

**Statement by Douglas Johnson, MTA Budget Director  
Mayor's Fiscal Year 2018 Executive Budget  
New York City Council  
Committees on Transportation and Finance  
Wednesday, May 17, 2017 – 11:45 a.m.**

Good morning, Chairpersons Rodriguez and Ferreras-Copeland and members of the City Council. I am Douglas Johnson, Budget Director for the Metropolitan Transportation Authority. Joining me today is Stephanie DeLisle, Director of MTA Capital Funding.

We are here today at the Council's invitation to address the Mayor's Fiscal Year 2018 Executive Budget as it relates to the City's contribution to the operating and capital budgets of the Metropolitan Transportation Authority (MTA).

As we noted at the Council Transportation Committee's Preliminary Budget hearing in March, the MTA's 2017 operating budget of \$15.6 billion is supported by the City of New York to the tune of approximately \$1 billion—close to 7 percent of our budget. City-sourced funding is used to support the operation of NYC Transit, MTA Bus and the Staten Island Railway, as well as the commuter rail stations located within New York City. These reimbursements from the City continue to represent an essential contribution to our day-to-day operations.

An important storyline of the MTA's operating budget continues to be cost-cutting. It began in 2010 and continues—just as aggressively—to this day. Company-wide and individual agency initiatives have generated tremendous savings for this organization and is benefitting our operations and our customers.

Thanks to these efforts, we will exceed our 2016 target of \$1.6 billion in annually recurring savings. And we keep raising our savings targets; we expect savings to reach \$2 billion dollars a year by 2020. That is \$2 billion a year more that we have used to add or improve service and to keep fare and toll increases at an average of 2 percent a year, which is below the rate of inflation.

The next step in our rigorous and ongoing budgeting cycle is the development of the July Financial Plan. This step in our process provides an opportunity to present a revised forecast of the current year's finances, a preliminary presentation of the FY 18 proposed budget, and a three-year re-forecast of out-year finances.

With respect to the MTA's capital budget, our March testimony noted that the big story continues to be the full funding of MTA's \$29.5 billion 2015-2019 Capital Program—the single largest capital program in MTA history. The funding for this program includes \$2.5 billion in funding support from the City of New York and \$8.3 billion from the State of New York. This robust five-year Capital Program allocates more than \$16 billion in capital funding for NYC Transit initiatives within City limits.

We thank the City for its support for the MTA Capital Program. The funding is more necessary than ever, because as all of you know, ridership is at record levels, and our customers are more dependent than ever on our service. While this record ridership is great news for our economy and our city, it means the MTA network is stretched almost to capacity. Thus, among our priorities is making critical capital investments to expand the system to better accommodate this growing ridership.

The completion of the first phase of the Second Avenue Subway earlier this year was the most significant expansion of our subway system in more than half a century. Average weekday ridership on this new line is now more than 170,000, continuing to grow, and alleviating crowding at Upper East Side stations along the Lexington Avenue line during morning rush hour. We are proceeding with the line's second phase into East Harlem and have issued Request for Proposals for the first three contracts, including design, environmental and community outreach.

We are not just expanding the NYC subway system. We have projects underway and on the drawing board that will transform mobility for the entire region. One such example is East Side Access which is bringing the Long Island Rail Road directly into Grand Central Station. Another is Penn Access, a project that will add four new Metro-North stations in the Bronx.

Expanding our capacity is an important priority, but maintaining a system as large, old and complex as ours is the single greatest challenge and continues to require a heavy investment in what we call "state of good repair." We have a range of safety and reliability projects in the Capital Program that were detailed in our March testimony, including track and switch replacements, signal system upgrades and replacements of our subway cars and buses with modern, state-of-the-art fleets. There are numerous replacement projects for infrastructure assets such as electrical substations, pumps, and tunnel lighting—projects that are not even visible to our customers, but are key to our ability to continue moving 8.7 million people every day, safely and reliably. Safety and reliability projects comprise a full two-thirds of the 2015-2019 Capital Program.

