to say something. I think you should let him say something. The two year capital plan, I mean the last few capital plans have been on the order of \$20 billion. And in fact we were hoping for a \$30 billion capital plan this go around. But to say that two years of the five year capital plan have been funded and you talk about it being about 6 billion that suggests a \$15 billion capital plan.

HILARY RING: No, it's about a \$24 or \$26 billion capital plan.

CHAIRPERSON LIU: But yet only \$6 billion are covered.

MALE VOICE: There's federal money for those first two years as well. So from our perspective we're running a two year program of \$8 billion.

CHAIRPERSON LIU: I see.

MALE VOICE: Which is on a steady state around \$20 billion. Our view of this takes care of an even--

CHAIRPERSON LIU: [interposing] So in other words the rescue package adopted by

Albany last week will fund about \$6 billion but that's the only source of the capital plan.

MALE VOICE: Right.

CHAIRPERSON LIU: Some of the criticism from the state legislators has been that the capital plan hasn't been identified yet.

HILARY RING: That's true. The statute requires us to submit a plan in October and we're working on it now. Right now we're completing an exercise called 20 years needs which is figuring out what the needs of the system are. Over the summer we'll be working to narrow that down to the list of projects. And in October the plan will be officially submitted to the capital program review board which the city and the state sit on. That's the process. So we're on track for that.

CHAIRPERSON LIU: On track to release the MTA proposed five year capital plan by October of this year.

HILARY RING: Yes. And there will be drafts and discussions prior to that to make sure that we get everybody's input. It'll be an iterative process but this is the process every

five years.

CHAIRPERSON LIU: The stimulus package will presumably go to fund a portion of that five year capital plan?

HILARY RING: No, the stimulus package is proposed to fund projects that were deferred from our 2005 to 2009 plan. In other words, as prices escalated over the past five years, we had to defer some projects to stay within our funding envelope.

CHAIRPERSON LIU: As prices rose faster than what was anticipated.

HILARY RING: Yes, much faster. Through 2007. 2008, there was tremendous inflation in construction. As a result we had deferred projects and about a billion dollars of those projects will be now funded through the stimulus package. So it doesn't affect our 10-14 plan. It's going to help us complete the projects that were slated to be completed in the 05-09 plan.

CHAIRPERSON LIU: So the 05-09 capital plan, all the projects in that plan will have been completed?

HILARY RING: No.

CHAIRPERSON LIU: So some of it will still have dropped off.

HILARY RING: We deferred about three and we're going to be able to replace about one.

CHAIRPERSON LIU: The remaining two that were not able to be taken care of, will that automatically go into the 10-14 capital plan?

HILARY RING: Yes.

CHAIRPERSON LIU: With regard to the bailout package passed by Albany, that essentially provides \$1.8 billion a year recurring revenues.

HILARY RING: It provides a little less in the first year because of the fact that it has to be implemented. But going forward about \$1.8 billion, yes.

CHAIRPERSON LIU: Well what do you mean in the first year it has to be implemented? I thought it was just because we were well into the year already.

HILARY RING: Right and so the taxes don't go into effect January 1st, they go into the effect the first quarter, you lose some

of the money and things like that.

CHAIRPERSON LIU: So in the first quarter meaning beginning April 1st?

HILARY RING: I could look it up. I don't know exactly.

CHAIRPERSON LIU: It's a calendar year basis that we're talking about right.

HILARY RING: Right, we have a calendar year fiscal year.

CHAIRPERSON LIU: So you're suggesting that some of the employers will be billed as of April 1st?

HILARY RING: Well the payroll tax for example is effective retroactively to March 1st, 2009. So we would be missing the payments January and February which would in a full year give you more revenue. That's why the revenue in 2010 is greater.

CHAIRPERSON LIU: So it's roughly a \$1.8 billion annual amount.

HILARY RING: Yes.

CHAIRPERSON LIU: The current MTA deficit is now \$1.8 billion projected through the end of 2009?

HILARY RING: Yes, but not really. The answer is that when we adopted the budget, the budget was \$1.2 billion deficit. Then we closed that \$1.2 billion deficit by doing service cuts and fare increases and things like that. So at that point there was no deficit. Then the deficit increased to \$600 million new deficit. So that's where you get the \$1.8. When we do a budget you close the deficit, so actually there is no deficit.

CHAIRPERSON LIU: I understand that. It was originally a \$1.2 billion deficit projected through the end of 2009.

HILARY RING: That's correct.

CHAIRPERSON LIU: And an additional \$600 million. Without any of the changes in the fares and in the service.

HILARY RING: Yes.

CHAIRPERSON LIU: So that's \$1.8 billion.

HILARY RING: Yes.

CHAIRPERSON LIU: You're saying that the recurring revenue provided by the rescue package is about \$1.8 billion a year. How does

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2 that then still have room for funding the capital
3 plan?

4 HILARY RING: The capital plan is
5 funded through the operating budget.

6 CHAIRPERSON LIU: So in other
7 words, the operating deficit is just a one time
8 deficit? The \$1.8 billion projected through the
9 end of 2009?

10 HILARY RING: When you close the
11 deficit, you close the deficit as long as you're
12 closing with recurring revenues. The point I
13 think on the capital is we issued debt to finance
14 the capital program. The debt service becomes an
15 item in our expense budget.

16 CHAIRPERSON LIU: I know, but the
17 \$1.8 billion deficit that was originally \$1.2
18 billion as projected through the end of the year,
19 are you saying that that already included an
20 anticipated debt service?

21 HILARY RING: Sure.

22 CHAIRPERSON LIU: For the next five
23 year capital plan?

24 HILARY RING: For the debt service
25 that would be incurred this year. No, not for the

next capital plan.

CHAIRPERSON LIU: Michael, you want to jump in here?

HILARY RING: Maybe I don't understand your question.

MICHAEL: I think Hilary does understand the question. I think he's answering correctly. What's happening is that in the current year we have the old capital program and the current capital programs that we're paying debt on. So we pay debt service for the capital program. There are other funding sources for the capital program that fall outside of this. But in terms of the debt service, that's paid from our operating budget. What the bailout, so to speak, did was it funded two years of the next capital program with about the \$400 million a year. So the assumption is that we will have about \$400 million of that \$1.8 billion to dedicate to debt service. That would purchase about \$6.8 billion of bonds. So that would be the funding source that we would then pay for the operating budget.

CHAIRPERSON LIU: Our finance analyst pointed out that the \$1.8 billion provided

by the rescue package does not include the 10% fare increase that would be adopted.

HILARY RING: Right.

CHAIRPERSON LIU: So that's where the additional revenue comes from. We have questions from Council Member Sears.

COUNCIL MEMBER SEARS: Thank you, Mr. Chair. I'll only be a few minutes. What is the status of East Side access? It's been going on a very long time and I'm not sure exactly where it's at.

HILARY RING: We've gotten federal funds for it. It's funding is in the capital plan. Work is ongoing.

