

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE  
COMMITTEE ON TRANSPORTATION  
COMMITTEE ON ENVIRONMENTAL PROTECTION

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May 9, 2013  
Start: 10:08 a.m.  
Recess: 3:08 p.m.

HELD AT: 250 Broadway  
Committee Rm, 16<sup>th</sup> Fl.

B E F O R E:  
DOMENIC M. RECCHIA, JR.  
Chairperson

COUNCIL MEMBERS:  
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Council Member Leroy G. Comrie, Jr.  
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Council Member Karen Koslowitz  
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Council Member Vincent M. Ignizio

## A P P E A R A N C E S

## COUNCIL MEMBERS:

Council Member James S. Oddo  
Council Member Ydanis Rodriguez  
Council Member Peter A. Koo  
Council Member James Vacca  
Council Member Deborah Rose  
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Council Member Stephen Levin  
Council Member James F. Gennaro  
Council Member Peter F. Vallone, Jr.  
Council Member Donovan Richards  
Council Member Elizabeth Crowley  
Council Member Brad Lander

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

Janette Sadik-Khan  
Commissioner  
New York City Department of Transportation

Joe Jarrin  
Deputy Commissioner  
New York City Department of Transportation

Doug Johnson  
Budget Director  
New York City MTA

Stephanie Davile  
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David Henley  
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David Yassky  
Commissioner  
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Raymond Scanlon  
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Carter Strickland  
Commissioner  
Department of Environmental Protection, New York City

Steve Lauwitz  
Chief Financial Officer  
Department of Environmental Protection, New York City

Catherine Garcia  
Chief Operating Officer  
Department of Environmental Protection, New York City

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

Joe Singleton

Deputy Commissioner for Customer Service

Department of Environmental Protection, New York City

Joe Mirren

Assistant Commissioner of Budget

Department of Environmental Protection, New York City

CHAIRPERSON RECCHIA: Just to go over today's schedule for everyone. We're going to start off with the DOT discussing transportation expense budget. Then we're going to move to the transportation capital budget with the DOT Commissioner. Then about 11:30 we have MTA will come in from 11:30 to 12:30 to talk about their budget capital and expense. Then about 12:30 we'll do the Taxi and Limousine Commissioner, Commissioner David Yassky. Then about 1:15 to about 2:30 we have Environmental Protection. From about 1:15 to 3:45 we have DEP in there. So, that is, we have a long day and I'm just waiting for my colleague, Jim Vacca, to come. He should be here any minute. Does anybody have any questions about today's schedule? Okay. I already enquired about moving to the Chamber. They're looking into it. [pause] [off mic] Okay. Good morning and welcome to the opening day of the City Council's hearings on the Mayor's executive budget for 2014. My name is Domenic M. Recchia, Jr. I'm the Chair of the Finance Committee. Today we are joined by the Committee on Transportation chaired by my colleague, Jimmy

Vacca. At this time I'll introduce all my colleagues who have joined us. To my right we have Council Member Vincent Ignizio, Council Member Peter Koo, Council Member Jimmy Van Bramer, and, of course, my wonderful co chair, Jimmy Vacca, today. Last week on May 2<sup>nd</sup> the Mayor released his 2014 executive budget which totaled \$69.8 billion. The Finance Committee is responsible for recommending a budget to the full City Council in just a few short weeks. These Executive Budget Hearings provide one last opportunity for Council Members and the public to hear from agencies concerning the impact that cuts proposed in the executive budget may have on their ability to deliver essential services. Also, to ensure that we discuss issues important to the residents of the city, the public will have an opportunity to voice their comments on June 5<sup>th</sup>, which is the last day of budget hearings. The public session will begin at approximately 3:30. Today we will begin our Executive Budget Hearing with the DOT, the Department of Transportation budget total is \$732.9 million which reflects the increase of \$21.6 million from last year adopted budget. The

1 agency's revenue for FY14 includes approximately  
2 \$17 million in additional parking revenue and \$357  
3 in additional revenue from parking meters. There  
4 are a few new items in the executive budget for  
5 the Department of Transportation to include, a  
6 need of \$3.5 million for costs associated with the  
7 processing of credit card transactions for parking  
8 meters as well as capital commitments relating to  
9 street repair as a result to Super Storm Sandy. I  
10 am looking forward to hear from the DOT  
11 Commissioner to learn more about the ways this  
12 executive budget effects the Department of  
13 Transportation. Before we hear from the  
14 Commissioner I will recognize, turn the microphone  
15 over to my co chair, Council Member Jimmy Vacca,  
16 Chair of the Council's Transportation Committee.  
17 Council Member?

18 COUNCIL MEMBER VACCA: Thank you.  
19 Thank you Chair Recchia. I'm James Vacca, Chair  
20 of the Transportation Committee and today we're  
21 going to hear testimony from New York City DOT,  
22 the MTA and the Taxi and Limousine Commission  
23 regarding their executive budgets or FY 2014.  
24 Each agency will detail what changes, if any, have  
25

1  
2 been made to the Executive Budget since our March  
3 meeting on the preliminary budget. First, we will  
4 hear from the Department of Transportation.

5 During our March meeting I had expressed my  
6 disappointment that DOT planned to double  
7 municipal parking lot permit rates for the coming  
8 fiscal year. However, I am pleased to learn that  
9 the executive budget does not include these  
10 increases. I hope to find out what revenue is  
11 offsetting this and what can be done to prevent  
12 exorbitant fee rate increases for future fiscal  
13 years. I also would like to hear more about DOT's  
14 other sources of revenue including increases in  
15 parking meter rates, bus shelter and revenue,  
16 increases in HIQUA [phonetic] fines and projected  
17 revenue from the newly implemented bike share  
18 program. Since parking is at a premium in our  
19 city it is important that we take a close look at  
20 the effectiveness of the muni meter system. I  
21 also want to stress that the DOT must look to  
22 under utilized means of collecting revenue. There  
23 are DOT enforceable commercial bike laws now on  
24 the books that recently went into effect and the  
25 new bike share program is supposed to eventually



1  
2 become revenue positive. I assume that these  
3 initiatives will have some future impact on the  
4 budget. We'll also hear from the MTA. Since our  
5 March hearing the MTA has appointed a new C of O  
6 and Chair, Tom Prendergast [phonetic] and I look  
7 forward to working with him to maintain and  
8 improve our city's vast transportation network. I  
9 must stress that New York City commuters are, and  
10 strap hangers will not be happy should there be  
11 another fare increase in 2015 and I want to find  
12 out what the MTA is taking insofar as actions that  
13 could prevent this from happening. And we will  
14 also hopefully gain insight into any State and  
15 Federal money the MTA has received or plans to  
16 receive and how it will be used in the coming  
17 fiscal year. And finally, we're going to hear  
18 from the TLC. In March we discussed increased  
19 penalties against fare overcharging, service  
20 refusals and illegal street hails. One issue the  
21 TLC was seeking to remedy was the lack of space to  
22 store seized vehicles and we want to review their  
23 efforts in this regard. I do want to recognize  
24 additional members of my Committee that have  
25 arrived, Councilman Oliver Koppell, just joined

us, Council Member Vincent Ignizio. Mr. Chair, do you want me to call our first panel?

CHAIR RECCHIA: No. Commissioner's there. [crosstalk] Let's rock and roll.

COUNCIL MEMBER VACCA: I know, I know. [laughter] Our first panel is Commissioner Janette Sadik-Khan, Deputy Commissioner Joe Jarrin and Assistant Commissioner Kate Slevin. Commissioner?

MS. JANETTE SADIK-KHAN: Great, thank you. Good morning, Chairman Recchia, Chairman Vacca and Members of the Finance and Transportation Committees. I am Janette Sadik-Khan, Commissioner of the New York City Department of Transportation. And as the Chairman noted, with me today are Joe Jarrin, Deputy Commissioner for Finance, Contracting and Program Management, and Kate Slevin, Assistant Commissioner for Intergovernmental Affairs. Thank you for inviting us today to discuss DOT's Executive Budget for Fiscal Year 2014. As you know, DOT's mission is to provide for the safe, efficient and sustainable movement of people and goods and to maintain and enhance the transportation infrastructure critical

1 to the economic vitality and quality of life of  
2 the city. This includes maintaining and repairing  
3 over 6,000 miles of roadway and nearly 800  
4 bridges, including the 24/7 operation of the  
5 Staten Island Ferry. DOT's capital plan for  
6 fiscal year's 2013 through 2023 is \$10 billion,  
7 including \$2.5 billion for fiscal year 2014 alone.  
8 This investment in the City's transportation  
9 infrastructure will continue the great work DOT  
10 has accomplished through the commitment of \$5.5  
11 billion over the last six years. Since 2007 DOT  
12 has committed \$2.9 billion for the cities bridge  
13 program. This funded the reconstruction or  
14 rehabilitation of 66 bridges, including the  
15 Brooklyn Bridge approaches, Willet's Avenue Bridge  
16 and the ramps at the St. George Ferry Terminal.  
17 With the Brooklyn Bridge rehabilitation nearly  
18 complete all 788 bridges in New York City will be  
19 restored to a state of good repair, a new record.  
20 Looking forward, our bridge reconstruction program  
21 for the next ten years totals \$4.3 billion. Over  
22 70 bridges that would otherwise fall into poor  
23 condition are funded for reconstruction, these  
24 include the Union Port Bridge in the Bronx and  
25

Roosevelt Island over the Van Wyck Expressway in Queens. Despite these key investments our bridge program still needs funding in the longer term to ensure the effectiveness of our transportation network. The last six years have also seen the investment of \$980 million for the reconstruction of the City's streets. This includes such critical projects as Pellen Parkway [phonetic] in the Bronx, Highland Boulevard in Staten Island and Springfield Gardens in Queens. The ten year plan includes \$1.1 billion for street reconstruction for projects in all five boroughs. This includes \$27 million for the reconstruction of the Grand Concourse service roads from east 166<sup>th</sup> Street to East 171<sup>st</sup> street in the Bronx. These improvements will reduce speeding, widen medians and provide other mobility enhancements for Bronx residents. The programs also includes the reconstruction of Astor Place and Cooper Square in Manhattan which will improve this key function for pedestrians, motorists, bus riders and cyclists. It also creates a vibrant new public space at the gateway to the East Village. Our bridge and street work also includes \$660 million for repairs related to

1 Super Storm Sandy. As you know, the City's  
2 transportation network sustained serious damage in  
3 the aftermath of this devastating storm. The  
4 majority of the Sandy recovery funding will repair  
5 critical street and bridge infrastructure,  
6 including \$40 million to bring the Battery Park  
7 and West Street underpasses back to full working  
8 order as well as \$47 million to repair 19 bridges  
9 over waterways citywide. We will also use \$100 to  
10 replace 3,100 street lights and over 900 signals  
11 in the recovery areas. The Staten Island Ferry  
12 sustained approximately \$30 million to two  
13 terminals and piers. Replacement of the  
14 escalators at the Whitehall terminal is underway  
15 and will be completed this fall. DOT has also  
16 invested \$872 million for the resurfacing of city  
17 streets since 2007. This funding has been used to  
18 resurface 5,493 lane miles of streets and the  
19 percentage of our streets in a state of good  
20 repair has gone up from 66 percent in FY08 to over  
21 73 percent in FY12. In addition, DOT has invested  
22 \$27.3 million for the rehabilitation of the  
23 Hamilton Asphalt Plant in Brooklyn and \$30.1  
24 million for the acquisition of a second asphalt  
25

1 plant in Queens which will help us improve city  
2 street conditions. We have also reduced the  
3 environmental impact of the equipment that we use  
4 to pave the streets. Our new electric - -  
5 eliminate over \$460 tons of CO2 and 125,000 pounds  
6 of particulates per year. We've also introduced  
7 warm mix asphalt into our resurfacing operations  
8 which consumes less energy and provides a  
9 healthier environment for our workers. The \$1.3  
10 billion planned for the resurfacing FY2014 plan  
11 provides DOT with the resources needed to continue  
12 this important work. The last six years have also  
13 seen the commitment of \$411 million for traffic  
14 signal, street light and traffic technology  
15 upgrades. We've also achieved energy efficiency  
16 and cost savings through our LED street lighting  
17 program and I'm happy to announce that by the end  
18 of 2014 all of our highways will have LED lights.  
19 This contract alone will save approximately \$2.2  
20 million annually in energy and maintenance costs.  
21 We also plan to install LED lights in Far Rockaway  
22 and along the Staten Island Boardwalk this year as  
23 part of the Sandy Recovery program. Going forward  
24 we will build on the success by committing \$552  
25

1 million for traffic equipment in the ten year  
2 capital plan. We've also made significant  
3 improvements to the Staten Island Ferry program  
4 over the past six years. During this period DOT  
5 committed \$105.8 million for the maintenance and  
6 upgrade of vessels and terminals. The ramps and  
7 infrastructure in the St. George Ferry Terminal  
8 were replaced thanks to \$175 million in Federal  
9 funding, the largest Federal stimulus project in  
10 this state. I'm also pleased that the ferry fleet  
11 has converted to ultra low sulfur fuel and we're  
12 in the final stages of a fleet wide emission  
13 upgrade that will make our fleet one of the  
14 greenest in the country. Ferry ridership grew  
15 over three percent, reaching a new high of 22  
16 million passengers this year. The ten year  
17 capital plan includes \$430 million for the ferry  
18 program. DOT's expense budget for FY 2014 totals  
19 \$733 million including over \$120 million in  
20 Federal and State funds. This budget will  
21 continue the progress made during the Bloomberg  
22 Administration to keep our infrastructure in a  
23 state of good repair. It will also fund programs  
24 that improve the mobility, safety and quality of  
25

1 life in New York City. One key initiative funded  
2 in this budget is select bus service, SBS, which  
3 provides the, which improves the speed and  
4 reliability of the buses. The MTA and DOT will  
5 have seven SVS routes citywide by the end of this  
6 year saving each of the estimated \$215,000 SBS bus  
7 riders 50 hours of time every year. Already  
8 dedicated bus lanes, off board fare collection and  
9 limited stop spacing on routes have increased bus  
10 speeds by 15 to 20 percent. We're currently  
11 preparing for the launch of SBS on the BX41 along  
12 Webster Avenue in the Bronx and on the B44 on  
13 Noster Avenue and Rogers Avenue in Brooklyn. In  
14 addition, a community planning process is in the  
15 works for an SBS to serve Harlem and La Guardia  
16 Airport. Expanding mass transit options not only  
17 improves the experience of all daily riders but  
18 also helps reduce congestion which is another of  
19 our primary goals. In 2011 DOT implemented a  
20 congestion management program called Midtown in  
21 Motion. This allows us to reduce congestion by  
22 adjusting traffic signals in real time.  
23 preliminary results of the first phase showed a  
24 ten percent improvement in travel times along the  
25



avenues of the 110 block service area which marks a considerable improvement to traffic in the heart of Manhattan's central business district. Today I'm happy to inform the Committee's that we will double the Midtown in Motion service area to cover 1<sup>st</sup> to 9<sup>th</sup> Avenues from 42<sup>nd</sup> to 57<sup>th</sup> Streets which will be completed this September. We will continue to explore the use of technology in other congested areas throughout the City. Another major program is our plaza initiative. We've worked hard over the past six years to increase public access to public space and now have 50 plazas in the ground in, in design or under construction. The benefits of these projects are clear. On Pearl Street in Brooklyn there was 172 percent increase in retail sales from businesses near the plaza. Since we installed the Union Square Plaza injury crashes fell by 26 percent and there are 49 percent fewer commercial vacancies. Applications are now being accepted for the sixth round of plazas and we look forward to working with the Council to further expand this popular program. Since 2007 we've made tremendous progress to improve safety in New York City. The

past five years have been the safest since traffic fatality record keeping began in 1910. We've implemented dozens of traffic calming projects including the redesign of 4<sup>th</sup> Avenue in Brooklyn, Laconia Avenue in the Bronx and 44<sup>th</sup> Drive in Queens. The bike lanes installed over the past several years have not only made streets safer for cyclists but also safer for pedestrians. For example, in Manhattan the protected bike lane on 8<sup>th</sup> Avenue resulted in a 38 percent decrease in pedestrian injuries and there was a 58 percent decrease in pedestrian injuries on 9<sup>th</sup> Avenue. Despite these gains traffic fatalities remain a serious public health issue in New York City and there is more to do. In fiscal year 2014 we will undertake more of these projects, such as Grand Concourse at Mosholu Parkway in the Bronx, Jewel Avenue in Queens and Hyatt Street on Staten Island. These improvements, which include a variety of traffic engineering elements, help reduce speeds and ultimately decrease the number of traffic accidents and fatalities. Since our Safe Streets for Seniors Program began we've seen a 21 percent decrease in senior pedestrian

fatalities citywide. We will expand this program to 12 new areas this year. We're also continuing our work improving pedestrian safety around schools through the safe routes to schools initiative. We target areas with high crash rates and we establish an initial list of 135 priority schools. We completed short term improvements at all of the priority schools and upgraded crosswalk signs at over 1,400 and middle schools. Next year we will build on that progress with the completion of \$50 million of capital work at 52 priority schools. We are expanding our pedestrian countdown signals program making it easier and safer for New Yorkers to cross the street. More than 11,000 pedestrian countdown signals have been installed at 2,500 intersections to date. Our budget includes funds for an additional 6,000 intersections by the end of 2015 bringing this safety improvement to over two thirds of the city's intersections. We're also continuing our safety work with our neighborhood slow zone program to lower the incidence and severity of crashes by reducing cut through traffic in residential neighborhoods. The first round drew

over 90 community driven applications from all five boroughs of which 13 neighborhoods were chosen. To date seven slow zones have been fully implemented and we expect the rest to be completed by the end of this year. We were also pleased to work with the Council recently to enhance the enforcement of commercial cycling laws. Our new commercial bicycling unit and safety education team have conducted door to door outreach to 4,000 businesses and held over 30 public forums attracting thousands of restaurant owners and workers. Last month we began enforcing the laws and I want to thank the Council, especially Council Members Vacca, Brewer, Van Bramer, Garodnick and Lappin for their support of this important effort. And there is still more to be done. Speeding was the primary cause of 30 percent of traffic fatalities in 2012. We're working to secure state authorization to install a limited number of speed cameras near schools and I want to thank the Council for their strong support of this lifesaving legislation. I look forward to working with you to get this legislation past this year. Finally, we're on the cusp of launching a

new transportation system for New Yorkers and I'm happy to announce today that City Bike will launch on May 27<sup>th</sup>. This will give New Yorkers an inexpensive and convenient mobility option that operates 224 hours a day, seven days a week at no cost to tax payers. Bike Share will be a great addition to our transportation network, especially since most trips in New York are under two miles. And it will also extend the reach of our terrific public transit system. DOT conducted an intensive community process to site these stations. We held nearly 400 meetings during the multi year process, meeting with community boards, elected officials, civic groups and property owners and hosting public demonstrations and workshops in service areas to site the stations. The station locations also reflect 65,000 suggestions received through our interactive website. City Bike enjoys the support of over 70 percent of New Yorkers and over 8,000 people have signed up for annual membership in the last 24 days alone. The work we've completed over the past six years demonstrates the value of creating a strong sustainable transportation network that serves motorists,

1  
2 pedestrians, cyclists and ferry riders. Our  
3 streets have never been safer, our infrastructure  
4 has never been stronger. Thank you, again, for  
5 the opportunity to testify this morning and I am  
6 happy to answer your questions at this time.

7 CHAIRPERSON RECCHIA: Thank you.

8 And first I'm going to recognize members, we've  
9 been joined by Council Member Al Vann, Council  
10 Member Reyna, Council Member Rose and Council  
11 Member Karen Koslowitz. All right? Okay? Oh,  
12 and Council Member Rodriguez. I'm going to turn  
13 it over now to my Council Member Jimmy Vacca, then  
14 we'll take questions from other Council Members,  
15 then I'll save my questions for the end. Council  
16 Member Jimmy Vacca.

17 COUNCIL MEMBER VACCA: Thank you,  
18 Chair Recchia. Commissioner, just several  
19 questions. In your testimony just at the end you  
20 indicated, City Bike enjoys the support of over 70  
21 percent of New Yorkers?

22 MS. SADIK-KHAN: Mm-hmm.

23 COUNCIL MEMBER VACCA: How did you,  
24 how do you know that?

25 MS. SADIK KHAN: There was an

1  
2 opinion poll that was taken last summer which  
3 showed that 72 percent of New Yorkers supported  
4 the bike share program.

5 COUNCIL MEMBER VACCA: It was  
6 specifically the bike share program or was it that  
7 New Yorkers support people who want to use  
8 bicycles? I thought there was a survey but I  
9 didn't remember that City Bike specifically was  
10 surveyed.

11 MS. SADIK-KHAN: It was 72 percent  
12 of New Yorkers supported bike share.

13 COUNCIL MEMBER VACCA: The bike  
14 share program?

15 MS. SADIK-KHAN: Correct.

16 COUNCIL MEMBER VACCA: Okay, I just  
17 didn't remember that. When you mentioned bike  
18 network development, in 2014 executive budget you  
19 have funding for a \$6.8 million in FY2013 for, no,  
20 in the 2014 executive budget you include  
21 additional funding of \$6.8 million or bicycle  
22 network development.

23 MS. SADIK-KHAN: Mm-hmm.

24 COUNCIL MEMBER VACCA: Can you  
25 explain what that capital money is going to be

1  
2 used for specifically? That's, is that a large  
3 amount compared to 2013?

4 MS. SADIK-KHAN: No, well, the FY13  
5 expense budget includes \$9.4 million for bicycle  
6 network development which includes \$7.5 million in  
7 Federal funds and Federal CMAC, congestion  
8 mitigation and air quality funds. And \$1.9  
9 million in City funding. and for FY14 we project  
10 the same budget level as FY13.

11 COUNCIL MEMBER VACCA: Are these  
12 additional bike network expansions? Are they what  
13 your testimony spoke about on several  
14 thoroughfares?

15 MS. SADIK-KHAN: Well, the money  
16 that we're talking about here pays for the  
17 markings for the bike network.

18 COUNCIL MEMBER VACCA: But that's a  
19 lot of money for markings, isn't it? What else is  
20 involved? Does that involve hiring staff? Does  
21 that involve anything else beyond markings?

22 MS. SADIK-KHAN: We have 15 staff  
23 in the bike program. And again, 80 percent of the  
24 funding for all of the bike network development  
25 programming is paid for by Federal funding.



1  
2 COUNCIL MEMBER VACCA: You would  
3 indicate in your testimony that you're going to be  
4 putting bike lanes on the Grand Concourse in the  
5 Bronx? [crosstalk] I need an explanation. How is  
6 that going to assist--

7 MS. SADIK-KHAN: [interposing] I  
8 think there are existing bike lanes. I don't do  
9 think I testified that they--

10 COUNCIL MEMBER VACCA: --you said  
11 that in FY 2014 we will undertake more of these  
12 projects such as the Grand Concourse at Mosholu  
13 Parkway in the Bronx. So, I just wanted to get a  
14 clarification of that.

15 MS. SADIK-KHAN: No, this is the,  
16 the programs that I was testifying to in the, and  
17 when I read earlier had to do with safety projects  
18 that we have in this area, it's not bike lane  
19 projects in this area. I'm happy to provide you  
20 with a list of the projects that we're doing.

21 COUNCIL MEMBER VACCA: Okay.

22 MS. SADIK-KHAN: In those  
23 corridors. But that was not a bike program it was  
24 a safety project.

25 COUNCIL MEMBER VACCA: Okay. Do

1  
2 you intend to derive any or do you expect to  
3 derive any revenue from bike share in the coming  
4 fiscal year?

5 MS. SADIK-KHAN: As with any new  
6 program OMB does not include the funding for new  
7 programs. And so what we are expecting is that  
8 funding will be shared next year when we have  
9 experience as to what the revenue is. And all of  
10 the revenue from the program will be shared 50/50  
11 with the operator.

12 COUNCIL MEMBER VACCA: But in the  
13 coming fiscal year we're not going to be seeing  
14 any revenue or just OMB does not specify?

15 MS. SADIK-KHAN: OMB is not  
16 budgeting for it.

17 COUNCIL MEMBER VACCA: Is not  
18 budgeting for it? So, when will we be seeing  
19 revenue into the City's core from bike share?

20 MS. SADIK-KHAN: My guess would be  
21 this year as soon as OMB has confidence in the  
22 numbers that are generated by this city bike  
23 program.

24 COUNCIL MEMBER VACCA: Okay. We in  
25 the Council and your testimony alluded to it, did

1  
2 pass a new commercial cycling law relative to  
3 safety. And I didn't see any revenue projections  
4 in your budget based on DOT enforcement of the  
5 commercial cycling law.

6 MS. SADIK-KHAN: Well again, it is  
7 unclear what the revenue will be from this program  
8 and as you know, the new law took effect late last  
9 month.

10 COUNCIL MEMBER VACCA: Right.

11 MS. SADIK-KHAN: But we've begun  
12 issuing violations actually. And at this point we  
13 have done outreach to 4,000 businesses. We've  
14 gone to the businesses twice, once before to alert  
15 them as to the elements of the law and then  
16 afterwards to see what the compliance has been.  
17 And to date we have issued 460 violations.

18 COUNCIL MEMBER VACCA: So, that law  
19 took effect three weeks ago?

20 MS. SADIK-KHAN: Yeah.

21 COUNCIL MEMBER VACCA: About three  
22 weeks ago and you've issued 460 violations?

23 MS. SADIK-KHAN: Right.

24 COUNCIL MEMBER VACCA: All in  
25 Manhattan? No, actually. Why is there no

revenue? Then why is there no revenue projection?

MS. SADIK-KHAN: With any new program OMB does not allow us to--

COUNCIL MEMBER VACCA: [interposing]  
But it's not a new program because this fiscal year starts July 1<sup>st</sup>. This is now a new program but why are we not projecting?

MS. SADIK-KHAN: They need to have a year to understand what the budget impact is going to be. So, it would be a good item to look to for next years funding.

COUNCIL MEMBER VACCA: What, when we said in this, when we, as a Committee, sit at this table next year we already have identified two areas where we should be seeing revenue that we do not anticipate today. So, there is revenue there that DOT can anticipate. You, OMB has not determined how much but we are--

MS. SADIK-KHAN: [interposing]  
That's absolutely true, Council Member and we would expect that that would be reflected in the November plan.

COUNCIL MEMBER VACCA: In the November plan? Okay. Parking meter increases.

1  
2 Now, the parking garages went up 20 percent this  
3 fiscal year. Is it, am I correct in understanding  
4 that you're posing no additional increase in those  
5 parking facilities for the coming fiscal year or  
6 can you clarify, what is your request regarding  
7 that?

8 MS. SADIK-KHAN: We do not expect  
9 any increase beyond what we, you talked to for the  
10 quarterly permit rates.

11 COUNCIL MEMBER VACCA: So, that  
12 will be left at that? There will be no additional  
13 increase in those rates for the coming fiscal  
14 year?

15 MS. SADIK-KHAN: For the quarterly  
16 permit rates.

17 COUNCIL MEMBER VACCA: For the  
18 garages?

19 MS. SADIK-KHAN: For the quarterly  
20 permit rates for the garages.

21 COUNCIL MEMBER VACCA: Okay, okay.  
22 Now, we've gone to muni meters and I would like to  
23 know, have we seen an increase in parking meter  
24 revenue based on the muni meters and have we seen  
25 increase in parking meter revenue based on the

1  
2 parking meter rate increases that were implemented  
3 during the fiscal year?

4 MS. SADIK-KHAN: We do not see an  
5 increase proportional to that change. We do, we  
6 have converted, as you know, all of the signal  
7 space parking meters. They've all been munified  
8 as of February of this year. So, we don't have  
9 any additional expenditures that would be in that  
10 budget and the percentage increase in parking  
11 meter revenue does not match the percentage  
12 increase in meter rates. Parking meter increases  
13 are only one reason for this increase. You got  
14 other factors like the expansion of commercial  
15 meter areas and the conversion of single space  
16 meters to muni meters. So, all of that factors  
17 in. It's not a one for one.

18 COUNCIL MEMBER VACCA: So, you're  
19 saying though, just to be clear, have we  
20 experienced any increase in revenue because the  
21 rates have gone up? The rates when up in  
22 Manhattan.

23 MS. SADIK-KHAN: Yes, we have  
24 experienced it but it's not a one for one. It's  
25 not a proportional direct correlation.

1  
2 COUNCIL MEMBER VACCA: Okay. So,  
3 what was the increase in revenue? How much money  
4 did we get from increasing--

5 MS. SADIK-KHAN: [interposing] I  
6 can get that information to you.

7 COUNCIL MEMBER VACCA: Yes.

8 MS. SADIK-KHAN: I don't have it  
9 on...

10 COUNCIL MEMBER VACCA: How many  
11 more spaces did we create from the conversion to  
12 muni meters?

13 MS. SADIK-KHAN: We gained 2,785  
14 spots.

15 COUNCIL MEMBER VACCA: City wide?

16 MS. SADIK-KHAN: Yes.

17 COUNCIL MEMBER VACCA: Okay. I  
18 wanted to talk about intro A24 also, which is some  
19 people who have driveways on streets where there  
20 are muni meters. That was legislation your agency  
21 and my office worked together on. Do you still  
22 support that where people who have those driveways  
23 would not be penalized should they be on a block  
24 where they have muni meters?

25 MS. SADIK-KHAN: People can already

1  
2 park in front of their driveways without paying  
3 for a muni meter.

4 COUNCIL MEMBER VACCA: Yes, but the  
5 problem with that is that they get a ticket  
6 because there's a law that says you can't park in  
7 front of a curb gut.

8 MS. SADIK-KHAN: Well, I think that  
9 the issue is an enforcement issue and what we can  
10 do is work, in areas where you have discovered  
11 that to be a problem we can work with the local  
12 precinct to address the importance of that.

13 COUNCIL MEMBER VACCA: It's not the  
14 precinct, it's the traffic agent cops, okay?

15 MS. SADIK-KHAN: Well, we can work  
16 with the precinct to work with the traffic  
17 enforcement agents.

18 COUNCIL MEMBER VACCA: But it's not  
19 working. It's a problem. And I think in the law  
20 it has to be put that this, you know, in those  
21 areas that have muni meters if there is a curb  
22 cut, all right, for a business or private home,  
23 right? Then they should be able to park in their  
24 driveway, in front of the [crosstalk]

25 MS. SADIK-KHAN: I appreciate the



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concern. It's not--

COUNCIL MEMBER VACCA:

[interposing] Because you can't leave it up to the enforcement because people in all of our communities are getting tickets, all right?

MS. SADIK-KHAN: Well, we're happy to work with you on this subject.

CHAIRPERSON RECCHIA: It has to be put in, it has to be addressed, sorry Council Members.

COUNCIL MEMBER VACCA: No, that's okay. I had thought that we had agreed to do something and then it just--

MS. SADIK-KHAN: [interposing]  
Yeah, I think the administration is working with your office on this and on the legislation on this regard.

COUNCIL MEMBER VACCA: We need help because I'd like to move that, so, okay?  
Pedestrian plazas, now, how many more did you say would be installed in the coming year? You said you had a plan on pedestrian plazas?

MS. SADIK-KHAN: Well, we are spending about \$400,000 in FY13 and FY14 to create

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ten new plazas.

COUNCIL MEMBER VACCA: Okay. Have those locations been approved by the community boards and all?

MS. SADIK-KHAN: Yes, yes, they all have.

COUNCIL MEMBER VACCA: Okay. Okay. We'll go on to some questions and I'll come back.

CHAIRPERSON RECCHIA: Okay, we have [crosstalk] Yeah. I just want to talk about, since we're on the topic of muni meters, let's talk about the credit card companies and there's been an increase in credit card companies. And you predict \$3.5 million, right, with the credit card companies?

MS. SADIK-KHAN: We have that?

CHAIRPERSON RECCHIA: Yeah.

MS. SADIK-KHAN: For what? You want to address that?

CHAIRPERSON RECCHIA: Yeah, just state your name for the record.

MR. JOE JARRIN: Joe Jarrin, Deputy Commissioner.

CHAIRPERSON RECCHIA: Hi, Joe.

1  
2 MR. JARRIN: Yes, OMB funded that  
3 amount for credit card charges for the parking  
4 program.

5 CHAIRPERSON RECCHIA: And that  
6 money went to the credit card companies?

7 MR. JARRIN: Well, that money goes  
8 to us for our expenses.

9 CHAIRPERSON RECCHIA: For expenses?

10 MR. JARRIN: Yeah.

11 CHAIRPERSON RECCHIA: Okay. And  
12 the credit card companies, what percentage are  
13 they taking? We were able to work an arrangement  
14 out with them?

15 MS. SADIK-KHAN: Do you know what  
16 the details are?

17 MR. JARRIN: I'll have to get back  
18 to you.

19 MS. SADIK-KHAN: We can get back to  
20 you with the details about what the take away is.

21 CHAIRPERSON RECCHIA: All right.  
22 Is there any way we could cut down on that \$3.5  
23 million from the credit cards?

24 MS. SADIK-KHAN: We'll work on that  
25 with you.

CHAIRPERSON RECCHIA: Okay. All right. Oliver Koppell - - Oliver Koppell.

COUNCIL MEMBER KOPPELL: Thank you.

CHAIRPERSON RECCHIA: Council Member Koo.

COUNCIL MEMBER KOPPELL: Thank you. First of all I want to complement you on the good statistics that you cited. Certainly the fact that all the bridges are in good repair is a very welcome news. A couple of things that come out of my experience in my district. We have great difficulty in getting regular and appropriate maintenance of the medians along the highway, especially the Henry Hudson Parkway which runs through Riverdale section of my district. And we, I can't tell you how many calls we made last year at the beginning of the summer. finally, by the end of the summer they were taking care of the grassy strips reasonably well. But it was extreme, and it's very unsightly. Obviously thousands and thousands of people come into the city that way and they come in looking at weeds and overgrown grass and so on. Do you have a, I'm sure this happens in other places as well. Do you

1  
2 have a regular schedule for the maintenance of  
3 these median strips along the highways?

