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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

DEPARTMENT OF TRANSPORTATION

May 9, 2013

EXECUTIVE BUDGET HIGHLIGHTS

- The Department of Transportation's budget for Fiscal 2014 totals \$732.9 million, an increase of \$21.6 million when compared to the Fiscal 2013 Adopted Budget of \$711.4 million.
- The Department's proposed budget includes Program to Eliminate the Gap (PEG) savings of \$19.5 million in City funds in Fiscal 2014 that is offset by various actions including federal and State funding streams resulting in a net PEG of \$4.4 million. In addition, the budget also includes a new need of \$3.5 million and other adjustments totaling \$40.8 million in Fiscal 2014.
- The Executive Budget includes additional State and federal funding of \$48.1 million in Fiscal 2014, of which \$22.5 million is State CHIPS funding for traffic and highway related projects. Since the Fiscal 2013 Budget was adopted last June, the Department has received over \$193.5 million in additional State and federal funding.
- The agency's Fiscal 2014 budget includes approximately \$22 million in additional revenue in Fiscal 2014 and \$27 million in Fiscal 2015, including additional parking revenue of more than \$17 million in Fiscal 2014 and \$19 million in Fiscal 2015.
- Majority of the additional parking revenue comes from parking rate increases in Manhattan from \$3 to \$3.50 per hour south of 96th Street and from \$1 to \$1.50 per hour between 96th and 110th Streets, as well as from the establishment of a new commercial and passenger parking meter areas within Community Board Two in Lower Manhattan.
- DOT's Fiscal 2014 projected revenue totals \$357.6 million, of which \$210.4 million will come from parking meters.
- DOT's Fiscal 2014 budget includes plan to increase fines on four existing Highway Inspection Quality Assurance (HIQA) violations. The violations that are increased are failure to seal joint from \$100 to \$250; failure to comply with DOT standard from \$400 to \$750; failure to install color coded marker; and defacing of roadway or sidewalk from \$50 to \$250 per violation.
- The Capital Commitment Plan for the Department in Fiscal 2014 totals \$2.5 billion and includes \$1.1 billion in non-City funds.
- In Fiscal 2014, the Department plans to commit:

- \$1.2 billion for street reconstruction including \$395.7 million for streets damaged by Superstorm Sandy.
- \$56.4 million for sidewalks and pedestrian ramps; and
- \$832.5 million to rehabilitate bridges currently rated “fair” or “good” including \$266.8 million for Mill Basin and \$195.3 million the Harlem River Drive over the viaduct.

FINANCE DIVISION

Preston Niblack, Director
Jeffrey Rodus, First Deputy Director

Nathan Toth, Deputy Director
Chima Obichere, Unit Head

DEPARTMENT OF TRANSPORTATION OVERVIEW

This report provides an overview of the Department of Transportation's Fiscal 2014 Budget, a review of the significant initiatives included in the Executive Budget, and a summary of the Department's Capital Budget for Fiscal 2014-2017. Appendix 2 reports the changes made to the Fiscal 2013 and Fiscal 2014 Budget since adoption of the Fiscal 2013 Budget including Council Initiatives. For additional information on the Commission's Budget and its various programs, please refer to the "Department of Transportation's Preliminary Budget Hearing Report" available at: www.council.nyc.gov

	2012	2013		2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Exec. Plan	Exec. Plan	2013 - 2014
Personal Services	\$375,815	\$325,611	\$388,396	\$359,970	\$34,359
Other Than Personal Services	463,980	385,761	528,423	373,007	(12,754)
Total	\$839,795	\$711,372	\$916,819	\$732,978	\$21,605
Budget by Program Area					
Bridge Engineering and Administration	\$26,013	\$26,432	\$27,790	\$27,078	\$645
Bridge Maintenance, Repair & Operations	56,136	47,123	72,919	50,613	3,490
DOT Management & Administration	50,273	43,617	64,260	47,115	3,498
DOT Vehicles & Facilities Mgmt. & Maintenance	81,469	36,180	36,715	35,692	(488)
Ferry Administration & Surface Transit	5,675	3,730	6,949	4,262	532
Municipal Ferry Operation & Maintenance	95,563	94,434	107,732	95,640	1,206
Roadway Construction Coordination & Admin	9,721	12,391	12,720	12,772	381
Roadway Repair, Maintenance & Inspection	208,156	176,624	234,307	191,672	15,048
Traffic Operations & Maintenance	274,588	238,155	280,223	252,888	14,733
Traffic Planning Safety & Administration	32,203	32,685	73,203	15,246	(17,439)
TOTAL	\$839,795	\$711,372	\$916,819	\$732,978	\$21,605
Funding					
City Funds	N/A	\$437,197	\$417,631	\$433,424	(\$3,773)
Other Categorical	N/A	159	2,796	159	0
Capital- IFA	N/A	173,110	201,856	174,985	1,875
State	N/A	50,215	105,875	73,537	23,322
Federal - Other	N/A	49,308	187,162	49,502	193
Intra City	N/A	1,383	1,500	1,372	(12)
TOTAL	N/A	\$711,372	\$916,819	\$732,978	\$21,605
Positions					
Full-Time Positions - Civilian	4,402	3,979	4,643	4,443	464
Amounts to be Scheduled and Other	0	9	9	9	0
TOTAL	4,402	3,988	4,652	4,452	464