COUNCIL MEMBER SEARS: Do you have any anticipated completion date? I know it's a long term project. I'm very much aware of what a complicated project it is.

HILARY RING: I don't have the completion date with me. I'm happy to get back to you with that.

COUNCIL MEMBER SEARS: Can you do that?

HILARY RING: Sure.

COUNCIL MEMBER SEARS: Because it's one of your longest I think.

HILARY RING: Right, it's like sometime 2015, 2017 or something like that.

COUNCIL MEMBER SEARS: And it's certainly one of your major, major expenses.

HILARY RING: Yes, absolutely.

COUNCIL MEMBER SEARS: It certainly is a great project. The other thing is really basically a comment because I ride the subways a lot and everybody knows that, as well as driving my car and taking taxis and buses. Particularly on weekends, we laud ourselves with the tourists that are coming back and I find that we don't need an increase for any of this. The communication is very bad. The trains change their schedules. There are very small notices that are placed on the stairwell. And somebody's going down, you see them when you're going up but it's hard to see them when you're going down. The conductors don't know why an E Train is not running on the E Train route. And I've seen people let two and three subway trains go by before they understand that they needed to take that and only that and have to

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2 get off at another stop that's on an F Route. I
3 don't think an increase is responsible for that or
4 that you need that. I find that the conductors
5 are not aware. Yes, it's an E train and it's
6 running and then someone said but why isn't it
7 running on its normal route and he didn't know. I
8 can tell you where this was the platform was so
9 crowded, half of them were tourists and then they
10 didn't know which way to go. So I find that the
11 communication is very difficult and I don't know
12 why because they're not sudden emergencies.
13 They're repairs or whatever it is that are planned
14 and anticipated and it would seem that the
15 conductors would know exactly when they're working
16 that day, the routes that that train is taking
17 unless it's an emergency. And I can understand
18 then that you need to change and do things.

19 HILARY RING: I could sympathize
20 with that and I actually recently had an
21 embarrassing incident of my own where I was late
22 at night with some kids and we were looking at the
23 tree. The R Train stops at the station. There's
24 no R, there's no R and E's kept passing me by and
25 I didn't want to go to E because E didn't stop at

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the station I was going at.

COUNCIL MEMBER SEARS: I'm glad you have the same experience. Does that create any empathy?

HILARY RING: Tremendous. I talked to Lois and talked to the people at Transit and the answer is one of the things that I think we're doing in passenger communication is one of the reasons why we're doing the line managers. The line managers are much closer to the customers and you can see for example on the 7 Line where the line manager now has made the green circles for the locals as opposed to the purple diamonds for the express trains.

COUNCIL MEMBER SEARS: It's very effective.

HILARY RING: It's very effective. Having the management closer to the customer and having the accountability that that gives is one of the things that we're trying to do to make that more effective. It's a very complex system. It happens to me all the time. I can sympathize with tourists but I think that we're working on it. If you have some specific suggestions we'd be happy

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2 to take those into account. The communication has
3 gotten much better with the signage.

4 COUNCIL MEMBER SEARS: You still
5 need the sound to improve. I know that you've
6 been enhancing your systems and those computers.
7 But at the same time they still need to be
8 improved. Because there are times when you
9 absolutely cannot understand. That equipment is a
10 capital item. Other things are expense items. So
11 it seems that we should be aware of just if you
12 are purchasing new equipment, if you're not, if
13 the ones that work are being fixed or what. Then
14 I'm finished with my question.

15 LOIS TENDLER: I just wanted to
16 respond to one thing you said Councilwoman.

17 COUNCIL MEMBER SEARS: Yes. That's
18 Lois Tendler. A long time very knowledgeable MTA
19 woman.

20 LOIS TENDLER: We're constantly
21 struggling to let everybody know about weekend
22 service diversions which are now part of what we
23 call general orders. I'm interested in what you
24 said about a conductor who seemed clueless about
25 what was going on in his line. That should not

happen because every tour of duty begins with time for train personnel both motormen and conductors to review the general orders on their line.

They're briefed on that. I would ask you in the future if you have a situation like that, look at the train number and the car and give me a call.

COUNCIL MEMBER SEARS: We'll do that.

LOIS TENDLER: We understand it is an issue. We have time for them to be briefed and they should be communicating that to the public.

COUNCIL MEMBER SEARS: Thank you very much because we'll do that. Thank you. Thank you Mr. Chair.

CHAIRPERSON LIU: Thank you, Council Member Sears. Councilman Fidler.

COUNCIL MEMBER FIDLER: Thank you Mr. Chairman.

CHAIRPERSON LIU: I'm sorry Councilman, let me just say that we've also been rejoined by Councilman Eric Ulrich of Queens. Councilman Fidler.

COUNCIL MEMBER FIDLER: Thank you Mr. Chairman. Mr. Ring, thank you for the shout

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2 out on payroll tax. I know that I submitted that
3 plan to the MTA when we were arguing about
4 congestion pricing. Somehow I imagine that you
5 guys got it to Mr. Ravich because I'm sure it
6 wasn't a coincidence. I appreciate your
7 assistance in that and I'm sure that we're all
8 grateful that it's finally passed. If it had been
9 passed when we originally suggested it and I
10 introduced the resolution here, we had eight co-
11 sponsors on it. I know Councilwoman Reyna was one
12 of them. I don't recall who the others were at
13 the moment. We would have had about a billion and
14 a half dollars in the bank already and we never
15 would have had to put the public and the MTA
16 through the aggravation of discussing huge fare
17 increases and services cuts. Every now and then
18 the right thing happens, unfortunately government
19 rolls even slower than the E Train. I'm glad that
20 happened and I thank you for mentioning it. I am
21 concerned however, the Council Finance staff
22 basically says that your five year plan and that's
23 what it is supposed to be, is going to have a \$15
24 billion funding gap. Is that consistent with your
25 understanding as well?

MALE VOICE: Given our current envelopes, it's about a \$20-\$23 billion, of which \$8 billion will be funded.

COUNCIL MEMBER FIDLER: So what happens in two years?

HILARY RING: We're going to submit a five year plan and when we submit our plans oftentimes they have funding gaps and we will be dealing with that at a later date.

COUNCIL MEMBER FIDLER: Has the MTA sought an economic projection of what will happen or what could happen to the economically sensitive urban taxes like the mortgage reporting tax? A couple of years from now, if and assuming as I have to in order to live in this world that we're going to come out of this economic malaise and that real estate will return to health.

HILARY RING: Our process for doing our budget is very similar to the city's in that in July we will do our preliminary budget for 2010. At that time I believe we will be doing projections looking forward for the next four year financial plan. So that would be 2010, 2011, 2013, so that's the four year financial plan in

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2 July would be the first look at the out year
3 numbers.

4 COUNCIL MEMBER FIDLER: The
5 mortgage recording tax which you said came in at
6 65% under plan, that money is also used to buy
7 bonds to fund the capital program?