4 MS. SADIK-KHAN: Well, it really  
5 does depend on, I know this sounds funny, but it  
6 is a jurisdictional issue between the State and  
7 the City. And so on certain arterial highways  
8 it's a State responsibility for maintaining these  
9 medians and in different areas it's the cities.  
10 But we have started conversations with the State  
11 about looking for different ways to improve the  
12 care of these different areas, these gateway areas  
13 in particular. And so we're in conversations with  
14 them right now working with some not for profit  
15 partners to increase the amount of maintenance  
16 work that is done to clean and beautify these  
17 areas.

18 COUNCIL MEMBER KOPPELL: I think  
19 that's one, I think the Henry Hudson Parkway,  
20 actually your Department has been doing it. We've  
21 been calling your office and it's kind of  
22 interesting because it was so miserable in May,  
23 June and July and then by August you showed you  
24 could do it. 'Cause by, in August - - good. But  
25 for three months I must have called on a weekly

1  
2 basis to complain, really. It was, and I, and by  
3 the way, the grass has started to grow again and  
4 looks miserable this morning. I watched, I saw  
5 it.

6 MS. SADIK-KHAN: Well, it's a  
7 miserable morning.

8 COUNCIL MEMBER KOPPELL: No, no,  
9 the grass.

10 MS. SADIK-KHAN: Oh, okay.

11 COUNCIL MEMBER KOPPELL: A foot  
12 high grass with weeds and everything else. Okay.  
13 Speaking of the Henry Hudson Parkway, I've spoken  
14 to your representative in the Bronx for several  
15 years now about the curbs along the service roads  
16 on the Henry Hudson Parkway that are in some cases  
17 totally missing. And she has told me that she's  
18 talking to the State and it needs coordination  
19 with the State because of the issue that you just  
20 discussed. But something, you know, something  
21 should be in plan with respect to these service  
22 roads where the curbs essentially don't exist and  
23 then there are ruts and they get filled with  
24 water. Anyway, if you'd put that down on your  
25 list I'd appreciate it. And also, you mentioned

1  
2 in response to Councilman Vacca about the Mosholu  
3 Parkway and the Grand Concourse. And indeed, the  
4 safety improvements are welcome there. But also I  
5 would appreciate your putting down to look at the  
6 reconstruction of certain parts of Mosholu Parkway  
7 which have serious flooding problems. I know this  
8 has been called to your attention but we don't  
9 have a commitment as to exactly when and what is  
10 going to be done. And the Mosholu Parkway's a  
11 very attractive arterial and it's a shame that  
12 with such an attractive arterial we have these  
13 roadway, it should be on the schedule somewhere.  
14 Thank you.

15 CHAIRPERSON RECCHIA: Just let me  
16 interject too, Council Member. And I know the  
17 Council Member is raising local issues but it's  
18 more than local, it's a Bronx issue. The traffic  
19 on Mosholu Parkway leading from Pelham Parkway  
20 [phonetic] Allenton Avenue, you have to go through  
21 Bronx, you know, at Bronx Park, Allenton Avenue,  
22 then you go through a whole maze surrounding  
23 botanical garden, Fordham University, the back ups  
24 are tremendous every day. There has to be a  
25 traffic mitigation plan for that area that the

1  
2 rush hour, morning and afternoon, is just  
3 terrible. I do want to bring up back the parking  
4 [off mic] sorry.

5 COUNCIL MEMBER KOPPELL: Second  
6 what you said Council Member. That's my district  
7 and you're right.

8 CHAIRPERSON RECCHILA: Thank you,  
9 Council Member. And parking meters, back one  
10 quick question. What is going to happen to all  
11 the old parking meters stanchions. I had read  
12 that it was going to be 1,000 of them converted to  
13 bicycle racks. Is that still the plan and--

14 MS. SADIK-KHAN: [interposing]  
15 Yeah, we've got about 25,000 single meter poles  
16 remaining and a subset of that will be converted  
17 to bike parking racks. And we're working with the  
18 community boards on where those go.

19 CHAIRPERSON RECCHIA: You're still  
20 looking at converting 1,000 of them in that area,  
21 approximately 1,000 or more or less?

22 MS. SADIK-KHAN: Yeah, more or  
23 less.

24 CHAIRPERSON RECCHIA: No, I mean is  
25 it more or is it less?



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MS. SADIK-KHAN: It's more.

[laughter]

CHAIRPERSON RECCHIA: It's more than 1,000? We'd like to get less. No, okay.

MS. SADIK-KHAN: All of this, and all of the work, again, we do work with community boards on this to do the siteing for this and it's quite cost effective. And so we're looking to basically recycle our infrastructure and so that's what we're in the process of doing now.

CHAIRPERSON RECCHIA: And what do we do with the rest of them? I think you said we have 23,000?

MS. SADIK-KHAN: 25,000.

CHAIRPERSON RECCHIA: 25,000?

MS. SADIK-KHAN: Yeah.

CHAIRPERSON RECCHIA: So, what, do you plan to remove at least 23,000 or 24,000? I mean, what do we do with the rest of them that are still left over?

MS. SADIK-KHAN: I, do we recycle them? I think we recycle them.

CHAIRPERSON RECCHIA: So, is there a plan to remove them? Is there a timetable?

1  
2 MS. SADIK-KHAN: Yeah, no, we've  
3 got a timeframe and we're in the process of  
4 removing them. I think I will get back to you  
5 about what the exact timeframe is for the removal  
6 of those racks.

7 CHAIRPERSON RECCHIA: Okay.

8 MS. SADIK-KHAN: Meters.

9 CHAIRPERSON RECCHIA: Okay, Jimmy  
10 Vacca, he wants to auction them off. [laughter]  
11 So, these are collectors [crosstalk] that'll be  
12 the next cut. Council Member Peter Koo. Peter  
13 Koo, then be followed by Council Member Rose.  
14 Peter?

15 COUNCIL MEMBER KOO: Thank you.  
16 Thank you, Commissioner. And I must say that our  
17 city infrastructure has improved a lot compared  
18 with 12 years ago. So, I thank the Mayor and your  
19 efforts about improving the local infrastructure  
20 so much. Commissioner, you must know that  
21 Flushing downtown is one of the fastest growing  
22 areas in Queens or even in the whole city, you  
23 know? But however, I don't have any, like, major  
24 improvement, you talk about in this project and  
25 things. And you all know downtown Flushing,

1  
2 especially the Main Street and the Roosevelt and -  
3 - areas at the - - those three roads are the most  
4 traveled roads in Queens. As I say, one of the  
5 most basic roads. But I haven't seen any  
6 improvements. I mean, you have talked about  
7 resurfacing the streets years ago but I haven't  
8 seen anything started yet. Can you tell me why  
9 or?

10 MS. SADIK-KHAN: Well, I couldn't  
11 agree with you more in terms of some of the busy  
12 thoroughfares that you have in your district and  
13 the importance of bringing that road  
14 infrastructure to a state of good repair. Which  
15 is why on Main Street, on 38<sup>th</sup> Street, in  
16 Roosevelt, we actually have a major program that  
17 we're going to be moving forward with. And we've  
18 got the preliminary design work for this project.  
19 We started that in February and we expect to begin  
20 construction of this work next year.

21 COUNCIL MEMBER KOO: Yeah, I'm  
22 hoping you can start those soon because our town  
23 is growing, we have so much apartment buildings  
24 going, getting up and all these new people moving  
25 in. So, if we don't do it ahead of time, you

1  
2 know, we might die of shock, you know, the City, I  
3 mean the, Flushing, yeah. Yeah.

4 MS. SADIK-KHAN: But we've repaved  
5 27 lane miles in your district and, you know, we  
6 look forward to working with you. You've been  
7 very helpful to us in prioritizing areas that need  
8 work and we'd be happy to set up a meeting to  
9 review other additional areas that you think we  
10 need to be focusing more on.

11 COUNCIL MEMBER KOO: The second  
12 thing I want to bring up is, like, somehow New  
13 York City is one of the City's in the civilized  
14 world that pedestrians don't follow the traffic  
15 signs. I thought this is only happening in  
16 Flushing but it's actually happening all over the  
17 city. So, are you thinking, is your department  
18 doing anything to improve this? I mean, we can do  
19 something to improve pedestrian education, make  
20 sure they have to follow the signs. It's not just  
21 for advisory only, look, people - - to go whether  
22 it's green or yellow. They don't care.

23 MS. SADIK-KHAN: No, it's, Council  
24 Member, you raise a really important issue. And  
25 actually distracted driving and distracted walking

1 are increasing problems for us. And we saw an 11  
2 percent increase in distracted driving and  
3 distracted texting nationally last year. That was  
4 an 11 percent increase in traffic fatalities as a  
5 result of that. So, the new technology brings new  
6 challenges and we are working on new campaigns to  
7 address these issues and really get the word out  
8 about pedestrian safety and importance of  
9 following the rules of the road. We've got a look  
10 campaign out there. We've actually stenciled high  
11 pedestrian intersections encouraging people to  
12 look out for one another and look as they're  
13 crossing the road. We've done a lot to improve  
14 the visibility of crosswalks and so, you know,  
15 again, so that driver's can see pedestrians a  
16 little more clearly. But again, pedestrians have  
17 to follow the rules of the road like everyone  
18 else. And it is an issue, you know, jaywalking is  
19 an issue in the City of New York. New Yorker's  
20 like to get around in a New York minute and that  
21 has consequences. But I do think that the look  
22 campaigns, we've done a series of, for all users,  
23 a very important public safety campaigns. That's  
24 why it's 30 campaign to encourage people to follow  
25

1 the speed limit. If you're hit by a car going 40  
2 miles an hour there's a 70 percent chance you'll  
3 die. If you're hit by a car going 30 miles an  
4 hour there's an 80 percent chance you'll live.  
5 We've done a lot on the cycling piece, you know,  
6 don't be a jerk campaigns, heads up campaigns,  
7 look campaigns, you the man campaigns for drunk  
8 driving. We have one of the most robust safety  
9 education campaigns in the country and if you have  
10 ideas of, you know, other campaigns that you can  
11 undertake we're all ears.

12  
13 COUNCIL MEMBER KOO: Well, the  
14 easiest - - is give them tickets, jaywalking  
15 tickets.

16 MS. SADIK-KHAN: Well, that is--

17 COUNCIL MEMBER KOO: [interposing]  
18 You don't have to do it every day. I mean,  
19 [crosstalk] once you do it people will get scared  
20 and then they will watch the signal.

21 MS. SADIK-KHAN: Yes, well, that is  
22 not the jurisdiction of our agency but we are  
23 going to continue our work on the pedestrian  
24 safety campaigns and so, thank you for the concern  
25 'cause it is a big issue.

1  
2 COUNCIL MEMBER KOO: So, I'm hoping  
3 you can spend part of your budget for education of  
4 jaywalkers. You know, make sure it's very  
5 dangerous because accidents happen a lot now.

6 MS. SADIK-KHAN: Actually, it's  
7 true we do have the look campaign that we have out  
8 there now and the heads up campaign that we have  
9 right now focus specifically on that and I'd be  
10 happy to show you the campaign materials that we  
11 have, you'll see them in the bus shelters as well.  
12 You'll see them all over the airwaves so we've got  
13 a big campaign, you know, they're, it's sometimes  
14 hard to punch through to New Yorker's with a lot  
15 of the static and advertising that's around. But  
16 we're doing our best and I'd be happy to show you  
17 our work [crosstalk]

18 CHAIRPERSON RECCHIA: Commissioner,  
19 maybe you could deliver some of those materials to  
20 the Council Member's district office and he could  
21 go out there one day with you to hand out the  
22 stuff.

23 MS. SADIK-KHAN: That's an idea.

24 COUNCIL MEMBER KOO: My final, the  
25 best deterrent is still enforcement.

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MS. SADIK-KHAN: Prevention.

Prevention.

COUNCIL MEMBER KOO: Give tickets.

CHAIRPERSON RECCHIA: You could  
bring that up--

COUNCIL MEMBER KOO: [interposing]  
[crosstalk] every day.

CHAIRPERSON RECCHIA: On May 23<sup>rd</sup>  
Public Safety Commissioner Kelly will be here.  
You can bring that up to him.

COUNCIL MEMBER KOO: Very good.

CHAIRPERSON RECCHIA: Okay.

COUNCIL MEMBER KOO: Thank you.

CHAIRPERSON RECCHIA: Thank you,  
Council Member Peter Koo. We've been joined by  
Council Member Dan Garodnick and Council Member  
Jessica Lappin. At this time we recognize the  
Council Member from Staten Island, Council Member  
Debbie Rose will be followed by Council Member  
Jimmy Van Bramer, to be followed by Council Member  
Rodriguez, then Koslowitz. Council Member Rose.

COUNCIL MEMBER ROSE: Good morning.

MS. SADIK-KHAN: Good morning.

COUNCIL MEMBER ROSE: Thank you



1 Chairs and good morning Commissioner. I want to  
2 thank you for resending the order to eliminate the  
3 boarding at the lower level of the ferry terminal.  
4 However, it said that the preliminary budget  
5 included an annual savings of \$1.5 million from  
6 the elimination of lower level boarding at the St.  
7 George Ferry Terminal that has now been rescinded  
8 and executive budget for fiscal year 2014 only.  
9 Can you tell us why the savings will no longer be  
10 achieved in fiscal year 2014?  
11

12 MS. SADIK-KHAN: Well, what we were  
13 able to do was with Federal funding we were able  
14 to, you know, fund the gap there to preserve that  
15 service by having more of our traffic management  
16 center personnel covered by the Federal grant that  
17 we have. And so that's a one year savings and so  
18 that's why we have it as a one year peg.

19 COUNCIL MEMBER ROSE: And with that  
20 the plan, the elimination of the lower level  
21 boarding, came the elimination of three positions.  
22 Are those positions now secure or are they still  
23 going to be eliminated?

24 MS. SADIK-KHAN: Those positions  
25 are secure for this year.

1  
2 COUNCIL MEMBER ROSE: Okay, and so  
3 this is just a one year plan. What is, what's  
4 your plan for the next fiscal year?

5 MS. SADIK-KHAN: It would have to  
6 be revisited at that time.

7 COUNCIL MEMBER ROSE: So, it is a  
8 possibility that the employees could lose their--

9 MS. SADIK-KHAN: [interposing] That  
10 would be a determination of, that would be made by  
11 the next administration.

12 CHAIRPERSON RECCHIA: The next  
13 Commissioner, Council Member.

14 COUNCIL MEMBER ROSE: Okay.

15 CHAIRPERSON RECCHIA: New mayor,  
16 new commissioner. So, the last hearing to testify  
17 before us.

18 COUNCIL MEMBER ROSE: That's true.  
19 I know she's happy, right? [laughter]

20 CHAIRPERSON RECCHIA: She's going  
21 to miss Jimmy Vacca, are you kidding me?  
22 [laughter]

23 COUNCIL MEMBER ROSE:  
24 Advertisements on the Staten Island Ferry is long  
25 been a source of income to offset the costs of the

1  
2 free ferry service. What is the standard rate for  
3 the advertisement on Staten Island Ferry and with  
4 ridership sure to increase with the construction  
5 of the wheel are there any plans to increase those  
6 rates?

7 MS. SADIK-KHAN: I don't have the  
8 rates but I can get that to you after the hearing.

9 COUNCIL MEMBER ROSE: Okay. But  
10 we're not looking? You're not sure?

11 MS. SADIK-KHAN: I don't have the  
12 information.

13 COUNCIL MEMBER ROSE: Oh, okay.

14 MS. SADIK-KHAN: I can get it to  
15 you.

16 COUNCIL MEMBER ROSE: Okay. And we  
17 now have the highest ridership in generations on  
18 the ferry. Are there any investments that are  
19 being made in the terminal and the boats to ensure  
20 that these numbers continue to rise and that the  
21 capacity for safe transport with an increase in  
22 ridership? And are there any plans for upgrades  
23 and maintenance at the Staten Island Ferry?

24 MS. SADIK-KHAN: Yes. We've  
25 undertaken one of the largest rehabilitations of

1 the Staten Island Ferry terminals and vessels  
2 every done. And thanks to \$175 million I Federal  
3 Stimulus Funding, which was the largest Federal  
4 Stimulus Funded project in the state we now have  
5 the St. George Ferry Terminal up to where it  
6 should be on a state of good repair and able to  
7 handle 21<sup>st</sup> century needs. I think you've seen the  
8 work there and the improvements there and it's not  
9 only the ramps that have been improved, the access  
10 that's been improved, the lighting that's been  
11 improved, the walkways that have been improved,  
12 the roadways that have improved. It is a  
13 significant enhancement. We continue with the  
14 work that we're doing to improve the vessels as  
15 well. In my testimony I talked to our conversion  
16 to ultra lower sulfur fuels. We're going to  
17 continue to do more work on catalytic convertors.  
18 We probably have the greenest fleet in the United  
19 States if not the--

20  
21 COUNCIL MEMBER ROSE: [interposing]  
22 Are we going to get the ferries and what's the  
23 timeline for that?

24 MS. SADIK-KHAN: We have led an RFP  
25 for the design of the new ferry's that's gone to

1  
2 Elliot Bay [phonetic]. So, that design work is  
3 beginning now.

4 COUNCIL MEMBER ROSE: In your  
5 testimony you acknowledged that there was \$30  
6 million worth of damage in the two terminals and  
7 the piers and that the Whitehall terminal  
8 escalators and the terminal itself, you know, is  
9 under repair and due to be replaced, the two  
10 escalators for this fall. And I, you know that I  
11 think that that's just too long for that to  
12 happen. But with the repairs that you're making  
13 are you also planning to improve the  
14 infrastructure so that it, in the case of another  
15 weather event that we do not sustain that level of  
16 damage again?

17 MS. SADIK-KHAN: The FTA funding  
18 goes for replacement of the escalators on the  
19 Whitehall side. The elevator is in operation as  
20 you know and escalators are in operation on the  
21 other side. So, I mean, the infrastructure is in  
22 place on the other side. So, this is just  
23 replacement in kind on the escalator. But that  
24 said the DOT in conjunction with other sister  
25 agencies are working very hard on a climate change

1  
2 resiliency plan. I believe that's supposed to be  
3 released this month, later this month. So, that  
4 will have the resiliency and adaptation projects  
5 will be included as part of that plan.

6 COUNCIL MEMBER ROSE: Will they be  
7 included out in this CBDG, the Community Block--

8 MS. SADIK-KHAN: [interposing] The  
9 CBDG funding is going to be used for, yes.

10 COUNCIL MEMBER ROSE: So, the  
11 possibility of that happening sooner rather than  
12 later is?

13 MS. SADIK-KHAN: Well, the  
14 escalators are already funded. We did get, we  
15 were on the first front, the first year of funding  
16 for the FTA funds, which was a very big deal.

17 COUNCIL MEMBER ROSE: Mm-hmm.

18 MS. SADIK-KHAN: So, we're very  
19 happy to have the escalators completion, the  
20 completion of the escalator repair project done by  
21 this fall. And then the rest of the mitigation  
22 pieces will follow from there.

23 COUNCIL MEMBER ROSE: And just one  
24 other Sandy related question. Front Street, as  
25 you know, sustained a lot of damage as a result of

1  
2 Sandy. In fact, the photo of the boat that washed  
3 ashore was on Front Street.

4 MS. SADIK-KHAN: Right.

5 COUNCIL MEMBER ROSE: That went  
6 viral. Are, have you built in to the budget any  
7 plans to do something to secure the infrastructure  
8 of Front Street? Which, as you know, we just put,  
9 you just put a lot of money into.

10 MS. SADIK-KHAN: Right.

11 COUNCIL MEMBER ROSE: Because we're  
12 developing the home port site there.

13 MS. SADIK-KHAN: Right. We  
14 submitted an extensive list of roadways that  
15 needed to be repaired to both FHWA and FEMA. You  
16 have different jurisdictions, again, for different  
17 roadway components. So, we are hopeful that we  
18 will have the Federal funding that we need to make  
19 the improvements that we need to make and  
20 mitigation is part of the eligibility for those  
21 projects.

22 COUNCIL MEMBER ROSE: So, my final  
23 comment is, Commissioner, I just want to make sure  
24 that Staten Island is, like, near the top of the  
25 list with all of these projects that need to be

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addressed.

MS. SADIK-KHAN: I think you know I  
spend a lot of time--

COUNCIL MEMBER ROSE: [interposing]  
Sorry, guys. [laughter]

MS. SADIK-KHAN: --on Staten Island  
after Super Strom Sandy hit and we understand the  
devastating effect that it's had and we've worked  
very, very hard to get our infrastructure up and  
running and secure the Federal funding needed to  
make sure that these roads and bridges and ferry  
facilities are back to wehre they need to be.

COUNCIL MEMBER ROSE: Thank you.

CHAIRPERSON RECCHIA: Okay, thank  
you. Commissioner, you left out one thing, the  
reason why everybody wants to go to Staten Island,  
they want to go to the wonderful fish tanks in the  
ferry terminal, the big attraction. [laughter] Big  
issue.

COUNCIL MEMBER ROSE: I think you  
better leave that out. No comment. [laughter]

CHAIRPERSON RECCHIA: I have a  
question, the sequester, how did that impact the  
Department, your agency?



1  
2 MS. SADIK-KHAN: Well, the  
3 sequester hasn't had an immediate impact now. The  
4 road and bridge programs are trust funded, the  
5 Federal Trust Fund, Highway Trust Fund funds that.  
6 And so those are exempt from the sequestered cuts.  
7 That said, going forward, you know, Federal  
8 funding is going down for infrastructure programs  
9 and so we are concerned that what the, some of the  
10 longer term effects might be. But in the short  
11 term the trust funded programs are, as I said,  
12 exempt from those sequestration cuts.

13 CHAIRPERSON RECCHIA: And the  
14 escalator and the ferry terminal that you said  
15 will be in the fall, you're saying the fall, is  
16 that September, November? Do we have a closer  
17 date for the Council Member from Staten Island?

18 MS. SADIK-KHAN: I'll get back to  
19 you. I think it's late fall.

20 CHAIRPERSON RECCHIA: Late fall?

21 MS. SADIK-KHAN: Yeah.

22 CHAIRPERSON RECCHIA: And that  
23 would be for when it's completed, all done?

24 MS. SADIK-KHAN: Yes.

25 CHAIRPERSON RECCHIA: All right,

1  
2 that's been out for a while. That's a big issue,  
3 those escalators.

4 MS. SADIK-KHAN: We're working very  
5 hard on that.

6 CHAIRPERSON RECCHIA: Okay, Council  
7 Member Jimmy Van Bramer followed by Council Member  
8 Rodriguez.

9 COUNCIL MEMBER VAN BRAMER: Thank  
10 you very much to both of your Chairs and thank you  
11 Commissioner Sadik-Khan. I, as you know, am a big  
12 supporter of a lot of your initiatives and think  
13 very highly of your tenure as Commissioner. We  
14 don't agree on everything but we agree on a lot of  
15 really big things. I want to say proudly, I'm one  
16 of the 8,000 people that have signed up for bike  
17 share and I am a participant. And so you can  
18 probably figure out my first question and I know  
19 we've exchanged letters and we've even spoken  
20 about this, but I just want to make sure and say  
21 for the record that we really want bike share in  
22 western Queens and I know we were delayed. But I  
23 wanted to see if you have any updates and also  
24 just to make sure that the DOT is committed to  
25 this being a truly citywide program which, of

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course, has got to include the borough of Queens.

MS. SADIK-KHAN: Yes, we understand and are working very hard to secure additional funding to get the program where it needs to be and that does include bike share in Queens.

COUNCIL MEMBER VAN BRAMER: So, you do not have the funding currently in place to expand it to Queens, is that right?

MS. SADIK-KHAN: No, we do not.

COUNCIL MEMBER VAN BRAMER: Are you optimistic that you'll have that?

MS. SADIK-KHAN: I am.

COUNCIL MEMBER VAN BRAMER: Okay. So, let's keep talking. I think you know how important it is to me and you know how important it is to--

MS. SADIK-KHAN: [interposing] I do.

COUNCIL MEMBER VAN BRAMER: --to western Queens.

MS. SADIK-KHAN: I also want to say that I really appreciate your support on the project work that we've done. I think that the work, you know, in your district has been

1  
2 extraordinary and I think we've made a lot of  
3 progress. Obviously, we don't agree on everything  
4 but I think there's been some tangible success.  
5 And it's seen in a variety of ways and so I really  
6 appreciate the cooperation.

7 COUNCIL MEMBER VAN BRAMER: Thank  
8 you. I mean, I think our, we all love our  
9 districts. Our, my district is one that is really  
10 exciting and growing and one that a lot of people  
11 want to live in and work in. And part of that is  
12 because we are doing so many terrific things with  
13 our roadways. And I believe that our dedicated  
14 bike lanes and our bike share, all those things  
15 are very, very important to us and what many of my  
16 constituents want. Speaking of which, I'm very  
17 proud to be the proud sponsor of the speed camera  
18 reso and also the red light camera reso. And then  
19 we also passed my commercial cycling legislation.  
20 Safety is incredibly important, as you know,  
21 Thompson Avenue, I know we have a meeting next  
22 week, I think, on this issue. But I go by it  
23 every single day and it is a very, very difficult  
24 situation right now, Commissioner, as you know.  
25 And it is incredibly important that we make

1  
2 Thompson Avenue safer and I know there was  
3 reference to a program, not the slow zones, but  
4 another program in another part of the city to  
5 really take a look at high congestion areas and  
6 you know how important and how busy Thompson  
7 Avenue is. So, what are we going to do to make  
8 sure all those students are safe?

9 MS. SADIK-KHAN: Well I, we're  
10 looking forward to the meeting with you next week  
11 and we'll be meeting before the community board  
12 and have some, you know, discussions and proposals  
13 to review with you at that time.

14 COUNCIL MEMBER VAN BRAMER: Once we  
15 go to the community board assuming that, you know,  
16 we have a good meeting next week of the community  
17 board. How soon can you actually physically  
18 change in--

19 MS. SADIK-KHAN: [interposing] It  
20 really depends on the program. It depends on what  
21 the recommendations are. It depends on, you know,  
22 every project is different. And so, we wouldn't  
23 want to prejudge it. We want to work with you to  
24 tailor a program that meets the needs of the  
25 district and the communities and I think next week

will be very helpful in getting us where we need to be.

COUNCIL MEMBER VAN BRAMER: I look forward to the meeting. I'm assuming that there will be a wide range of options in terms of how we can make Thompson Avenue safer.

MS. SADIK-KHAN: Absolutely, yeah.

CHAIRPERSON RECCHIA: Okay.

COUNCIL MEMBER VAN BRAMER: The Queens Borough Bridge? You mentioned all the bridges are in great repair?

MS. SADIK-KHAN: Mm-hmm.

COUNCIL MEMBER VAN BRAMER: The Queens Borough Bridge is an old bridge. It has

MS. SADIK-KHAN: [interposing] Ed Koch Bridge.

COUNCIL MEMBER VAN BRAMER: Well, we prefer to call it the Queens Borough Bridge in the 26<sup>th</sup> Council District.

CHAIRPERSON RECCHIA: The Ed Koch Bridge.

COUNCIL MEMBER VAN BRAMER: But [laughter].

CHAIRPERSON RECCHIA: Thank you.

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COUNCIL MEMBER VAN BRAMER: But--

MS. SADIK-KHAN: [interposing] I  
had to correct that for the record.

COUNCIL MEMBER VAN BRAMER: Well,  
and I have to correct it for my constituents.  
[laughter] So, the Queens Borough Bridge is  
incredibly important citywide and a lot of wear  
and tear. You know we have a situation with  
lighting on the pedestrian/bike path, that has  
sort of been a chronic situation. Just wanted to  
check to make sure the Queens Borough Bridge is  
getting all of the attention it deserves and you  
deem it in good repair. But if we do need a  
repair, is the lighting situation on Queens  
Borough Bridge where it needs to be?

MS. SADIK-KHAN: We will check. I  
believe it is but we will check it and get back to  
you on that.

COUNCIL MEMBER VAN BRAMER: Okay.

CHAIRPERSON RECCHIA: Council  
Member, okay, could you sum up?

COUNCIL MEMBER VAN BRAMER: Sure.  
My last point is, intro 527 is a bill that I have  
sponsored. We've had one hearing in the

1  
2 Transportation Committee which would mandate that  
3 the DOT give 72 hours notice when making permanent  
4 street parking sign changes. We've had multiple  
5 cases of people being ticketed when they've parked  
6 correctly only to come back either later that day  
7 or the following day and have tickets because new  
8 signage and new regulations came into effect  
9 overnight. That happened last week in my district  
10 again on 47<sup>th</sup> Avenue in Long Island City and I know  
11 that you have a--

12 MS. SADIK-KHAN: [interposing]

13 Sticker program?

14 COUNCIL MEMBER VAN BRAMER: A

15 program and I know that you and the Council came  
16 to some middle ground on this several years ago.  
17 But I just want to encourage you and ask you to  
18 continue the dialogue with us because I believe  
19 that agreement is not working the way it needs to  
20 work and intro 527 is a good, common sense measure  
21 that would prevent our constituents from  
22 unnecessary tickets and it's incredibly important.  
23 Because even though there is the five day rule,  
24 the truth is a lot of folks don't know about it  
25 and will pay the tickets anyway and it's unfair



1  
2 for them to have to pay when they parked their  
3 cars legally, you changed the rules overnight.  
4 So, intro 527, I know you, Assistant Commissioner  
5 Slevin, testified at a hearing to oppose this but  
6 I think it's a good piece of legislation and we  
7 really need to make this happen.

8 CHAIRPERSON RECCHIA: Okay.

9 MS. SADIK-KHAN: Thank you.

10 CHAIRPERSON RECCHIA: Thank you. I  
11 recommend this is a finance hearing. The only  
12 thing with the budget, keep your questions related  
13 to budget issues, okay? Just one quick question,  
14 Commissioner? Speaking of budgeting. Can you  
15 budget more people to assess speed bump  
16 installation quicker? It takes too long for  
17 surveys to be done when a request for a speed bump  
18 is made. And my own office makes these requests  
19 and I know you're committed to slowing down  
20 traffic. I think speed bumps are fantastic, my  
21 community wants more of them but most times  
22 they're denying and most times it takes months. I  
23 think you can send somebody out and whether you're  
24 going to accept it or deny it you could do it in a  
25 matter of days. But we'd like to have less

1  
2 denials but we also like to have quicker survey  
3 results.

4 MS. SADIK-KHAN: We are doing a  
5 speed bump blitz and so really, and we hope to  
6 have this done by June.

7 CHAIRPERSON RECCHIA: Come to Jimmy  
8 Vacca's district, okay. I didn't know about the  
9 blitz. How does that compare to a non blitz? I  
10 mean, what does it mean?

11 MS. SADIK-KHAN: Well, it's more.

12 COUNCIL MEMBER VACCA: It means  
13 that the time that she's out of office you're  
14 going to see thousands of more speed bumps. All  
15 right, listen. If that's going to be something  
16 you want to do I think it's fantastic and we'll  
17 name two or three after you, Commissioner. I just  
18 want to see them come.

19 CHAIRPERSON RECCHIA: Okay, we only  
20 have the Commissioner here until 11:30. We have  
21 to move on.

22 COUNCIL MEMBER VACCA: What are you  
23 saying Commissioner? What's with the--

24 MS. SADIK-KHAN: [interposing] I  
25 will get back to you on this, on the additional

1  
2 bumps. We are, but, you know, I would say that  
3 the speed bumps, some people like them, some  
4 people don't like them because you've got noise  
5 associated with speed bumps, with cards going  
6 through the bottom of the cars, you know, hitting  
7 on the concrete. So, we're very targeted in terms  
8 of where we put them in understanding the roadway  
9 geometry issues as well. But, you know, I'd be  
10 happy to sit down and talk to you about the  
11 program going forward.

12 COUNCIL MEMBER VACCA: Okay. Now,  
13 I'm going to get you my list that's been denied,  
14 denied, denied, denied.

15 CHAIRPERSON RECCHIA: Okay, okay,  
16 thank you. Council Member Rodriguez and then  
17 followed by Council Member Koslowitz, then there  
18 won't be any more questions from Council Members  
19 and I'll close it down 'cause we have the  
20 Commissioner 'til 11:30. Council Member  
21 Rodriguez?

22 COUNCIL MEMBER RODRIGUEZ: Thank  
23 you, Chairman. And Commissioner, it, among the 50  
24 plaza is Plaza Las Americas one of those?

25 MS. SADIK-KHAN: Yes, it is.

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COUNCIL MEMBER RODRIGUEZ: Okay.

MS. SADIK-KHAN: It's, we'll begin construction this summer.

COUNCIL MEMBER RODRIGUEZ: I just think that in the, first of all, I congratulate you for the great work. I know how difficult it is, you know, to be in that position and you've been taking a lot of challenges and this city has a lot of challenges in transportation. And I also would like to congratulate Margaret - - also for being a good Manhattan Commissioner. One thing that we have brought to the attention is Plaza Las Americas is very important because it serve not only as a place for street vendor to be established there but also with a new renovation in - - it will be, like, a cultural place.

MS. SADIK-KHAN: Yes.

COUNCIL MEMBER RODRIGUEZ: In Lower Manhattan we've been hit hard by the number of street vendors that they being going through Lower Manhattan for all over the city.

MS. SADIK-KHAN: Mm-hmm.

COUNCIL MEMBER RODRIGUEZ: So, one idea that we wrote was a possibility of looking on

1 building two other plazas such as Plaza Las  
2 America, one in the north part around 207 and  
3 Dartmouth Street.  
4

5 MS. SADIK-KHAN: Mm-hmm.

6 COUNCIL MEMBER RODRIGUEZ: And  
7 another one south in my district.

8 MS. SADIK-KHAN: Mm-hmm.

9 COUNCIL MEMBER RODRIGUEZ: So, as  
10 we'd like to see as you look at it I will have a  
11 meeting with her--

12 MS. SADIK-KHAN: [interposing]  
13 Tomorrow, I think.

14 COUNCIL MEMBER RODRIGUEZ: --her.

15 MS. SADIK-KHAN: Yeah.

16 COUNCIL MEMBER RODRIGUEZ: So, but  
17 I just wanted to bring it to the attention that  
18 this is important.

19 MS. SADIK-KHAN: Yeah.

20 COUNCIL MEMBER RODRIGUEZ: For the  
21 whole community at - - to look at that  
22 possibility.

23 MS. SADIK-KHAN: Will do.

24 COUNCIL MEMBER RODRIGUEZ: The  
25 second thing is that, you know, traffic is a

1  
2 problem citywide. And in Lower Manhattan with the  
3 crossroads, one of the major hospital, Columbia  
4 Presbyterian, like, it's, we are - - in those  
5 communities are affected with traffic. So, my  
6 suggestion is, if in the next coming fiscal year  
7 we could put sole resources to do a whole  
8 assessment on transportation at community board  
9 12. I believe that there is room to grow.