* Difference between FY 2013 Adopted Budget and FY 2014 Executive Budget.

The Department of Transportation's Fiscal 2014 Executive Budget totals \$732.9 million, which is \$21.6 million more than the Fiscal 2013 Adopted Budget of \$711.4 million, but \$183.8 million less than the current modified budget (2013 Exec.Plan). The increase is due to the recognition of additional federal

and State funding in the Executive Budget. Since the City's fiscal year and the State and federal fiscal years do not coincide, the Department reports only baseline funding and grants that it anticipates from the other two branches of government at the beginning of each year and makes adjustments as additional grant funds become available.

The Department's Fiscal 2014 headcount is projected to be 4,452, an increase of 464 positions when compared to the Fiscal 2013 Adopted Budget number of 3,988. Majority of the increase is associated with the additional State funding recognized in the Executive Budget.

The Fiscal 2014 Executive Plan increased the Department's budget by \$47.9 million. This is due to a reversed PEG of \$1.5 million, a new need of \$3.5 million and \$42.9 million in other adjustments.

NEW IN THE EXECUTIVE BUDGET

- **Eliminate St. George Terminal Lower level Boarding.** The Preliminary Budget included savings of \$1.5 million and three positions in Fiscal 2014 and the outyears from the elimination of lower level boarding at the St. George Ferry Terminal. The Executive Budget reverses this action but for Fiscal 2014 only.
- **Credit Card Service Charges.** The Fiscal 2014 Executive Budget includes a new need of \$3.5 million for costs associated with the processing of credit card transactions for parking meters.
- **East River Bridges.** The Fiscal 2014 Executive Budget includes \$2.8 million in federal funding for costs associated with the preventive maintenance of the City's four East River Bridges in Fiscal 2014.
- **Federal Funding Switches.** The Department will use \$3.3 million in Federal Transit Administration (FTA) funding in place of City tax-levy funding for highway related expenses in Fiscal 2014.
- **CHIPS Funding – Curb Reconstruction.** DOT will use State funding from the Consolidated Highway Improvement Program (CHIPS) totaling \$10.4 million in place of City tax-levy funds for curb and cobblestone reconstruction in Fiscal 2014 only.
- **Heat, Light and Power.** Due to re-estimates, the Department anticipates a decrease of \$6.8 million in Fiscal 2013 and \$4.4 million in Fiscal 2014 and in the outyears in heat, light and power costs.

CAPITAL PROGRAM

The Executive 2014 Capital Commitment Plan (May Plan) includes \$6.7 billion in Fiscal 2013-2017 for the Department of Transportation (including City and Non-City funds). This represents approximately 15.1 percent of the City's total \$44.5 billion May Plan for Fiscal 2013-2017. The agency's May Commitment Plan for Fiscal 2013-2017 is 4.7 percent greater than the \$6.4 billion scheduled in the January Commitment Plan, an increase of \$298.9 million.

The majority of capital projects span multiple fiscal years, and it is, therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal Year 2012, the Department of Transportation committed \$289.1 million or 30 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2013 Capital Plan will be rolled into Fiscal 2014. Since adoption last June, the City-wide total Capital Commitment Plan for Fiscal 2013 has decreased from \$17.9 billion in the September Capital Commitment Plan to \$16.6 billion in the May Capital Commitment Plan (Executive Plan), a decrease of \$1.3 billion or 7.3 percent.