8 HILARY RING: That money is also
9 used to pay debt service.

10 COUNCIL MEMBER FIDLER: The same
11 thing I just said.

12 HILARY RING: Well it's not used to
13 buy the bonds. It's used to pay the bond holders.

14 COUNCIL MEMBER FIDLER: Pay the
15 bonds, yes. All right, I'm sorry. So if that
16 were to return to the anticipated level, how much
17 more would that fund towards that \$15 billion gap?

18 HILARY RING: Which anticipated
19 level? I mean the amount we're short from budget?

20 COUNCIL MEMBER FIDLER: Yes.

21 HILARY RING: Generally you get
22 about 15 to 1.

23 COUNCIL MEMBER FIDLER: So it would
24 be about a billion and a half more.

25 HILARY RING: Right.

COUNCIL MEMBER FIDLER: I note that you are preparing the programs for October for your capital plan and I just want to make a comment and make a couple of out of the box suggestions for things that I would ask you to look at. I mean many of us, particularly from the outer boroughs, have always looked at the MTA capital plan as a bit Manhattan-centric and fairly so because that is the center of our city and that's where people come from throughout the region to work in disproportionate numbers. Still, many of us look at a lot of these funding dilemmas is how do we fund the extension of the 7 Line and Second Avenue Subway which takes up just an inordinate part of your capital plan. I want to suggest to you one large project and one probably small project that might affect the rest of the world. I suggested at the same time I was talking to you about the payroll tax that the MTA look at connecting Staten Island, the light rail on Staten Island to the heavy rail system in Brooklyn so that a Staten Islander might be able to get on the train and for one fare make it all the way into Manhattan. Staten Island is the

fastest growing part of the city. I am sure that that tunnel would be expensive. It's a shame that we didn't build it in the 1920 when we first started to build it. But in terms of something that would truly increase ridership for the MTA, it would get people out of fossil fueled buses, out of their cars and into trains. Whether or not you could begin the process of looking at that connection would be one thing I would want to suggest to you. The other is last week we held a hearing of the Environmental Protection Committee on hydrogen fuel cell technologies. As you may or may not know, hydrogen fuel cell vehicles are zero emission, absolutely zero emission vehicles. We had testimony from some people there about hydrogen and hydrogen hybrid buses that are being used in some cities, particularly in Europe, with the idea that mass transit is the most logical place for this technology to make its first entrance because buses return home at night, the refueling problem, you know the need to have refueling stations all over the place doesn't apply to mass transit. When those buses come home you can have the hydrogen station right there.

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2 Now the cost of the buses and the hybrids is
3 significantly more today. The cost of the fuel is
4 not. And of course the impact on society of
5 having clear air, I mean absolute clear air.
6 Buses would be enormously forward looking and a
7 wonderful thing. So I just would ask you to look
8 at the idea of maybe even just one depot. I would
9 love to see them all, but one depot converting
10 over to hydrogen fuel cell technology, filling it
11 with buses that are going to be fueled by hydrogen
12 or hydrogen hybrids as something that would be
13 just an enormous step for the future that the MTA
14 could take. We could be the leader in this
15 country. People would look at that. I would
16 suggest that there might be Department of Energy
17 funding for that. There may even be stimulus
18 money for that because the technology exists and
19 we had a presentation where I've actually seen it
20 with my eyes. I just would commend those two
21 ideas to you and ask you to look at them.

22 HILARY RING: We'd be happy to look
23 at that. Just on the buses, I just want to point
24 out that during my first tour of duty at the MTA
25 in the late 80s or early 90s, I was actually very

1 involved in the development of the hybrid bus. We
2 were looking for a solution that would reduce
3 emissions and the current technology was
4 compressed natural gas, which was very, very
5 difficult for us. Compressed natural gas floats
6 as opposed to diesel which sinks and essentially
7 you're turning your depot upside down. It just
8 wasn't workable. While we were able to install
9 some CNG buses in some depots we really put a huge
10 push into developing new technology which was
11 actually hybrids. And working with the New York
12 State Energy Research Development Authority and
13 General Electric Research and Development, we were
14 actually the cutting edge of the hybrid engine. I
15 think that without our market heft of doing this
16 there wouldn't be hybrid buses and there probably
17 wouldn't be hybrid cars because the whole
18 technology was at that point being created from
19 scratch. So we do have a good track record in
20 being innovative especially in our bus system.
21 I'll pass this along and we'll get back to you
22 with what we think and we'd love to include you.

24 COUNCIL MEMBER FIDLER: If in fact
25 it is true that MTA led the way to hybrid cars,

1 just imagine the change in the world if you would
2 lead the way to hydrogen cars that don't pollute.
3 I will tell you that I've seen pictures and
4 schematics of there fueling stations in Munich and
5 other places in Europe. Those stations look just
6 like a gasoline refueling station. While there's
7 a different technology and a difference in how you
8 bring the hydrogen to the station, you could
9 probably retool pretty easily in this case. At
10 least that's what the experts are telling me
11 because I'm certainly not an expert. I'd be happy
12 to share with you all the information that we got
13 at the Environmental Protection Committee last
14 week. If we can begin that process that would be
15 just an absolutely great thing. Thank you.

17 CHAIRPERSON LIU: Thank you
18 Councilman Fidler and questions from Council
19 Member Gale Brewer.

20 COUNCIL MEMBER BREWER: Thank you.
21 The plan is not happening but is there some kind
22 of list as to what that would have produced as
23 opposed to what the state legislature passed or is
24 it just all in the capital? Because Ravitch sat
25 here two or three times and we were going to have

1
2 new buses and they were going to come more often
3 and we got all excited.

4 HILARY RING: You mean as far as
5 what's it going to produce in terms of that?

6 COUNCIL MEMBER BREWER: In other
7 words, there were certain promises that the tolls
8 were going to produce in terms of new buses. My
9 understanding was the tolls would produce the
10 buses and then the payroll would produce what it's
11 going to produce now.

12 HILARY RING: I think that there
13 was, under the Ravitch proposal, the tolls were
14 going to be used for operating expenses including
15 some new bus service and the payroll tax once the
16 tolls were up was going to be used for capital
17 projects between when the Ravitch commission first
18 released their proposals and when the legislature
19 passed and the governor signed Chapter 25 is the
20 deterioration of our finances. If you recall, the
21 Ravitch commission released their report in the
22 fall, November, and since November until now the
23 situation has not improved and has gotten markedly
24 worse. It's not really an apples to apples
25 comparison. As far as enhancements, we are

1
2 fortunate that the customer impact will be
3 minimized and that the line eliminations and the
4 bus route eliminations and the headway changes and
5 the things that were really very difficult for our
6 customers will not happen and that the first two
7 years of the capital plan are funded and we're
8 very happy about that.

9 COUNCIL MEMBER BREWER: I
10 understand. I mean it's just you still have to
11 wait a long time for the M10 and M11. You know,
12 we were hoping, but I guess we're still going to
13 have to wait. My other question is students.
14 Students obviously have metro cards. I think the
15 city pays some and the state pays some.