We are also investing in the enhancement and modernization of passenger stations through our ongoing Station Renewal and Component Programs, as well as the new Enhanced Station Initiative which is intended to fast-track station renovations at select stations.

Our station improvement efforts include making the subway system increasingly accessible to people with disabilities. We have completed 86 of the 100 Americans with Disabilities Act (ADA) Key Stations and will complete the remaining 14 over the next few years. We also have 31 accessible non-Key stations, as well as approved funding to make 8 more stations fully accessible. In addition, we are undertaking a system-wide feasibility study to support our goal of making additional stations ADA accessible.

We are also investing to modernize our system through communication technology enhancements. We now have cellular connectivity and Wi-Fi capability in our underground stations and are in process of completing the roll-out of countdown clocks and help-point devices throughout our system. And on our buses, we are installing digital information

screens that offer audio and visual route information and display next-stop information, including transfers.

As Governor Cuomo's leadership was instrumental in securing the full funding needed for our 2015-2019 Capital Program, he's asked that this program bring transformative change to the MTA—not only in the finished product, but also in its delivery. We are more and more frequently using alternative delivery methods like Design-build to foster innovation, collaboration and teamwork between designers and builders; our Enhanced Station Initiative is an example of that approach.

We are also writing our Design/build contracts to offer incentives for early completion and severe penalties for delays, which is an effective incentive to ensure the work gets done on-time. As you are well aware, we are also looking to sometimes close entire stations to get work done faster and more efficiently so that our customers can experience the improvements more quickly.

The current capital program represents a piece of our long-term plans to modernize the entire MTA network, as well as meet increasing ridership demand that is beginning to tax the system. While the Capital Program provides critical funding to renew, enhance and expand the system by replacing and upgrading infrastructure for the long-term, we also need to address service and its impact on our customers—TODAY.

That is why earlier this week, MTA Interim Executive Director Ronnie Hakim announced a new 6-point comprehensive plan targeting short-term, achievable service improvements. We've heard from our customers, understand their frustration, and we're frustrated too. This initiative will address the top causes of subway delays in order to reduce the disruptions that impact service reliability for our customers. Increasing delays are unacceptable which is why we are using all the tools at our disposal to address these immediate problems by tackling the five key causes of subway delays.

Thank you for your time and attention today. We will now answer any questions you may have on our budget.

**NYC DEPARTMENT OF TRANSPORTATION TESTIMONY  
HEARING BEFORE THE CITY COUNCIL  
COMMITTEES ON TRANSPORTATION AND FINANCE  
May 17, 2017**

Good morning Chairman Rodriguez, Chairwoman Ferreras-Copeland, and members of the Transportation and Finance Committees. I am Polly Trottenberg, Commissioner of the New York City Department of Transportation. With me today are Elisabeth Franklin, Acting Associate Commissioner for Budget and Capital Program Management, and Rebecca Zack, Acting Assistant Commissioner for Intergovernmental and Community Affairs. I am pleased to be here on behalf of Mayor Bill de Blasio to testify on DOT's Fiscal Year 2018 Executive Budget and Ten-Year Capital Strategy.

The Mayor's FY18 Executive Budget allocates resources for critical needs such as protecting public safety, improving schools, increasing housing affordability, and investing in infrastructure. While maintaining unprecedented reserves, this budget proposes targeted investments, some of which I will be talking about today.

For DOT, this budget builds on our agency's growing accomplishments over the last three years. It will continue and expand our capacity to pursue Vision Zero, enhance mobility, and maintain a state of good repair for our vital infrastructure. Back in March I discussed each of these areas in detail, and today I will provide updates and additional highlights for DOT.

And DOT will continue to make the most out of every taxpayer dollar, whether we are rolling out neighborhood safety improvements or executing major infrastructure projects. I will talk today about additional specific savings we have identified at DOT.