2014-2017 Commitment Plan: Adopted and Executive Budget
Dollars in Thousands

	FY13	FY14	FY15	FY16	FY17	Total
Preliminary						
Total Capital Plan	\$2,580,218	\$1,904,036	\$590,601	\$659,321	\$659,321	\$6,393,497
Executive						
Total Capital Plan	\$1,859,546	\$2,484,585	\$623,940	\$691,455	\$1,032,848	\$6,692,374
Change						
Level	(\$720,672)	\$580,549	\$33,339	\$32,134	\$373,527	\$298,877
Percentage	-27.93%	30.49%	5.64%	4.87%	56.65%	4.67%

MAJOR CAPITAL PROJECTS & EXECUTIVE BUDGET HIGHLIGHTS

The Department's Fiscal 2013-2017 Capital Plan totals approximately \$6.7 billion, with bridges and highway infrastructure accounting for the majority of the funding and totaling \$5.5 billion. Of the \$6.7 billion proposed for Fiscal 2013-2017, approximately \$3.8 billion or 56.7 percent is City-funded.

Funding for major Department of Transportation projects in the Capital Plan for Fiscal 2013-2017 includes the following.

- Planned commitments totaling \$1.3 billion for the reconstruction and rehabilitation of bridges currently projected to be rated "fair" or "good" including the Shore Road over the Hutchinson River, Belt Parkway Bridge over Mill Basin, \$146 million for the Bruckner Expressway over Westchester Creek, \$112.1 million for the Roosevelt Avenue Bridge over Van Wyck Expressway and \$195.3 million for the Harlem river Drive over the viaduct.
- Planned commitments totaling \$896.4 million for streets reconstruction citywide including \$23 million for 94th Street in Queens, \$24.8 million for the Grand Concourse Service Road in the Bronx, \$42 million for Worth Street in Manhattan, \$18.5 million for Woodrow Road in Staten Island, and 395.7 million for the reconstruction of 363 lane miles of streets damaged by Superstorm Sandy.

- Planned commitments totaling \$380.7 million for the reconstruction and replacement of ferry boats and \$17 million for ferry terminal facilities improvements.
- Planned commitments of \$93.6 million for the reconstruction of sidewalks and \$34.7 million for the installation of pedestrian ramps citywide.
- Planned commitments of \$524.2 million for street and arterial resurfacing of more than 2,862 lane miles.
- Planned commitments totaling \$781.4 million for the rehabilitation of 16 bridges rated “fair” including \$146 million for the Bruckner Expressway over Westchester Creek, \$111.6 million for the Roosevelt Avenue Bridge over Van Wyck Expressway and \$112.5 million for the City Island Bridge over Eastchester Bay.
- Planned commitments of \$396.9 million for rehabilitative work of bridge structures scheduled for life extension including \$185.5 million for Boston Post Road over the Hutchinson River.
- Planned commitments of \$10.8 million for the reconstruction of parking garages and parking lots.
- Planned Commitments of \$23.5 million for the replacement of 1.2 million linear feet of electrical distribution systems along the City’s streets.
- Planned Commitments of \$83.7 million for upgrade and replacement of lampposts, luminaires, and associated infrastructure.

APPENDIX 1: BUDGET ACTIONS IN THE EXECUTIVE PLAN

The Fiscal 2014 Executive Plan increased the Department's budget by \$47.9 million. This is due to a PEG reversal of \$1.5 million, a new need of \$3.5 million and \$42.9 million in other adjustments.