16 HILARY RING: And the MTA pays
17 some.

18 COUNCIL MEMBER BREWER: And the MTA
19 pays some. I'm wondering if that will change, if
20 there's any possibility, probably not, of any
21 additional? Students are always stating that
22 they'd like to go to after school programs and so
23 on. Can I get an update on that?

24 HILARY RING: I don't know, ten
25 years ago, the MTA began paying for a portion of

1
2 the student fares. Our July financial plan
3 recommended that the MTA get out of the business
4 of subsidizing the city for the student fares.
5 That was not adopted.

6 COUNCIL MEMBER BREWER: Oh good.

7 HILARY RING: There is no change to
8 student fares that I'm aware of regarding the
9 reimbursements. There is a bill in the
10 legislature to increase the funding, I think it's
11 someone by the name of Brennan has a bill to
12 increase the funding to MTA for student fares but
13 I don't know the details of that. Regarding the
14 fares and the funding for student fares, none of
15 that changed.

16 COUNCIL MEMBER BREWER: Thank you,
17 Lois. Go ahead.

18 LOIS TENDLER: You're welcome.
19 Currently all student passes have three trips a
20 day which is to allow for some after school
21 activities.

22 COUNCIL MEMBER BREWER: They want
23 more.

24 LOIS TENDLER: Doesn't everybody.

25 COUNCIL MEMBER BREWER: They want

1
2 more. The other question I have is I know that
3 Council Member Liu has had many topics. You and I
4 have discussed the technology. So does any of
5 this that we're looking at, either part of the
6 stimulus or next year's five year plan deal with
7 any of those technology issues which are endless?
8 Coming, finding the bus, finding the subway, when
9 is it arriving, et cetera?

10 HILARY RING: It provides funding
11 to continue working on for example doing the
12 signal system.

13 COUNCIL MEMBER BREWER: For the
14 buses and the subways?

15 HILARY RING: Yeah.

16 COUNCIL MEMBER BREWER: For both?

17 HILARY RING: It's the end of the
18 chain, so to speak, to have the sign say your
19 train is going to arrive or your bus is going to
20 arrive. All the work that's being done and for
21 example, all the people who live along the number
22 7 Line who have been inconvenienced for many years
23 now of weekend closures and inability to go from
24 Long Island City to Grand Central, all that work
25 has been putting in the equipment that allows us

1
2 to actually make the change. We're doing the
3 infrastructure work now. One other thing and it's
4 not customer-related but I would want to point out
5 that we are doing which I think will have a big
6 change is we're implementing a business service
7 center. Right now our agencies each have a back
8 office, each have a payroll department and they
9 each have IT, they each have an HR department.
10 Everyone sort of runs separately. The board
11 created a business service center which is we are
12 installing a MTA-wide PeopleSoft system and we'll
13 be putting that work for HR and finance in a
14 centralized place that's going to actually just be
15 servicing all the different agencies. We think
16 that's going to save us about \$40 million a year.
17 That's a very big technological project that's
18 going to really change the way that we do
19 business.

20 COUNCIL MEMBER BREWER: And the
21 savings will be in 2010?

22 HILARY RING: I don't know exactly
23 when it's fully effective. I think it's probably
24 three or four years down the road.

25 COUNCIL MEMBER BREWER: I

1
2 appreciate that. On the technology front for when
3 the subway or bus is coming do you have any
4 timeframe on when the buses in particular might be
5 announced? I know you're looking at the 7 because
6 it goes straight.

7 HILARY RING: I can get back to you
8 with that.

9 COUNCIL MEMBER BREWER: I would
10 appreciate it. Just finally, I think I know, but
11 59th Street Lois says in on budget and on time and
12 all my friends complain anyway because we're West
13 Siders. West 96th Street is also on budget and on
14 time, is that correct?

15 LOIS TENDLER: Broadway is on
16 budget and is on time.

17 COUNCIL MEMBER BREWER: They don't
18 complain about that one.

19 LOIS TENDLER: As I think I
20 communicated with you recently Councilwoman, 59th
21 Street Columbus Circle is a couple of months
22 behind schedule. We expect it to be done by the
23 end of the year.

24 COUNCIL MEMBER BREWER: End of
25 2009. And when is 96th Street supposed to be

done?

LOIS TENDLER: I think it's about two years from now but I would have to just check the date. It was a 48 month contract.

COUNCIL MEMBER BREWER: Thank you. Thank you, Mr. Chair.

CHAIRPERSON LIU: Thank you, Council Member Brewer. And continuing on the technology issues, earlier this year we had a hearing about the MTA's efforts to install vehicle location devices on the buses. That hearing didn't go all that well. In fact, your colleagues at the MTA basically said it failed and there were no plans to get it back on track. You don't have to answer. I'm not asking you a question. I just want to point out to you that actually we just found this out last week or maybe two weeks ago, your colleagues at Access A Ride have successfully installed those vehicle locator devices in half of the Access A Ride vans, about 1,000 of them. They expect all 2,000 Access A Ride vans to be equipped with the vehicle location devices by the end of this year. So I'm hoping that you can go back to the folks in the bus division, and I think we have

1
2 a couple of the executives here from the bus
3 division, point out to the people who have been in
4 charge of installing those automatic vehicle
5 locator devices, suggest to them that they might
6 want to talk to the people at Access A Ride, like
7 down the hallway. Then a more serious issue with
8 regard to technology has to do with this seemingly
9 excruciating effort to harden the subway system
10 against terror attacks. Something that the MTA
11 proudly announced back in the end of 2002 and the
12 beginning of 2003 and specifically talked about in
13 this committee's budget hearings in the spring of
14 2003 that \$600 million was allocated for that
15 purpose. And then a couple of years later another
16 \$500 million, for a total of \$1.1 billion of
17 funding allocated for the purpose of hardening the
18 system against terror attacks. Much to our
19 consternation we see reports just also within the
20 last week and a half or so that in fact the
21 company that had been awarded a large contract for
22 this purpose is suing to try to get out of it. So
23 the question right now is how much money has
24 already been paid to this company Lockheed Martin.

25 HILARY RING: We've completed a lot

1 of different security projects in this regard.
2 The project is advancing. The project has gotten
3 incrementally more secure with each piece of work
4 that we do. We've already completed projects that
5 address the perimeter protection, structural
6 hardening of the tunnels for example and fire life
7 safety improvements. For these projects which
8 really improve the safety and security of our
9 customers we've spent about \$400 million to date.
10 You mention Lockheed, that's another element of
11 this program. As the press reported, we are
12 currently in litigation with Lockheed over their
13 performance of the contract. I think that that
14 New York Post story was a bit of maybe a
15 preemptive strike on their behalf. But we are
16 both asserting claims against each other and the
17 work has been proceeding. It's taken longer than
18 we would have liked. In fact that's one of the
19 things that we're claiming against them is the
20 project delays.

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22 CHAIRPERSON LIU: So is that
23 project still going to happen?

24 HILARY RING: Excuse me?

25 CHAIRPERSON LIU: That project

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still is going to happen?