10 MS. SADIK-KHAN: Mm-hmm.

11 COUNCIL MEMBER RODRIGUEZ: I  
12 believe that there is, like, two avenue, Ottoman  
13 Avenue and Wassford Avenue [phonetic] that they  
14 are, like, two way street and I think that if they  
15 would turn just into one way street, one of the  
16 two, it will help the transportation in Lower  
17 Manhattan. So, I just want, I, my recommendation  
18 is if we can work together to do, work with  
19 community board 12 in your department and you as  
20 the Commissioner and your team to look on doing  
21 it, in the assessment in full assessment, you  
22 know, the challenges of transportation.

23 MS. SADIK-KHAN: Mm-hmm.

24 COUNCIL MEMBER RODRIGUEZ: In Lower  
25 Manhattan, at community board 12.

MS. SADIK-KHAN: Great. I think Margaret would be very happy to review that with you tomorrow then we'll move forward from there.

COUNCIL MEMBER RODRIGUEZ: Okay. On the bike share, are we getting anything for, in Lower Manhattan? Is there any bike share?

MS. SADIK-KHAN: Not in the first phase.

COUNCIL MEMBER RODRIGUEZ: Okay. We need it. Obesity is one of the issue and I think that if we encourage people to also use bike it will help a lot and I hope that we, you also would take that into consideration.

MS. SADIK-KHAN: Absolutely.

COUNCIL MEMBER RODRIGUEZ: The need to include - - in - - of that. Thank you.

CHAIRPERSON RECCHIA: Thank you. Karen Koslowitz.

COUNCIL MEMBER KOSLOWITZ: Thank you. Queens Boulevard is a highway. It's not named a highway but it really is a highway. And especially in central Queens in the Forest Hills, Rigo Park [phonetic] Kew Gardens area. People, if there is traffic on the Long Island Expressway or

1 the Grand Central, people come on to Queens  
2 Boulevard. In the last year, I would say, there  
3 was more traffic on Queens Boulevard between the  
4 hours of 4 o'clock in the afternoon to about 7:30  
5 at night where it's wall to wall cars, not even  
6 moving. And there's been some traffic changes on  
7 the Union Turnpike area which some of it good and  
8 some of it is not good. And I am so frustrated,  
9 in fact, I've foiled DOT because they've changed  
10 the turn and I didn't understand why because the  
11 turn was there for many, many years. I wanted to  
12 know, how many accidents happened in that area and  
13 I never got an answer 'cause I don't think the,  
14 anyway, I'm in that vicinity for over 30 years and  
15 I personally have never seen an accident there.  
16 And my office is right there. Before my office  
17 was right there and up the block I worked in  
18 Borough Hall. So, I've been there a very long  
19 time and I just don't understand why all these  
20 changes caused all this traffic.

22 MS. SADIK-KHAN: Well, there were,  
23 Council Member, there were eight people that were  
24 killed or seriously injured at the intersection  
25 that we're talking about, seven of which were



1  
2 motor vehicle occupants and that was between 2007  
3 and 2011. And the number of total injuries almost  
4 doubled during that period of time, so, that's the  
5 reason for the change. And because of the  
6 configuration of the roadway with the two turning  
7 lanes and we looked at the conditions and the  
8 borough engineer felt that the installation of the  
9 sign was necessary for safety reasons. I  
10 understand that you've met with Delilah Hall  
11 [phonetic] our Borough Commissioner on this?

12 COUNCIL MEMBER KOSLOWITZ: Moira  
13 McCarthy [phonetic].

14 MS. SADIK-KHAN: Right.

15 COUNCIL MEMBER KOSLOWITZ: Right.

16 MS. SADIK-KHAN: So, it was a  
17 safety issue and we're happy to continue the  
18 conversation with you.

19 COUNCIL MEMBER KOSLOWITZ: Okay.  
20 'Cause I never got an answer from, you know, my  
21 foil.

22 MS. SADIK-KHAN: Yeah. So, that's  
23 the--

24 COUNCIL MEMBER KOSLOWITZ:  
25 [interposing] No answer and I called the precinct

1  
2 to see what they had and they really didn't have  
3 anything.

4 MS. SADIK-KHAN: Okay. Well, we  
5 have the information. I will be happy to get it  
6 to you.

7 COUNCIL MEMBER KOSLOWITZ: Okay.  
8 And I also, I put in a million dollars in  
9 beautifying the malls along Queens Boulevard. And  
10 I asked, I know some of it's DOT and I also know  
11 that some of it's the Parks Department.

12 MS. SADIK-KHAN: Right. I'd be  
13 happy to sit down and review for you the  
14 improvements for that area. Great idea.

15 COUNCIL MEMBER KOSLOWITZ: Okay,  
16 thank you.

17 MS. SADIK-KHAN: Thank you.

18 CHAIRPERSON RECCHIA: With that  
19 capital money could we just move that along? You  
20 know, we just don't like to see capital money  
21 laying there.

22 MS. SADIK-KHAN: Understood.

23 CHAIRPERSON RECCHIA: And how many  
24 other projects, how much money do you have in  
25 capital improvements, money that Council Members

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gave you that have not been moved yet, do you know?

MS. SADIK-KHAN: I think it's all moving, Council Member.

CHAIRPERSON RECCHIA: Except for this project?

MS. SADIK-KHAN: No, it's moving. I just wanted to brief her on where we are.

CHAIRPERSON RECCHIA: Oh, okay. Is the job out to bid yet?

MS. SADIK-KHAN: I think it's a planning, we're planning it now.

CHAIRPERSON RECCHIA: Oh, so it's in the design stage?

MS. SADIK-KHAN: Yes.

CHAIRPERSON RECCHIA: Okay. No, 'cause there's a lot of money laying there and I want to just see, if projects aren't moving, Council Member's should reallocate that money instead of just letting it sit there.

MS. SADIK-KHAN: That used to be true but that is not true for where we are today.

CHAIRPERSON RECCHIA: Okay. You talk about in your testimony, schools. And...

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MS. SADIK-KHAN: The safe routes to schools program?

CHAIRPERSON RECCHIA: On page three you said we completed short term improvements at all of the priority schools and upgraded crosswalks at 1,400 elementary schools.

MS. SADIK-KHAN: Mm-hmm.

CHAIRPERSON RECCHIA: Who has the list of the priority schools? I never knew.

MS. SADIK-KHAN: It's actually on our website.

CHAIRPERSON RECCHIA: It's on your website?

MS. SADIK-KHAN: Yes.

CHAIRPERSON RECCHIA: Okay. And the next 52 priority schools?

MS. SADIK-KHAN: Is also on the website.

CHAIRPERSON RECCHIA: That's on the website?

MS. SADIK-KHAN: Yes.

CHAIRPERSON RECCHIA: And that's in all five boroughs?

MS. SADIK-KHAN: Yes.

CHAIRPERSON RECCHIA: Okay. And how much is that costing?

MS. SADIK-KHAN: I think the, I said that the capital construction was \$52 million.

CHAIRPERSON RECCHIA: Yeah, I understand that. But how much was the school program? How much did that costing?

MS. SADIK-KHAN: Oh, the total overall? I'll get you that number.

CHAIRPERSON RECCHIA: What it, okay. I mean... The bike share program, you put the bikes into areas where, you took away parking spots. [crosstalk]

MS. SADIK-KHAN: Less than one percent of parking spots were removed and that was, we work with the community boards on the siteing for those bike share stations.

CHAIRPERSON RECCHIA: Okay. So, how many spots, you, one percent sounds like a little but I want to know how many spots did you take away total across the city?

MS. SADIK-KHAN: Well, it's not across the city, it's actually just in the service

1  
2 area. But, and I don't have the exact number here  
3 but I can get you the, that shortly right after  
4 this hearing.

5 CHAIRPERSON RECCHIA: Yeah, 'cause  
6 we, and how much lost revenue is that, in those  
7 spots that you took away that were metered spaces?

8 MS. SADIK-KHAN: The contract  
9 provides that the operator has to make up the cost  
10 for the lost revenue to the city.

11 CHAIRPERSON RECCHIA: The operator?

12 MS. SADIK-KHAN: All the bike  
13 share's operating in the system.

14 CHAIRPERSON RECCHIA: Okay. So...

15 MS. SADIK-KHAN: That was part of  
16 the RFP.

17 CHAIRPERSON RECCHIA: So, they  
18 would give how much? How much are they going to  
19 give back to the city?

20 MS. SADIK-KHAN: I have, I don't  
21 have the contract in front of me but, again, I can  
22 give you that number. It, but the, but the  
23 parking is reimbursed, the revenue is reimbursed  
24 to the City of New York.

25 CHAIRPERSON RECCHIA: I, well, I

1  
2 need to have that number because that number  
3 should really be recognized in the budget 'cause  
4 that's--

5 MS. SADIK-KHAN: [interposing] I  
6 absolutely agree.

7 CHAIRPERSON RECCHIA: --that's for  
8 sure money and so just so I'm clear and my staff  
9 is clear on this is that the operator is to pay  
10 for those lost revenue from the parking spots?

11 MS. SADIK-KHAN: Right.

12 CHAIRPERSON RECCHIA: Okay. And  
13 how, we don't know how much that is?

14 MS. SADIK-KHAN: No, I can get you  
15 the number.

16 CHAIRPERSON RECCHIA: Okay. And  
17 how many locations is this affecting?

18 MS. SADIK-KHAN: Well, there are  
19 330 stations. But some of them are in roadway,  
20 you know, [crosstalk] 99 percent of them are not--

21 CHAIRPERSON RECCHIA: [interposing]  
22 In areas that are taking up metered spaces?

23 MS. SADIK-KHAN: Yeah.

24 CHAIRPERSON RECCHIA: I know.

25 MS. SADIK-KHAN: And some of the

1  
2 parking is not metered also. It could be  
3 diplomatic parking.

4 CHAIRPERSON RECCHIA: That's fine.  
5 I'm interested in the metered spacing.

6 MS. SADIK-KHAN: Right.

7 CHAIRPERSON RECCHIA: As you know,  
8 this is a finance hearing dealing with money. And  
9 what I want to know is, you know, since we're not  
10 losing the revenue how much and how do you  
11 determine how much money those spots are worth?

12 MS. SADIK-KHAN: I will get you  
13 that number, Mr. Chairman.

14 CHAIRPERSON RECCHIA: Okay. And  
15 that's very interesting and I would like to get a  
16 copy of that contract also. We'll follow it up  
17 with a letter to you.

18 MS. SADIK-KHAN: Okay.

19 CHAIRPERSON RECCHIA: Okay? Just  
20 looking over my notes here. Will the bike share  
21 program eventually make money?

22 MS. SADIK-KHAN: We believe so.  
23 and the revenue will be split 50/50 between the  
24 bike share operator and the City of New York.

25 CHAIRPERSON RECCHIA: Is that after



1  
2 the operator takes out his expenses or is that  
3 net?

4 MS. SADIK-KHAN: Yeah, the, yeah,  
5 yeah.

6 CHAIRPERSON RECCHIA: Gross?

7 MS. SADIK-KHAN: It will be net.

8 CHAIRPERSON RECCHIA: Okay. All  
9 right. I have no further, Jimmy, you have any  
10 further questions?

11 COUNCIL MEMBER VACCA: No. No  
12 further questions.

13 CHAIRPERSON RECCHIA: All right.  
14 Any other Council Member have further question?  
15 [off mic] Okay, Council Member Al Vann has  
16 something personal to ask you. All right, I want  
17 to thank you for coming here today. Follow up  
18 with that information. We'll take a few minute  
19 recess. The MTA is waiting outside, will be next.  
20 Thank you very much. [pause] Okay, we'll now  
21 reconvene. We have the MTA. [off mic] Oh,  
22 Domenic Recchia, Chair of the Finance Committee,  
23 will read a statement. We will now resume the  
24 City Council Meeting on the Mayor's Executive  
25 Budget for 2014. We just heard from the

1  
2 Department of Transportation and now the Finance  
3 Committee and the Transportation Committee will  
4 hear from the Metropolitan Transportation  
5 Authority. Before we do I will open the mic and  
6 recognize everyone who is here, Council Member  
7 Debbie Rose, Council Member Al Vann, Jimmy, my co  
8 chair, Jim Vacca, I believe he waived his opening.  
9 Do you have something to say? Okay. And we will  
10 move forward with the MTA. And if any Council  
11 Member wishes to ask questions please give your  
12 name to Chairman. And I want to thank your staffs  
13 to are doing a really, really good job today.  
14 MTA, you're on. Welcome.

15 MR. DOUG JOHNSON: Thank you. Good  
16 morning Chairman Vacca, Chairman Recchia and

17 CHAIRPERSON RECCHIA: [interposing]  
18 Where's Lois Tendler? Is she not here?

19 FEMALE VOICE 1: Lois Tendler's at  
20 headquarters.

21 CHAIRPERSON RECHIA: I can't  
22 believe that.

23 FEMALE VOICE 1: - - hear from Ms.  
24 Tendler.

25 CHAIRPERSON RECCHIA: This is my

1  
2 last Finance Hearing. I've been dealing--

3 FEMALE VOICE 1: [interposing] We  
4 can get her on the phone. [laughter]

5 CHAIRPERSON RECCHIA: Okay.

6 MR. JOHNSON: Ready? [off mic]

7 Okay. Good morning Chairman Vacca, Chairman  
8 Recchia and other members of the Council. My name  
9 is Doug Johnson and I'm the MTA's budget director.  
10 Thank you for holding this hearing and for  
11 inviting us to testify today. I'm joined by Aaron  
12 Stern, Director of New York City Transits Office  
13 of Management and Budget, David Henley, Chief of  
14 Capital Planning and Budgeted New York City  
15 Transit and Robert Marino, Deputy Director of New  
16 York City Transit Government and Community  
17 Affairs. As you may have remembered, I testified  
18 before this committee in March regarding the  
19 Mayor's fiscal year 2013 preliminary budget as it  
20 relates to the MTA budget. I discussed the fact  
21 that the MTA's operating budget is \$13.2 billion  
22 of which New York City will provide \$740 million,  
23 which is about 5.5 percent of that budget. I  
24 outlined each of the recipient agencies explaining  
25 that New York City funds are used to support MTA,

1 New York City transit, including paratransit, MTA  
2 bus, MTA Staten Island Railway, and the  
3 maintenance of commuter rail stations within New  
4 York City. At that time I also mentioned that the  
5 Mayor's 2013 budget proposed to allocate \$100  
6 million to the MTA's capital program. As I said  
7 in March, the funds we receive from New York City  
8 are critically important to the MTA and much  
9 appreciated. I also want to note that the  
10 allocations posed for the MTA in the Mayor's  
11 preliminary budget are not changed in the proposed  
12 budget we are discussing today. While there have  
13 not been a change in the level of support proposed  
14 by the City there has been other noteworthy news  
15 by the MTA which I'm going to talk about. First,  
16 I'd like to brief the Committee about where we  
17 stand in terms of financial support for Sandy  
18 recovery and resiliency efforts. To date the  
19 Federal Transit Administration or FTA, has  
20 allocated almost \$1.2 billion to the MTA for  
21 recovery from Super Storm Sandy. Of this amount  
22 \$194 million provides initial reimbursement for  
23 operating costs incurred by the MTA agencies prior  
24 to January 29<sup>th</sup> with \$150 million designated for  
25

1  
2 New York City transit, MTA Bus and Staten Island  
3 Railway. The remaining \$1 billion in FTA funds  
4 will be used for capital repair work needed  
5 throughout the MTA system. New York City Transit,  
6 MTA Bus and Staten Island Railway have identified  
7 \$3.47 billion in damages including South Ferry and  
8 other stations, the Rockaway Line, rail and bus  
9 facilities in low lying areas, power, signal and  
10 communication systems in yards, under river tubes  
11 and other locations that were submerged in  
12 corrosive saltwater. In the coming months the FTA  
13 will allocate an additional \$8.4 billion to  
14 transit agencies impacted by Sandy. These funds  
15 will be available for repairs and for measures to  
16 protect the transportation system from future  
17 damage. We will seek to maximize the MTA's share  
18 of these funds. In addition to the Federal funds  
19 flowing through the MTA the Federal Emergency  
20 Management Agency, FEMA, has approved  
21 approximately \$6.4 million for MTA bridges and  
22 tunnels. These funds cover costs associated with  
23 dewatering the UL Carry, which was formerly the  
24 Brooklyn Battery Tunnel and Queens Midtown Tunnels  
25 as well as emergency inspections and repairs to

1 all BNT Bridges. BNT has identified almost \$778  
2 million in damage which includes damage to the  
3 tunnels as well as to the Rockaway Bridges and  
4 associated facilities. The agency is working with  
5 FEMA to pursue funding for permanent repairs to  
6 all damaged facilities and is also seeking  
7 reimbursement for the remainder of its post Sandy  
8 emergency recovery costs. Finally, since we were  
9 last here the State has adopted its budget and I'd  
10 like to briefly discuss what is a, what is impact  
11 it is on the MTA's overall budget. The New York  
12 State enacted budget has appropriated \$40 million  
13 more than what is included in the MTA's 2013  
14 budget. That's good news for New York City and  
15 our entire state and we're grateful for the  
16 support from Governor Cuomo and the Legislature.  
17 But as you know, an appropriation is not a  
18 guarantee. The appropriation assumes that an  
19 additional tax receipts will accrue to the MTA and  
20 the additional appropriation will only be paid out  
21 if those additional tax receipts are realized.  
22 That's why we're closely monitoring all our tax  
23 receipts. Year to date results have been favorable  
24 with an increase in real estate receipts offset by  
25

1 lower than anticipated dedicated taxes. As we all  
2 know, real estate taxes are very volatile and  
3 building a budget on such revenues can have  
4 adverse implications for fares and service. The  
5 lower dedicated taxes may be a matter of timing.  
6 Overall, it's too early to identify any  
7 discernable trends but we will have a better  
8 handle as we develop the July plan in the coming  
9 months. In July we will be updating our financial  
10 plan for the rest of the year as well as our  
11 projecting budgets for the out years through 2017.  
12 As Interim Executive Director Tom Prendergast told  
13 our Board at the April meeting, decisions about  
14 funding new customer enhancements, including  
15 service will depend upon a comprehensive  
16 assessment of our entire financial picture so that  
17 we will be prepared to move forward if our  
18 financial situation in July indicates that we can  
19 afford to, Mr. Prendergast has asked the MTA  
20 operating agencies to begin exploring potential  
21 service investments. That concludes my prepared  
22 remarks. My colleagues and I will now be happy to  
23 answer your questions. Thank you.  
24

25 CHAIRPERSON RECCHIA: Thank you

1  
2 very much. Short, clear, precise. That's what we  
3 like. The first question I have, I have lots of  
4 questions, but let's just talk about, you added  
5 some bus routes back over the last year. You, and  
6 there, one issue that comes up, and we got a lot  
7 of emails about is the bus in Staten Island, the  
8 79 on Highland Boulevard, you cut bus stops out  
9 and it doesn't stop at every bus stop. It cuts  
10 periodic bus stops. How much of a savings is  
11 that? Is that--

12 MR. JOHNSON: [interposing]  
13 Councilman, that wasn't a savings. That was part  
14 of starting SBS on the route.

15 CHAIRPERSON RECCHIA: That's--

16 MR. JOHNSON: [interposing] So,  
17 there are other buses that still serve those bus  
18 stops. It was meant to help speed the route up by  
19 implemented select bus service.

20 CHAIRPERSON RECCHIA: We understand  
21 that but we've been getting lots of complaints in  
22 the City Council about that, the 79, it doesn't  
23 stop at every bus stop. And it just seems like,  
24 you know?

25 MR. JOHNSON: The S 79 we're



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talking?

CHAIRPERSON RECCHIA: Yeah, all right. And the, there've been a lot of complaints about that. If you could just look into that.

MR. JOHNSON: Sure. We'd be happy--

CHAIRPERSON RECCHIA: [interposing]  
The issue is on that. One issue that is a great concern to me is the five year capital plan. The present one is funded, I believe, 'til this year.

MR. JOHNSON: Mm-hmm.

CHAIRPERSON RECCHIA: Okay?

MR. JOHNSON: Through '14.

CHAIRPERSON RECCHIA: Through '14, right. And what's great concern to me is that the next five year capital plan is not funded. Where do we stand with that? What's, have you had any communications with the State? This is...

MR. JOHNSON: We've had communications but it's an ongoing process of identifying what, where the future funds will lie. But we're working very closely with not only this, our State partners, Federal partners to ensure that we can get the maximum amount possible. But

1  
2 at this point it's not unusual, you know, three  
3 years into a program not to have identified the  
4 next five years source of funding.

5 CHAIRMAN RECCHIA: Right. Well, we  
6 have one more year to go, that's then the fourth  
7 year. I just, you know, we're worried about this  
8 in the City and it's a great concern, especially  
9 the situation with the Federal government it is  
10 concerned. Do you seen, have you spoken to people  
11 in the Federal level about?

12 MR. JOHNSON: Yes, the FTA is our  
13 funding partner and by formula they provide us  
14 nearly a third of the funding that we require.  
15 And as well as additional pots of money that we  
16 get through the Federal Governments so that's an  
17 ongoing, every day sort of discussion.

18 CHAIRPERSON RECCHIA: Okay. And  
19 the next fare increase is due, the seven percent,  
20 I believe, is due?

21 MR. JOHNSON: In our financial plan  
22 there's the assumption--

23 CHAIRPERSON RECCHIA: [interposing]  
24 2015?

25 MR. JOHNSON: --in 2015, March 1<sup>st</sup>,

2015 of a seven and a half percent fare yield increase. Keep in mind that any decisions on that will be first proposed really until July of 2014. And there'll be plenty of public discussion and political weigh in's between the November and then the Board will then vote on whatever that proposal is in December of 2014. Between now and then they're be all sorts of ups and downs and reassessments of our finances so, it's way to premature to really assume anything in that regard at this time. But clearly we won't ask for money if it isn't needed. The current plan shows that but there's a long way to go between now and when those decisions are made. And there'll be plenty of time for the public to input.

CHAIRPERSON RECCHIA: We'd like to see what, we can work together, try to avoid that or try to get it down from, you know? I mean, raising the tolls on the Verrazano Bridge is grave concern to many people.

MR. JOHNSON: [interposing] I mean--

CHAIRPERSON RECCHIA: --\$15 dollars. \$15 is a lot of money for people from

1  
2 Brooklyn to go visit their family in Staten Island  
3 or to go shopping and it's the impact, the  
4 economic impact it's going to have.

5 MR. JOHNSON: Now, we realize  
6 that's a lot of money. It is, I believe, \$10.66  
7 if you have Easy Pass.

8 CHAIRPERSON RECCHIA: Yeah, but,  
9 well--

10 MR. JOHNSON: [interposing] Also  
11 keep in mind that with the last fare increase when  
12 some additional money was available we were able  
13 to push off what was supposed to be a January 1<sup>st</sup>,  
14 fare and toll increase to March 1<sup>st</sup>. So, obviously  
15 there's flexibility in what our manager does and,  
16 you know, depending upon the finances that our  
17 available.

18 CHAIRPERSON RECCHIA: How much  
19 would you need to keep the toll down on the  
20 Verrazano Bridge? I mean, how much?

21 MR. JOHNSON: Well, it's all - -  
22 money so what we look at is the money that's  
23 needed in general to run the entire system  
24 throughout the MTA. So, usually those increases  
25 are in concert with other fare and toll increases

1  
2 throughout the system. So, it's hard to just  
3 isolate a cost for one specific bridge.

4 CHAIRPERSON RECCHIA: now, the  
5 Marine Parkway Bridge that goes to the Rockaway's  
6 and Breezy Point and Bell Harbour. Is, am I  
7 correct that there is no fee for that bridge  
8 presently?

9 MR. JOHNSON: The Marine Parkway  
10 has a fee. I believe it's \$1.31 with Easy Pass.  
11 It's the Cross Bay Bridge who's residents don't,  
12 their tolls are rebated and through funds that we  
13 receive from New York State.

14 CHAIRPERSON RECCHIA: So, what do  
15 you mean rebated?

16 MR. JOHNSON: We, I'm not sure  
17 exactly the mechanics of it but they, I know they  
18 are not paying for those tolls.

19 CHAIRPERSON RECCHIA: Is that  
20 everyone who is over it or just people who--

21 MR. JOHNSON: [interposing] It's  
22 people who registered residents.

23 CHAIRPERSON RECCHIA: The  
24 registered residents?

25 MR. JOHNSON: Yeah.

CHAIRPERSON RECCHIA: Who live in the Rockaway's?

MR. JOHNSON: Yeah.

CHAIRPERSON RECCHIA: Breezy, and they use the Cross Bay Bridge.

MR. JOHNSON: I believe so.

CHAIRPERSON RECCHIA: They don't have to pay?

MR. JOHNSON: That's right.

CHAIRPERSON RECCHIA: But if they use the Marine Parkway Bridge they get charged?

MR. JOHNSON: Yes. Yes.

CHAIRPERSON RECCHIA: Is there an explanation for that?

MR. JOHNSON: It's not really my purview.

CHAIRPERSON RECCHIA: Okay. I have some more here but I'll turn it over to Jimmy Vacca.

COUNCIL MEMBER VACCA: Well, I first can't let the opportunity pass without commenting that the White Stone Bridge and the Frog's Neck Bridge are also at \$7.50. And to go from the Bronx to Queens and pay that kind of a

1 toll each way, even though I know with Easy Pass  
2 it's a little less.

3 MR. JOHNSON: Yeah, it's \$5.33 with  
4 Easy Pass.

5 COUNCIL MEMBER VACCA: Yeah, well,  
6 let me ask you a question. What percentage of  
7 people have Easy Pass?

8 MR. JOHNSON: I don't recall the  
9 exact numbers but it's very sizable percentage.  
10 I'm going to ballpark say in the 80's, 80 percent.

11 COUNCIL MEMBER VACCA: Really?

12 MR. JOHNSON: Yes, something like  
13 that.

14 COUNCIL MEMBER VACCA: Well, I have  
15 to tell you on the Frog's Neck and White Stone  
16 Bridges there are always lines to pay cash. There  
17 are lines at the cash booths. The Easy Pass  
18 booths you go right through. So, I always thought  
19 maybe the, a larger percentage than that did not  
20 have Easy Pass.

21 MR. JOHNSON: Well, keep in mind  
22 the Easy Pass transactions would be much faster.

23 COUNCIL MEMBER VACCA: Much faster.

24 MR. JOHNSON: Than the cash  
25

1 transactions.

2  
3 COUNCIL MEMBER VACCA: I want to  
4 speak about escalators. Every report I get is  
5 that escalators are always breaking down. Do we  
6 replace escalators based on their age? The one at  
7 Pelham Bay Park subway station now has been  
8 broken. I think it's fixed today, it's supposed  
9 to be fixed today. But it's been broken for about  
10 two, two and a half weeks. But there's constant  
11 breakdowns. Now, if I remember right that  
12 escalator was installed in '85, '86. So, is there  
13 a point where we replace escalators because of  
14 breakdowns?

15 MR. JOHNSON: Yes.

16 COUNCIL MEMBER VACCA: Do we have  
17 money in the capital budget for that?

18 MR. JOHNSON: Well, we have  
19 established a normal useful life for an elevator  
20 and I believe it's 25 years. So, that particular  
21 one is probably up for normal replacement and I  
22 can get back to you on that particular station.  
23 You know, obviously if an escalator is breaking  
24 down constantly then there's something inherently  
25 wrong and we try to attack that and through



1 maintenance and operations and programmed cycles.  
2 And if it's so endemic that it requires a full  
3 replacement then we'll replace it. But generally  
4 speaking for capital program planning purposes we  
5 establish a normal replacement cycle which is  
6 about 25 years. and we will reevaluate that based  
7 on experience. If that's too abstract and in the  
8 real world it isn't happening that way then we  
9 would reevaluate to some other period of time.  
10 But generally speaking for program purposes that's  
11 what we establish.  
12

13 COUNCIL MEMBER VACCA: If you can  
14 get back to me with the one I mentioned?

15 MR. JOHNSON: Yeah, which station  
16 was that?

17 COUNCIL MEMBER VACCA: Pelham Bay  
18 Park.

19 MR. JOHNSON: Pelham Bay Park.

20 COUNCIL MEMBER VACCA: All right.  
21 Cleanliness of subway stations. Many people are  
22 concerned about that and I wanted to ask you, are  
23 you acting proactively to make sure that subway  
24 stations are cleaner. I know we had issues with  
25 trash cans and I wanted to know what that, the

1  
2 elimination of trash cans at certain stations is,  
3 has that been found to be successful? Is that  
4 going to be expanded? And then I wanted to engage  
5 you in that issue of cleanliness.

6 MALE VOICE 1: The pilot program  
7 regarding the removal of trash cans at a limited  
8 number of stations is ongoing. And no  
9 determination at this time has been made about  
10 whether we are going to expand that program. It  
11 is understood that that would have a limited  
12 application. It's not practical and in larger  
13 stations with larger volumes of trash. But the,  
14 whether it could be expanded beyond the current  
15 state is still going to be considered.

16 COUNCIL MEMBER VACCA: I, can you  
17 comment on the cleanliness issue? Is this  
18 something that is being addressed? How is it  
19 being addressed?

20 MALE VOICE 1: USA Transit has an  
21 enormous station cleaning program. There are over  
22 1,500 station cleaners at an annual budget of \$130  
23 million. And the routine, the regular cleaning  
24 program includes a number of elements. Every  
25 station is cleaned at least daily and larger

1 stations are cleaned multiple times a day. That  
2 is, the, you know, litter is removed, trash is put  
3 out, so that the general appearance of the station  
4 is maintained. In addition, all stations are  
5 power washed with hot, pressurized water on a  
6 regular cycle with larger stations washed every  
7 two weeks and less trafficked stations on a six  
8 week cycle. The track tile at subway stations  
9 that have tile on the platform walls, that's  
10 washed on a six week cycle. And finally, the  
11 overhead sections of the stations are done every,  
12 about every six months. So, there is a very  
13 regular program. We are doing a number of things  
14 to improve our station cleaning efforts. About  
15 two years ago we started a program to increase the  
16 number of refuse trains, to speed up the removal  
17 of trash bags because it was a complaint we'd  
18 received that it promoted vermin in the stations  
19 to have the trash bags staying too long. And we  
20 have, we actually have successfully boosted the  
21 number of trains by three and they've been out  
22 there all of last year. And with the result of  
23 significantly reducing the duration of the time  
24 that we had the trash bags around the stations.  
25

1  
2 In addition, another innovative program that we  
3 are preparing to launch this year is an aggressive  
4 road eradication program. We've identified  
5 station refuse rooms as a primary source of  
6 rodents. Obviously, the rodents are attracted by  
7 the garbage. And this new program to be  
8 implemented in July at 347 refuse rooms throughout  
9 the system will include work to seal the  
10 foundation and wall openings and replacement of  
11 the doors to make them, to seal them up in a more  
12 aggressive way. In addition, there's going to be  
13 an aggressive program to bait and exterminate the  
14 rodents at these places.

15 COUNCIL MEMBER VACCA: Well, I'm  
16 pleased to hear that. As a strap hanger I have to  
17 tell you that I've seen rats on, at subway  
18 stations. I've seen them dancing on the platform  
19 and there is nothing that has, nothing more  
20 disgusting and more upsetting than going from  
21 station to station, transferring and seeing that.  
22 And I've seen that at several stations. Now, when  
23 you mentioned the, they're not compactor rooms,  
24 they're storage rooms. I think we did have that  
25 situation at a station in my district about two

1 years ago where there were rats. I called the MTA  
2 and that situation was in that room and it was  
3 addressed with a new door. And I have to say,  
4 and, of course, the garbage was cleaned up. And I  
5 have to say that that problem, the rat problem  
6 disappeared. So, knowing that you're going to do  
7 something like this I think is good news for  
8 people who are on the trains every day who don't  
9 want to witness what they have witnessed. I don't  
10 think I'm the only strap hanger who has witnessed  
11 it, believe me. It's been talked about on the  
12 trains by many people. And many people just take  
13 it as a common occurrence. It's not acceptable.  
14 So, I'm glad you said that. Let me elaborate on  
15 something else. On many of the tracks there's  
16 always water in the, on the underground tracks.  
17 There's always water on the tracks. And then on  
18 top of the water there's garbage on the tracks.  
19 So, my concern, of course, I'm talking about water  
20 because I'd like to know where this water comes  
21 from. That should be resolved and the number two,  
22 we're in the summer, West Nile is a consideration  
23 if that water is stagnant. Do you get a lot of  
24 these situations? And then when you add the  
25

1  
2 garbage you have another rat potential. So, do  
3 you address these things or do you, are you aware  
4 of, that this is happening at many stations and  
5 what do, what are you doing about it?

6 MALE VOICE 1: The subway system is  
7 a point of low ground in the city and so it's a  
8 natural place for water to accumulate. There's an  
9 extensive pumping infrastructure to remove the  
10 water from the subway station and an extensive, a  
11 large workforce that maintains and operates that  
12 pumping infrastructure. So, the removal of water  
13 is understood to be an ongoing and regular task  
14 that's critical to maintaining the operation of  
15 the system. Obviously, there can be water that  
16 can accumulate either in periods of very heavy  
17 rains or in situations where there have been  
18 accumulations of debris that are blocking the  
19 pipes and access points through which the water  
20 would be pumped. One thing I'd like to draw  
21 attention to that late 2011 we started our fast  
22 track program and have been running that  
23 continuously every quarter since then. And one of  
24 the elements that that program has been uniquely  
25 successful in addressing is that by having a

1  
2 complete shutdown in that, in the affected line it  
3 allows for a very intensive cleaning of the track  
4 bed. And there were sections of track where there  
5 were, you know, six or eight inches of accumulated  
6 gunk, so to speak. And one of the benefits of  
7 having, of doing that work is that it  
8 substantially improves the efficiency of the  
9 pumping operation and the efficiency of clearing  
10 the water.