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the January 2013 Plan	\$423,917	\$489,271	\$913,188	\$433,636	\$251,371	\$685,007
Program to Eliminate the Gap (PEGs)						
Eliminate St. George Terminal Lower Level Boarding	\$0	\$0	\$0	\$1,522	\$0	\$1,522
TOTAL, PEGs	\$0	\$0	\$0	\$1,522	\$0	\$1,522
New Needs						
Credit Card Service Charge	\$0	\$0	\$0	\$3,489	\$0	\$3,489
TOTAL, New Needs	\$0	\$0	\$0	\$3,489	\$0	\$3,489
Other Adjustments						
Anti Icing	\$0	\$0	\$0	\$0	\$413	\$413
Bridge when & Where, Inspections & Painting	0	0	0	0	1,207	1,207
East River Bridges	0	0	0	0	2,793	2,793
Cobblestone Reconstruction CHIPS	0	0	0	0	10,385	10,385
Federal Highway Admin - Funding Switch	0	0	0	(3,304)	3,304	0
<i>Fuel</i>	(221)	0	(221)	(334)	0	(334)
<i>Gasoline</i>	738	0	738	169	0	169
<i>Heat, Light and Power</i>	(6,805)	0	(6,805)	(4,413)	0	(4,413)
<i>Resurfacing Operations - IFA Funding Adj</i>	0	0	0	0	1,874	1,874
<i>Lease Adjustment</i>	0	0	0	2,715	0	2,715
Movable Bridges	0	0	0	0	1,520	1,520
Fringe Offset	0	0	0	(57)	0	(57)
Safetee-LU	0	0	0	0	1,945	1,945
SAMP	0	0	0	0	4,786	4,786
SBS Enforcement	0	(726)	(726)	0	0	0
SI Asset Maintenance	0	0	0	0	909	909
Stop DWI	0	0	0	0	1,018	1,018
<i>Subregional Traffic Planning</i>	0	1,959	1,959	0	3,104	3,104
Traffic CHIPS	0	8,103	8,103	0	12,103	12,103
Wayfinding - CMAQ	0	125	125	0	322	322
Intra-City Adjustments	3	50	53	0	0	0
State Grants and Adjustments	0	0	0	0	2,500	2,500
Federal Grants and Adjustments	0	407	407	0	0	0
TOTAL, Other Adjustments	(\$6,285)	\$9,918	\$3,633	(\$5,224)	\$48,183	\$42,959
TOTAL, All Changes	(\$6,285)	\$9,918	\$3,633	(\$213)	\$48,183	\$47,970
DOT Budget as of the Executive 2014 Plan	\$417,632	\$499,189	\$916,821	\$433,423	\$299,554	\$732,977

APPENDIX 2: BUDGET ACTIONS IN THE NOVEMBER, FEBRUARY AND EXECUTIVE PLANS

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2013 Plan	\$437,197	\$274,175	\$711,372	\$453,803	\$239,650	\$693,453
Program to Eliminate the Gap (PEGs)						
Bridge Painting Seasonalization	(\$231)	\$0	(\$231)	(469)	\$0	(\$469)
Eliminate Fleet Services Vacancies	(314)	0	(314)	(320)	0	(320)
Establish New Parking Meter Areas	243	0	243	672	0	672
Fed Funding Switch for Automated Traffic Mgmt Syst	0	0	0	(2,396)	2,396	0
Fed Funding Switch for Bridge Inspections	0	0	0	(3,066)	3,066	0
Fed Funding Switch for Dockbuilding	0		0	(1,725)	1,725	0
Fed Funding Switch for Ferry Preventive Maintenance	(10,000)	10,000	0	0	0	0
Fed Funding Switch for Port Security	(4,830)	4,830	0	(1,798)	1,798	0
Fed Funding Switch for Traffic Planning	(689)	689	0	0		0
Information Technology Attrition Reduction	(122)		(122)	(251)		(251)
Install LED Lights	0		0	(211)		(211)
Parking Attrition Reduction	0		0	(920)		(920)
Raise Garage Hourly & Monthly Permit Rates	62		62	149		149
Raise Hourly Parking Rate Between 96th & 110th Sts.	22		22	2		2
Raise Hourly Parking Rate South of 96th Street	6,494		6,494	2,712		2,712
Red Light Camera Contract Savings	(1,189)		(1,189)	(2,195)		(2,195)
Signal Maintenance Contract Savings	(2,381)		(2,381)	(4,082)		(4,082)
State Funding Switch for Bridge Flag Repair	(1,120)	1,120	0	(1,489)	1,489	0
State Funding Switch for Bridge Painting	0		0	(1,543)	1,543	0
State Funding Switch for Highway Maintenance	(2,519)	2,519	0	0	0	0
State Funding Switch for Traffic Signs	0		0	(2,682)	2,682	0
Staten Island Ferry Retail Revenue	110		110	110		110
State Funding Offset for Parking Adjustment	(1,119)	1,119	0	0		0
TOTAL, PEGs	(\$17,583)	\$20,277	\$2,694	(\$19,502)	\$14,698	(\$4,804)
New Needs						
Credit Card Service Charge	\$381	\$0	\$381	\$3,489	\$0	\$3,489
Wireless Charges	\$739		\$739			0
TOTAL, New Needs	\$1,120	\$0	\$1,120	\$3,489	\$0	\$3,489
Other Adjustments						
Anti Icing	\$0	\$1,470	\$1,470	\$0	\$413	\$413
Bicycle Network Development	0	6,837	6,837	0	0	0
Bike Share	0	818	818	0	0	0
Bridge when & Where, Inspections & Painting	0	6,200	6,200	0	1,207	1,207
East River Bridges	0	9,537	9,537	0	2,793	2,793
Bus Stop Management	0	1,237	1,237	0	0	0
Citywide Fleet Consolidation	(1,801)	0	(1,801)	(2,599)	0	(2,599)
Collective Bargaining	9	1	10	9	1	10
Curb & Cobblestone Reconstruction CHIPS	0	10,231	10,231	0	10,385	10,385