HILARY RING: Well it's about 75% complete. The biggest delays right now are Lockheed's inability to run and pass software and system testing. If they could get the system to run as the scope, then it would be different. The contractor shows completion this year and we're monitoring it carefully. So far that contract, the Lockheed value contract was \$307 million. We've paid them \$241 million.

CHAIRPERSON LIU: \$241 million.

HILARY RING: Yes.

CHAIRPERSON LIU: It's hard for us to go after you or perhaps any one you sitting. By the way, I do want to recognize the fact that we have been joined by Council Member Robert Jackson of Manhattan and also before Council Member Maria Baez of the Bronx. It's hard for us to really ask you too many detailed questions about this because you weren't here at the time. But I will remind the MTA and you certainly have to take this back. The idea that the MTA has already spent \$241 million on this project that seemed destined to fail from day one, that does

not inspire confidence on the part of the public. You weren't here at the time but this committee warned in August of 2005 when that Lockheed Martin contract was about to be rushed through that in fact the MTA had not tested the system to see whether in fact the software and the programming actually worked. And now the MTA is sitting here saying that Lockheed did not demonstrate that the software and the programming actually works. You know how that sounds to the committee right now? This is exactly what we said four years ago. It's a problem and it is unfortunately a failure on the part of the MTA with respect to this \$241 million. I don't know if the MTA is obligated to pay the entire \$307 million. By the way, it was originally budgeted for \$212 million. So there is already huge cost overruns. This is something that the MTA needs to take more seriously, the hardening of the system against terror attack. My last point, because we have the TLC officials here, is a good thing and that is that I really do want to thank all of your, especially Lois Tandler and Rob Marino and also the willingness on the part of the Metropolitan Transportation Authority

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2 to donate a couple of subway cars for the purposes
3 of training our future students, probably a
4 generation of students at Transit Tech High School
5 in Brooklyn. I think that was a good thing that
6 was done. Of course it always takes longer than
7 we ever imagine from the get-go. But nonetheless
8 it has been done and I thank the MTA for that.

9 HILARY RING: Thank you very much.

10 CHAIRPERSON LIU: Thank you very
11 much. We'll now move into the third and final
12 round of today's joint hearing of the Finance and
13 Transportation Committees. We're to be joined by
14 our officials from the New York City Taxi and
15 Limousine Commission.

16 [Pause]

17 CHAIRPERSON WEPRIN: We can
18 continue on with today's hearing. We've been
19 joined by the officials of the New York City Taxi
20 and Limousine Commission. Thank you gentlemen for
21 joining us today. Please proceed whenever you're
22 ready.

23 MATTHEW DAUS: Good afternoon
24 Chairman Liu and members of the City Council
25 Transportation Committee and Finance Committee.

My name is Matt Daus. I'm the commissioner and chair of the New York City Taxi and Limousine Commission. Thank you for the opportunity to appear before you today to present testimony regarding the Fiscal Year 2010 Executive Budget for our agency. Joining me today are to my right, First Deputy Commissioner Andrew Salkin. To my immediate left, Deputy Commissioner for Finance and Administration Louis Tazzi and to his left is Chuck Frazier our general counsel. The TLC'S budget for FY 2010 is \$29,643,230. Of that amount, \$22,865,565 are for personal services or PS monies; \$6,777,665 are for OTPS or other than personal service. Currently the TLC licenses 103,326 drivers and 55,561 vehicles. The number of taxicab driver licenses hit yet another record high this April of 47,458. That's in addition to 52,821 for-hire vehicle driver license, 2,788 para transit driver licenses and 259 commuter van driver licenses. The TLC has worked diligently to ensure that operational standards are not compromised as the number of license applications continue to increase. We have seen an 11% increase in transaction volume from FY 2007 to FY

2008 and a 6% increase in transaction volume when comparing the first half of Fiscal 2008 to the first half of Fiscal 2009. However, the average wait time at the licensing facility actually decreased from 32 minutes in April 2008 to 18 minutes in April 2009 which is a 44% decrease.

One reason for the success is the recent creation of a new licensee support customer relations unit in the licensing division which helps to provide hands-on assistance to our licensees. We employ a bilingual staff of greeters, informational kiosks and new signage and forms written in plain language that are more user friendly, all helping to facilitate TLC communication with licensees and expedite license transactions. The TLC adjudications division has also actively employed new services and technology to enhance access to the adjudication process. As we mentioned previously, the TLC commends the new telephone consumer hearing process which is the first of its kind in New York City. Since January, over 200 phone hearings were held. Telephonic hearings make it possible for those consumers who may not be able to actually attend a hearing to finally

1 have a way to participate in the process. TLC
2 also implemented access to language line, which
3 provides free language translation services to
4 licensees during the hearing process. From March
5 11th through April 30th, a total of 48 calls were
6 placed to the language line with the majority of
7 language requests in Spanish. Other translations
8 have included Korean, Mandarin, Russian, French,
9 Creole, Arabic, Polish, and Cantonese. While we
10 are still developing our web conferencing capacity
11 to increase participation in the adjudications
12 process, a video conferencing system is now being
13 tested between the TLC Staten Island facility and
14 it's Long Island City facility. The TLC's current
15 budget reflects several special projects and
16 initiatives including the rule revision project,
17 deliver reforms, the accessible dispatch program
18 and also taxi group rides, multi-fare meters and
19 livery stands. These programs require close
20 coordination between the TLC, the industry and
21 interested stakeholders to ensure success. First
22 the rule revision project which is in the second
23 of its three phases, requires continuous outreach
24 and work with our consultants to make our more
25

1
2 than 3,000 plus rules easier to understand in
3 plain language, more concise and better organized.

4 As a regulatory agency, the TLC has an obligation
5 to ensure that each passenger's riding experience
6 meets standards for safety, comfort, reliability
7 and convenience. In the many months of extensive
8 outreach and work with the industry the TLC's
9 board of commissioners recently considered a broad
10 set of reforms to our for-hire vehicle rules.

11 These reforms will significantly enhance TLC
12 regulation of the livery, black car and limousine
13 industries and will also raise service standards
14 by requiring new levels of accountability between
15 drivers, bases and vehicle owners. These reforms
16 include the display of driver licenses, TLC
17 vehicle license stickers and exterior base
18 affiliation markings on vehicles. Other rules
19 require that vehicle inspections for each licensed
20 vehicle take place at the TLC centralized dispatch
21 facility upon licensure and upon license renewal.