11 COUNCIL MEMBER VACCA: Okay. I  
12 just, one last question. Sequestration, what is  
13 the impact on your agency? Are you aware of any  
14 impact? [off mic] It's Stephanie? Just identify  
15 yourself. I'm sorry, your title, okay?

16 MS. STEPHANIE DAVILE: Stephanie  
17 Davile [phonetic], Acting Senior Director of  
18 Capital Programs.

19 COUNCIL MEMBER VACCA: Move up  
20 close.

21 MS. DAVILE: Sure. Can you hear  
22 me?

23 COUNCIL MEMBER VACCA: Yeah.

24 MS. DAVILE: Okay, good. The  
25 majority of our Federal funds, our formula funds,

COUNCIL MEMBER VACCA: So, the Sandy money is affected by \$540 million?

COUNCIL MEMBER VACCA: - - we get  
the next round?

COUNCIL MEMBER VACCA: All right.  
So, that's \$545 million. Are we going to lose anything else, any other monies?

MS. DAVILE: The, again, our formula funds were not affected. The MTA currently anticipates the receipt of about \$98



1 million of interest subsidy annually from the US  
2 Treasury in connection with BAB's, Build America  
3 Bonds. On an annualized basis sequestration is  
4 expected to result in an impact of \$5.4 to \$7.3  
5 million.  
6

7 COUNCIL MEMBER VACCA: \$5.4? What  
8 was that - - ?

9 MS. DAVILE: To \$7.3 million,  
10 that's an estimate. Beyond that, that's the  
11 extent of it.

12 COUNCIL MEMBER VACCA: No, thank  
13 you.

14 MS. DAVILE: Thank you.

15 CHAIRPERSON RECCHIA: Okay. We  
16 have some Council Members who would like to ask  
17 some questions. I remind them, we have the MTA  
18 here 'til 12:30 so we have Council Member Rose,  
19 Council Member Vann, Council Member Koppell,  
20 Council Member Greenfield, Council Member  
21 Rodriguez and Council Member Reyna. That's the  
22 order we'll ask questions. I will keep, you know,  
23 other than Majority Council Member David  
24 Greenfield, all the other Council Members were  
25 recognized before. Council Member Rose?

1  
2 COUNCIL MEMBER ROSE: Thank you,  
3 Chair. I have several questions so I'm just going  
4 to ask the questions. The, on Staten Island you  
5 can only refill your metro card in one place and  
6 that's at the Staten Island Ferry Terminal. Do  
7 you have any plans to increase locations where  
8 Staten Islanders could refill their cards and make  
9 the purchase of metro cards more accessible?  
10 That's an easy yes or no.

11 MALE VOICE 1: We're not, as far as  
12 I know, in our planning any more locations but we  
13 do have the metro card van and the metro card bus  
14 we can schedule to come out. And you can refill  
15 your metro cards online now.

16 COUNCIL MEMBER ROSE: You are aware  
17 that Staten Island doesn't have a subway system  
18 and so we rely on our buses. And it's really  
19 inconvenient to have one location. And I really  
20 think you need to look into your budget to make  
21 sure that that happens. The MTA predicts to  
22 generate \$20 million from the metro card green  
23 fares. For most commuters from Staten Island who  
24 travel on the express buses they have to pay and  
25 extra \$52 if they throw away their metro cards and

1  
2 an extra \$26 in increased fees for the time  
3 sensitive card. What is your contingency plan if  
4 commuters renew their metro cards until they  
5 expire rather than just continue to purchase new  
6 ones? That's \$20 million.

7 MALE VOICE 1: Like every situation  
8 where you have to make a forecast and you don't  
9 know how a new program is going to play out. The  
10 \$20 million was a forecast. And the forecast did  
11 assume that there would be a tremendous increase  
12 in the refilling of cards. However, human nature  
13 being what it is we did not expect that all cards  
14 would be refilled until expiration. And so the  
15 percentage of cards that are discarded and new  
16 cards purchased, that was the factor that went  
17 into the \$20 million forecast. So, what I can  
18 tell you is that we have, we do have data for the  
19 first month of the program and that it's currently  
20 the revenue being collected, exceeds the \$20  
21 million figure. However, we do expect that in the  
22 coming months, as people become more familiar with  
23 the program perhaps the refill rate will continue  
24 to increase and the revenue can come down further.  
25 But right now there's no reason to expect that the

1  
2 ultimate realization of revenue will be less than  
3 the \$20 million.

4 COUNCIL MEMBER ROSE: Sounds like a  
5 lot of speculation to me. But wouldn't it be  
6 easier to have, I know two presidents ago you had,  
7 there was a proposal to look into the development  
8 of, like, a plastic credit card, for lack of a  
9 better word, that would not expire and you could  
10 just swipe it or could be refilled at a kiosk. Is  
11 there still plans to develop such a thing?

12 MALE VOICE 1: The project to  
13 develop a new fare payment system is ongoing. The  
14 plan that you're referring to was to use what's  
15 called contact with credit cards as a principal  
16 fare media mechanism. That's still a possibility  
17 although it's not certain that that will be  
18 ultimately adopted in the new far payment system.

19 COUNCIL MEMBER ROSE: Okay--

20 MALE VOICE 1: [interposing] We, I  
21 just want to mention that even today customers can  
22 sign up for the easy pay program and have  
23 automatic refill of their metro cards. So, many  
24 of the conveniences of having the contact with  
25 credit card are currently available through that

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program.

COUNCIL MEMBER ROSE: And that's contingent upon everybody being, having access to computers, right? That's okay. I just, as a Staten Island I have to ask you, you know, what's being done to attain equitable distribution of bridge tolls so that Staten Islanders are not, you know, unduly burdened. And are you looking into what type of regional plan are you looking into to evenly distribute the costs?

MR. JOHNSON: I'm not sure what you mean evenly distribute. I don't know what that means.

COUNCIL MEMBER ROSE: Okay, maybe not evenly. The funds are refundable, you said, and we know that the Staten Island, the Verrazano Bridge is used, the funds from the bridge are used to subsidize the Long Island Railroad, Metro North, other systems as opposed to just, you know, subsidizing the Verrazano Bridge. What are, is there a plan--

MR. JOHNSON: [interposing] If that's the case--

COUNCIL MEMBER ROSE: --in place

1  
2 to, you know, equalize or some parity so that we  
3 are not bearing the brunt of a \$15 toll.

4 MR. JOHNSON: Well, all of the  
5 users of the bridges and tunnels result in toll  
6 revenues that result in surplus for bridges and  
7 tunnels that is used to fund New York City Transit  
8 and the commuter railroads. Specifically--

9 COUNCIL MEMBER ROSE: [interposing]  
10 Are you saying that there's parity?

11 MR. JOHNSON: Well, what I'm  
12 saying--

13 COUNCIL MEMBER ROSE: [interposing]  
14 And can you honestly say that?

15 MR. JOHNSON: No, what I'm saying  
16 is that--

17 COUNCIL MEMBER ROSE: [interposing]  
18 Oh.

19 MR. JOHNSON: --the toll throughout  
20 the BNT, Bridges and Tunnels system, the tolls  
21 that are collected are well in excess of the cost  
22 of maintaining those bridges and tunnels, which  
23 results in a surplus that's used to fund transit.  
24 So, within bridges and tunnels you have a variety  
25 of different toll settings. Within Staten Island

1  
2     itself there, you have the ability for registered  
3     residents to receive discounted trips of \$6, you  
4     know, so that addressees your question.

5             COUNCIL MEMBER ROSE:   It still, the  
6     impacts [crosstalk] our residents not only in  
7     terms of what they have to pay, because we do get  
8     a reduced amount, but it affects our economic  
9     development issues.   It affects our small  
10    businesses, it affects our container port.   No one  
11    wants to come to Staten Island to do business.   No  
12    one wants to come to deliver anything to Staten  
13    Islanders because it costs them \$15.   So, you  
14    know, we are adversely impacted by that \$15 toll,  
15    whether we get a discount as residents or not.  
16    And you have to have an easy pass.   And so there  
17    are people who live on Staten Island that don't  
18    travel every day like I do into Manhattan, that  
19    don't have easy passes.   And so they have to pay  
20    the \$15.00 whether they are resident or not.

21             MR. JOHNSON:   Mm-hmm.

22             COUNCIL MEMBER ROSE:   And so  
23    there's really not a difference between that  
24    person and someone in one of the other boroughs  
25    that's paying \$7.50 each way.   I'm not saying it's

1  
2 a great system. There's no real disadvantage to  
3 Staten Island. It's the same - - structure around  
4 - - .

5 COUNCIL MEMBER ROSE: [crosstalk]  
6 We are on an island and we have no other way off.  
7 We pay \$13 for our Port Authority bridges and we  
8 pay \$15 for the Verrazano. We have no other way  
9 off driving. Is the Port, is MTA looking into a  
10 plan where we are not subsidizing other systems at  
11 an unfair amount.

12 MR. JOHNSON: I'm not really in the  
13 position to make that answer.

14 COUNCIL MEMBER ROSE: Okay.

15 MR. JOHNSON: I'm answering the  
16 budget questions.

17 COUNCIL MEMBER ROSE: Thank you.

18 Now--

19 COUNCILPERSON RECCHIA: All right.  
20 Sum up Council Member.

21 COUNCIL MEMBER ROSE: Yeah. Okay,  
22 thank you. I just have one other about our, the,  
23 your capital commitment, your 2013-2016 capital  
24 commitment plan to the Staten Island Railroad is  
25 projected to receive zero amount in 2016. And the



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2 MR. JOHNSON: --no, this is capital  
3 funds in the '10 to '14 program. So, we're in  
4 year '13 and year '14. Beyond that there's no  
5 monies.

6 CHAIRPERSON RECCHIA: That's what  
7 we're talking about then.

8 COUNCIL MEMBER ROSE: Yeah.

9 CHAIRPERSON RECCHIA: Earlier I  
10 started off with that, the next five year capital  
11 plan has not been funded. It's a great concern  
12 and it's something that we have to keep on top of.

13 COUNCIL MEMBER ROSE: Okay.

14 CHAIRPERSON RECCHIA: Because it's  
15 scary that, not knowing how much money is going to  
16 be in there. And, of course, like, the MTA  
17 testified, you know, starting next year they'll  
18 start talking about it.

19 COUNCIL MEMBER ROSE: Thank you.

20 CHAIRPERSON RECCHIA: Okay, Council  
21 Member Al Vann will be followed by Council Member  
22 Koppell.

23 COUNCIL MEMBER VANN: Yeah, thank  
24 you, Chair. I actually only have one question  
25 with a preamble. There are--

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CHAIRPERSON RECCHIA: [interposing]

One question with ten parts, right? [laughter]

COUNCIL MEMBER VANN: --there are, no, no, just a preamble, context. I have a organized group of citizens which I encourage who live in close proximity to the Franklin Avenue Shuttle which is in Bed Stuy [phonetic] Brooklyn. The shuttle runs from Fulton Street to main public library, Prospect Park, out to Coney Island. It's a line that was threatened with the elimination many years ago when I was in the assembly and I happened to Chair Corporation Authorities at that time. So, I was able to leverage that position to make sure that it was renovated some, oh hey, 20 years ago maybe? Wow. Anyway, time--

MR. JOHNSON: [interposing] 1995.

COUNCIL MEMBER VANN: '95? Thank you. So, I have a vested interest, obviously, in that line having played that historic role. These citizens have a number of complaints in that they meet with my staff and the regularly, to express those concerns. There are several the most prominent one I have is they want a camera at the Franklin Avenue subway line, shuttle line. They

1  
2 got a lot of things that they're dealing with with  
3 their people, cleanliness and this, that and the  
4 other. But I think the primary concern is a  
5 camera, what is your policy and what, how do we go  
6 about getting cameras so I can get these people  
7 off [laughter], no, so I can respond effectively  
8 and responsibly to these citizens who have a just  
9 concern?

10 MALE VOICE 1: I believe and Andrew  
11 Englesby [phonetic] from our staff has been  
12 meeting with your office and members of this  
13 group.

14 COUNCIL MEMBER VANN: The meeting  
15 is set up, I think, this week.

16 MALE VOICE 1: Next week, correct.  
17 And we'd be happy to talk about it. We put PID  
18 cameras, we call them, in stations where we have  
19 funding to expand the program. I'm not sure where  
20 this station is on the list but we can have that  
21 prepared to talk to you about next week at the  
22 meeting.

23 COUNCIL MEMBER VANN: Okay, does  
24 that mean you can move it up on the list by the  
25 time we meet?

MALE VOICE 1: I don't know. I'll have to look into it. [laughter] But we certainly will get back to you on it.

COUNCIL MEMBER VANN: All right, have a good look.

MALE VOICE 1: Thank you.  
[laughter]

COUNCIL MEMBER VACCA: Just one thing, I wanted to come back to cleanliness for one issue, for one minute, although I know it's a variation of cleanliness. And that is graffiti removal. I've noticed a slowdown in the graffiti removal. This signal stations on the elevated stations are often full of graffiti. Are we behind the eight ball because for a while I thought we were doing very well. But last year or two I've seen less graffiti being removed and it stays there for months. Why have we fallen back? Because I think that that is a important message we send when we keep our stations and our tracks, our entire system, should be graffiti free. And I just see that we have fallen back.

MALE VOICE 1: Chairman Vacca, it depends on where the graffiti is. In stations we

1 try to remove it as quickly as possible and some  
2 of the rooms you are describing there are right  
3 next to the main line and we actually need what we  
4 call a general order and to interrupt service to  
5 be able to go to those locations to remove the  
6 graffiti. I know you do report a lot of locations  
7 to us and we try to get them clean as quickly as  
8 possible.  
9

10 COUNCIL MEMBER VACCA: Yeah, I  
11 would say that if we were interrupting service  
12 during non peak hours, we work late at night, now  
13 the weather's getting nicer, you know, I think we  
14 should keep a commitment to the anti graffiti  
15 approach. I know if we look at the subway system  
16 compared to 20 years ago is day and night when it  
17 comes to graffiti.

18 MALE VOICE 1: We try to piggy back  
19 that kind of work when we have a regularly planned  
20 service interruption.

21 COUNCIL MEMBER VACCA: Right, okay,  
22 thank you. Okay, Council Member Koppell will be  
23 followed by Council Member Greenfield will be  
24 followed by Council Member Reyna, and then I'll  
25 close it down. Council Member Koppell?

COUNCIL MEMBER KOPPELL: Am I correct that New York City Transit runs the Access A Ride system?

MR. JOHNSON: Correct.

COUNCIL MEMBER KOPPELL: Is that correct?

MR. JOHNSON: Correct.

COUNCIL MEMBER KOPPELL: And is it also correct that that data is currently costing close to half a billion dollars a year? Is that number correct?

MALE VOICE 1: Roughly.

COUNCIL MEMBER KOPPELL: Right. And as you may know I'm a great advocate to make our taxi fleet accessible to the disabled. Have you done any studies as to the comparative cost, I think we've had some testimony on this, of perhaps subsidizing the taxi as opposed to using these Access A Ride vehicles. Have you looked at that? If we had enough accessible taxis to provide convenient service to the disabled would that save Access A Ride money?

MALE VOICE 1: The New York City Transit, Paratransit Division, has been vigorously

1  
2 pursuing a program of shifting as many rides as  
3 possible to taxis and black car services.

4 COUNCIL MEMBER VACCA: I just want  
5 to recognize we'd been joined by Council Member  
6 Jimmy Oddo. Go ahead.

7 MALE VOICE 1: So, for example, to  
8 illustrate the success of this program, the  
9 percentage of paratransit trips provided by taxi  
10 and voucher means increased from about 11 percent  
11 in 2009 to over 30 percent in 2012. So, a large  
12 fraction of the trips are being provided in that  
13 manner. And that does generate a significant cost  
14 savings because the average cost of a regular  
15 paratransit trip is about \$65 and the average cost  
16 of a taxi or voucher trip is less than half that.  
17 So, the economics do support that. At the same  
18 time it's not possible to shift all the trips to  
19 that means. Not all paratransit participants are  
20 healthy enough and mobile enough to be transported  
21 in that way. An obvious example is for a  
22 wheelchair, you know, person they would require  
23 either a specially equipped car or van. There are  
24 pilots underway to, in collaboration with the Taxi  
25 and Limousine Commission to expand the percentage



1  
2 of the New York City Taxi Fleet that is  
3 accessible.

4 COUNCIL MEMBER KOPPELL: But the  
5 fact is that it's about half as much when you  
6 subsidize the ride in a taxi or a taxi operated  
7 either by the yellow taxi fleet or by the livery  
8 fleet. It's about half the cost even though you  
9 subsidize the ride.

10 MALE VOICE 1: Yes.

11 COUNCIL MEMBER KOPPELL: Okay I,  
12 Mr. Chairman, Chairman Vacca, you heard that?  
13 [laughter] Good. I'm glad you heard it. So, to  
14 change from that subject to a couple of other  
15 concerns that I've had over the years. We talked  
16 several years about communications at the stations  
17 and it was frustrating to hear how lengthy a  
18 period was projected to put communications which  
19 could be made to people on the stations into  
20 effect. Do you know where that is at this point?  
21 Are all the stations accessible by communication,  
22 by announcement?

23 MALE VOICE 1: If you mean by  
24 public address systems? No.

25 COUNCIL MEMBER KOPPELL: Yes.

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MALE VOICE 1: There is still a certain number of stations that are not wired.

COUNCIL MEMBER KOPPELL: Are you planning to wire all the stations?

MALE VOICE 1: Yes, we are.

COUNCIL MEMBER KOPPELL: Do you have, I had, I think two years ago I said it should be done in six months but obviously it wasn't. Do you know what the schedule is?

MALE VOICE 1: I can get back to you on that.

COUNCIL MEMBER KOPPELL: I would like to 'cause I think that in emergencies that's really an important thing and I don't think, frankly, it's all that costly. Is there a, I've had some correspondence and I do appreciate the president's, a lengthy letter on the issue of platform safety and notification of motormen [phonetic] that someone's on the tracks. And there were several suggestions made in his letter to me that you're exploring. Do you know where that's at at this point?

MALE VOICE 1: We're actively exploring the intrusion detection system.

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COUNCIL MEMBER KOPPELL: Right.

MALE VOICE 1: And we'd like to start a pilot sometime this calendar year of that technology.

COUNCIL MEMBER KOPPELL: Yeah, it's very distressing to read these stories, you know, people killed on the tracks. And I know that the union proposed, you know, a slow down and you had a lot of arguments against that. But I think there are other ways of dealing with it that ought to be, because with modern technology it should be possible to identify not by people, necessarily, but by surveillance that something's on the track and that would be communicated to the modem in one way or another. So, you're looking into that?

MALE VOICE 1: That's what this intrusion technology would accomplish, we hope.

COUNCIL MEMBER KOPPELL: Well, that's very good. And just to become a local for a moment, I was promised and I wasn't happy about the waiting, that the 242<sup>nd</sup> Street Station which looks like it might be in some of the less developed countries of the world with the paint completely off. And it just looks like awful,

1  
2 would be done by the end of 2012. Unfortunately,  
3 you have, that didn't please me when I was told  
4 that. But it still isn't done now when we're  
5 already almost halfway through 2013.

6 MALE VOICE 1: We project it to be  
7 finished this summer.

8 COUNCIL MEMBER KOPPELL: The  
9 painting of that station.

10 MALE VOICE 1: The work, the  
11 current work that we're doing, I'm not sure if the  
12 painting--

13 COUNCIL MEMBER KOPPELL:  
14 [interposing] Well, no. The work actually is  
15 what's delaying the painting 'cause you're doing  
16 other work. But you expect this, some of the work  
17 will be done?

18 MALE VOICE 1: Correct.

19 COUNCIL MEMBER KOPPELL: I hope  
20 that that comes to pass. And the work will  
21 include painting, right?

22 MALE VOICE 1: That I'd have to  
23 check on for you.

24 COUNCIL MEMBER KOPPELL: Please  
25 confirm it for me.

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MALE VOICE 1: Yes.

COUNCIL MEMBER KOPPELL: It desperately needs it.

COUNCIL MEMBER VACCA: Thank you.

Are we looking at a day when we're going to have no Access A Ride? Do you think taxis can replace Access A Ride or will there always be a need for a paratransit system? How do you like that one?

[laughter] See Councilman Koppell, I was listening to you.

COUNCIL MEMBER KOPPELL: Well, good.

COUNCIL MEMBER VACCA: I was listening to you and that's my question because the MTA seems to be going to, going in a direction that is financially positive for them yet long term is this something the MTA is looking at or do you feel we will always need an Access A Ride system?

MALE VOICE 1: We would have to, none of us here, I believe, experts on the American Disabilities Act. So, we would have to get back to you on that, Councilman. We do have, obviously under the law we do have to supply

1  
2 certain services for people.

3 COUNCIL MAN VACCA: My question  
4 revolves around the fact that you know there's an  
5 attempt to increase accessibility of care here at  
6 the Council. And we are in serious discussions,  
7 so, if we are successful in those efforts and this  
8 will not happen tomorrow but what I need to know,  
9 what is the MTA looking at, okay? Or is this  
10 something that the MTA has already spoken of  
11 internally? So, that's what I would need to know.  
12 Okay, next? Who's our next speaker? Councilman  
13 Greenfield, you are next.

14 COUNCIL MEMBER GREENFIELD: Thank  
15 you, Mr. Chairman and thank you all of you for  
16 coming out and testifying today. I want to speak  
17 to you about my most consistent pet peeve and that  
18 is the F line. The F train, based on the strap  
19 hangers campaign is rated number one. We are  
20 number one in delays in New York City. It's also  
21 one of the dirtiest lines and it is also one of  
22 the lines where you are least likely to find a  
23 seat during rush hour. So, my question is for  
24 you, I'm certain you are familiar with this and  
25 you probably track the statistics of all your

1  
2 trains and which ones aren't doing well and you  
3 certainly know the F train is doing horribly. And  
4 I'm sure you have a plan to fix it so can you  
5 share with us your plan on how you're going to  
6 improve service on the F line, please? Not  
7 everyone at once.

8 MALE VOICE 1: We did an F line  
9 study, if we can share with you last year which I  
10 don't have with me which talked about certain  
11 recommendations. We always look at ridership on a  
12 yearly basis and we try to add service based on  
13 our MTA Board approved guidelines. But we'd have  
14 to get back to you on a specific plan.

15 COUNCIL MEMBER GREENFIELD: You did  
16 a study last year?

17 MALE VOICE 1: I believe it was  
18 2011 or 2012. I don't--

19 COUNCIL MEMBER GREENFIELD:  
20 [interposing] Yeah, that doesn't really help me.  
21 I'm telling you this as a fact. The fact is that  
22 the F line is one of the worst lines in your  
23 system. It is a line that many New Yorkers rely  
24 on. It is a line that is consistently late and  
25 it's consistently dirty and consistently has no

1  
2 seats. So, rather than a study I would posit that  
3 perhaps you folks should have an actual concrete  
4 plan to improve it. I mean, I'm certain, I know  
5 for example that the City of New York, when they  
6 have failing schools they have plans to turn  
7 around the failing schools. They don't just say,  
8 hey, we did a study and we're going to get back to  
9 you. So, I would really like to know, as opposed  
10 to the study, what are the concrete steps that  
11 you're taking to improve this line? I think  
12 that's reasonable and the thousands of F line  
13 riders are entitled to know that.

14 MALE VOICE 1: Myself, I am a daily  
15 F rider, F line rider.

16 COUNCIL MEMBER GREENFIELD: That's  
17 embarrassing.

18 MALE VOICE 1: [laughter] And I  
19 will, not at all, no.

20 COUNCIL MEMBER GREENFIELD: I mean,  
21 you work for the system, you ride the F line and  
22 you don't care, you know? When I drive down the  
23 streets of my district and I see a pothole I pull  
24 over and I call DOT. I mean--

25 MALE VOICE 1: [interposing] What



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I'm suggesting is I do care and the F line--

COUNCIL MEMBER GREENFIELD:

[interposing] So, you know that it sucks?

MALE VOICE 1: It does not.

COUNCIL MEMBER GREENFIELD: It does relative to the other lines. It would, there are baselines and by any objective standards, right, when you look at where the other lines are at and where the F line is at, the F line is the worst performing line and therefore it sucks.

MALE VOICE 1: I think that one thing it's worth just--

COUNCIL MEMBER VACCA:

[interposing] I think the Councilman is upset by the F line. [laughter] I ride the F line as well. It sucks.

MALE VOICE 1: One thing in reviewing is that it's a matter of history where the lines were built. And to that extent it affects how heavily the ridership is on those lines. So, we're currently providing the maximum amount of rush hour F train service that's possible. There's still very heavy overcrowding of that line on the Queens portion, not so much on

1 the Brooklyn side. Without very--

2 COUNCIL MEMBER GREENFIELD:

3 [interposing] But it's also--

4 MALE VOICE 1: --substantial

5 capital investments it's very difficult for us to

6 address that condition. In other words, we can't-

7 -

8 COUNCIL MEMBER GREENFIELD:

9 [interposing] But it's regularly late and it's

10 regularly dirty as well. And as you point out

11 historically the F line sucks as well. It's not a

12 recent phenomenon. So, this is something that has

13 been going on for years. I've been using the F

14 lines since I've been a kid. I grew up a couple

15 of blocks from the F line. It's never been a

16 great line it's just in recent years it's gotten a

17 lot worse, especially post Sandy, which I guess

18 brings me to my next question is how are we doing

19 on the F express?

20 MALE VOICE 1: Well, Council

21 Member, on your first issue--

22 COUNCIL MEMBER GREENFIELD:

23 [interposing] You got to press the button,

24 otherwise we can't hear you. I'm sorry.

MALE VOICE 1: I'd be happy to come to your offices and sit down with you to talk about F line service. Secondly, on the F express, as we mentioned briefly at the last hearing. The Culver Viaduct work is still going on. It should be going on through 2013.

COUNCIL MEMBER GREENFIELD: It's almost done.

MALE VOICE 1: It should be going on through the end--

COUNCIL MEMBER GREENFIELD:  
[interposing] We're in 2013. It's almost done.

MALE VOICE 1: Going into the end of 2013.

COUNCIL MEMBER GREENFIELD: Okay.

MALE VOICE 1: We have committed to doing a study of the F express, which we will be conducting this, the F express.

COUNCIL MEMBER GREENFIELD: Okay.

MALE VOICE 1: Portion this summer. At that point we will, in August or September we will be able to talk to you about the possibility of running an F express and the cost associated with it.

COUNCIL MEMBER GREENFIELD: Okay.

So, I do look forward to sitting down with you. I would request, though, if you can, if you can send me an actual plan as opposed to a citing of a study from a year or two ago that says, here is the concrete steps that we are taking specifically dealing with the issues of timeliness and cleanliness on the F line I would be very grateful. My final question is, I'm just wondering if you can explain it to me, 'cause honestly, I haven't really been able to figure this out and it's one of the primary complaints that I get from those folks who are either elderly or folks who are taking their kids with carriages or folks such as a neighbor of mine who break their legs, which is the lack of elevators on the system. Now, I understand there's some sort of convoluted system and who gets elevators and who doesn't. But can you just sort of summarize it because that way when people ask me I'll just tell them, roll the tape and you'll get it directly from the MTA as to why it is that there's a serious lack of elevators in this system?

MR. JOHNSON: Councilman, we are,

1  
2 we have a 100 key station program which was  
3 developed in the early '90's and provides a  
4 pathway to install elevators at all 100 stations  
5 by 2020. At this point--

6 COUNCIL MEMBER GREENFIELD:

7 [interposing] How many stations do you have?

8 MR. JOHNSON: We have 468.

9 COUNCIL MEMBER GREENFIELD: Okay,  
10 so 100 of these with elevators?

11 MR. JOHNSON: 100 by 2020, yes.

12 COUNCIL MEMBER GREENFIELD: Got it.

13 [crosstalk] And it started in the '90's?

14 MR. JOHNSON: Right.

15 COUNCIL MEMBER GREENFIELD: So,  
16 it's, like, a 35 year plan?

17 MR. JOHNSON: Right. And now we,  
18 at this point we have 99 stations with elevators,  
19 so we're beyond our plan.

20 COUNCIL MEMBER GREENFIELD: Let's  
21 go for broke. Let's hit them all.

22 MR. JOHNSON: We would love to sit  
23 down with you and come up with the next phase of  
24 that program to hit the next 100 or whatever  
25 number we want to accomplish within the next 20

1 years, identify which stations those should be  
2 'cause we're right now approaching 2020 so we need  
3 to move forward with the next phase of program to,  
4 we would love to install elevators at every single  
5 station. Obviously, there's financial  
6 constraints, physical constraints, but we're  
7 committed to providing full accessibility to as  
8 many stations as possible and we'd love to work  
9 with you on that.

10  
11 COUNCIL MEMBER GREENFIELD: I will  
12 take you up on that offer. Thank you, folks.

13 COUNCIL MEMBER VACCA: We've been  
14 joined by Council Member Mealy, Council Member Lou  
15 Fidler, and our next speaker is Council Member  
16 Reyna.

17 COUNCIL MEMBER REYNA: Thank you,  
18 Mr. Chair. Just wanted to take a moment to focus  
19 on MWBE percentages met by the MTA. In calendar  
20 year 2012, I'm sorry, Dave, I'm going to have to  
21 ask you to move back. [off mic] The Committee, if  
22 you can provide the Committee with the MWBE  
23 percentages that were met for the year 2012, the  
24 calendar year 2012.

25 MR. JOHNSON: Yes, we can provide

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those.

COUNCIL MEMBER REYNA: You don't have them here?

MR. JOHNSON: We don't have them right with us now.

COUNCIL MEMBER REYNA: Is there someone who could, can get it right now?

MR. JOHNSON: No, but it's easily, we can certainly track those statistics, though, it's certainly available.

COUNCIL MEMBER REYNA: Okay. I would like to know the projected number percentage for MWBE contracting for calendar year 2013 as well.

MR. JOHNSON: Okay.

COUNCIL MEMBER REYNA: Just, you know, it's a budget hearing so usually these questions do come up and I usually.

MR. JOHNSON: Yeah, 2013 would be based on a goal basis.

COUNCIL MEMBER REYNA: I understand. We would like to see that as well. I mean, if you have current year to date numbers that would be helpful.

MR. JOHNSON: Okay.

COUNCIL MEMBER REYNA: I wanted to just take a moment to thank the MTA for the upgrade at Knickerbocker Station. That was the highlight of Bushwick as far as a dilapidated station that needed much repair. And you've moved on to starting the work at Central Avenue. So, we are grateful for that. And I'm not too sure if there's going to be further M line upgrades along what would be the elevated line?

MALE VOICE 1: I, David, do you have the list?

MR. DAVID HENLEY: I don't.

MALE VOICE 1: I know that Central Avenue will be completed by August.

COUNCIL MEMBER REYNA: I also have Seneca Station in Ridgewood, so I wanted to understand whether to not that's in the calendar -  
- ?

MR. JOHNSON: Can I get back to you on that?

COUNCIL MEMBER REYNA: Of course.

MR. JOHNSON: I can get the precise list.



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COUNCIL MEMBER REYNA: Of course.

And the, one of the issues that we've raised with the MTA is the plans as far as monitoring what would be development throughout the city of new York, specifically our focus on what would be the Green Point, Williamsburg rezoning and the issue of the demand on the train lines as well as the bus lines. In understand you've restored the bus line for the Williamsburg Bridge into Manhattan, that's correct. No? [off mic] And while you're looking for that I just wanted to make sure that we are, as far as MTA is concerned the projections that are coming up regarding the most recent announcement of Green Point Landing, which is going to be expecting a few hundred, if not thousands of people, in addition to what is already an increase in ridership of, for the G line, L line and M line. M and J line.

COUNCIL MEMBER VACCA: While we're waiting for that we've been joined by Council Member Lewis Fidler and Council Member Darlene Mealy. [off mic]

COUNCIL MEMBER REYNA: I'm sorry.

MALE VOICE 1: Our operations and

1  
2 planning department works closely with city  
3 planning to look at projections. And we are  
4 currently looking, doing a, as you know, a study  
5 on the G Train, which will be done in June. But  
6 other than that we'll have to get back to you on  
7 other projections.

8 COUNCIL MEMBER REYNA: So, the  
9 study will be concluded in June?

10 MALE VOICE 1: That's what we're  
11 currently projecting, correct.

12 COUNCIL MEMBER REYNA: Will we be  
13 able to see a preliminary review of that study  
14 because there's going to be, ULURP actions that  
15 are going to be taking place as it, this is one of  
16 the areas that is most concerning to the community  
17 board.

18 MALE VOICE 1: I don't know, we'll  
19 have to get back to you, I don't know where that  
20 study is currently.

21 COUNCIL MEMBER REYNA: Okay. And  
22 the--

23 COUNCIL MEMBER VACCA:  
24 [interposing] Could you sum up, Council Member?  
25 We have Taxi and Limousine Commission next.

COUNCIL MEMBER REYNA: I, that's fabulous, I know we, I have two more minutes. The bus extension for Mass Beth Industrial Park [phonetic] workforce. We had had a very good, healthy dialogue with members of the MTA who came toward the industrial park. And as Small Business Chair we had been receiving what is the difficulties of hundreds of individuals reporting to work in the morning and the challenges, especially during the winter, of being able to get to work on time. there's this donut void of transportation access into this industrial park in Mass Beth Queens. We want to make sure that the request, especially with the next capital budget of priorities that this is addressed, in the short term, as well as a long term solution. This particular industrial park was trying to come up with creative ways on their own but not giving access to everyone because as long as there's an individual business how can do it the playing field is unfair regarding those that can't. And so, bringing in what would be appropriate transportation services, and extension of existing lines and rerouting lines would be most

1  
2 beneficial. And in a grander scope, you know,  
3 making sure that this assessment is considered  
4 within the MTS's planning portfolio. I don't, I  
5 haven't received any feedback regarding that  
6 meeting.