<i>Dollars in Thousands</i>	Fiscal 2013			Fiscal 2013		
	City	Non-City	Total	City	Non-City	Total
Federal Highway Admin - Funding Switch	\$0	\$0	\$0	(\$3,304)	\$3,304	\$0
Fuel	(221)	0	(221)	(334)	0	(334)
Gasoline	738	0	738	169	0	169
Heat, Light and Power	(6,805)	0	(6,805)	(4,413)	0	(4,413)
Fringe Offset	4,619	(4,514)	105	3,448	(2,966)	482
Hunts Emission Program	0	1,960	1,960	0	0	0
Movable Bridges	0	5,520	5,520	0	1,520	1,520
Pedestrian Network Dev & Countdown Signals	0	1,468	1,468	0	0	0
Safetee-LU	0	13,288	13,288	0	1,945	1,945
SAMP	0	5,294	5,294	0	4,786	4,786
SBS Enforcement & Gantry Sign	0	2,857	2,857	0	0	0
Traffic & School Safety CHIPS	0	9,297	9,297	0	12,103	12,103
Select Bus Service	0	2,896	2,896	0	0	0
Sheridan Expressway	0	987	987	0	0	0
SI Asset Maintenance	0	1,297	1,297	0	909	909
Signal Mte., Sign Design & Construction CHIPS	0	16,256	16,256	0	0	0
Stop DWI	0	2,828	2,828	0	1,018	1,018
Wayfinding & Transit Signal Priority - CMAQ	0	6,339	6,339	0	322	322
Vessel Dry Dock	0	8,145	8,145	0	0	0
FEMA & FHWA Sandy Funding	0	52,066	52,066	0	0	0
Fringe Adjustment	352	(4,319)	(3,967)	(57)	0	(57)
Lease Adjustment	0	0	0	2,715	0	2,715
IFA Resurfacing Adjustment	0	28,745	28,745	0	1,874	1,874
City-funds & Intra-City Adjustments	6	116	122	0	(12)	(12)
State Grants and Adjustments	0	486	486	0	2,500	2,500
Federal Grants and Adjustments	0	17,393	17,393	0	3,104	3,104
TOTAL, Other Adjustments	(\$3,103)	\$204,736	\$201,633	(\$4,366)	\$45,206	\$40,840
TOTAL, All Changes	(\$19,566)	\$225,013	\$205,447	(\$20,379)	\$59,904	\$39,525
DOT Budget as of the Executive 2014 Plan	\$417,631	\$499,188	\$916,819	\$433,424	\$299,554	\$732,978

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APPENDIX 3: DOT MISCELLANEOUS REVENUE BUDGET

<i>Dollars in Thousands</i>	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Sidewalk Interruption Permits	\$7,000	\$6,182	\$6,182	\$6,182	\$6,182
Street Opening/Utility Permits	16,878	16,878	16,878	16,878	16,878
Overweight/Oversize Truck Permits	1,950	1,950	1,950	1,950	1,950
Emergency Manhole Open. Permits	700	1,450	1,450	1,450	1,450
Franchises: Bus Stop & Other	49,564	50,927	52,329	53,772	55,254
Concession Rents	300	234	234	234	234
Revocable Consents	14,910	14,325	14,325	14,325	14,325
Electrical Transformers	36,721	37,749	38,806	39,893	39,893
Ferry Permits & Concessions	2,835	3,320	3,320	3,320	3,320
Damage to City Property	810	810	810	810	810
Back Charges, Jets & Raise Cast	2,971	2,971	2,971	2,971	2,971
Garages & Long Term Parking	8,189	10,058	11,991	11,991	11,991
Parking Meters	188,000	210,402	210,402	210,402	210,402
Record Search Fees	20	20	20	20	20
Gas Reimb, Maps, Bid Book Fees	115	115	115	115	115
DOT Sign Shop-Sale of Signs	400	250	250	250	250
Total	\$331,363	\$357,641	\$362,033	\$364,563	\$366,045

Note: Bus Lane Camera, Redlight Camera, and Parking Violation Fines are in the DOF Budget