22 That would be in addition to the five required
23 vehicle inspections that will continue to be
24 required at New York State Department of Motor
25 Vehicles authorized inspection facilities during a

vehicle's licensing term. These inspections will help to ensure that only vehicles that meet TLC standards remain in service. Also, thanks to a law passed by the City Council, a livery passenger bill of rights will soon be displayed in all livery vehicles, helping passengers to better understand and enforce their rights, many of which are reinforced through the TLC's new for-hire vehicle rule reforms. TLC's accessible dispatch demonstration project will continue into next year. This program utilizes a dispatcher to link the 239 accessible vehicles with identified riders that use a wheelchair. To date, this program has successfully provided almost 2,000 riders with wheelchair accessible service. The TLC and the Mayor's Office of People with Disabilities are continuing a public outreach campaign to ensure that New York City visitors and residents know about this service. As mentioned in the Mayor's recent State of the City address, there is renewed interest in transportation initiatives that not only decrease the carbon footprint for vehicle emissions but also help to provide additional transportation services throughout the city. The

1
2 TLC along with its partners at the Department of
3 Transportation and the Economic Development
4 Corporation have been exploring potential pilot
5 programs that may utilize multi-fare meters as
6 well as designated group ride and livery stands
7 throughout the city. These proposed pilot
8 programs will test new technology, explore the
9 feasibility of safe and reliable on demand livery
10 service at designated locations and also assess a
11 variety of ride share locations where drivers can
12 earn more money and passengers will pay less per
13 trip. TLC staff will be presenting these new
14 initiatives to the TLC's board of commissioners at
15 an upcoming commission meeting. In sum, today's
16 testimony highlights TLC's continuous commitment
17 to better serve our licensees and the riding
18 public through key operational improvements as
19 well as to explore new and exciting methods to
20 deliver TLC regulated transportation services.
21 Thank you again for the opportunity to testify
22 today. I'd be happy to answer any questions you
23 have.

24 CHAIRPERSON LIU: Thank you very
25 much commissioner. On-demand livery service at

1 designated locations. That's pretty interesting.
2
3 What exactly is that?

4 MATTHEW DAUS: Well it shouldn't
5 surprise you. It's something that you've held
6 many hearings on in the past. On-demand livery
7 services is exploring the use of livery stands in
8 a way where we can meet both the Council's needs
9 that they've expressed in the past but also find a
10 compromise with some of our concerns that we've
11 raised. That would include opening up not some
12 public streets but the private areas, shopping
13 centers, malls, the use of their private
14 facilities if they are interested to have a stand
15 where one or more livery services can have walk-up
16 type service. Some of the things we'd be looking
17 at was making sure that we addressed concerns that
18 I previously raised is to have close supervision
19 of those stands, including the requirement that
20 dispatchers be there. That we have the rates of
21 fare posted and that it be supervised and
22 maintained in accordance with TLC standards. So
23 that's something that we will be talking about
24 with our commissioners and if they approve that we
25 envision going out with an RFI to ask which

private businesses in all the boroughs are interested and then we'll make a decision which ones we choose for the pilot. That's what's meant by on-demand livery services.

CHAIRPERSON LIU: This would be the other vehicles, not Yellow Cabs.

MATTHEW DAUS: Liveries.

CHAIRPERSON LIU: Liveries. So basically allowing a livery company, a base station to have like a satellite location inside a shopping mall.

MATTHEW DAUS: That's a good way to describe it, yes.

CHAIRPERSON LIU: It would be only on private property.

MATTHEW DAUS: For the purposes of the pilot that we're looking at now that we're going to be presenting to our commission, yes. We're not ruling out the potential application of this if it's successful on public property.

CHAIRPERSON LIU: But the TLC doesn't actually have to get involved on private property. Private property owners they could go ahead and do this already on their own.

MATTHEW DAUS: They can.

CHAIRPERSON LIU: It's really just having a base station located themselves.

MATTHEW DAUS: Well it depends. You know once you create a location and the expectation of service, I think it's important that it be policed, regulated and supervised. There are some people that do it in an informal way but I think it would be a stretch to say that it's properly regulated and supervised to the extent that we would like it to be. Also, we're not looking to make street hails legal. What we're looking to do is to have a concentrated location where there is appropriate signage and there's an organized prearrangement. So we would have to basically change our rules to allow that. We want to be actively involved in this because if it works well we might be able to roll it out in various other capacities and various other forms. But we do need to approve it. It's not technically legal for someone to just put a stand up on private property and accept street hails.

CHAIRPERSON LIU: Right. So you're saying that at this kind of a livery stand you'd

1
2 allow multiple base stations to have their
3 vehicles operating from that stand or it would
4 still be exclusively cars from one base station.

5 MATTHEW DAUS: The potential to
6 look at all of those scenarios, we're open to
7 that. We're looking at and staff is recommending
8 that we start with one base but that could change
9 depending on the feedback I get from my board of
10 commissioners. One base per property that is. So
11 it's exciting and I know the Council and you
12 yourself Chairman have been long an advocate.

13 CHAIRPERSON LIU: I mean this is a
14 good idea. Finally TLC is addressing a clear
15 demand.

16 MATTHEW DAUS: We didn't forget.

17 CHAIRPERSON LIU: I guess sometimes
18 it takes a long time. Nonetheless, it's a good
19 thing and we're happy that you're doing this.
20 Let's push it along quickly. Again, there are
21 many of our constituents outside Manhattan that
22 would like on-demand car service, whether it's
23 Yellow or through liveries which is currently
24 illegal but still people do it because they need
25 that transportation. We have questions from

Council Member Gale Brewer. Gale, you don't have to say anything to incriminate yourself.

COUNCIL MEMBER BREWER: I've never understand this because I hail whatever they're called all day long, non-Yellow taxis.

MALE VOICE: You get Yellow Cabs.

COUNCIL MEMBER BREWER: I get both. Whatever is coming down the street I just take it. I've never understood what the problem was. Nobody has ever stopped me, the cab or anything so I don't know. The 50 cents that Albany authorized. How does that get collected and how does it get to the MTA et cetera? I'm not happy about it but it exists. How is that going to be worked out?

MATTHEW DAUS: We don't know yet. This morning I spoke to the commissioner of the State Division of Taxation and Finance and we are going to be having a meeting or a conference call before the end of the week. We're still in the process of analyzing the details of the legislation. There are certain challenges to implementing this. So from our standpoint we're going to do everything that we can to uphold the

1
2 law and implement and enforce this law. But we
3 first have to understand exactly what it says and
4 how we can best do that. So we're going to move
5 immediately to do that. We do have six months
6 before it goes into effect. But my hope is within
7 the next week or to we'll have a concrete
8 implementation plan.

9 COUNCIL MEMBER BREWER: And it
10 won't have any detrimental effect on drivers in
11 any way, because I guess people will just base
12 their tip or whatever on including the 50 cents.
13 But they don't get any portion of this right, the
14 companies or the drivers? It's a pass through.

15 MATTHEW DAUS: Per the law it's
16 going to be added on to the meter. It is
17 tantamount to a 5% fare increase.

18 COUNCIL MEMBER BREWER: But not for
19 the drivers or the companies.

20 MATTHEW DAUS: Right. But the
21 passengers are paying. And it's going to be
22 collected by the drivers. We need to figure out
23 some of these issues. But to answer your
24 question, the second question was what the impact
25 is going to be.

COUNCIL MEMBER BREWER: Yes.

MATTHEW DAUS: I mean I'd rather not speculate on that. It's too early to tell. I mean there may be an impact obviously but the numbers have been ridership wise consistent. So let's hold our breath and see what happens.