7 MALE VOICE 1: Vice President

8 Tendler met with you along with representatives of  
9 our MTA bus company and New York City Transit Bus  
10 Company and we will be getting back to you on  
11 that.

12 COUNCIL MEMBER REYNA: How soon?

13 Is there a timeline?

14 MALE VOICE 1: I believe we have  
15 something drafted to you. It should be shortly.

16 COUNCIL MEMBER REYNA: Fantastic.

17 And my last question is regarding the use of  
18 better technology along elevated train lines to  
19 improve pedestrian safety or public safety.  
20 Lighting is an issue along the elevated lines.  
21 There's a very dark, gloomy passage of being able  
22 to walk and what would encourage what would be  
23 pedestrian traffic along what would be elevated  
24 train lines. The M line in particular and the J  
25 where businesses are not interested in opening.

1  
2 They don't have very good foot traffic and the MTA  
3 could be a great partner in improving those  
4 particular issues regarding economic development  
5 along these train lines. Is there anything that  
6 the MTA is exploring currently that would allow  
7 for mitigating those issues?

8 MALE VOICE 1: Our longstanding  
9 policy has been not to allow to attach lighting to  
10 our structure.

11 COUNCIL MEMBER REYNA: And that's  
12 based on an engineering report?

13 MALE VOICE 1: I, engineering,  
14 maintenance on a few issues. But if you ask  
15 particular areas you can talk to us and DOT and we  
16 can try and take a look at it.

17 COUNCIL MEMBER REYNA: I have  
18 spoken to both DOT and the MTA. I just, I  
19 continue to hear that it's not possible but I  
20 never see an actual document that says it's  
21 because it's a structural issue. And considering  
22 that the opportunity is there to be creative with  
23 new technology that's out there I don't know when  
24 this report existed. If it does exist how long  
25 ago was it performed? Was it a survey?

MALE VOICE 1: It's been our policy for as long as I've been here and I've been here 20 years. And we don't attach anything to our structures.

COUNCIL MEMBER REYNA: [crosstalk]  
So, is it possible to revisit this policy?

MALE VOICE 1: I will bring back your request.

COUNCIL MEMBER REYNA: And is there any type of technology that's being used to address those types of issues that does not conflict with your policy?

MALE VOICE 1: In terms of lighting? Not to my knowledge. In terms of lighting, attachment lighting to our structure, not to my knowledge.

COUNCIL MEMBER REYNA: Go ahead.

MALE VOICE 2: As you know, the lighting on the streets is a responsibility of the City. So, it's not been a historically, a primary focus for New York City Transit. Our job is to maintain the structure in a state of good repair. So, you know, I think the answer would be it would be more appropriate for the City to develop some

1  
2 kind of lighting, what they felt was important to  
3 do with lighting and if they felt it involved our  
4 structure they could approach our engineering  
5 department and discuss a collaboration. But it's  
6 not our job to make the lighting in the street.

7 COUNCIL MEMBER REYNA: And we're  
8 not referring to the lighting on the street in  
9 particular, but we are talking about two  
10 bureaucratic agencies getting together to  
11 understand that there's a public safety issue that  
12 needs to be addressed and how to do so so that  
13 both agencies are talking to each other as to how  
14 best utilizing technology, best practices, is able  
15 to allow you to reach the goal of improving public  
16 safety. So, I just wanted to understand whether  
17 or not those conversations are taking place. This  
18 engineering report, does it exist? Can I have a  
19 copy of it because I need to understand what the  
20 challenges are and how to get around it and  
21 whether or not we're talking about a policy  
22 that's, you know, 100 years old or 50 years old or  
23 one year old.

24 COUNCIL MEMBER VACCA: Okay.

25 MALE VOICE 1: We'll get back to

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you.

COUNCIL MEMBER REYNA: Thank you.

COUNCIL MEMBER VACCA: All right, thank you very much. Council Member Darlene Mealy and then Council Member Debbie Rose has one quick question and then we're going to end it 'cause, Commissioner, we have to move on.

COUNCIL MEMBER MEALY: Okay. I have just two quick questions. To date, how many of the MTA properties have you sold or planned on selling in this budget?

MR. JOHNSON: Hold on. Are you talking about the [crosstalk] New York City Transit master lease properties?

COUNCIL MEMBER MEALY: Mm-hmm.

MR. JOHNSON: From what I know, two, there's been two deals executed.

COUNCIL MEMBER MEALY: Do you know how much for?

MR. JOHNSON: I do not.

COUNCIL MEMBER MEALY: 'Cause last time--

MR. JOHNSON: [interposing] They haven't closed but I guess deals are in place.



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But it's not finalized.

MALE VOICE 2: We collaborated with  
New York City EDC on--

COUNCIL MEMBER MEALY:  
[interposing] We can't hear your mic.

MALE VOICE 2: All right. We  
collaborated with New York City EDC on, to market  
seven of our properties last year.

COUNCIL MEMBER MEALY: How much you  
think you're going to make from that?

MALE VOICE 2: I don't know what's  
projected in the budget.

COUNCIL MEMBER MEALY: No  
projection?

MALE VOICE 2: Do you have a  
projection in the budget?

COUNCIL MEMBER MEALY: This is a  
capital budget hearing.

MALE VOICE 1: It's certainly not  
in the operating budget. It's a capital budget  
issue. I don't know what--

MALE VOICE 2: [interposing] I can  
tell you we've marketed seven properties. Two we  
are close to closing on and the other five are

1 still in the process.

2 COUNCIL MEMBER MEALY: I'm not  
3 asking that. How much are you going to make off  
4 of that?  
5

6 MS. DAVILE: Sorry, hi. Stephanie  
7 Davile again. Our capital program, the '10 to '14  
8 capital program includes about \$250 million as a  
9 plan set aside for these properties.

10 COUNCIL MEMBER MEALY: That's it?  
11 \$250 million?

12 MS. DAVILE: That's it.

13 COUNCIL MEMBER MEALY: [crosstalk]  
14 For a property that's in locations that--

15 MS. DAVILE: [interposing] That was  
16 the plan. That was the target set out before the  
17 individual agreements were entered into or had  
18 begun. I don't know what those will yield. But  
19 again, the capital program for '10 to '14 includes  
20 a \$250 million amount for the proceeds from these  
21 sales.

22 COUNCIL MEMBER MEALY: That's for  
23 seven properties? And this, that's nowhere near  
24 what you probably can get for it but I have  
25 another local question. The number three train is

1  
2 one of the main subway lines in my district, it  
3 runs through the district. And I must say you  
4 guys have done a great job. I think only one of  
5 my stations really needs still painting. I think  
6 I really have to come up on painting the subways  
7 more often. 'Cause some of it's cracking, that's  
8 still going on. With that, the digital time  
9 notification on that line, we know now is how  
10 long, about ten minutes you'll say the next train  
11 is coming in ten minutes. Is there anything you  
12 all are really working on to make it less than ten  
13 minutes? How can you do that? Are they--

14 MALE VOICE 2: [interposing] There  
15 is a regular program of traffic checking, checks  
16 the ridership on each route.

17 COUNCIL MEMBER MEALY: Yes, I used  
18 to supervise traffic checkers.

19 MALE VOICE 2: And then, okay, so  
20 you're very familiar with the fact that twice a  
21 year there's the opportunity to adjust the  
22 schedules and adjust the train headways, you know,  
23 the intervals between trains based on the  
24 ridership.

25 COUNCIL MEMBER MEALY: But do you

1  
2 have any plans on decreasing the wait time at all  
3 for other trains or other lines? Is there  
4 anything in place?

5 MALE VOICE 2: No. We have a board  
6 approved service guidelines and we adhere to those  
7 guidelines. So...

8 COUNCIL MEMBER MEALY: It's not a  
9 safety issue is it?

10 MALE VOICE 2: No.

11 COUNCIL MEMBER MEALY: If a train  
12 comes at ten minute intervals is there any  
13 possible way to change the schedule to come--

14 MALE VOICE 2: [interposing]  
15 Absolutely, absolutely.

16 COUNCIL MEMBER MEALY: That's what  
17 I'm talking about.

18 MALE VOICE 2: It's a cost issue.  
19 So...

20 COUNCIL MEMBER MEALY: Excuse me?

21 MALE VOICE 2: It's a cost issue.  
22 In other words--

23 COUNCIL MEMBER MEALY:  
24 [interposing] A cost issue?

25 MALE VOICE 2: There are guidelines

1  
2 that set out how many passengers need to be on the  
3 train to justify running the service at that  
4 interval. So, we don't run the same amount of  
5 service on a line that has low passenger volume as  
6 we do on a line that has heavy passenger volume?

7 COUNCIL MEMBER MEALY: Have you all  
8 ever changed any [crosstalk] train station  
9 intervals? Have you changed any one this whole--

10 MALE VOICE 2: [interposing] We  
11 change it every year. Every year there are  
12 schedule adjustments made in response to changes  
13 in ridership.

14 COUNCIL MEMBER MEALY: Okay. I  
15 just think that sometimes you change other lines  
16 that the wait time is very long, ten minutes, that  
17 can change people lives in ten minutes and I just  
18 hope you can look at, assess some other train  
19 lines. That's all.

20 COUNCIL MEMBER VACCA: Okay.

21 COUNCIL MEMBER MEALY: Thank you.

22 COUNCIL MEMBER VACCA: Thank you  
23 Council Member. And Council Member Debbie Rose  
24 will ask the last question.

25 COUNCIL MEMBER ROSE: Thank you.

1  
2 COUNCIL MEMBER VACCA: We have  
3 Commissioner of the Taxi and Limousine is in the  
4 house, former Council Member David Yassky.  
5 Right--

6 COUNCIL MEMBER ROSE: [interposing]  
7 The MTA receives, you know, an additional \$40  
8 million from the State this year. Do you plan to  
9 restore the bus services that were cut and the  
10 reduction in lines? And specifically on Staten  
11 Island we suffered cuts in service and we had  
12 lines that were eliminated from service on the  
13 weekends. So, are your plans to restore the cuts  
14 we saw from 2010?

15 MR. JOHNSON: I got to, first of  
16 all, the \$40 million, and I talked about that in  
17 my opening remarks, is a change in the  
18 appropriation, okay? There's different elements  
19 of the tax receipts that support that  
20 appropriation but the appropriation is based upon  
21 an increase in the forecast of tax receipts by New  
22 York State. There's no guarantee whatsoever that  
23 those receipts are actually going to come in.  
24 we're grateful for the appropriation but A, we  
25 don't really know how much of that money, if any,

1 we're going to get. However, between now and July  
2 we're going to do a financial plan, we're doing a  
3 reassessment of all those taxes as well as our  
4 overall financial position. Our Acting Executive  
5 Director has stated that should financing improve  
6 he is going to look at the potential to add new  
7 service or other things that might improve the  
8 environment or the experience of the customer.  
9 And that he's, in fact he has asked agency  
10 presidents to put together prioritized lists of  
11 things that each agency would, in fact, like to do  
12 should funding be available. But A, we don't know  
13 if those monies are going to come in, B, we're  
14 still doing assessment of all of our overall  
15 finances, C, during that process we'll be  
16 evaluating all those proposals to see what things  
17 make most sense for the MTA as a whole.

18  
19 COUNCIL MEMBER ROSE: But you said  
20 new services.

21 MR. JOHNSON: [crosstalk] It could  
22 be new service.

23 COUNCIL MEMBER ROSE: So, does that  
24 mean you're going to revisit the cuts and the old  
25 services?

1  
2 MR. JOHNSON: [crosstalk] Oh no,  
3 we're not, they would do whatever makes the most  
4 sense. It could be new. It could be a  
5 restoration. And that process is nowhere near  
6 complete.

7 COUNCIL MEMBER ROSE: But you're  
8 doing that now? You're doing an assessment?

9 MR. JOHNSON: We're doing an  
10 assessment. We're in the early stages of that  
11 assessment.

12 COUNCIL MEMBER ROSE: Okay, thank  
13 you.

14 MR. JOHNSON: You're welcome.

15 COUNCIL MEMBER VACCA: I want to  
16 thank the MTA. Could we just have your name and  
17 phone number if, we might want to follow up on  
18 some of the numbers you gave us about the CEQUA  
19 station and stuff like that. Just give us your  
20 [off mic] Okay. Thank you very much. We're going  
21 to take a two minute recess and then we're going  
22 to start with the Taxi and Limousine Commission.  
23 Thank you very much. [background conversation]  
24 [pause]

25 CHAIRPERSON RECCHIA: Okay, we're



going to get started. Commissioner pass this bill already. Pass this bill. [laughter]

MR. DAVID YASSKY: What's that?

CHAIRPERSON RECCHIA: I said, pass this bill already.

MR. YASSKY: I'm trying. I'm working on it. [laughter]

CHAIRPERSON RECCHIA: All right.

We will now resume this, you ready? We have the recording on? Where's our Sergeant at Arms? You ready? Now resume the City Council Hearing on the Mayor's executive budget. We just heard from the MTA and now the Finance Committee and the Transportation Committee led by Chairman James Vacca. We'll hear from the Chairman of the Taxi and Limousine Commission, also a former member of the New York City Council, David Yassky. Welcome back, Commissioner.

MR. YASSKY: Thank you.

CHAIRPERSON RECCHIA: Jimmy, would you like to say a few words?

COUNCIL MEMBER VACCA: No.

CHAIRPERSON RECCHIA: Okay. Commissioner? It's all yours.

1  
2 MR. YASSKY: Good morning, Chairman  
3 Recchia and Chairman Vacca. Good afternoon.  
4 Well, it's off to a good start already. Good  
5 afternoon Chairs and Members of the Committee's.  
6 My name is David Yassky. I serve as Chair of the  
7 Taxi and Limousine Commission. Thank you for the  
8 opportunity to speak to you today regarding the  
9 Mayor's Executive Budget for fiscal year 2014.  
10 Ensuring safe and reliable taxi and four hire  
11 vehicle service, as you know, is job one at the  
12 TLC. The TLC recently acquired a new tool to  
13 remove illegal vehicles operating for hire off  
14 the, to remove from the road vehicles that are  
15 operating illegally for hire. On March 22<sup>nd</sup>, the  
16 tow pound contract with Knight's Collision  
17 [phonetic] was registered with the Comptroller.  
18 That gave us the capacity that we need to continue  
19 to ramp up our efforts to seize vehicles operating  
20 illegally, which I am convinced is the best  
21 deterrent. That is reminding me that I should  
22 introduce to you Chairs and Members of the  
23 Committee, my colleagues who are joining me here  
24 today. To my right is our Chief Operating Officer  
25 Conan Freud [phonetic], to my left, Deputy

Commissioner for the Uniformed Services Bureau which includes enforcement and vehicle inspections, Raymond Scanlon [phonetic]. It is his folks who are doing all this seizing and fining and they're doing it at record numbers. We are now seizing vehicles at a pace of 700 to 800 a month up from 150 or 200 a month just a year ago. Indeed, in April we seized a total of 871 vehicles, which is the highest number seized during any month of this current fiscal year and the highest in the, it says in 14 years, so, since you were elementary school, Chair Vacca. Besides towing and storing these vehicles Knight's Collision is auctioning off vehicles that were not claimed by the owner. There is a whole process for that, as you can imagine. The first auction was on April 16<sup>th</sup>, 70 vehicles were sold generating a net \$26,000 in revenue for New York City. So, the, your budgets woes are alleviated. We were also instituting a new policy to incentivize unlicensed operators to do the right thing and get TLC licenses. I am kind of excited about, we now, when Deputy Commissioner Scanlon's team issues a summons to a driver who's operating without a

1 license we say, here is your ticket, pay the fine.  
2 If you want you can use some of that fine money to  
3 pay for a license application. 'Cause we don't  
4 want to keep picking you up and fining you. We'd  
5 much rather you join the licensed world and do it  
6 the right way. So, we just started doing that.  
7 We'll see how much people take us up on that  
8 offer. We also have good news to report. Oh my  
9 goodness, sadly for me, Council Member Rose I see  
10 is not in the room at the moment but when she  
11 rejoins us you will, and if I'm not here when she  
12 rejoins I hope you will pass on to her the very  
13 good news that thanks to her advocacy and your  
14 advocacy, Chair Vacca, we are now offering to  
15 livery and black car, I guess, any for hire  
16 vehicle based in Staten Island that they can get  
17 their biannual TLC inspection on Staten Island and  
18 they no longer have to go to Woodside Queens, not  
19 that it's some big hardship to go to Woodside for  
20 people who represent Queens. But if you're on  
21 Staten Island it is a bit of a hardship and  
22 particularly with the tolls. It's the economic  
23 impact [crosstalk].  
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25 CHAIRMAN RECCHIA: So now you have

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a garage out there that [crosstalk] car?

MR. YASSKY: We did it by contract with private garages rather than creating a facility of your own would be, obviously, prohibitive for that number of vehicles.

CHAIRMAN RECCHIA: Could you send us a little memo on that?

MR. YASSKY: Yes.

CHAIRMAN RECCHIA: So that we get that out to all the Council, to those Staten Island Council Members?

MR. YASSKY: Absolutely, I will do that.

CHAIRPERSON RECCHIA: So, we get them out, I think that's very important. Thank you, Commissioner.

MR. YASSKY: Thank you. And thank you for helping to spread the word. Speaking of spreading the word, I'll reiterate 'cause I know some of the Finance Committee Members who are not on transportation. We've talked, I won't go into it at length but I've spoke, talked extensively with the Transportation Committee members about our efforts to provide better service for

1 wheelchair users. I was, since you were referring  
2 to Chair Recchia. One initiative along those  
3 lines is that now people in a wheelchair can call  
4 311 and have a wheelchair accessible taxicab  
5 dispatched to get them in Manhattan in the yellow  
6 taxi service area. But we're really eager to get  
7 the word out about that and for those of you, I'd  
8 say, I was going to say represent Manhattan  
9 districts, but really for any of you, I'd ask if  
10 you'd consider putting something in your  
11 newsletter about that. Okay. Next improvement  
12 affects passengers quite directly. In November of  
13 last year the commission adopted new rules  
14 eliminating the off duty light on yellow taxi  
15 cabs. It had been a common complaint from  
16 passengers, roof lights were confusing and  
17 driver's would cherry pick using the off duty  
18 light. Now when you look around you'll see that  
19 there's no off duty lights, just the one medallion  
20 number on the top of the taxi. It's on means cabs  
21 available, off means unavailable, no detailed code  
22 breaking is necessary. The, speaking of the  
23 budget, the TLC's budget for fiscal year 2014 is  
24 \$62.2 million. That's, you know, a significant  
25

1 chunk of that amount, of course, is grants to,  
2 money to be available for grants to, vehicle  
3 owners that participate in the street hail livery  
4 program and choose to do that with an accessible  
5 vehicle. So, that's dependent on the Court of  
6 Appeals approving that program which we expect  
7 they will do in the next few weeks. Of the \$62.2  
8 million, \$31.6 for personal services, \$30.6 for  
9 OTPS, that's for all the grant money. We will  
10 continue to focus on improving agency efficiencies  
11 by doing more with existing resources. We have  
12 given up vacancies to reduce the agencies overall  
13 headcount, issued more new and renewal licenses,  
14 now also increased the number of fine settlements  
15 that has led to an increase in revenue from the  
16 agency. Council Members, that concludes my  
17 testimony on the budget. I am happy to answer any  
18 questions you may have.  
19

20 CHAIRPERSON RECCHIA: Okay, great.  
21 Jimmy, you have a question? We're going to start  
22 off with Lewis Fidler followed by Oliver Koppell.

23 COUNCIL MEMBER FIDLER: Thank you,  
24 Mr. Chairman. Good afternoon, David.

25 MR. YASSKY: Good afternoon.

1  
2 COUNCIL MEMBER FIDLER: You  
3 testified that the first month of the Knight's  
4 Collision deal, contract, you seized 871 vehicles.  
5 And the, your, I'm not sure if you actually said  
6 it, I'm reading your written testimony. You said  
7 that you were running out of storage space and you  
8 say that as if it was your limiting factor in your  
9 ability to seize vehicles. Is that accurate?

10 MR. YASSKY: Yes.

11 COUNCIL MEMBER FIDLER: So, now  
12 that you have all this space, you have sufficient  
13 man power to enforce the levels that you've  
14 promised in the past.

15 MR. YASSKY: Well, I would say  
16 we're enforcing at this very moment above the  
17 levels that we've promised in the past and I  
18 continue to, you know, I intend to continue to  
19 improve even on that consistent with our TLC motto  
20 of under promise and over deliver. We've lived up  
21 to it here. When I was here elsewhere talking  
22 about the borough taxi plan, the question of  
23 enforcement came up with, routinely in those  
24 discussions. And at the time we committed to  
25 doubling our enforcement capacity. We have more



1  
2 than doubled it, Ray, we have I'd say 180  
3 inspectors, roughly?

4 MR. RAYMOND SCANLON: 84.

5 MR. YASSKY: 184. We are  
6 graduating next week yet another class of 20, 16?  
7 No, how many?

8 MR. SCANLON: About 22.

9 MR. YASSKY: 22. So, that, we had  
10 maybe 65 inspectors at the time we made that  
11 commitment so if that's true we've almost tripled  
12 since making that promise, not just doubled. So,  
13 in answer to your question, are we delivering on  
14 our promise? Delivering and then some.

15 COUNCIL MEMBER FIDLER: Well, I  
16 have to tell you, you segued exactly to where I  
17 was going. You know, your out of bureau taxi  
18 bureau now is in neighborhoods like mine, that we  
19 call them illegal dollar vans.

20 MR. YASSKY: Yes.

21 COUNCIL MEMBER FIDLER: Could you  
22 speak to, do you ever break down by precinct of  
23 where you're seizing these vehicles and what  
24 enforcement you've done by precinct? Because we  
25 sure haven't noticed it down in the, you know, the

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southern Brooklyn area.

MR. YASSKY: We do indeed tabulate by precinct. I'm just shuffling through to see if I have that here. I'm doubting that I do. [off mic] Yes, yes.

COUNCIL MEMBER FIDLER: Do we have by precinct seizures here with us today?

MR. YASSKY: I'm taking a minute to answer, to see if we do. My guess is we don't have it by precinct with us today but I can certainly get that to you.

COUNCIL MEMBER FIDLER: Well, I was asking, I would ask you to do that because whenever our local police commanders speak about the dollar van issue in southern Brooklyn I never hear them refer to TLC enforcement. As far as they're concerned it's strictly an NYPD effort in my community.

MR. YASSKY: Well, they, it does an outstanding job and they're out there day in and day out and, you know, couldn't, don't have enough good things to say about them. I'm told that the precinct by precinct breakdown is on our website. Is this really, Gale Brewer here should say, well,

1  
2 you ought to be able to pull that up and put it  
3 right on the screen and so forth. But it is on  
4 the website but I will, I won't ask you to go look  
5 at that. I'll send it to you.

6 COUNCIL MEMBER FIDLER: I guess--

7 MR. YASSKY: [interposing] Let me  
8 just say in terms of what we are doing, because  
9 you asked, our number of van seizures this year--

10 MR. SCANLON: [interposing] Fiscal  
11 year.

12 MR. YASSKY: --fiscal year to date,  
13 547 vans up from 162 in the fiscal year 2012. So,  
14 162 in all of 2012 and 147 in '13 to date.

15 COUNCIL MEMBER FIDLER: [crosstalk]  
16 Would you hazard a guess? - - forget about the  
17 rest of the city, would you hazard a guess as to  
18 how many are actually operating illegally in  
19 communities like mine?

20 MR. YASSKY: I would not. Here is  
21 what I will say about this and it's not just the  
22 vans but illegal activity in general. We have  
23 increased our enforcing efforts enormously. We  
24 will continue to do so. It is still, there is  
25 still rampant illegal activity. And--

COUNCIL MEMBER FIDLER:

[interposing] You know, that would sound like a headline except for, you know, the people in my district who know it. And it's their every day life.

MR. YASSKY: [crosstalk] Yeah, it's not - - .

COUNCIL MEMBER FIDLER: It's their every day life. I mean, you know, I mean, these numbers, these tripling number is very impressive, all right?

MR. YASSKY: Thank you, thank you.

COUNCIL MEMBER FIDLER: Until you pair it to, you know, the scope of the problem. You know, how many out of borough medallions do you, you were hoping to release?

MR. YASSKY: We will be able to issue 18,000 over three years.

COUNCIL MEMBER FIDLER: So, you're going to add 18,000 vehicles that are doing exactly what the dollar vans are doing? Make no mistake, in communities like mine they will do nothing different than dollar vans are going to do. You have assured me that, you know, there

1 would be sufficient enforcement to be, to make  
2 sure that the dollar van issue wouldn't be  
3 compounded on top of this, the now legal, you  
4 know, practice that you're hoping to do. And, you  
5 know, despite, you know, the fact that, you know,  
6 doing this tripling of the resources you're given  
7 I want you to understand you haven't made a dent  
8 in what's going on in southern Brooklyn. So, I  
9 want to switch a little bit again just to ask you  
10 this other question.

11  
12 MR. YASSKY: Okay.

13 COUNCIL MEMBER FIDLER: And I'm  
14 surprised it's not more--

15 MR. YASSKY: [interposing]  
16 Prominent.

17 COUNCIL MEMBER FIDLER: --  
18 preeminent in your testimony. And I asked the  
19 same question of Director Page. Every budget, you  
20 know, narration that we get from the  
21 administration includes an every decreasing amount  
22 of money from the medallion sale which is  
23 dependent upon the approval of the outer borough  
24 taxi plan which, of course, was stopped because it  
25 was done illegally. Your--

1  
2 MR. YASSKY: [interposing] Let the  
3 record note that that as a plaintiff, a named  
4 plaintiff making that contention. [crosstalk] the  
5 named defendant would disagree.

6 COUNCIL MEMBER FIDLER: Well,  
7 unfortunately for the named defendant the court  
8 sided with the named plaintiff. So, I mean, at  
9 this point I think I can say--

10 MR. YASSKY: [interposing] We shall  
11 see.

12 COUNCIL MEMBER FIDLER: --so I  
13 would say to you that, you know, quite frankly,  
14 you know, we are sitting here and, you know,  
15 pissing away the legal medallion sales and have  
16 been doing so for quite a length of time, all  
17 right? Have you attempted to negotiate to get  
18 this thing moving so we're not continuing to push  
19 off and - - the can down the road on the  
20 possibility, that the Court of Appeals might find  
21 the Lower Court was right. Don't you think that  
22 you should do it now rather than do it when  
23 they've removed the remaining cards fro your  
24 hands?

25 MR. YASSKY: So, let me first just

1  
2 finish up our discussion, the illegal activity in  
3 the boroughs. And I guess I'd want to distinguish  
4 between vehicles and drivers that are wholly  
5 unlicensed and therefore we have to assume don't  
6 have the required insurance to be carrying  
7 passengers, have not been drug tested by us,  
8 vehicles aren't inspected by us. We have the  
9 safety concerns that are kind of behind the whole  
10 licensing scheme. We'll call those straight  
11 lights, and vehicles that are licensed by us but  
12 are operating out--

13 COUNCIL MEMBER FIDLER:

14 [interposing] - - merely operating illegally  
15 'cause they're, per se, illegal in the zone that  
16 I'm talking about?

17 MR. YASSKY: Right. And we, you  
18 know, we may have a fundamental policy  
19 disagreement and I suspect we do.

20 COUNCIL MEMBER FIDLER: Yeah, I  
21 think the law should be enforced and the Mayor  
22 admires their entrepreneurial spirit.

23 MR. YASSKY: Right. I do believe  
24 that people outside midtown, downtown Manhattan  
25 have a need for, desire for, on street, for hire

1  
2 vehicle service, taxi like service. And do not  
3 want and shouldn't be required to get service only  
4 through prearrangement. That's the essence of  
5 what we tried to do in the borough plan. When you  
6 say 18,000 new vehicles I don't think you will see  
7 18,000 new vehicles. You'll see 18,000 of the  
8 existingly licensed vehicles, if that's a word, of  
9 the vehicles that already have licenses come in  
10 and get the ability to pick up off the streets so  
11 they will now start--

12 COUNCIL MEMBER FIDLER:

13 [interposing] - - people who violate the law for a  
14 living, you know, can be counted on to legalize  
15 themselves when you give them that chance, right?

16 MR. YASSKY: I do think generally  
17 people prefer to do things the right way. I think  
18 that when there's no legal opportunity to provide  
19 a service that is needed and is a useful service  
20 then you do see, unfortunately, too much law  
21 breaking. That's why we are seeking to change the  
22 rules to provide a legal opportunity to do what  
23 passengers want and what driver's want to provide.  
24 You know, I can't think of too many other  
25 commissions--



COUNCIL MEMBER FIDLER:

[interposing] If I had that logic we ought to legalize heroin 'cause there are clearly people who want heroin and people who want to sell it. I mean, the fact of the matter is--

MR. YASSKY: [interposing] You're absolutely right.

COUNCIL MEMBER FIDLER: The dollar vans are a menace in my community. They are an absolute menace. They're not safe. They're not lawful. They're not collecting the, any taxes. They're probably largely uninsured whether they are, you know, licensed vans to operate legally in other areas or not, they're illegal in mine.

MR. YASSKY: Mm-hmm.

COUNCIL MEMBER FIDLER: And the thought that you're going to add to that problem and by giving them the incriminator of legality, when we all know that they're going to do is drive up and down the bus lanes, the bus stops, stealing further passengers from the MTA, with very few exceptions of, like, the shopping areas where people have lots of packages. They're, what they are doing is they are competing directly with the

1 MTA. The MTA is not competing back and the, no  
2 one is looking at the overall problem which is the  
3 fact that you are privatizing bus service by doing  
4 this.  
5

6 CHAIRPERSON RECCHIA: Okay, Council  
7 Member, can you sum up? A lot of issues that  
8 you've raised there but I don't think--

9 COUNCIL MEMBER FIDLER:  
10 [interposing] I never got an answer to the  
11 question about whether or not you're attempting to  
12 negotiate this before the Court of Appeals decides  
13 whether the plaintiff or the defendant is right  
14 here.

15 MR. YASSKY: We'll have a decision  
16 from the Court of Appeals in the next few weeks  
17 and I'm, quite candidly, I mean, I'm not going to  
18 pretend otherwise, I have every expectation the  
19 Court of Appeals will uphold the, will disagree  
20 with the Supreme Court and all you, no doubt,  
21 expect different. If I'm right then so, then  
22 we're all good.

23 COUNCIL MEMBER FIDLER: But that's  
24 quite a change you're taking here as opposed to  
25 trying to negotiate a resolution.

1  
2 MR. YASSKY: Well, when you said  
3 ever decreasing, you know, the OMB has, I think,  
4 quite prudently reduced the extent to which the  
5 next year's budget counts on that revenue because  
6 of the legal uncertainty. We'll have a decision  
7 in time for you to, you know, react to that but  
8 the budget's adopted either way.

9 CHAIRPERSON RECCHIA: Okay, all  
10 right. I understand, Commissioner, what you're  
11 saying but I don't think it's inappropriate for me  
12 to ask whether or not there have been discussion  
13 and negotiations. I, you can, [crosstalk] it's a  
14 yes or no. I mean, whether it is successful or  
15 not or whether their, whether they've, whatever.  
16 But at a certain point were there discussions to  
17 try to have the both parties come together so that  
18 there's not a question as to what a court decision  
19 is? That normally happens all the time. You're  
20 an attorney so I think Councilman Fidler's  
21 questions should be answered.

22 MR. YASSKY: And honestly, I'm not,  
23 I don't think I can answer it 'cause I don't  
24 really know how to answer the question in that we  
25 talk, I see there's one of the representatives of

1 the medal--, when you say the parties, many  
2 parties. One of the representatives, for example,  
3 the Yellow Taxi Medallion and medallion lending  
4 industry is here with us today. I talk with them  
5 all the time.  
6

7 CHAIRPERSON RECCHIA: Okay.

8 MR. YASSKY: About many, many  
9 issues and over the year and some this litigation  
10 has been pending have medallion owners said,  
11 couldn't we do this? Absolutely. Does any of  
12 that amount to negotiations? No, because there's  
13 no need for it.

14 CHAIRPERSON RECCHIA: Okay.

15 MR. YASSKY: We're going to be  
16 vindicated in the Court of Appeals as we go  
17 forward. [crosstalk]

18 COUNCIL MEMBER FIDLER: Which I  
19 would point out is directly contrary to the answer  
20 Mr. Page gave us.

21 CHAIRPERSON RECCHIA: All right.  
22 We'll you'll be able to ask Mr. Page again on June  
23 5<sup>th</sup>. All right? I have to move on. Oliver  
24 Koppell, 'cause I have the EP Commission outside  
25 for my next hearing.

COUNCIL MEMBER KOPPELL: I'll try  
and be limited in my questioning.

CHAIRPERSON RECCHIA: Just deal  
with the budget, not about any bills or laws  
pending or any - - .

COUNCIL MEMBER KOPPELL: Well, this  
has an implication with the budget.

CHAIRPERSON RECCHIA: All right.  
[crosstalk]

MALE VOICE 3: You're not going to  
win Domenic.

CHAIRPERSON RECCHIA: I know.  
[laughter]

COUNCIL MEMBER KOPPELL: Are you  
willing to decouple, let's assume you're wrong  
about the Court of Appeals.

MR. YASSKY: I think that would be  
a great mistake. I think that would be a mistake.

COUNCIL MEMBER KOPPELL: Well, it's  
not my decision but I, to decouple. The more  
pressing issue, honestly, we do need more service  
in the central business district, that's why we  
need the 2,000 yellow medallions. We need more  
wheelchair accessible taxis, that's one, another

1  
2 reason we need the 2,000 new medallions. And we  
3 need the budget revenue, we need the revenue to  
4 pay for the services that the City provides.

5 However, in my view, even more pressing is the  
6 transport, the decades old transportation problem  
7 in the boroughs and in northern Manhattan. And I  
8 think, and that, and the Mayor has said  
9 repeatedly, that is the administration top  
10 priority as it relates to the bill that was passed  
11 in Albany.

12 MR. YASSKY: I, if the, as you know  
13 I'm a supporter of the three, five borough plan,  
14 whatever you want to call it. But if the Court of  
15 Appeals should rule contrary to your expectation  
16 what I'm asking is would you be willing to go  
17 ahead assuming we could give you approval for the  
18 2,000 medallion sale which has a direct budget  
19 implication?

20 MR. YASSKY: I, speaking here, I  
21 would not want to do that and I think it would be  
22 a mistake to do that. I think that we should  
23 solve this problem once and for all and I think  
24 that I would hate to see the City government  
25 abdicate its, what I think responsibility to deal

1 with the issue of transportation in the boroughs.

2 COUNCIL MEMBER KOPPELL: Well, I  
3 would urge you, I don't disagree with what you  
4 said in terms of the importance of dealing with  
5 the ability to hail a car in the outer boroughs.  
6 But I strongly disagree that we have to deal with  
7 both issues at the same time. And let me just  
8 leave it at that, that there is a budget issue  
9 directly because we can approve the 2,000 cabs,  
10 that's a significant budget boost for the next  
11 fiscal, for the next fiscal year.

12 MR. YASSKY: I think that in the  
13 reality of a push to do that is saying to people  
14 out, the six million people who live in the Bronx,  
15 in Queens, in Brooklyn, Staten Island, in northern  
16 Manhattan. I don't care about you, I don't think  
17 you deserve taxi service comparable to what's  
18 available in Midtown, downtown Manhattan. And I  
19 would, you know, that, I would not want to say  
20 that and I would hope that the Council wouldn't  
21 want to say that either.

22 COUNCIL MEMBER KOPPELL: I, well, I  
23 think I, we, I finally, I'm not against trying to  
24 deal with the other problem but trying to deal  
25

1  
2 with too many problems at once is problematic, to  
3 coin a phrase.

4 CHAIRPERSON RECCHIA: Let me ask  
5 you another, a separate question, though.  
6 Currently you have the, this, you can get a yellow  
7 cab for a disabled person when you call under your  
8 new program. What subsidy is available--

9 MR. YASSKY: [interposing] Just in  
10 Manhattan. Just in Manhattan, yeah. Just in  
11 Manhattan.

12 CHAIRPERSON RECCHIA: Just in  
13 Manhattan. What subsidy is available, I mean, the  
14 person, the disabled person who is on a wheelchair  
15 who gets a cab that can accommodate them, they pay  
16 their regular cab fare, yes?

17 MR. YASSKY: Yes.

18 CHAIRPERSON RECCHIA: And is there  
19 any subsidy to the yellow taxi driver or owner  
20 that comes with picking up that disabled person?

21 MR. YASSKY: Well, I don't know if  
22 you'd call it a subsidy but the driver is paid for  
23 the trip to go pick up the person. And that is  
24 the passenger doesn't pay. So, right, ordinarily  
25 if somebody gets in a taxi the, when they get into



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the taxi--

CHAIRPERSON RECCHIA: [interposing]

No, I understand that. I understand what you've said.

MR. YASSY: The driver gets paid for the pick up--

CHAIRPERSON RECCHIA: [interposing]

And who pays for that?

MR. YASSKY: The taxi, the yellow taxi medallion owners pay for it indirectly. I mean, they pay for it by, they pay an annual fee to the operator of the dispatch program who, and then the operator of the dispatch program pays the drivers.

CHAIRPERSON RECCHIA: And that's, you set that regulation?

MR. YASSKY: We did, we set that by rule. And that it was \$92 for the first year and \$56? \$98 for the first year, \$54 for the second year, which will be in soon.

CHAIRPERSON RECCHIA: What do you mean?

MR. YASSKY: [off mic] For the first year of the program every medallion owner

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paid \$98 to get it started and--

CHAIRPERSON RECCHIA: [interposing]

Oh, I see. That's the cost for the medallion owner?

MR. YASSKY: Every medallion owner, \$98 per year.

CHAIRPERSON RECCHIA: But the more people who use it, this service, the more it'll cost, right?

MR. YASSKY: True.

CHAIRPERSON RECCHIA: Right, okay, I just wanted to clarify that to understand.

MR. YASSKY: You're absolutely right.

MR. YASSKY: Thank you. [off mic]

CHAIRPERSON RECCHIA: All right, anybody have any other questions? Mr. Fidler, you have any other questions or another thing you want to get of your chest?

MR. YASSKY: Feel free, all right. I know I--

CHAIRPERSON RECCHIA: [interposing] We have two minutes.

COUNCIL MEMBER FIDLER: I'll let

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David slide.

CHAIRPERSON RECCHIA: All right.

Okay. Thank you very much, Commissioner.

MR. YASSKY: All right.

CHAIRPERSON RECCHIA: We'll take a  
two minute recess.

MR. YASSKY: [crosstalk] I'd rather  
you deprive me of the opportunity.

CHAIRPERSON RECCHIA: We have  
Commissioner of the EP next. [background noise]

[pause]

CHAIRPERSON RECCHIA: [off mic]  
[pause] Just so everyone know, tomorrow the Water  
Rate Board is going to vote whether to raise the  
hike of water rates. We hope they don't.

[laughter] [off mic] 5.6 percent, right  
Commissioner? [off mic] It was less than in the  
past but... [off mic] All right. [off mic] [pause]  
Okay, all right. Don't put it unless Council  
Members are there. Let's go. Don't waste paper.  
Ready? It's the EP. All right. We'll now  
resume, all right. We will now resume the City  
Council Hearing on the Mayor's executive budget  
for 2014. The Finance Committee has now been

1  
2 joined by the Committee on Environmental  
3 Protection Chaired by My colleague, Council Member  
4 Jim Gennaro, the EF and DEP Commissioner Carter  
5 Strickland. Mr. Gennaro, would you like to say a  
6 few words - - ?

7 COUNCIL MEMBER GENNARO: Sure,  
8 thank you. Thank you, Mr. Chairman. I am Council  
9 Member Jim Gennaro, as the Chairman has stated,  
10 Chair of the Committee on Environmental  
11 Protection. There's a hearing of the EP along  
12 with Finance on the 2014 budget. Today we'll hear  
13 testimony from the Department of Environmental  
14 Protection about its expense and capital expense  
15 budget and general agency operations. The capital  
16 plan is of particular interest to the Committee as  
17 it represents 20 percent of the City's total \$44.5  
18 billion May plan for fiscal years 2013 to 2017  
19 with \$8.9 billion. The Committee plans to discuss  
20 a variety of important issues with DEP today  
21 including impacts of Super Storm Sandy on the  
22 water and waste water system, the operational  
23 excellence program tasked with finding  
24 efficiencies in the system to save rate payers  
25 money, updates on the status of mandated projects

1 such as the - - and water filtration plants and  
2 efforts to identify savings in the capital budget.  
3 I think DEP for their, for the partnership we  
4 always have with them and I look forward to the  
5 Commissioner's testimony. It's always a pleasure  
6 to work with Commissioner Carter Strickland and  
7 his good team. And I will not be able to stay for  
8 the entirety of the hearing. I will listen to the  
9 Commissioner's testimony, ask a couple of  
10 questions and then I have to attend to a medical  
11 situation in my family. And the remainder of the  
12 hearing from the Environmental Protection side  
13 will be chaired by my Chairman in training, Steve  
14 Levin, here, you know? So, that won't be up to  
15 me, that'll be up to the next Council. But I like  
16 Steve a lot. And so, there you have it. So, with  
17 that said, I'm ready to go, Mr. Chairman. I thank  
18 you for the opportunity and understanding.

19  
20 CHAIRPERSON RECCHIA: Thank you  
21 very much. All right, Commissioner, you're on.

22 MR. CARTER STRICKLAND: Okay, thank  
23 you very much. I, taking a cue from you, Mr.  
24 Chairman, and your comments at our rate hearing.  
25 We are keeping this shorter than our preliminary

1  
2 budget testimony.

3 CHAIRPERSON RECCHIA: We love to  
4 hear that, good.

5 MR. STRICKLAND: Good afternoon,  
6 Chairman Recchia and Gennaro and members. I am  
7 Carter Strickland, Commissioner of the New York  
8 City Department of Environmental Protection. I am  
9 joined today by Stephen Lauwitz [phonetic] to my  
10 right, the DEP's Chief Financial Officer, Joan  
11 Mirren [phonetic], DEP's Assistant Commissioner  
12 for Budget on my left and available for questions  
13 is Catherine Garcia [phonetic] our Chief Operating  
14 Officer, Joe Singleton, our Deputy Commissioner  
15 for Customer Service and other senior managers.  
16 Thank you for the opportunity to testify on the  
17 fiscal year 2014 executive budget. Before I  
18 review the expense of capital budgets I want to  
19 review with the members the proposed water and  
20 waster water rate increase for FY14, which starts  
21 on July 1<sup>st</sup>. On April 5<sup>th</sup>, DEP proposed a 5.6  
22 percent increase in FY14 water rate to the Water  
23 Board. If adopted tomorrow that would be the  
24 lowest increase in eight years. And the fourth  
25 year in row that the increase has come in

significantly below the previous years projection.

A typical single family home owner would see an increase of approximately \$1 per week from \$939 a year now to \$991 a year in FY14 based on an average consumption of 80,000 of water per year.

Obviously, if they use less they'll pay less. A typical multi family unit with metered billing

would see their bill go from \$610 a year per unit to \$644 based on an average consumption of 52,000

gallons of water per year. Among essential

services here in New York City, shelter,

electricity, heat and, of course, water, only the charges for water and waste water are below the

national average of 30 major US cities and we have charted this on the presentations we've made to

the public and to the Water Board which are

available on the Water Board's website. Although

I understand that no increase is ever welcome the

need to maintain and improve the delivery of water

and sewer service is critical. In the absence of

regular State and Federal assistance for

environmental infrastructure rates bound by

property owners are the only way we have of

providing the revenue to support the service,

1 which is essential for local public health and  
2 quality of life and is highly regulated at the  
3 State and Federal levels. We were able to reduce  
4 the FY14 rate increase by over two points compared  
5 to the projection last year due to the following  
6 factors. One, continuing commitment to efficiency  
7 and cost cutting without sacrificing the quality  
8 of services we provide to New Yorkers, two strong  
9 revenues due to the 96 percent completion of the  
10 automated meter reading initiative, three,  
11 regulatory advances that have enabled us to better  
12 control our capital budget and four, low interest  
13 rates that allow us to build necessary  
14 infrastructure at low cost. For FY 2014 alone DEP  
15 is cutting its operating budget by four percent to  
16 save \$37 million, including the operational  
17 excellence or OPEX program initiatives. 15 OPEX  
18 initiatives implemented through March 2013 are  
19 projected to save \$15.7 million per year every  
20 year. DEP anticipates operational excellence  
21 initiatives implemented by the end of this fiscal  
22 year will produce recurring annual savings of over  
23 \$20 million per year every year. Also, our pilot  
24 program to cap the Water Board's payment for  
25



rental of the water supply and waste water systems resulted in a \$12 million refund to the Water Board in FY13 and is projected to bring \$10 million in FY14. The 5.6 percent rate increase was also made possible by revenue projections that are higher than planned due to the new year completion of DEP's meter replacement and wireless meter reading initiatives. We've installed 820,000 wireless meter reading devices, 96 percent of our target, which have had a favorable effect on collections even above our projections. As of May 9 revenues were \$91 million or three percent ahead of projections and schedule. Another benefit of wireless meter reading is that we are seeing a 77 percent reduction in estimated bills, and that's compared to 2009 and a 16 percent reduction in billing disputes in that since 2008. These developments mean that we will start FY14 in a strong financial position. DEP has also benefited from what we hope is a continuing shift in regulatory policy away from very capital intensive mandated projects. From 2002 to 2012, 65 percent of our capital spending was from mandates. And even though the projects funded

1 through that period may be complete or nearly  
2 complete, rate payers will be paying debt service  
3 related to these projects for years to come.  
4  
5 Unfunded Federal mandates cost the average  
6 homeowner \$258 this year on their water bill. DEP  
7 has been successfully working with regulators to  
8 reduce future mandates and in FY14 - 23 capital  
9 plan the percent of mandated projects will fall to  
10 16 percent, which is very dramatic. Last year DEP  
11 eliminated or deferred \$3.4 billion in mandates  
12 for handling combined sewer overflows by gray  
13 infrastructure with a new mandate for green  
14 infrastructure projects and an amended consent  
15 order with the New York State Department of  
16 Environmental Conservation and deserve a lot of  
17 credit on this one consent order for helping us  
18 out and achieving those savings in the path  
19 forward. We also deferred \$1.6 billion for  
20 construction of an unnecessary cover over the Hill  
21 View Reservoir and we are evaluating the  
22 alternative of incremental monitoring. These  
23 reform efforts are ongoing and DEP is particularly  
24 concerned about proposed Federal and State  
25 regulatory actions regarding the - - Canal, storm

sewer systems, combined sewer overflows and stringent new permit limits which could cost rate payers many billions of dollars. Nevertheless, the reforms achieved to date will allow DEP to allocate investments towards building out storm sewers in areas that flood, replacing water and sewer pipes and keeping our treatment plants in a state of good repair to maintain the water quality levels achieved since the passage of the clean water act. Finally, interest rates played a valuable role in keeping this years rate increase two points below our projections. Actual debt service payments were \$147 million lower than projected in FY2013 due to continued low interest rates. With lower interest rates available since 2009, the Water Finance Authority has refinanced over \$5.3 billion of higher cost debt achieving over \$700 million in debt service savings. Having discussed the rate I will now turn to the executive FY14 expense budget. The projected expense budget for FY13 is \$1.7 billion, including approximately \$577 million in general funds for the rapid repairs program for which DEP served as the contracting entity pending reimbursement from

the Federal Emergency Management Agency or FEMA. For FY14 we expect DEP's expense budget to be \$1.1 billion. That number includes an eight percent reduction on the tax levy part of the agency's budget and a four percent reduction in the operating budget for the water and sewer systems. The four percent reduction amounting to \$37 million includes the following items, \$5.7 million in savings related to the use of chemicals achieved by renegotiating contracts, changes in the process and reductions in quantities used, \$1.6 million in savings created by vacating a fleet garage made redundant through fleet consolidation, \$4.5 million in savings through realignment of duties, reallocation of personnel and a reduction in head count and \$1 million in savings from contracting in for positions related to waste water sampling floatables control. The agency also had an increase of \$30 million for items that have to be expensed based on the stricter interpretation by the Comptroller's Office in applying direct intent. This includes filtration avoidance determination programs such as septic replacement, stream bank management and

1 forestry as well as dredging at the Kensico  
2 [phonetic] Reservoir. After taking into  
3 consideration these and other efficiencies and  
4 reductions as well as offsets for new needs and  
5 programs and staff new facilities and modernize  
6 the agency, the net reduction in the executive  
7 FY14 expense budget as compared to the FY13  
8 executive budget is projected to be \$14 million.  
9 The expense budget breaks down into the following  
10 large categories. Preliminary FY14 budget  
11 projects \$453 million, 41 percent of the total and  
12 personnel services to pay the salaries of nearly  
13 6,000 funded positions. As with other agencies  
14 changes to non salary benefits, otherwise known as  
15 the fringe, are not shown in individual agency  
16 budgets. Taxes on upstate watershed lands account  
17 for \$157 million or nearly 15 percent of the  
18 expense budget. As I noted during the March  
19 budget hearing I am pleased to report that we have  
20 successfully negotiated agreements with upstate  
21 jurisdictions to make our tax obligations more  
22 stable and predictable and in some cases to reduce  
23 them. Heat, light and power, DEP's energy costs  
24 account for over \$111 million or ten percent of  
25

the FY14 expense budget. We have a number of energy projects in our capital plan like high efficiency centrifuges that will reduce dewatering costs, new engines to refurbish boilers at 26 - - that will increase efficiency by 15 percent. These and other energy projects are expected to reduce energy costs by more than \$5 million annually. Sludge management of 1,200 tons per day is predicted to cost about \$40 million in FY14 or about four percent of our projected FY14 expenses. To reach these costs with the assistance of our OPEX program we developed a mechanism to optimize our existing sludge disposal contracts resulting in a saving of \$500,000 per year. In addition, we have just let a new bio - - disposal contract to replace our most costly contract. This is expected to save us approximately \$1 million per year. Turning now to the capital plan, the executive ten year capital plan for FY14 through FY23. The capital plan projects total capital spending of \$12.4 billion between fiscal years '14 and '23. Highlights of the capital plan are as follows, waste water treatment, one of our big sectors, capital plan projects a \$4.4 billion

investment in waste water treatment projects, \$3.5 billion of which is for the reconstruction or replacement of components to the waste water treatment plants and pumping stations. The remaining \$878 million investment will be used to control combined sewer overflows with \$661 million for green infrastructures such as green - - and bio swails [phonetic] and the remainder for gray infrastructure such as tanks and tunnels to store waste water for high level storage sewers and the like. In addition, \$195 million is budgeted for the construction of a new Cogen [phonetic] plant at the North River Waste Water Treatment Plant. The North River Cogen Project is one of the projects funded in the capital plan that will help us get to the plan NYC goal of a 30 percent reduction in greenhouse gas emissions by 2017. Since peaking in 2008 greenhouse gas emissions from DEP facilities have decreased by 14 percent through increased capture of fugitive emissions from our sewage treatment plants as well as decreased natural gas consumption. Our capital program contains projects that DEP will complete by 2017 which will reduce our greenhouse gas

emissions by an additional 75 percent or 225,000 metric tons per year. Reservoirs, dams and treatment facilities and water mains is the next large category. Over the next ten years DEP is proposing to invest an additional \$3.5 billion in protecting the quality of our reservoirs and the integrity of our dams, providing for treatment, where necessary, in maintaining and repairing the water main system that conveys potable water to all New Yorkers. The principal project categories are \$385 million for the reconstruction of dams and our three watersheds and \$535 million for pressurization of a two and a half mile segment of the Catskill Aqueduct that will increase the volume of water available to the city and reestablish our ability to bypass the Kensico Reservoir when necessary to access the highest quality of water we have in our system. The Round Out West Bridge tunnel and water for the future is a separate and discreet water supply category I want to discuss. The capital plan provides \$560 million for the Round Out West Bridge bypass itself and \$113 million for other projects related to providing supplemental sources of water during



the Delaware Aqueduct shutdown. Increasing the capacity of the Catskill Aqueduct, a project distinct from pressurization accounts for an additional \$146 million. Moving on down the system to City Water and Tunnel number three to stages one and two to modify the chambers built during stage one at the Hill View Reservoir will be a lot, \$292 million in the capital plan. And additional \$383 million is for additional work related to the activation of the Manhattan leg of City Water and Tunnel number three. Sewers, of course, are our next large category. The capital plan projects \$2.2 billion on the spending on sewers. \$703 million for the spending on placement of sewers, storm and sanitary are combined and \$1 billion for new sewers of all types. Storm sewers as a category by itself, either new or reconstructed, accounts for \$727 million projected spending of which \$338 million is for high level storm sewers including one we're going to break ground on this year at 3<sup>rd</sup> Avenue in Brooklyn. In addition, there is \$300 million for both the conventional sewers and the lands necessary to create blue belt systems which are

being extended beyond Staten Island to Springfield Lake in Queens, Van Cortland Park in the Bronx, Botanical Gardens and other locations.

Highlighting capital plan by borough; in Queens the capital plan shows a total of \$1.9 billion allocated for projects of all types. Sewers account for \$391 million, another \$330 million is budgeted for work on to shaft sites connected with stage two of City Water Tunnel Number Three, and \$884 million is projected to evaluate, assess or restore ground and water level in southeast Queens as a backup water supply. In Staten Island the capital plan provides a total of \$773 million of which \$409 million is for sewers. The Stunk [phonetic] Harbor sewer project is budgeted for \$24 million, repairs to the Oakwood Beach Plant and to the - - pumping station are projected to cost \$140 million. In the Bronx the capital plan projects \$722 million of capital spending from FY14 through '23. Approximately \$266 million is budgeted at the Hunts Point Treatment Plant including \$50 million for new centrifuges and \$96 million for new digesters. Restoration on the Moshulu driving range clubhouse and related work

1 is budgeted for \$49 million fiscal years 2014 and  
2 2016. To reduce combined sewer overflows in the  
3 Pugsley Creek [phonetic] and Long Island Sound DP  
4 has budgeted \$73 million in FY16 for construction  
5 of a parallel sewer that will help divert flow  
6 away from the creek. In Manhattan the capital  
7 plan shows \$966 million over the ten years covered  
8 by the capital plan. The largest single project  
9 is a Ward's Island treatment plan where the  
10 capital plan budget is \$325 million for upgrades.  
11 The capital plan budgets \$195 million for a Cogen  
12 plant at the North River Waste Water Treatment  
13 Plant and \$125 million for other work at North  
14 River unrelated to Cogen project. The Cogen  
15 project itself will replace existing equipment for  
16 recycling digester gas for the more efficient  
17 system that will allow more of the plants energy  
18 needs to be generated by the plant itself, thereby  
19 reducing energy costs and air emissions. Another  
20 \$175 million is for the Ward's Island waste water  
21 treatment plant and \$150 million will fund the  
22 construction of water mains connecting two of the  
23 city water tunnel number three shafts with the  
24 local water distribution system. In Brooklyn the  
25

capital plan budgets \$1.1 billion for all projects, improvements to the 26<sup>th</sup> water waste solid treatment plant and associated sewer work to reduce CSO's in the fresh creek account for \$439 million. In the current fiscal year the capital budget allots \$31 million for Coney Island sewer improvements and an additional \$108 million for Coney Island sewers budgeted between FY14 and '23. The capital plan also budgets \$65 million for green infrastructure projects in Brooklyn and \$180 million for various sewer and water main projects exclusive of the Coney Island projects. Before closing I want to stress how much of the budget of the agency reflects choices made in the key planning documents guiding DEP in this administration. Plan NYC, of course, the New York City Green Infrastructure Plan and DEP's strategic plan, 2011 through '14. By following the general and specific goals set forth in those planning documents DEP has been able to keep rate increases to a minimum while improving the environment and public health. DEP's budget is a demonstration of the administrations commitment to ambitious environmental goals that are also achievable.

1 That completes my prepared statement. In the  
2 interest of time I was not able to discuss all the  
3 critical projects and issues that may be of  
4 interest to the Committee. If there are specific  
5 projects that I did not discuss today we can  
6 discuss them this afternoon or we will follow up  
7 later. Thank you, Chairman Recchia and Gennaro  
8 for the opportunity to testify on the budget, one  
9 of the most important environmental agencies in  
10 the country.  
11

12 CHAIRPERSON RECCHIA: Thank you,  
13 Commissioner. And I'm glad you gave us the short  
14 version. I wouldn't want to see what the long  
15 version is like. I'll just start by recognizing  
16 my co Chair, Council Member Gennaro.

17 COUNCIL MEMBER GENNARO: Thank you,  
18 Mr. Chairman. You can go along with me anytime,  
19 it's fine. And I want to give a special shout out  
20 to Steve Lauwitz and Joe Mirren, it's great to  
21 work with you guys during the year and all the  
22 good work you do. And Joe Singleton is, I think,  
23 probably the most popular guy in every Council  
24 Member's office for dealing with the water bills  
25 and stuff like that. We appreciate his personal

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CHAIRPERSON RECCHIA: Councilman,  
t you? There's some - - recognize  
s?

COUNCIL MEMBER GENNARO: Oh, pardon

CHAIRPERSON RECCHIA: Donovan  
Council Member Vallone, Council Member  
Member Jackson, we have everybody.

COUNCIL MEMBER GENNARO: Okay,  
at. I just got so totally immersed  
matter. And just want to commend  
tion for the capping of the Water  
ayment thing. You know, this is a  
ng and just saying millions of  
s not going to go towards that is a  
h air and we certainly do appreciate  
the people of the city appreciate  
start adding up this money, that  
ou know, points on the rate and  
we're keeping the water rate down  
ly do appreciate that. I also just  
he, you know, striking reduction of  
d on your statement, from 65 percent

1  
2 of DEP's total capital spending for mandates down  
3 to 16 percent, you know, good work. With that we  
4 certainly think that that's a good march forward  
5 but that is, like, a segue to my first question  
6 with regard to this reform effort that, you know,  
7 DEP is, you know, pushing acidulously with the  
8 Federal and State governments. You indicate on  
9 page three of your testimony that the DEP has  
10 concerns about proposed Federal and State  
11 regulatory actions and our meeting now regarding  
12 the - - Canal, storm sewer systems, CSO's,  
13 stringent new permit limits which could - - cost  
14 rate bares billions of dollars. I think I, you  
15 know, speak for my colleague and for the Chair of  
16 the Finance Committee that we, you know, stand  
17 ready, you know, to be advocates to, you know,  
18 help you to, you know, make the case to whatever  
19 level of government we need to make them to, you  
20 know, to keep your good efforts towards regulatory  
21 reform going, whether it's, you know, letters from  
22 us or, you know, some kind of resolution by the  
23 Council or, you know, some kind of awkward,  
24 frustrated push that way from our end to City Hall  
25 could do to help you with your good track record

1  
2 has taken it down from a 65 percent mandating  
3 projects to 16 percent mandated projects. We see  
4 you have these concerns and if you just, like,  
5 elaborate on, you know, some of, what these  
6 concerns are and just, you know, keep us at the  
7 ready if we could help you keep those costs down  
8 by getting rid of unfunded mandates. What are  
9 some of these concerns?

10 MR. STRICKLAND: Sure.

11 COUNCIL MEMBER GENNARO:

12 [crosstalk] I know you, in broad terms you put  
13 them out there but...

14 MR. STRICKLAND: Sure, and thank  
15 you for that question. It is a big driver of our  
16 costs, I mean, \$1.7 billion next year will be  
17 spent on that service.

18 COUNCIL MEMBER GENNARO: Right.

19 Can you speak right next to the microphone it'd be  
20 easy for us to hear.

21 MR. STRICKLAND: Sure. And, you  
22 know, so this is an effort that we have taken and  
23 what we've said to our regulators is, look, work  
24 with us on, tell us your highest priorities and  
25 we've certainly laid out all ours as a city and



1 Plan NYC, as an agency and our strategic planning  
2 document. And I think it's just a call for common  
3 sense. You know, we can't, if everything is a  
4 priority nothing is a priority, certainly. And so  
5 we have to space out our investments. So, take an  
6 example. We went to market in 2007-2008 with a  
7 lot of projects and in a way we were bidding  
8 against ourselves. But we had to do that. We had  
9 consent order milestones on the water and the  
10 waste water side and if we are able to space it  
11 out, some of the projects we might not agree with  
12 at all, like the Hill View cover. Some we might  
13 agree to do but on our own time. For example, the  
14 big, new, non mandated capital projects we have is  
15 our water for the future project or repair the  
16 Round Out West Bridge tunnel. We have been able,  
17 we went to market on our own time and we were very  
18 happy to see the shaft contract come down, the  
19 first one, much, much lower than their engineers  
20 estimate. And we think that's because of  
21 favorable market conditions. In addition, we went  
22 through an internal value engineering process and  
23 the estimated costs went down from \$2.1 billion to  
24 \$1.7 billion because of design changes we were  
25

1  
2 able to put in place with a panel of national  
3 experts, really international experts, to shorten  
4 the amount of time the tunnel would be down.  
5 Which really made obsolete the need, we thought,  
6 to build ties to New Jersey water system. So,  
7 those cross Hudson connections are very expensive.  
8 We've remove those savings hundreds of millions of  
9 dollars. So, that's the kind of thing we were  
10 able to do on our own if we have the flexibility  
11 to do it. I am very concerned about just to  
12 elaborate on one, the Gwannis [phonetic] Canal  
13 recently declared a super fund site. We put in  
14 comments on April 26<sup>th</sup> which are posted on our  
15 website. People can read them but our concern is  
16 many fold, one of which is just over the cost  
17 estimates which we think are low by a factor of  
18 five or so. And we think the EPA's plan will  
19 not--

20 COUNCIL MEMBER GENNARO:

21 [interposing] Cost, cost that [crosstalk]

22 MR. STRICKLAND: --cost of a tank  
23 to store CSO's which would be build under public  
24 pool which we also don't think is a good idea. To  
25 be \$80 million we think it's based on our

1  
2 experience of building other tanks for others in  
3 the past five years it's going to cost about \$400  
4 million at least and that's, you know, that's just  
5 for the tank itself and land acquisition costs  
6 aside. So, you know, we have concerns about that  
7 and whether in fact, you know, we're being asked  
8 to do things while upland sources are not  
9 controlled. But on a larger policy just to, one  
10 last example, our prioritization, we now are  
11 entering in discussions about permit limits at our  
12 waste water treatment plants, perhaps new permit  
13 limits and also what's known as an MS4 permit to  
14 control separate sewer discharges. And we tried  
15 to do all of that and continue with our long term  
16 control plan policy for CSO's, that's going to be  
17 very expensive. And if we had our druthers it  
18 depends a little bit watershed by watershed but  
19 our number one water quality concern is CSO's,  
20 that's why we've committed to do ten, well, ten  
21 long term control plans in the next 48 months,  
22 starting with Alley Creek in Queens, which is due  
23 in June. And that will be meant to address our  
24 combined sewer overflow situation in New York City  
25 which we want to get under control. It's why we

1  
2 launched the green infrastructure plan. And from  
3 a water quality point of view that's where we  
4 should be directing our dollars, not to other  
5 sources. So, we ask for prioritization among our  
6 regulators and, you know, that's an ongoing  
7 battle.

8 COUNCIL MEMBER GENNARO: And would  
9 it be fair to say that the regulators have this  
10 level of discretion to work with you on this? Is  
11 that, is that fair to say or, like, are they  
12 locked in by their own, like, rigid paradigms that  
13 they have set in place? And I want to get a feel  
14 for that.

15 MR. STRICKLAND: There is some of  
16 that, especially on the safe drinking water side.  
17 But we think that you have discretion. And one  
18 thing that we have been able together with the  
19 water and waste water industry across the country  
20 have been able to do over the last year is to get  
21 EPA to agree to what they call an integrated  
22 permitting approach. Now, as far as we know  
23 Seattle is the only city that signed up for this.  
24 They seem reasonably happy. But what it is, just  
25 looking at your clean water acts or your waste

1  
2 water obligations. You, in theory, are able to  
3 list them, work out an arrangement where you  
4 address them in priority. How that applies in  
5 reality is to be seen, as the EPA would admit, but  
6 we think the door has been open there and it's  
7 very promising. And States, by the way, have the  
8 ability to do that as well. So, that, the door  
9 has opened and this is just something that's  
10 happened this year. So, again, we'll wait to see  
11 how it applies.

12 COUNCIL MEMBER GENNARO: And then  
13 the, and like I said earlier, we stand ready at  
14 least, and you know, I speak for myself, we stand  
15 ready or at least I stand ready to be a resource.  
16 And I've, and I would not be adverse to having,  
17 you know, some kind of meeting with you guys on  
18 where I and people that I can reach out to on the  
19 Council, whether it's, like, the leadership of the  
20 Council or the Chair of the Finance Committee or  
21 other Committees to help out in that, you know,  
22 regard. Sometimes they hear it from other sources  
23 and, you know, there might be other, like, we  
24 might have a tendency to, you know, give a little.  
25 And so that would, I'm happy to do that. Why

1 don't you, just like a note to staff, why don't  
2 you, to Bill Murray [phonetic] my staff, why don't  
3 you follow up with the Commissioner's staff on how  
4 we might be able to do that. And I'm almost done  
5 here. With regard to the Comptroller's office and  
6 Directive 10, I just, and briefly leading up to  
7 this hearing, was that what led to this \$19.5  
8 million and fat expenses going from capital to  
9 expense. Is that what that's about?

11 MR. STRICKLAND: Okay, sure. I'm  
12 going to ask Steve Lauwitz, our CFO, to handle  
13 that.

14 COUNCIL MEMBER GENNARO: All right.

15 MR. STEVE LAUWITZ: Good afternoon,  
16 Mr. Chair. Yes, the, working with the  
17 Comptroller's Office and Council Bond Council and  
18 OMB, and all of us collectively becoming clearer  
19 and more precise on interpreting Comptroller's  
20 Directive Ten which determines what charges can be  
21 capitalized--

22 COUNCIL MEMBER GENNARO:  
23 [interposing] Right.

24 MR. LAUWITZ: --and which ones must  
25 be expensed. So, there was, the \$19 million--

COUNCIL MEMBER GENNARO:

[interposing] Right.

MR. LAUWITZ: --in fabulated expenses for such things as stream bank protection which on closer examination this year, because of their nature cannot be capitalized.

COUNCIL MEMBER GENNARO: And with regard to the Comptroller's Directive 10, this would apply not only to DEP but all city agencies, presumably, in their capital initiatives, is that fair to say?

MR. LAUWITZ: That's right, because the capital eligibility is determined by a number of factors including, it has to be--

COUNCIL MEMBER GENNARO:  
[interposing] Right.

MR. LAUWITZ: --at least \$35,000. It has to have a threshold useful life. And the, that \$35,000 threshold has to be achieved in a single coherent system. So, I think for things like stream bank management which consists of a lot of small projects--

COUNCIL MEMBER GENNARO:  
[interposing] Right.

1  
2 MR. LAUWITZ: --they all contribute  
3 collectively to improving the water quality under  
4 this strict interpretation of accounting rules  
5 they have to be expensed.

6 COUNCIL MEMBER GENNARO: Okay. And  
7 this directive has been in effect for a long time  
8 but this is just, like, more strict interpretation  
9 of it, is that's what we were--

10 MR. LAUWITZ: [crosstalk] I thought  
11 it was collectively all of us looking at the  
12 nature of the program more closely and matching it  
13 against the rules and determining what could be  
14 expensed and what could be capitalized.