COUNCIL MEMBER BREWER: You mentioned in your testimony something good about the folks who are disabled able to get accessible taxis. How have you been marketing that to tourists? Because I think that is a good aspect of our city that tourists can get around who are disabled, not always true in other parts of the country. Do you know if that's been really marketed?

MATTHEW DAUS: Actually we've been in talks with New York City and Company to try to create links and information on their website. We hope to conclude that process shortly. But our outreach efforts have been extensive. In particular, I think the most successful efforts to date have been the public service announcements and I want to obviously thank the media because these are free space that they basically have to

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2 allocate through the federal laws but they've
3 given some space to us on various radio programs.
4 Since we have been doing the PSAs we've seen a
5 tremendous increase. We were averaging between
6 four and six calls per day and rides per day.
7 Since we started the PSAs, I think it went up to
8 over 29 on Mother's Day and we've been averaging
9 about 20 to 21 trips per day over the last week or
10 so. So that's a pretty big increase.

11 COUNCIL MEMBER BREWER: So will you
12 look though to see how it could impact in other
13 countries of people who are coming here. That's
14 what you're talking about with NYC and Company.

15 MATTHEW DAUS: Yes. We're working
16 with them. They have offices abroad and so forth.

17 COUNCIL MEMBER BREWER: I'm aware
18 of that.

19 MATTHEW DAUS: We want to make sure
20 when tourists come here that they're aware of
21 these services. Every event that we're invited to
22 or that's out there that we have a chance to speak
23 about it and send out brochures we're going to be
24 doing that. We're working very closely with
25 Commissioner Saplin [phonetic]. He and I did the

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2 public service announcement together. If you do
3 the math, before we did the public service
4 announcement and after, over the last couple of
5 weeks or so, it's about a 320% increase in
6 usership.

7 COUNCIL MEMBER BREWER: When you do
8 these base stations in shopping centers, I've
9 never been to a shopping center but I know you all
10 have them someplace in New York City. I don't go
11 to shopping centers. Those cabs will not be
12 assessable I assume because they're non-medallion.
13 Will you get a pushback from the disabled
14 community on that? I'm just pointing that out.

15 MATTHEW DAUS: The bases are
16 required to provide service and we're going to be
17 taking a look at how they can increase their
18 participation as well in the livery industry. I
19 don't believe that they're carrying the weight
20 that the Yellow Cab industry has been carrying.
21 But then again this entire program while it's
22 successful so far is still a demonstration or a
23 pilot program. We have funding that will run out
24 at the end of this year or the beginning of next
25 year on the dispatch service that we're using.

1
2 We're going to be exploring our options. Those
3 options would include looking to make sure that
4 all the boroughs are served. Right now, people on
5 average in all of our boroughs, even though most
6 of the trips are in Manhattan, are waiting only
7 about 30 minutes per ride. We'd obviously like to
8 see that number come down but it's pretty amazing
9 that that number has been consistent, even with
10 the increased ridership that we've seen over the
11 last couple of weeks with the PSAs. So yes,
12 liveries can and will be part of the solution.
13 That's an interesting idea which we'll and
14 Limousine Commission talk about.

15 COUNCIL MEMBER BREWER: I'm just
16 saying if you're going to have people who are
17 waiting and that would be a convenience, people
18 who are somewhat disabled would probably like to
19 see something there for them. I just throw that
20 out.

21 MATTHEW DAUS: We'll bring that
22 topic up for discussion with the board as to
23 whether the criteria for the pilot programs can
24 include some accessible service.

25 COUNCIL MEMBER BREWER: Well maybe

1 at least some aspect of the fleet.

2 MATTHEW DAUS: That's a good idea.

3 COUNCIL MEMBER BREWER: I hate
4 those televisions. Some of them work and some of
5 them don't, et cetera. I write you every time it
6 doesn't work to turn it off. My question is
7 what's the revenue been on a yearly basis or a
8 calendar year in terms of the television in the
9 back seat combined with the GPS combined with the
10 credit card.

11 MATTHEW DAUS: You're talking about
12 credit card revenues or advertising revenue?

13 COUNCIL MEMBER BREWER: It's a
14 package. Whatever, I like the credit cards. I
15 hate the thing in the back that you call
16 television and I call ad machine. Is there a
17 general number for the revenue for TLC for the
18 combination or a break out?

19 MATTHEW DAUS: Those numbers, the
20 credit card usage numbers are about 20%. But we
21 don't have a breakdown right here with us that
22 would show what the average revenue is on the
23 credit cards versus ordinary average trips. We
24 can get that for you and look into it. We don't
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2 receive the revenue, we don't look at it other
3 than, you know, to be able to get the number of
4 trips and do calculations.

5 COUNCIL MEMBER BREWER: Who gets
6 the revenue from the ads from the television in
7 the back seat?

8 MATTHEW DAUS: It goes to the
9 vendors that we authorize and they have all sorts
10 of sub agreements with various media content
11 providers and they have agreements with
12 advertisers. It goes along a very long food
13 chain.

14 COUNCIL MEMBER BREWER: So that
15 entire package of GPS, television and credit card,
16 there is no revenue to the city from any of that?

17 MATTHEW DAUS: No.

18 COUNCIL MEMBER BREWER: It all goes
19 to the company? In other words, the credit card
20 obviously you pay and a percentage goes, I assume,
21 to the company.

22 MATTHEW DAUS: There is no hard
23 transactional revenue to us at all. I mean you
24 can make the argument that since we have reserved
25 20% of the space on the information monitor that

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there is--

COUNCIL MEMBER BREWER:

[interposing] That piece of garbage on the back of the seat.

MATTHEW DAUS: I'm surprised

Council Member that you say that since you're on the Technology Committee.

COUNCIL MEMBER BREWER: I don't

like it. It's terrible.

MATTHEW DAUS: It's a personal

preference.

COUNCIL MEMBER BREWER: It's

terrible. It's not technology, it's ads. Go ahead.

MATTHEW DAUS: I have a different

ridership perspective than you do.

COUNCIL MEMBER BREWER: It's

terrible. Everybody hates it but you. Go ahead. Drivers hate it.

MATTHEW DAUS: That's actually not

true because we did do surveys on it.

COUNCIL MEMBER BREWER: Nobody

likes it.

MATTHEW DAUS: The surveys

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overwhelmingly support it.

COUNCIL MEMBER BREWER: I ask the drivers, the young people coming from the clubs at night, they do. Go ahead.

CHAIRPERSON LIU: Matt, sometimes there is no answer. You don't have to answer.

MATTHEW DAUS: I know. I'm realizing that. I've been doing this for nine years.

COUNCIL MEMBER BREWER: But there's no revenue to the city from that package.

MATTHEW DAUS: That's correct. Except we do have a non-monetary value. You probably could put a price on it. 20% of the passenger information monitor is something that we reserve for city use. So I guess you can put a dollar value on it if you really tried hard. Also, we get the data for free which they could have put a price on. There is a lot that goes into it but that was negotiated as part of our contract.