15 COUNCIL MEMBER GENNARO: Okay.  
16 Well, I'm with you guys, but sorry about that, you  
17 know? I guess you can't fight City Hall now,  
18 right? I guess that's, what can I tell you?  
19 Yeah. [off mic] Yeah, yeah. Yeah, and as my, on  
20 page seven of the testimony with regard to  
21 reservoirs, dams, treatment facilities and water  
22 mains, talk, there is, you make mention of \$535  
23 million pressurization over a two and a half mile  
24 segment of the Catskill Aqueduct that I'm reading  
25 that will increase the volume of water available



1  
2 to the city and reestablish the DEP's ability to  
3 bypass Kensico which I am presuming the city is  
4 not able to do right now, right? When did we,  
5 right, so when did we, you know, when did we lose  
6 that capability and, which is important sometimes  
7 if you have, like, turbidity and stuff like that.  
8 It's important to do that, right?

9 MR. STRICKLAND: That's correct.

10 COUNCIL MEMBER GENNARO: Right.

11 MR. STRICKLAND: And I've asked  
12 Catherine Garcia, Chief Operating Officer to come  
13 up. But correct, I mean, sometimes in Kensico we  
14 do get wind stirred turbidity and, you know, so  
15 that, it's important to isolate that 'til it calms  
16 down.

17 MS. CATHERINE GARCIA: So, there,  
18 the last fall when we began to bring the UV  
19 facility online the pressure from the Delaware  
20 Aqueduct is enough to let the water through that  
21 facility but the Catskill cannot move the water  
22 through that facility. So, that piece of pipe  
23 from Kensico to the UV facility is no longer  
24 online until we pressurize it.

25 COUNCIL MEMBER GENNARO: Okay. So,

1  
2 we do have the ability to bypass Kensico, we're  
3 talking Delaware but not Catskill?

4 MS. GARCIA: Yes.

5 COUNCIL MEMBER GENNARO: Right now?

6 MS. GARCIA: No, we don't have the  
7 capacity in terms of the volume, the running under  
8 the reservoir to meet the full city demand without  
9 having the Catskill in place as well.

10 COUNCIL MEMBER GENNARO: Oh, okay.

11 MS. GARCIA: So, we can float the  
12 reservoirs. We can partially bypass it with the  
13 Delaware.

14 COUNCIL MEMBER GENNARO: I see.

15 MS. GARCIA: But we can't meet the  
16 entire city demands. We still have to feed some  
17 of the water from Kensico.

18 COUNCIL MEMBER GENNARO: Oh, okay.  
19 So, you know, we [crosstalk] do this.

20 MR. STRICKLAND: And I'm going to  
21 actually ask Catherine to elaborate a little bit  
22 on some of the steps we have taken.

23 COUNCIL MEMBER GENNARO: Right.

24 MR. STRICKLAND: To address  
25 turbidity in Kensico 'cause it, you know, we,

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while this fix is in place--

COUNCIL MEMBER GENNARO:

[interposing] Right.

MR. STRICKLAND: --we're making

steps in the short term to address that issue.

MS. GARCIA: So, one of the things

with the changes in operations with UV coming

online is that we are sensitive to particular

storms with wind from the northeast. So, we have

put in place SOP's to change our reservoir

operations and to allow us to protect those

intakes from having turbidity reach the UV

facility.

COUNCIL MEMBER GENNARO: SOP?

MS. GARCIA: Standard operating

procedure.

COUNCIL MEMBER GENNARO: Oh, okay.

MS. GARCIA: So, what you tell

everyone to do when, if this happens then you do

this.

COUNCIL MEMBER GENNARO: Right.

And since we've been in the situation we haven't

had a situation where we've had turbidity of such

a level where we got ourselves into a jam and by

1  
2 pass. We haven't had, like, you know, turbidity  
3 problems that have 'caused this to be, whatever  
4 the word I'm looking for is--

5 MS. GARCIA: [crosstalk] You know,  
6 actually this, out of compliance?

7 COUNCIL MEMBER GENNARO: Yes.  
8 That's what I was looking for.

9 MS. GARCIA: We have not, this year  
10 we have had less turbidity in the system than we  
11 did last year during Hurricane Irene. And we've  
12 been able to move water into the city without  
13 breaching the turbidity issue. We did have one  
14 grab sample but it's because we think we moved  
15 some, stirred up some sediment right at the point  
16 wehre we took a sample.

17 COUNCIL MEMBER GENNARO: Mm-hmm.

18 MS. GARCIA: But, you know, we  
19 would have been in bottled water situation if the  
20 city had violated to that extent.

21 COUNCIL MEMBER GENARRO: Right.  
22 But however, this is going to get fixed and when  
23 are we going to have that online, pressurized  
24 and--

25 MS. GARCIA: [interposing] I don't

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know what the year is. [off mic] I don't have it,  
I don't have the year.

COUNCIL MEMBER GENNARO: You know  
what?

MR. STRICKLAND: We will follow up  
with you.

COUNCIL MEMBER GENNARO: Yeah, feel  
free to get back to me on that, yeah, feel free to  
get back to me on that.

MR. STRICKLAND: - - in this  
capital budget so...

COUNCIL MEMBER GENNARO: Yeah.

MR. STRICKLAND: It's something we  
want to do. I do want to say this, though, about  
testing because we didn't, we skipped over a lot,  
obviously, in testimony. I tried to speed read  
- - Chairman.

COUNCIL MEMBER GENNARO: Yeah,  
yeah, you did, you did.

MR. STRICKLAND: But we do take  
over 500,000 tests a year in the system. And, you  
know, one thing that we're able to do and we're  
very proud of for the agency, the agency is proud  
of is that throughout Super Storm Sandy we were

1  
2 able to not only provide clean drinking water and  
3 adequate drinking water in the street, not only  
4 for firefighting, of course, for drinking, but we  
5 had maintained our sampling throughout the city.

6 COUNCIL MEMBER GENNARO: Right.

7 MR. STRICKLAND: So, we knew it was  
8 safe so that was, you know, something that we were  
9 able to do. Quite frankly, not every municipality  
10 in this area was able to do. And I think it's  
11 something that New Yorker's should be proud of.

12 COUNCIL MEMBER GENNARO: Good for  
13 us. Good for us. Good for you guys. Thank you  
14 for that.

15 MR. STRICKLAND: Our CFO, Steve  
16 Lauwitz, just for the record was able to find that  
17 the biggest expense for the pressurization is in  
18 FY2020. So, we have budgeted \$450 million in that  
19 year, \$45 million in FY19.

20 COUNCIL MEMBER GENNARO: Oh, okay.  
21 So, we're going to be in the situation we're in  
22 for quite a while?

23 MR. STRICKLAND: Oh, yes.

24 COUNCIL MEMBER GENNARO: With  
25 regard to our ability to buy [crosstalk]

1  
2 MR. STRICKLAND: Between our  
3 operational for - - modeling.

4 COUNCIL MEMBER GENNARO: Right.

5 MR. STRICKLAND: All the monitoring  
6 we do and these interim steps to control  
7 shoreline.

8 COUNCIL MEMBER GENNARO: Right.

9 MR. STRICKLAND: Attributed to,  
10 like, the situation would be under control. But,  
11 like, this is something over the long term that we  
12 need?

13 COUNCIL MEMBER GENNARO: Yep, yep.  
14 And, you know what, I'm not going to ask that one  
15 'cause I want to move along. And, and I'm not  
16 going to ask that 'cause I want to be a good boy.  
17 [laughter] And--

18 MALE VOICE 4: He wants to be a  
19 good boy?

20 COUNCIL MEMBER GENNARO: Yeah, and  
21 now, and so, and again, this is something we spoke  
22 about just yesterday, we'll just put this on the  
23 record. You know, people have been reaching out  
24 to me with regard to the USGS, you know, water  
25 monitoring contract that the last contract was

1  
2 five years but this has been going on for a long  
3 time. And this is something that I don't want to  
4 answer for you but it seems that DEP no longer  
5 needs the data that comes from this USGS and Crown  
6 Water Monitoring, which affects New York City and  
7 part of Nassau County. DEP pays the overwhelming  
8 majority of this bill and I think the USGS kicks a  
9 little bit. They do the work, of course, and with  
10 the nonrenewal of that contract people from the  
11 USGS and other kind of lovers of this data have  
12 reached out to me thinking that they'd find a very  
13 sympathetic voice because I am a geologist and I  
14 love geologic data. And, you know, we had back  
15 and forth you and I yesterday but let's put it on  
16 the record and say, okay, we had this data, we  
17 liked it for a long time, we needed it for a long  
18 time, willing to pay for it for a long time, you  
19 know? Times have changed and so what's, what led  
20 to that? And where are we?

21 MR. STRICKLAND: Sure, yeah, no, we  
22 were, we did make a decision, a considered  
23 decision not to renew our contract with the USGS  
24 geological service. Been in place for a number of  
25 years. it was costing at the end approximately a



1 million dollars a year. And it was highly  
2 relevant and useful for a time. We were  
3 considering taking water, stirring it in the  
4 aquifer below Brooklyn and Queens and there was as  
5 big, you know, a look at that, which is used in  
6 other parts of the country. It was determined not  
7 to be cost effective.  
8

9 COUNCIL MEMBER GENNARO: Kind of  
10 banking water, so to speak?

11 MR. STRICKLAND: Exactly, correct.

12 COUNCIL MEMBER GENNARO: Right, and  
13 so we decided not to bank water, that's a better  
14 way to put it. And took a look at our USGS  
15 contracts to decide we really didn't need this  
16 data. You know, I think USGS is looking at  
17 whether Long Island communities or water providers  
18 may be able to provide support and continue  
19 support. But in the city we have our water for  
20 the future program, we are spending money on  
21 rehabbing those wells. We do get ground water  
22 data, you know, through that method and we simply  
23 don't need it and it's part of our overall effort  
24 to reduce the rate increase every year and to make  
25 sure the costs are as minimal as possible to our

1  
2 rate payers. This is one cost that we decided was  
3 not justified.

4 COUNCIL MEMBER GENNARO: Okay.  
5 Thank you, Commissioner. Thank you for your  
6 comprehensive testimony. Mr. Chairman, this will  
7 conclude my questioning and in terms of, you know,  
8 Chairing from, you know, this side of the table,  
9 your Finance, with the Committee on Environmental  
10 Protection, Steve Levin will take over in my  
11 stead. I am the past. He is the future, so, I  
12 guess I've been doing budget hearings at the  
13 Council for how many years? Like, 23 years, as  
14 staff member and a member and it's been fun doing  
15 budget hearings. But, this is it for me. So,  
16 there you go.

17 CHAIRPERSON RECCHIA: This is your  
18 last one.

19 COUNCIL MEMBER GENNARO: Yeah.  
20 Yeah.

21 CHAIRPERSON RECCHIA: This is your  
22 last one.

23 MR. STRICKLAND: Thank you.

24 COUNCIL MEMBER GENNARO: Have a  
25 good time, guys. Knock yourselves out, okay?

1  
2 MR. STRICKLAND: Thank you for your  
3 support over the years, Chairman Gennaro.

4 COUNCIL MEMBER GENNARO: Okay. All  
5 right.

6 CHAIRPERSON RECCHIA: Steve, you  
7 sit here, okay? We want to recognize we've been  
8 joined by Council Member Leroy Comrie, Council  
9 Member Crowley, Council Member Fernando Cabrera,  
10 we have everybody. All right? We're going to,  
11 this is the order we're going to go in, City  
12 Council Member who would like to ask questions,  
13 please sign up. It's going to be Vallone,  
14 Richards, Comrie, Levin. Good bye, Council Member  
15 Gennaro.

16 MALE VOICE 5: Did you call me?  
17 Oh.

18 CHAIRPERSON RECCHIA: Also Mark  
19 Laningham [phonetic] from the DEP is retiring,  
20 right? Semi retired. Yeah. Yeah. So, we just  
21 want to thank him for his years of dedication and  
22 working, and putting up with all of us. Okay.  
23 All right. You're up, let's go.

24 COUNCIL MEMBER VALLONE: Yeah - - .  
25 All right, sorry I have to break up this love

fest. But I am going to try to fight City Hall. You just testified that a single family will see their bill go up from \$939 a year to \$991 dollars a year, as if that's something we should be happy about. In actuality, in the last five years that same single family has seen their bill go from about \$400 to \$991 dollars. You have increased their water rates an unconscionable 60 percent in the last five years. Our residents are being water boarded by the Water Board. But, you know, I think if this city could get revenue from selling the air it would. One year, a few years ago you said that you needed the right to foreclose on water liens and that would prevent a rate increase and we gave you that right even though we didn't want to. And then next year you came back and got your rate increase from the Water Board which you control. Another year you said you needed the rate increase for conservation purposes and you got the rate increase from the Water Board you control. And the next year you came back and said, you know what? People are conserving so much water we're not making money. We have to raise the rates again and year after

1  
2 year just keep raising the rates. How much of  
3 this rate increase is going to go into the revenue  
4 of the city and not to DEP?

5 MR. STRICKLAND: Okay, well, you're  
6 asking, there's a number of things in there so I'm  
7 going to, you know, take some time to answer what,  
8 I hope, comprehensively. One, just in general, we  
9 certainly do understand the impact on home owners  
10 of the increases. We do try very hard to keep  
11 them minimal. And frankly, our results show we do  
12 have, one thing that we did explain to people, we  
13 made the cases we have to to the Water Board about  
14 our overall costs. And we made, looked at the  
15 difference in consumer costs in New York City  
16 versus the US market for basket of general  
17 services, including housing, of course, looking at  
18 condo and co-op sales, electricity, utility and  
19 natural gas, enhanced basic cable, I don't know if  
20 that's a necessity but some people think it is,  
21 obviously, fuel oil, gasoline. Every single one  
22 of those is above the national average, as you'd  
23 expect in New York because of the labor costs and  
24 transportation costs and everything else in New  
25 York City.

1  
2 COUNCIL MEMBER VALLONE: But none  
3 of those are going up 60 percent in the last five  
4 years.

5 MR. STRICKLAND: I don't think you  
6 can say that. Water is the only one that is below  
7 the national average. It's a good deal for  
8 people. We get, you get high value for it. Think  
9 about what this community would be without water  
10 and waste water services. It wouldn't exist. So,  
11 it's pretty essential and if you look we have  
12 other rate trends, we chart them and, you know, we  
13 are doing very well compared to our peers. Now,  
14 to your specific question, I'm going to turn to  
15 other folks on the foreclosure issue in particular  
16 because it certainly is an important one in our  
17 lien sale information. But on conservation it is  
18 true that folks are using less water. The problem  
19 is, a lot of our costs are fixed. So, we have to  
20 maintain the third water tunnel, you know, city  
21 tunnel one, two, we have to maintain our waste  
22 water treatment plants. We have to maintain our  
23 dams regardless of how much water is used. And  
24 what's the value to the consumer? The value is  
25 that the water is there when you want it. It's

1  
2 good overall for system costs when folks use less  
3 water because it means less energy costs for the  
4 system so savings are spread around. And an  
5 individual home owner, if they use 80,000 gallons  
6 per year, so, you know, we plot that out. If they  
7 use 70,000 a year they'll pay less. But we have  
8 to account for system costs. It is good overall  
9 for the city, we, that means we have room to grow.  
10 It's unlike places in, you know, you name it,  
11 Texas, Southwest, Southeast even, that have  
12 drought. We're not in that situation facing a  
13 long term water supply shortage. But we do have  
14 fixed costs that we have to pay for and to provide  
15 that. You did ask a question about collections  
16 and our lien sale. I'm going to ask our, Joe  
17 Singleton who is--

18 COUNCIL MEMBER VALLONE:

19 [interposing] No, no, I didn't ask that question.  
20 The question I asked is how much of this rate  
21 increase is going into the general fund?

22 MR. STRICKLAND: Oh, okay.

23 COUNCIL MEMBER VALLONE: And not  
24 into [crosstalk] the DEP [crosstalk].

25 MR. STRICKLAND: - - the lien sale,

1  
2 certainly I can address that but if you're  
3 concerned about the rental payment I'm just going  
4 to turn to Steve Lauwitz, CFO.

5 COUNCIL MEMBER VALLONE: Yeah,  
6 that's the question.

7 MR. LAUWITZ: The total amount of  
8 water rate payments that are expected to go into  
9 the City's general fund is approximately \$170  
10 million. After--

11 COUNCIL MEMBER VALLONE:  
12 [interposing] \$170 million goes into the general  
13 revenue fund.

14 MR. LAUWITZ: After debt service on  
15 old general obligation bonds that were used to pay  
16 for improvements to the water system before 1985.

17 COUNCIL MEMBER VALLONE: That debt  
18 service also goes to the general fund?

19 MR. LAUWITZ: It's debt service  
20 that's paid out of the general fund. So, there's  
21 a total rental payment of \$200 million,  
22 approximately. Approximately \$30 million of that  
23 goes to pay off the debt service on old general  
24 obligation bonds issued before 1985. And the  
25 remaining approximately \$170 million will stay in



1 the City's general fund.

2 COUNCIL MEMBER VALLONE: That's  
3 \$200 million out of what?

4 MR. LAUWITZ: Total water system  
5 funding of approximately \$3.4 billion.

6 COUNCIL MEMBER VALLONE: So, part  
7 of this rate increase as we've been saying for 11  
8 years now, is a stealth tax increase that goes  
9 around the City Council and gets done without City  
10 Council approval. And everyone needs to realize  
11 that these water rates are being raised not by us  
12 but by a Water Board controlled solely by the  
13 Mayor. And \$200 million of this goes into the  
14 general fund and is a tax increase. Now, you were  
15 talking about all the reasons why the rates are  
16 going up this year--

17 MR. STRICKLAND: [interposing] I'm  
18 sorry, no, we did not say that that was the case.  
19 I, we have to set the record--

20 COUNCIL MEMBER VALLONE: --I didn't  
21 say you said that was the case.

22 MR. STRICKLAND: Well, but I have  
23 to set the record straight, I mean, I think this  
24 is a public hearing and the public has to  
25

1 understand that this rental payment, which is very  
2 common in the cities, to host cities, by the way,  
3 and we're in the middle of the pack if you want to  
4 look nationally at that. It's part of the whole  
5 financing agreement that was set up in the mid  
6 '80's that created the Water Board, Water Finance  
7 Authority and revenue backed bonds which command a  
8 very good rate on the market. So, for 25 years,  
9 35, you know, years, yeah, almost 30 years, we  
10 have been getting very low financing rates. So,  
11 you have to look at that benefit for the system,  
12 the formula, is in that whole package of  
13 documents. So, you know, it's not something  
14 that's undone easily and it's certainly not  
15 something that should be taken lightly because our  
16 financing costs for the system have been very low  
17 and that savings has benefited rate payers.

18  
19 CHAIRPERSON RECCHIA: Can I just  
20 jump in here for one second?

21 CHAIRPERSON VALLONE: Yes, Council  
22 Member.

23 CHAIRPERSON RECCHIA: When you  
24 said, you know, this was the agreement back in the  
25 1980's, okay? And if you look at the

1  
2 documentation it clearly was to pay, okay, for the  
3 rental payment to the city and to pay for  
4 construction costs and to bring down the debt,  
5 right? It was never meant for excess money to go  
6 into the general operating budget of the New York  
7 City Treasury. Nowhere does it say that.

8 MR. LAUWITZ: May I Mr. Chair?

9 CHAIRPERSON RECCHIA: The intent  
10 was never to go into the fund, into, okay, let's  
11 be very clear about that.

12 MR. LAUWITZ: Okay, the formula  
13 that currently sends approximately \$200 million a  
14 year to the general fund of which \$30 million is  
15 to pay for old general obligation debts over this,  
16 is in that lease that the Commissioner spoke of,  
17 it's a very precise formula. It's unambiguous,  
18 it's says the water system must pay a rental  
19 payment that's equal to 15 percent of the water  
20 finance authorities debt service. That's where  
21 the \$200 million year comes from. That's in the  
22 lease between the water system and the City and  
23 that lease is in existence until, for as long as  
24 there is Water Finance Authority debt outstanding.  
25 So, in essence, forever, that lease is in effect

1  
2 and that formula is in effect.

3 CHAIRPERSON RECCHIA: Again, like I  
4 said, the excess money, all right, is not to go  
5 into the general fund. It doesn't say that. And  
6 that's, I think, the point that my colleague is  
7 trying to bring out that if we have the excess  
8 money don't we need to do more projects and finish  
9 up all the projects or just not raise the rate for  
10 a few years and give the people of the city a  
11 deduction? Sorry to interrupt you, Council  
12 Member.

13 COUNCIL MEMBER VALLONE: Oh, no,  
14 you made my point much better than I would have.  
15 That's exactly my point, yeah.

16 CHAIRPERSON RECCHIA: [crosstalk] I  
17 just wanted to set the record straight.

18 COUNCIL MEMBER VALLONE: That part  
19 of this money is being used to pay for needed  
20 services but needs to, I'm not saying you're  
21 partying with the money but it is a tax increase  
22 that needs to come through the City Council and  
23 that none of this money should go into general  
24 operating revenue. Now, this year, and just the  
25 fact that one City agency is paying rent to

1  
2 another City agency and trying to hide behind the  
3 bureaucracy involved in a lease doesn't sit well  
4 with me. But, be that as it may, this year you  
5 testified that you got more revenue than expected  
6 because of your wireless meters. And yet despite  
7 the fact that we got more revenue than expected  
8 our homeowners are being socked with another  
9 increase. What actually has to happen for a  
10 decrease in our water rates? How much more  
11 revenue do we have to get?

12 MR. STRICKLAND: Last year we  
13 thought we were going to have, we were projecting  
14 in FY14 7.8 percent. And we were able to shave  
15 two points off that because revenue collections  
16 are strong. So, as I said in my testimony, we're  
17 starting off fiscal year '14 in a very, very  
18 strong financial position and that helps us keep  
19 rates low. You know, we have debt service, we  
20 have to pay for that and, you know, we also have,  
21 frankly, a lot of that debt service is due to  
22 mandates. We could use some help with that.  
23 Chairman Gennaro did offer that help. He's  
24 certainly helped us in the past. We appreciate  
25 that. But we are bringing new facilities online

1  
2 and it costs money to operate them, build them, of  
3 course, that's debt service, but also operate  
4 them. So, to have continued clean water we're  
5 talking about a penny a gallon for water. At the  
6 end of the day it's a good deal. We do all we can  
7 year round, including in our, looking at top to  
8 bottom or operational budget through operational  
9 excellence initiative, to identify ways to save  
10 money. But, you know, right now we certainly  
11 aren't projecting a zero percent rate increase, if  
12 that's what you're asking. But we work very hard  
13 to keep it as minimal as possible.

14 COUNCIL MEMBER VALLONE: Well, I'm  
15 sorry, a minimal rate increase every year is not  
16 something that any homeowner is willing to put up  
17 with, not on top of a minimal tax assessment  
18 increase every year. And while their salary  
19 doesn't go up minimally every year and so you're  
20 going to have to figure out a way. And it's not  
21 you anymore, unfortunately, our Chair is gone and  
22 you guys will most likely be gone and for the last  
23 11 years that you've been here water rates have  
24 gone up 60 percent in the last five years alone.  
25 That's just not, that's unfortunately not trying

1  
2 hard enough to keep our rates down. And I know my  
3 time is, I've gone over my time.

4 CHAIRPERSON RECCHIA: Yes.

5 COUNCIL MEMBER VALLONE: But I'm  
6 going to end on that and just say how disappointed  
7 I am that this entire time period that I've been  
8 sitting on the Environmental Protection Committee  
9 that there was no time that you could come in here  
10 and testify that you were able to cap the rates at  
11 zero or give us as decrease. Anybody could come  
12 in and just ask for more money and every year,  
13 anybody could do that. And that's unfortunately  
14 what happened and, again, to clarify the record,  
15 we are not approving this. We have never approved  
16 this. It's approved by a Water Board that you  
17 guys control. And I think the whole system is a  
18 farce but it's unfortunate this is our last year  
19 and we're, once again, discussing yet another rate  
20 increase. Thank you, Mr. Chair.

21 CHAIRPERSON RECCHIA: Thank you  
22 very much. Council Member Richards?

23 COUNCIL MEMBER RICHARDS: Good  
24 afternoon, Commissioner. Pleasure to see you and  
25 Mark, I'm sad to see that you're leaving on, as I

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enter the City Council.

CHAIRPERSON RECCHIA: That's why  
he's leaving. [laughter]

COUNCIL MEMBER RICHARDS: I hope,  
but it's been a pleasure working with you for the,  
almost a decade now, I would say. And I wish you  
well. Commissioner, I noticed in your report you  
spoke of \$84 million being allocated towards  
project groundwater wells in southeast Queens.  
Can you expand on that a little bit?

MR. STRICKLAND: That groundwater  
well, it's part of the water for the future  
project. And what we're doing right now, in fact,  
we've started is what we call the design phase of  
the project. So, we're doing a lot of  
investigation of the old Jamaica well system to  
see which wells can be rehabilitated and what the  
water quality is and the like and, frankly, what  
it would cost and what kind of water would come  
out of it. So, that's an ongoing process. We do  
envision needing some time in a little less than a  
decade, around 2019, 2020, back up water for a  
short amount of time for the city, obviously  
having a backup supply is very useful in drought



1  
2 periods as well, if we have them. And so that is  
3 what that project is designed to do.

4 COUNCIL MEMBER RICHARDS: And  
5 lastly, I just wanted to speak on the Rockaway's.  
6 There's an areas in my district, Arvern [phonetic]  
7 and I just wanted to reiterate, I know, I think we  
8 did phase one of the Thursbee [phonetic] Avenue  
9 Project, I think it was Thursbee. But we should  
10 certainly, I've seen that phase two is going to  
11 start 2020 and I just want to reiterate that our  
12 families cannot wait 'til 2020. So, if there's  
13 any way to push that project up before you guys  
14 get out of here that would be appreciated.

15 MR. STRICKLAND: Okay, thank you.  
16 No, we do appreciate that and we will take a look  
17 at it. I do want to say that a lot of, certainly  
18 in your district and also other areas in southeast  
19 Queens, we are putting money into sewer projects.  
20 That along with portions of Staten Island are  
21 where we have, we know that there's, either no or  
22 inadequate storm sewer system and we're building  
23 out those projects. So, we are breaking ground on  
24 a number--

25 COUNCIL MEMBER RICHARDS:

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[interposing] Yes.

MR. STRICKLAND: --this year and we will continue to do so.

COUNCIL MEMBER RICHARDS: Thank you, and I just want to say thank you on the record for all the work you guys are doing in my district. It, you really are putting a lot of work in, you know, in Roedale and Springfield Gardens and we look forward to continued work working together.

MR. STRICKLAND: Thank you.

CHAIRPERSON RECCHIA: Thank you. Council Member Leroy Comrie? We've been joined by Council Member Brad Lander.

COUNCIL MEMBER COMRIE: Thank you. I want to echo the comments of Council Member Vallone in terms of what was said regarding the increase in fees where we've had over 60 percent fees that have been, 60 percent increase in water rates to homeowners which is really hurting people on a major level. And I would ask that the, you give the Committee a breakdown as to the update on how successful the water lane mitigation has been. I don't know if you can do that today but if you

1  
2 could get that back to the Committee I would  
3 appreciate it. I do want to commend you  
4 Commissioner Strickland and your staff for  
5 everything that you've been doing to try to do out  
6 reach. And as you know we've just did outreach in  
7 my district on Tuesday night for, to make sure  
8 that folks that had water liens or tax problems  
9 could come in and get them resolved. We want to  
10 make sure that we can continue to have those  
11 opportunities for people to do it in the evening  
12 hours as well since they are working and a lot of  
13 people don't have time to come to DEP during the  
14 day. You have an update on that you're going to  
15 share right now?

16 MR. STRICKLAND: We can and I do,  
17 the only thing I want to say before introducing  
18 and I turn this over to Joe Singleton, our Deputy  
19 Commissioner for Customer Service is is that,  
20 thank you for helping us get the word out. I  
21 mean, we do want to let, I mean, our primary goal  
22 here is to bring people in, talk to our customer  
23 service staff and we need all the help we can do  
24 to get the word out in those, certainly those  
25 community meetings help.

1  
2 MR. JOE SINGLETON: Thank you,  
3 Councilman. As you know we've done a number of  
4 things to try to alleviate some of the pain of  
5 finding yourself, obviously, on that lien sale  
6 notice. As you remember, two years ago we agreed  
7 with the Council to go to zero down payment as  
8 long as ten year payment agreements. We've done  
9 approximately 28 outreaches over the last 80 days.  
10 The last, just to remind everybody, the last day  
11 for constituents to redeem is next Thursday. So,  
12 if you have constituents that are coming to your  
13 office that need help, please give us a call and  
14 we'll do what we can to get them in. The ten day  
15 notice is still about, again, \$100 million on it.  
16 Unfortunately, we do most of our business in the  
17 last ten days. I expect as prior years that  
18 number is going to come down substantially. And  
19 if you remember, when you go into a lien sale it's  
20 essentially a trust that that goes to. The  
21 foreclosure process does not start until an  
22 individual is nonresponsive in that process. So,  
23 we want to, obviously we want to minimize the  
24 amount of folks that are going to foreclosure on  
25 the end of this and that traditionally is around

1 between one and one and a half percent of the  
2 actual sales. So, it hasn't been a substantial  
3 number. Again, we do something called a water  
4 debt assistance program which if someone is  
5 delinquent on their mortgage they don't have to be  
6 in - - they just have to be delinquent. They show  
7 us those documents, we take that debt and we put  
8 it on a background account, we freeze that. There  
9 are certain compliance issues they have to come  
10 forward with and they do. Additionally, anyone  
11 who has gone into a payment agreement is moved to  
12 monthly billing. There is a consolidated payment  
13 agreement and bill on one document now which also  
14 is something that the Council had suggested two  
15 years ago that we implemented. So, those are the  
16 various things we're doing. Again, occasionally  
17 we do still see seniors that do not have  
18 exemptions. If you have a senior who is in the  
19 lien sale they should be entitled, in most cases  
20 to an SCHE exemption with Department of Finance.  
21 They can reach out directly to Finance or if, or  
22 they can reach out to us and we can try to  
23 facilitate that. Again, I know that almost  
24 everyone had at least one lien sale outreach,  
25

1  
2 we'll be wrapping those up this week but they've  
3 been very helpful and I appreciate all the help  
4 that the Council has brought to what is, you know,  
5 obviously a difficult process.

6 COUNCIL MEMBER COMRIE: Right,  
7 thank you. I'm on a time clock so I'm going to  
8 have to, sorry to cut you off on that. But I  
9 really want to appreciate the outreach that you're  
10 doing. I hope that even beyond the ten day period  
11 that if we have some folks that have not been able  
12 to do, to outreach we often have people that are,  
13 because they're working two jobs or they just  
14 can't get there. How does that count against my  
15 time when it was his reply? I don't like, this  
16 system. But--

17 CHAIRPERSON COMRIE: [interposing]  
18 No, it's just for you.

19 COUNCIL MEMBER COMRIE: Yeah, okay.  
20 Listen, I want to just express my concern that  
21 only \$84 million over the next ten years is  
22 budgeted for, you know, the restoration of ground  
23 water wells. I want to note that the \$150 million  
24 which was removed from Station Six needs to be put  
25 back in this years budget. You know, I want to

'Cause--

Well, okay. I mean, I can just, we are working very hard to get those funds and there are several buckets, I'll address those maybe Joe Mirren can, will step in and I'll turn it over. But generally for the immediate damage we had about \$95 million

1  
2 in damage and we're working with FEMA very closely  
3 to get money and we expect to get that to be  
4 reimbursed, the system, by the way. For other,  
5 you know, forward looking resiliency initiatives  
6 there are a few buckets, one is CDBG, as you  
7 mentioned, another is really solely for DEP of any  
8 city agency and that's the State Revolving Fund.  
9 They did get an appropriation and they just  
10 announced how much New York State is going to get.  
11 Obviously, there has to be an allocation, Nassau  
12 County was hit, Yonkers, you know, other places.  
13 But we expect generally to do very well in that  
14 net allocation. We don't know yet what we'll get  
15 in terms of community development block grants.  
16 The City has only gotten along with New Jersey and  
17 New York has only gotten so far payment, I think,  
18 \$5.3 billion. Amongst, but among those states New  
19 York City had \$1.7. A lot is going to housing as  
20 Congress had directed. But the Mayor is coming  
21 out with a report in little less than three weeks,  
22 the Special Initiative for Rebuilding and  
23 Resiliency which will contain the plan to spend  
24 those funds and going forward. I can tell you  
25 that one thing that we have had in the works and



1 is getting folded into that effort is a plant by  
2 plant, asset by asset, pump station by pump  
3 station analysis of our exposure to different  
4 levels of sea level rise, storm surge and other  
5 climate change related events. What investments  
6 should be made at what point to make sure that we  
7 can continue to operate. So, that, every  
8 exhaustive and I think, frankly, nation leading  
9 effort in the waste water treatment side, you  
10 know, is getting wrapped up now. So, I would see  
11 that you'll get some more clarity in the next few  
12 weeks as the Mayor's Office allocates those funds.  
13 Did you want to say anything else?

14 COUNCIL MEMBER COMRIE: [crosstalk]

15 I appreciate that. I hope that we fight to get  
16 more to infrastructure money from the Federal  
17 government and put it under the, our need from the  
18 fact that we have high water and that the fact  
19 that the flood plain has been increased that we  
20 need to do more to mitigate that from that area.  
21 Because \$84 million is not enough to deal with  
22 over ten years. It's just the drop in the bucket  
23 and we need to offset that. I think that it needs  
24 to be increased. I just want to also, you know,

1 we didn't, you haven't talked about the ground  
2 water and the, you know, I think Station Six needs  
3 to come back online, it's \$151 million. You know,  
4 we now know that there are opportunities to  
5 utilize the water to realize some revenue, to  
6 utilize the water for portability and also a  
7 possible drinkability if we got Station Six  
8 online. You know, if we're constantly asking New  
9 York City residents to pay more money when we have  
10 a possible way to make money from the water using  
11 it in a portable form to give the companies that  
12 is, like, cement factories and other ways. We  
13 need to find a way to generate some revenues.  
14 Now, I know, I'll be in the, I won't be here next  
15 year but I think you guys will be. You've done,  
16 you know, a great work and you have a lot of  
17 expertise and you've gotten a lot of opportunities  
18 to move forward but I think we need to look at  
19 raising revenue from that ground water and the  
20 only way to do that is to move these projects  
21 along. And, you know, I think that we have an  
22 ability now to look at that in a way that would  
23 actually make some money for the City and also  
24 relieve the ground water problem that we're having  
25

1 in Jamaica. And hope that, you know, I'm going to  
2 ask Chairman Gennaro to hold a full meeting on  
3 this issue so that we can air it out even more.  
4 But I think that, you know, I think that then we  
5 create two opportunities to, raising revenue,  
6 needed revenue for the City, it would, you know,  
7 go to lower the rates that we have to pay for  
8 water and it would reduce a major problem that's  
9 happening in southeast Queens and other areas  
10 where people are pumping ground water 24/7. So, I  
11 would appeal to you to look at that. I know my  
12 time is up. I just want to congratulate your  
13 outreach team, again, Mark Lannigan [phonetic] and  
14 Karen Ellis and Shane Omar [phonetic] and Rick  
15 Buller [phonetic] and Deputy Commissioner Roberts  
16 and Maloney have been great. And I know that we  
17 will be doing a, I'm confident we'll do a  
18 proclamation and make Mark come before the City  
19 Council for all of his work. I know he tries to  
20 be shy and he wants to go out the door quietly  
21 but--

22  
23 CHAIRPERSON RECCHIA: [interposing]  
24 He would just love that.

25 COUNCIL MEMBER COMRIE: You know?

1  
2 But, yeah, so I think that we definitely need to  
3 honor him in that way, dump some water on him, is  
4 that what you said Donovan? [laughter] But, you  
5 know, anyhow, but I want to just thank you for,  
6 you know, even though we haven't always agreed on  
7 methodology we've always agreed on that, the  
8 bottom line which is to try to make the area  
9 better. So, I just want to appreciate your  
10 outreach and feedback and I look forward to  
11 working with you as I try to convince you to work  
12 on selling this ground water. Thank you very  
13 much.

14 MR. STRICKLAND: Okay.

15 CHAIRPERSON RECCHIA: All right,  
16 Council Member Levin, then Council Member Lander.

17 COUNCIL MEMBER LEVIN: Thank you  
18 very much, Mr. Chairman. Thank you, Commissioner.  
19 I also want to recognize Mark. I started  
20 bothering Mark years before I got on the Council.  
21 So, he was taking calls from me as a staff member  
22 and so, I'm very appreciative of all of his good  
23 work. I also want to thank Matt Mahoney for being  
24 always so responsive, you know, to my concerns. I  
25 wanted to ask a little bit about Gwannis Canal and

1  
2 do you see an impact on FY14 budget? Is there, I  
3 mean, kind of, obviously the EPA hasn't come out  
4 with a, you know, their entire plan yet and I  
5 haven't actually had a chance to review your  
6 comments but I will go back and do that. But do  
7 you see an impact on FY14 budget one way or  
8 another, and then, you know, in the out years, you  
9 know, you spoke a little bit about it but if you  
10 can maybe do a little bit of another summary of  
11 what the comments were?

12 MR. STRICKLAND: Sure. I'm going  
13 to ask for the immediate budgetary impact I'm  
14 going to talk, turn to Joe Mirren.

15 MR. JOE MIRREN: Yes, Councilman.  
16 Joe Mirren, Assistant Commissioner of Budget. We  
17 do have funding in FY14 Gwannis for a super fund  
18 site study as well as to being the work towards  
19 some of the remediation work that's going to have  
20 to go on there as well. Most of that money is not  
21 in the capital budget because it is not going to  
22 be capital eligible, so it's on the expense side.  
23 And that's one of the elements that was, you know,  
24 addressed with the capital eligibility.

25 COUNCIL MEMBER LEVIN: As part of

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the Comptroller's directive?

MR. MIRREN: Yes, the Comptroller's directive intends, it is remediation work which is not eligible under accounting standards. So, that is, you know, that starting with design--

COUNCIL MEMBER LEVIN:  
[interposing] And how much is that, I'm sorry?

MR. MIRREN: I believe it's going to be a total over three years, \$24 million. It's not, it still hasn't, you know, the design hasn't yet started so once we have the design then they'll start getting the regular work done as well.

COUNCIL MEMBER LEVIN: Okay, and then the major capital things that you're looking at are the retention potentially, I mean, that's--

MR. MIRREN: [interposing] Correct. Just to elaborate on that a little bit it's, I think one reason we had increased our immediate spending on the expense side was because we realized there's a real need for data out there and we just, this year the EPA did accommodate us at 30 days to the comment period on the proposed plan which they published in January so that we

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2 MR. MIRREN: On CSO's and water  
3 quality in particular. So, we think, you know,  
4 it's more likely than not that we'll, under our  
5 existing program get to secondary recreation  
6 standards. So, that's our hope. We have a very  
7 elaborate post construction monitoring that has to  
8 happen between the end of our Flushing Tunnel  
9 upgrade and pump station upgrade and the long term  
10 control plan that we're submitting in 2015. But  
11 the dredging, we are committed to dredge, and it's  
12 a little bit of a Catch 22 for us because the  
13 dredging commitment was for CSO amounts, order  
14 issues, under an order with the State but now all  
15 of a sudden you're dredging in the super fund  
16 areas. We don't want to expose residual coal tar  
17 as we dredge. So, there's a lot of, it's become  
18 more difficult, obviously.

19 COUNCIL MEMBER LEVIN: Mm-hmm.

20 MR. MIRREN: So, we're looking at  
21 it but, of course, we've budgeted for it. So, it  
22 could be much more expensive. As to the capital  
23 costs, the ultimate capital costs of the program,  
24 there are a lot of unknowns, and that was a part  
25 of our comments. No one's estimated the costs of



1  
2 replacing all the bulkheads, for example, in that  
3 area, let alone remediating all the ground water.  
4 And they're excellent--

5 COUNCIL MEMBER LEVIN:

6 [interposing] Do you think all the bulkheads would  
7 be strictly the City's responsibility or they'll  
8 be PAT's - - .

9 MR. MIRREN: Well, the way it works  
10 all those costs get thrown together and then it's  
11 allocated, not all our costs by any means but if  
12 it's a big number even a small percentage would  
13 really affect rate payers. So, there are a lot of  
14 unknowns. The tank cost we have the best idea of  
15 but it's only a portion of what we're talking  
16 about.

17 COUNCIL MEMBER LEVIN: Why is that  
18 such a wild discrepancy. I mean, that seems like,  
19 obviously--

20 MR. MIRREN: [interposing] The EPA  
21 excluded acquisition costs for some unknown  
22 reason.

23 COUNCIL MEMBER LEVIN: But there  
24 wouldn't, I mean, you know, if it's underneath the  
25 city pool, right, I mean, which I'm not really in

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favor of that idea either.

MR. MIRREN: No, I understand.

COUNCIL MEMBER LEVIN: But that,  
there wouldn't be any acquisition cost there.

MR. MIRREN: There's alienation  
issues and I think if you look at Frodent  
[phonetic] for example, and building in a park,  
it's not cost free.

COUNCIL MEMBER LEVIN: I mean, one  
thing that I actually wanted to suggest to you,  
and this is kind of an idea that we have been, I  
don't know how practical this is, but it's about a  
block or so away from that pool site is a ConEd  
site. ConEd is, you know, possibly a PRP.

MR. MIRREN: Mm-hmm.

COUNCIL MEMBER LEVIN: They have a  
site that's not being utilized in any fashion,  
really. That is, that could be, I think,  
logistically I think would potentially work as a  
site to have such a retention tank if it, if  
indeed it's mandated. So, something to look at  
and that way you don't have to get into it with  
national grid about who's rebuilding this pool  
because I don't want to lose this pool 'cause it's

1  
2 in my district and Council Member Lander's  
3 constituents as well as mine use it. So, we want  
4 to keep that pool there. And then, I mean, it's a  
5 complicated question 'cause you have the coal tar  
6 aspect to it. But that's what I'm saying. How  
7 is, can you speak a little bit, you didn't mention  
8 your testimony, capital upgrades at Newtown Creek.

9 MR. STRICKLAND: They, I mean, the  
10 capital upgrades at Newtown Creek are going very  
11 well. I don't know, Catherine, if you have  
12 specifics maybe you could come up. But while you  
13 do, I mean, you know, we're maintaining on budget  
14 and on time. You know, it's the end of a \$5  
15 billion upgrade. We do have some issues with one  
16 of the, you know, some of the main sewage pumps in  
17 terms of the pump manufacturer working out those  
18 issues. But the performance is been great. I  
19 mean, I think Monday I looked at, we got the data  
20 for 2:00 p.m. every day and we were dealing with  
21 \$550 million gallons a day at 2:00 p.m. which is  
22 usually there our - - Catherine, if you?

23 MS. GARCIA: No, so what you're not  
24 seeing a huge amount of dollars is 'cause we are  
25 wrapping up all those contracts. Operations just

1  
2 took over the grid facility which was one of the,  
3 it's NC41 if you follow our contract numbers.

4 COUNCIL MEMBER LEVIN: I'm trying  
5 to think of my Newtown Creek monitoring committee  
6 and the different contracts.

7 MS. GARCIA: Yes. So, we were  
8 really coming to the end of this project which I  
9 think is very exciting. Everything is working.  
10 We are getting great removals. We do have some  
11 challenges with some equipment coming online wehre  
12 we're going to have to go back and do some tweaks  
13 but we don't anticipate any large construction to  
14 occur here for quite some time.

15 COUNCIL MEMBER LEVIN: And then how  
16 about the sludge barge? How is that going? The...

17 MS. GARCIA: We anticipate that the  
18 first of the barges will be here in the fall. So...

19 COUNCIL MEMBER LEVIN: So,  
20 deconstruction of the--

21 MS. GARCIA: [interposing] Will  
22 follow.

23 COUNCIL MEMBER LEVIN: --of the  
24 tank?

25 MS. GARCIA: Will follow as soon as

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we have those boats in the harbor.

COUNCIL MEMBER LEVIN: Okay. Okay, and I'm just going to ask one, kind of, general citywide question. In terms of debt service, because it's such a large portion of the capital funding. what efforts can be made to start, to, on DEP's part to adjust or address the rates on the debt service and is there anything to be done, you know, from an actuarial standpoint?

MR. STRICKLAND: You know, let me address the non actuarial and then I'll turn to Steve, our CFO who can, you know, speak to, you know, the financing aspect. Again, I mean, we keep saying it, you know, mandate reform will help us with flexibility, just being able to time projects and be frankly, to run a smart business. If we're able to do so we can minimize our costs, you know, have value engineering. That is, you know, very helpful part of the program. We also, on the capital side, have put in a lot of project controls and are doing more. As we have smaller and smaller projects we are doing more in house, construction management design, which is helpful and also minimizes costs. Steve?

1  
2 MR. LAUWITZ: And then the Water  
3 Finance Authority has been doing a very good job  
4 of accessing the market at the right time. the  
5 last time we went out for a bond issue,  
6 approximately half a billion dollars, it was at a  
7 record or near record low interest rate of \$3.9  
8 percent. And so that's contributed to,  
9 significantly to keeping the debt service from  
10 growing even larger than it otherwise would. The  
11 one--

12 COUNCIL MEMBER LEVIN:

13 [interposing] You have, just to go back--

14 MR. LAUWITZ: Yeah.

15 COUNCIL MEMBER LEVIN: --with - -  
16 you have former or older debts that are at a much  
17 higher rate or what's the top rate that you're  
18 looking at?

19 MR. LAUWITZ: Well, we're not  
20 paying very high rates on any of the debt because  
21 as the Commissioner testified earlier, the Water  
22 Finance Authority's credit rating is very high,  
23 crosstalk] AAA--

24 COUNCIL MEMBER LEVIN:

25 [interposing] Mm-hmm.

1  
2 MR. LAUWITZ: --it, or a comparable  
3 rating. And so it, even before the recession hit  
4 and interest rates were higher, Water Finance  
5 Authority was typically not paying more than five  
6 percent interest on bonds. But since interest  
7 rates have lowered they've been able to take some  
8 of that higher cost, older debt, and refinance it  
9 at today's lower rates, typically saving, every  
10 time they refinance about 13 percent on total debt  
11 costs. And they've refinanced this year, I think,  
12 a billion of older debt.

13 COUNCIL MEMBER LEVIN: Okay, and  
14 there's still more to go or is everything now,  
15 like, hovering at that lower rate?

16 MR. LAUWITZ: There, I mean, there  
17 will be more opportunities to refinance older  
18 debt. And we'll be going to market pretty soon on  
19 newer debt to keep the capital program going.

20 COUNCIL MEMBER LEVIN: Okay, I will  
21 turn it over to Council Member Lander to ask a  
22 couple of questions as well. Thank you very much,  
23 Commissioner.

24 COUNCIL MEMBER LANDER: Thank you,  
25 Mr. Acting Chair. Commissioner and others, good

1  
2 to see you. Since, I guess, it's become now  
3 obligatory to thank Mark for the abuse he's taken  
4 in our districts, I don't think he ever though  
5 that a chicken abattoir would become part of your  
6 repertoire. But I do want to thank you and the  
7 whole team. That project has obviously been a big  
8 challenge for the agency and for the neighbors and  
9 thankfully it seems like the worst of it is behind  
10 and that the project is proceeding well and I  
11 assume--

12 MR. STRICKLAND: [interposing] It  
13 is. I can tell you - - seem to get an improvement  
14 to water quality is what it's done.

15 COUNCIL MEMBER LANDER: -- - - out  
16 jogging, I go by that place all the time and not  
17 just 'cause I love Alma, and it looks good. I  
18 mean, it's, the road is resurfaced, it's open,  
19 and, you know, so that, thankfully it's behind us.  
20 The business is still operating and so it was just  
21 the portion of the building that, unfortunately,  
22 collapsed. And in, yeah, but in general it's a  
23 big project. It's a big project, sometimes there  
24 are headaches for the neighbors, you I know, have  
25 worked hard to try to mitigate what you can. I'm



1  
2 glad that that is on path and that the, both the  
3 water quality reduction, improvements will be  
4 achieved when the project is done as well as the,  
5 for the neighbors. And we are looking forward to  
6 a conversation about the diverter site where  
7 you're staging some construction. You, both you  
8 and DDC are using it to stage some construction  
9 and it's going to become a park someday. Anyway,  
10 we'll follow up on this but at Columbia  
11 potentially and Sackett [phonetic] or DeGraw  
12 [phonetic]. Anyway, so we'll follow up with you  
13 on that later. I mentioned this to you in the  
14 hallway but I do want to just make sure, ask it so  
15 it's on the record as well, during yesterday's  
16 flash floods as many other places in the city but  
17 not only as Council Member Comrie said, in Sandy  
18 affected areas, the places that flood flooded big  
19 time and 4<sup>th</sup> Avenue in the north slope around  
20 Carroll and Union and President is one of them.  
21 We have, you've been working on a high level storm  
22 sewer project the first phase of which, I  
23 understand, is in the budget for the coming fiscal  
24 year under the current capital plan. Can you just  
25 give us an update on that?

1  
2 MR. STRICKLAND: It is, so the high  
3 level storm sewer phase one along 3<sup>rd</sup> Avenue is in  
4 the FY14 budget. So, and it's on track. So, we  
5 are going to be going out, I might just have  
6 broken ground, I think we're going out to bid this  
7 year. But nonetheless, relief is close. And last  
8 year was, last year, yesterday was record rain at,  
9 people reported in Central Park, historically for  
10 the day. What's interesting to us, though, is  
11 that, and for, unfortunately for folks in the  
12 system, is record intensity. So, in the Gwannis  
13 area we looked at the rainfall and it was three  
14 inches in an hour, which is an incredible amount  
15 of rain. If you think about the snow falling the  
16 equivalent is probably over three feet in an hour.  
17 It's just an incredible cloudburst and we design  
18 our systems up to standard 1.75 inches an hour.  
19 That's been historically very, you know, accurate  
20 but on occasion we do get these very, very high  
21 intensity cells, and they can cause problems.

22 COUNCIL MEMBER LANDER: Are we  
23 seeing more of them? I mean, is it possible that  
24 climate change is causing more high intensity  
25 rainfalls?

1  
2 MR. STRICKLAND: You know, it's a  
3 great question and one we ask all the time and  
4 unfortunately we don't have a lot of good baseline  
5 data. I think with the advent of Doppler radar  
6 which OEM and we use. You can start to see it  
7 coming but beforehand there are rain gauges,  
8 really, at the two airports in Central Park and a  
9 city of our size, you know, 500 square miles,  
10 that's really not enough to give you, that's not  
11 really fine grained enough. So, it's, we don't  
12 have a great historical record that we need to  
13 predict trends but that's certainly the models do  
14 predict more intense rainfalls of that type.

15 COUNCIL MEMBER LANDER: I mean, it  
16 does that, is it so much to consider sort of now  
17 what's been put under the SIIR umbrella but under  
18 your, you know, umbrella in general that, as you  
19 think about what's required in the capital  
20 maintenance program, these kinds of impacts for  
21 climate change are part of what we're trying to  
22 pay long term attention to?

23 MR. STRICKLAND: What we've looked  
24 at, and maybe Catherine if you want to come up  
25 and, you know, address this if you, I, you know,

1 leave something out. But we've looked at our  
2 intensity duration curves, which we use to size  
3 the sewers and, you know, believe it or not, what  
4 we see now is not all that different from the  
5 standard we've been using for the last several  
6 decades. So, that 50 year historical trend is  
7 pretty accurate. I mean, I'll address, Catherine,  
8 anything on rainfall 'cause I want to address sea  
9 level rise, for which we do have--

11 MS. GARCIA: [interposing] Yeah, I  
12 mean, that's what the data is showing us. We did  
13 take a look to see whether or not we needed to  
14 change our design standard for sewers and the date  
15 did not support making a change at this time.  
16 It's clearly something that we need to revisit  
17 just as we are looking at sea level rise,  
18 particularly for the waste water treatment plants.  
19 But I think the Commissioner will address that in  
20 more depth.

21 MR. STRICKLAND: Just, you know,  
22 to--

23 MS. GARCIA: [interposing] Good.

24 MR. STRICKLAND: --add, as long as  
25 we have Catherine here. I think one thing that

1  
2 we're seeing in terms of dealing with these flood  
3 events and these hotspots, we certainly, the City  
4 has a flash flood emergency action plan based on  
5 predictions was not activated before rush hour  
6 yesterday but when it is people get out ahead of  
7 time, clean catch basins, meaning sanitation and  
8 the like. Unfortunately, a lot of the flooding,  
9 it was a long dry period and there was a lot of  
10 matting over a catch basin and debris. We do have  
11 a catch basin inspection program and cleaning  
12 program so we get to, we have 148,000 catch  
13 basins. We get to them at least once every three  
14 years, inspect them can clean them out if they're,  
15 you know, get clogged more often we'll put them on  
16 a faster schedule. Obviously, we respond to 311  
17 and--

18 COUNCIL MEMBER LANDER:

19 [interposing] Is there any interagency  
20 collaboration as part of that? 'Cause I know for  
21 example one of the catch basins is the biggest  
22 problem in my area. Is that a jurisdictional, you  
23 know, intersection between Parks, MTA and you guys  
24 and, like, the Parks has people out there all the  
25 time and you don't have people out there all the

1  
2 time. And if they just used a broom to sweep up  
3 the catch basin that would be a lot easier way of  
4 achieving catch basin maintenance for that one  
5 anyway [crosstalk].

6 MS. GARCIA: Well, we do have, work  
7 closely with our other agency partners and  
8 particularly on the question of matting of debris,  
9 Sanitation has been committed to not only making  
10 sure they're street sweeping them but even they're  
11 Commissioner is committed to, for the hot spots  
12 getting out and hand digging them out if they need  
13 to. It's very, very difficult when you've had a  
14 long, dry spell and you're getting the type of  
15 velocities that came down yesterday and actually  
16 came down today as well.

17 COUNCIL MEMBER LANDER: Right.

18 MS. GARCIA: It just moves  
19 everything that was on the street--

20 COUNCIL MEMBER LANDER:  
21 [interposing] Well, I know, and I appreciate  
22 there's going to be a lot that's a problem in any  
23 case. But, I mean, Parks is a good example and I  
24 see we've cut their budgets enough that I see why  
25 they would resist wanting any responsibility. And

1 yet their Parks maintenance workers were out by  
2 the catch basins that are in those parks a lot  
3 more regularly than--

4 MS. GARCIA: [interposing] Right,  
5 those were their catch basins. They would be  
6 responsible for maintaining them.

7 COUNCIL MEMBER LANDER: Yeah.

8 MS. GARCIA: But if there's a  
9 particular one let us know. We'll take a look at  
10 it.

11 COUNCIL MEMBER LANDER: All right.  
12 Yeah, that one I actually, I checked yesterday  
13 that was is, was clean didn't flood and people  
14 could still get to the subway and Kensington,  
15 Winter Terrace. So, the, so you talked a lot  
16 about all the data you're gathering which is very  
17 helpful. You're making one change that--

18 CHAIRPERSON RECCHIA: [interposing]  
19 That's going to be the Bloomberg, you know, the  
20 thing when they leave, we gather data.

21 COUNCIL MEMBER LANDER: So, there's  
22 one question--

23 MR. STRICKLAND: [interposing] And  
24 analyze and use it, by the way.  
25

COUNCIL MEMBER LANDER: One

question I have about where you're cutting off.

So, you're making a cut to change, cut some data

and I'd like to understand a little better where

you're ceasing funding for the US Geological

Survey Water Resource Monitoring or hydrologic

monitoring, which is a longstanding project and, I

confess, I had never heard of it before. So, but

I guess we've been paying for it. So, help me

understand what it is and why, on the one hand it

was important enough to keep funding 'til now but

isn't so important to keep funding.

MR. STRICKLAND: Well, there is,

sure. There was a period in the '90's when we

were thinking about banking water in the ground

water system in Queens and Brooklyn. And

basically injecting it in, drawing it out when we

needed it. And it's common in other communities.

They do it in Southern California, other places.

We don't really need it and so based on the lack

of that need and overall efforts to just reduce

our operating budget, that was costing about a

million dollars a year at the end and we

determined that there's really no need for it. In



1  
2 addition, the water for the future project, which  
3 Council Member Comrie and Richards mentioned, will  
4 be providing the data we need. It's a little bit  
5 narrowly targeted towards that system and the data  
6 we need to operationally. So, it was cost cutting  
7 but it was very considered approach to that,  
8 really that the need went away and that the  
9 concept planned to bank water in the ground water  
10 system, we really don't need it. And, you know,  
11 one thing that I didn't mention with Council  
12 Member Comrie he, good ideas for non potable water  
13 but we have to realize that pumping ground water  
14 probably would be one of our more expensive  
15 sources of water. To bring it down from gravity  
16 from the Catskills is much less expensive.

17 COUNCIL MEMBER LANDER: But, I  
18 mean, you've had, this is round ten of PEG. So I,  
19 the fact that you didn't get to it 'til now  
20 suggests to me that we must want it a little more  
21 than you're making it sound like or you would have  
22 put it in an early way.

23 MR. STRICKLAND: Well, no. I mean,  
24 I think the need to go away, I mean, we did start  
25 the water for the future project this year or so

1  
2 in terms of the data that we actually need, you  
3 know, it's coming up now. I will say that we, you  
4 know, we've continued our relationship with the  
5 USGS upstate so we fund stream gauges which we  
6 deem important to measure stream volume and  
7 velocity into our reservoirs upstate. So, that is  
8 a continuing relationship. We've pared back, not  
9 entirely, I guess you want to say, but just where  
10 we need.

11 COUNCIL MEMBER LANDER: No way to  
12 get them to pay a great share? I know that's a  
13 cost shared thing already. Could we go 50/50 with  
14 them instead of 80/20 or?

15 MR. STRICKLAND: Well, I don't  
16 think they've ever floated that with anybody. I  
17 do know--

18 COUNCIL MEMBER LANDER:  
19 [interposing] I'm not authorized either.

20 MR. STRICKLAND: That would be  
21 interesting. You know, I don't even think it,  
22 \$500,000 a year to be worth it for us. I do know  
23 that I did speak to the USGS last night actually  
24 and they are, certainly for some of the aquifers  
25 they are certainly extend, not just in the five

1  
2 boroughs but extend out to Long Island where they,  
3 it's the sole source of the aquifer, there they  
4 really need it. They're talking to Long Island  
5 water providers about maintaining funding. So, I  
6 think it may well continue on that aspect.

7 COUNCIL MEMBER LANDER: Just two  
8 more quick things.

9 CHAIRPERSON RECCHIA: Take your  
10 time. We're all just here to listen. [laughter]

11 FEMALE VOICE 2: Don't tempt me.

12 COUNCIL MEMBER LANDER: So--

13 CHAIRPERSON RECCHIA: [interposing]  
14 I'm saving all my Coney Island questions for the  
15 end. [laughter]

16 COUNCIL MEMBER LANDER: So, Steve  
17 talked about Gwannis and I don't want to go into  
18 it deeply. But I want to just say two things and  
19 ask one question. We want to, we all want to  
20 improve water quality there, we want to get to  
21 secondary contact. We want to do better if we can  
22 and I think, obviously, the questions of, sort of,  
23 the jurisdictional pathway for improvement matters  
24 a lot to the City because it's related to who  
25 pays. And so I'm going to leave that, you know,

1 and I think there's a set of scientific questions  
2 that, a set of questions that are going to be  
3 negotiated between the City and the EPA on what  
4 gets paid for under surplus? What should get paid  
5 as part of the long term control plan? And as I  
6 have been saying increasingly publically and  
7 Council Member Levin and I have been talking about  
8 it. We also believe it is time now that the super  
9 fund proposed plan is out, to come back and look  
10 at the Gwannis area more broadly and develop a  
11 plan that is thoughtful and about the future of  
12 the Gwannis. And one way in which I want the plan  
13 to be different than what City Planning brought is  
14 a couple of years ago is that it can't just be a  
15 rezoning plan. It needs to be an infrastructure  
16 investment and real, a plan. Because there are a  
17 long term set of infrastructure investments that  
18 are going to be need to make the Gwannis area  
19 work. And that's the dredging and that's the  
20 water quality improvements and that's the  
21 bulkheads and shorelines. We may want some  
22 restorations and there's uplands work and, you  
23 know, all of that is expensive but some of it  
24 should be paid for in the ways we're talking  
25

1  
2 about. Some of it might, should be paid for as  
3 part of a plan, whether that's through district  
4 improvement bonus, if there is future development,  
5 whether that's whatever we can get from the Sandy  
6 funds. So, I just think that's, there's a bigger,  
7 in addition, not such that you guys don't have to  
8 fight the jurisdictional fights but I hope we can  
9 also do some things that look more long term and  
10 think comprehensively about the infrastructure  
11 improvements that we need and what kind of, what  
12 kind of canal area we want and how comprehensively  
13 it's going to get paid for. So, we aren't going  
14 to--

15 MR. STRICKLAND: [interposing] I  
16 mean, I think that was part of the Mayor's  
17 alternative plan and that was, you know, floated a  
18 few years ago. The EPA decided not to go down  
19 that direction but if you could, you know, move  
20 them in that direction I certainly think it's  
21 something worth looking at.

22 COUNCIL MEMBER LANDER: And, I  
23 guess, I don't know that the, we're going to move  
24 them in that direction for the set of things that  
25 are in the proposed plans. So, those are going

1  
2 to, but I think as you've pointed out, there's a  
3 lot beyond that. So, the bulkhead and shoreline,  
4 you know, there's a set of costs which really  
5 aren't, need to be paid but aren't let clear on  
6 the table and those, at least, I think should be  
7 part of future think. And that's going to take us  
8 a while. There's going to be a lot of different  
9 points of view and not everyone in the  
10 neighborhood is going to like that set of ideas.  
11 But we should at least do a transparent lien  
12 together and get a real plan together. One, the  
13 small concern on this front that I just want to  
14 flag for you and I sent a letter to the Deputy  
15 Mayor yesterday that I think we CC'd you on,  
16 relates to how we think about the intersection  
17 between raising development sites and hydrology.  
18 As you know, there's a proposal for a big  
19 development on the Gwannis canal, the Light Stone  
20 project where it used to be the Toll Brother's  
21 project. And they now under the executive order  
22 are essentially proposing to elevate the entire  
23 two block site. And in some ways that's great for  
24 future residents of that, and I don't actually  
25 support that project so, but just to be clear.

1 But they have the right to build it as of right.

2 But, and so elevated in that site is great for the

3 people that would live on it but the neighbors

4 around it have reasonable concerns that if you

5 just elevate their site isn't the water all going

6 to rush off into their basements even higher? And

7 I am not a hydrologist so I have no idea whether

8 it is or isn't but I, the letter asks, is someone

9 looking at this question who actually is a

10 hydrologist and can help us understand the

11 relationship between the regulatory plans that

12 we're making and what it would mean in the case of

13 a future storm. So, I'm not asking for an answer

14 to that today but we will be interested in it. My

15 last question it's, is we've been trying to

16 engage, as you know, Council Member Levin and I

17 and a few others do this participatory budgeting

18 effort where we let our constituents--

19 CHAIRPERSON RECCHIA: [interposing]

20 That's it. We don't have to hear about any more

21 questions. [laughter]

22 COUNCIL MEMBER LANDER: And it led

23 both of us to talk to your team about the green

24 infrastructure work and whether there was some

25

1 room to integrate your engineering led green  
2 infrastructure plans with a little more community  
3 planning and development. And I recognize that  
4 there's times when they won't be a perfect match  
5 because you need to spend the money that you have  
6 allocated in order to comply with the consent  
7 decree and achieve the reductions. But I also  
8 think there's a real neighborhood interest in  
9 green roofs, in bio swalls, in, you know, a set of  
10 neighborhood amenity improvements. And so far the  
11 sense we've gotten is we're going to make all  
12 those decisions based on the science and the  
13 engineering and we really, we are not, it's not  
14 room outside of the grants program for community  
15 engagement. And I guess I just want to push a  
16 little bit because I think, I understand that we  
17 want to make the decision based on science but  
18 especially wehre, I think there's more  
19 opportunities to think about the intersections  
20 between community amenities and community  
21 planning.  
22

23 MR. STRICKLAND: I agree with you,  
24 you know, and I certainly, we see that in the blue  
25 belt program and I think, green infrastructure we



1 want to get there and we will get there. I think  
2 what you've seen in the last few years is just as  
3 we do race to create, you know, meet our own  
4 milestones, the first ideal was just getting  
5 contracts up and running between parks, EDC, DDC,  
6 our own contracts. We've got four or five  
7 different delivery mechanisms throughout the area.  
8 We have, our approach has been to get those  
9 contracts up and running, build a staff, we've  
10 done that. You know about the grant program but  
11 on the bio swail program we have identified out  
12 falls though the city. There are some in your  
13 district, Gwannis area in particular. And then  
14 within those confines I certainly, I welcome that  
15 collaboration and I think I want to work with you  
16 on more because within those confines, which are  
17 targeted to reducing combined - - flows, in  
18 particular out falls, you know, in your area, in  
19 the Gwannis canal, it's always had seven, as we  
20 call in RH34, which is at the head end of the  
21 canal. It, we can work with community groups. We  
22 are launching an adopted bio swail program and  
23 certainly on the, we budgeted for maintenance of  
24 these but it, to an extent we can get community  
25

1  
2 groups to help us maintain, a lot along Green  
3 Street, quite frankly, we want to encourage that.  
4 So, we definitely want to have community by in and  
5 support.

6 COUNCIL MEMBER LANDER: Mm-hmm.  
7 That'd be great, thank you. Thank you, Mr.  
8 Chairman.

9 CHAIRPERSON RECCHIA: Thank you,  
10 Brad Lander and Commissioner. I just want to, I  
11 see you put money here for Coney Island. Not now  
12 but after the budget I would like to come sit down  
13 with you and your staff and go over what the plan  
14 is, okay, and when it's going to start, just so  
15 I'm clear, so whoever takes my place understands  
16 what's going to happen and see the funding is in  
17 there. And the other thing is, I have another  
18 project in my district. Mark knows about it, on  
19 400 Avenue U, East 2<sup>nd</sup> Street. It's a building.  
20 It's been going on now for almost two years.  
21 Yesterday they got flooded again. You know, DOT  
22 blames the building. It was a brand new building.  
23 The building blames DOT and DEP is out there. We  
24 need to put another catch basin in and while we're  
25 over here trying to fight over a catch basin I'm

1 willing to pay for it, all right? This building,  
2 it was being built, a brand new building was being  
3 built and they put the sidewalks in. the DOT  
4 comes in and they repave the street and they lift  
5 it all up and now there's water every storm in  
6 this building.  
7

8 MR. STRICKLAND: Mm-hmm.

9 CHAIRPERSON RECCHIA: And we're  
10 over here fighting over this. Meanwhile, these  
11 people are getting flooded. And I really need to  
12 do something. I've spoken to you guys about this.  
13 For some reason, people in your office refuse to  
14 put in a catch basin. And I would like to have a  
15 meeting with you about that.

16 MR. STRICKLAND: Okay. What,  
17 would, on both those topics we'll have a meeting.

18 CHAIRPERSON RECCHIA: Okay. Now  
19 let me take up my personal stuff. All right? But  
20 I want to thank you. I want to thank you for your  
21 presentations. I know the Water Board hearings,  
22 I'm glad after the first one you've cut it down.  
23 It's very interesting but--

24 MR. STRICKLAND: [interposing]  
25 Thank you for that suggestion.

CHAIRPERSON RECCHIA: I just hope

that tomorrow you could maybe have a change of

heart tonight and speak to Deputy Mayor Cass

Holloway in maybe lowering the rate from 5.6 to

lower. And thank you very much. Anybody else

have any more questions? If not, this meeting is

adjourned.

MR. STRICKLAND: Thank you, Chair.

C E R T I F I C A T E

I, Tara Juhl 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

A handwritten signature in cursive script, appearing to read "Tara Juhl", written in dark ink on a light-colored background.

Date 5/22/13