COUNCIL MEMBER BREWER: Just finally, some of the livery cabs have New Jersey license plates. I brought it up in the past. Is

that legal? It's TLC New Jersey.

MATTHEW DAUS: Unfortunately, yes.

COUNCIL MEMBER BREWER: So we're working on legislation on that issue. A lot of the liveries that I get into, they have New Jersey taxi plates and I think they should be paying the State of New York. So we'll work on that. That's not your problem but we're working on it.

MATTHEW DAUS: We enforce against them if they're making pickups in the City of New York.

COUNCIL MEMBER BREWER: Nobody bothers them.

MATTHEW DAUS: They are allowed to drop people off and return to Jersey if the trip started in Jersey pursuant to a federal law.

COUNCIL MEMBER BREWER: These start in Miguel's district and they go right down to my district.

MATTHEW DAUS: Well if you tell me
where they are we'll send enforcement out there.

COUNCIL MEMBER BREWER: No, no, no, then I wouldn't get a ride in the morning. Thank you. Thank you very much Mr. Chair.

CHAIRPERSON LIU: Thank you,
Council Member Brewer. With that, I want to thank
our friends. I'm sorry, Council Member Martinez.

COUNCIL MEMBER MARTINEZ: Thank
you, Mr. Chair. I'll be brief. Commissioner,
from your testimony it is clear that this industry
continues to be so vital for this city,
particularly in these economic times because your
number has gone up in terms of licenses issued in
every of the three industries, whether it's
commuter van, Yellow Cab, or livery, correct?
Those are the numbers your showed us.

MATTHEW DAUS: Mostly I think the
biggest increases were in the Yellow Cab industry.

COUNCIL MEMBER MARTINEZ: In the
Yellow Cab?

MATTHEW DAUS: Yes.

COUNCIL MEMBER MARTINEZ: Which
comes to say that those that are losing the big
corporate jobs or the corporate jobs are coming
down to this industry. I've always said that.
You also mentioned that the legislation that we
put forward in terms of making it feasible for
riders to actually participate in a hearing or

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2 register their complaint that that's working well
3 also in terms of getting New Yorkers involved in
4 registering those complaint, correct?

5 MATTHEW DAUS: You're talking about
6 the phone hearings?

7 COUNCIL MEMBER MARTINEZ: Correct.

8 MATTHEW DAUS: Yes. It's still an
9 infant program.

10 COUNCIL MEMBER MARTINEZ: How do
11 they know to do that, the riders?

12 MATTHEW DAUS: When they call and
13 get letters from us, we apprise them of their
14 options, which actually includes visitors. That
15 was the biggest problem. People would visit here
16 and the only option that they had because they
17 weren't coming back to the city to testify against
18 a cab driver, they would send affidavits. And
19 those affidavits sometimes would be thrown out by
20 the judge because there wasn't enough information
21 in them. Our first person who signed up for a
22 phone hearing was someone who was disabled who it
23 was easier for them to testify from home. This
24 has tremendous potential. I think it's thanks to
25 the law that I think you sponsored. That was your

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2 law. There is nobody else that we're aware of
3 that's doing this project in the city at all, the
4 video conferencing or the phones. We're unaware
5 of anyone in the nation doing it. So it's really
6 cutting edge. We want to obviously make sure the
7 due process rights are maintained so we're very
8 careful about that. And the lawyers look at it
9 every step of the way. So far so good, but it's
10 hard to judge because it's still in its infancy.
11 We've only had, like I mentioned in my testimony
12 over 200 of these hearings. So we're going to
13 assess how that's going. And we'll explore
14 opportunities for expansion.

15 COUNCIL MEMBER MARTINEZ: I would
16 like it if you can share that information with me.
17 Commissioner, also, I know you and I had informal
18 conversations six or seven years ago about the
19 pilot program that you're mentioning. I had
20 mentioned before when we spoke originally that I
21 usually see that in public streets where they have
22 the no parking taxi stand signs in several corners
23 and we spoke about a concept similar. I don't
24 know if you remember it.

25 MATTHEW DAUS: Yes.

COUNCIL MEMBER MARTINEZ: I want to commend you. It shows a balance of following the rules and regulations of street hails and also making available the service without violating that portion of the law.

MATTHEW DAUS: You can thank the mayor for that.

COUNCIL MEMBER MARTINEZ: For?

MATTHEW DAUS: For that. I mean the mayor announced it in his State of the City address.

COUNCIL MEMBER MARTINEZ: The stands?

MATTHEW DAUS: Yes.

COUNCIL MEMBER MARTINEZ: Oh yeah? I didn't hear that.

MATTHEW DAUS: I know you have talked about it. I know I've opposed it.

COUNCIL MEMBER MARTINEZ: So he took our idea.

MATTHEW DAUS: Well it's kind of a variation on the idea.

CHAIRPERSON LIU: Thank goodness you said that. I thought this was going to be a

total love fest.

MATTHEW DAUS: As you know, I opposed the stand bills that have been put forward by the Council over the years primarily because I wanted to make sure that illegal cars as I'm sure you share my concerns about crashed the stands. This plan I think will work.

COUNCIL MEMBER MARTINEZ: I would like to work with you on that because as the chair there are some issues that may arise in terms of how do we make sure that the ones that are on the stand are actually regulated by TLC. That you don't have those that are not regulated getting on the stand. And in addition to that, the competition between the bases in terms of how it's going to work. And I know you may not have the answer now but I would like to have further conversations with you on that.

MATTHEW DAUS: We want to get your input and the Council's input on where we put the stands so we'll be talking to you about that. I know we already have one in the chairman's district.

COUNCIL MEMBER MARTINEZ: I have

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2 some ideas I've got to contact you about. But for
3 me particularly the fact that except for 225th
4 Street, I don't have big open space with parking
5 lots and shopping areas. But there are some
6 things coming up uptown that I would want you to
7 consider as part of this project. I'll reach out
8 to you about that.

9 MATTHEW DAUS: Sure.

10 COUNCIL MEMBER MARTINEZ: Thank
11 you.

12 CHAIRPERSON LIU: Thank you,
13 Council Member Martinez. Now we want to thank our
14 friends at the Taxi and Limousine Commission for
15 testifying today.

16 MATTHEW DAUS: You're welcome.

17 CHAIRPERSON LIU: We look forward
18 to the next hearing.

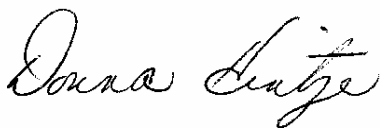
19 MATTHEW DAUS: Have a good
20 afternoon.

21 CHAIRPERSON LIU: Thank you. If
22 there are any members of the public who would like
23 to testify we need you to step up now. Seeing
24 none, this joint hearing of the City Council's
25 Committees on Finance and Transportation is

adjourned.

C E R T I F I C A T E

I, Donna Hintze certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature_____

Date September 18, 2009_____