**BUDGET OVERVIEW**

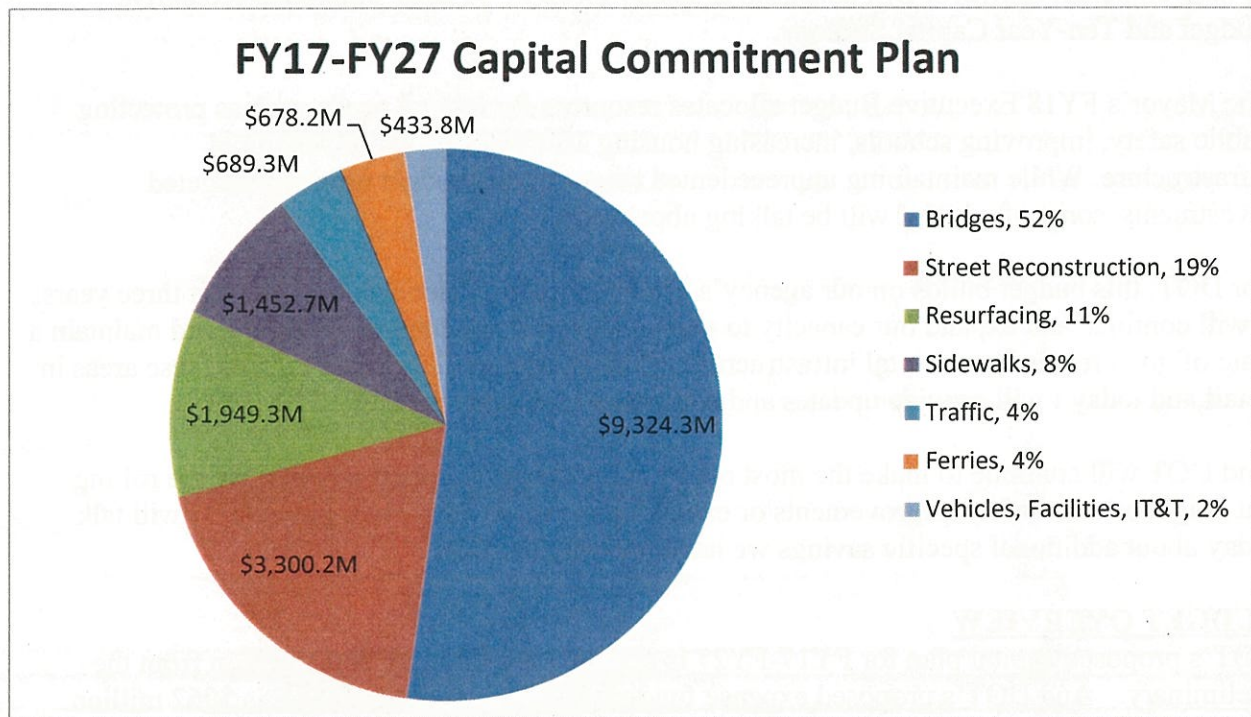
DOT's proposed capital plan for FY17-FY27 is now \$17.8 billion, up \$606 million from the Preliminary. And DOT's proposed expense funding in this Executive Budget is \$962 million.

When it comes to the capital budget, under Mayor de Blasio we will have nearly doubled our investment in street reconstruction to build out more safety projects, taking the amount from \$1.7 billion in the last ten-year capital plan in the prior administration, to \$3.3 billion in this ten-year plan.

And to maintain transportation infrastructure in need of ongoing investment we will have increased our capital plan for bridge reconstruction and rehabilitation by 91 percent, from \$4.9 billion to \$9.3 billion. This includes our historic East River crossings as well as our extensive and aging inventory of 789 other bridges, large and small, across the city.

As the City's third largest capital agency, responsible for roads, sidewalks, bridges, bike lanes, street signs, signals, streetlighting, and the Staten Island Ferry, our proposed capital plan for FY17-27 includes:

- \$9.3 billion for bridge reconstruction and rehabilitation;
- \$5.2 billion for street reconstruction and resurfacing;
- \$1.4 billion for sidewalk and pedestrian ramp repair and reconstruction;
- \$678 million for the Staten Island Ferry;
- \$689 million for streetlights and signals; and
- \$434 million for the facilities and equipment needed to support DOT operations.

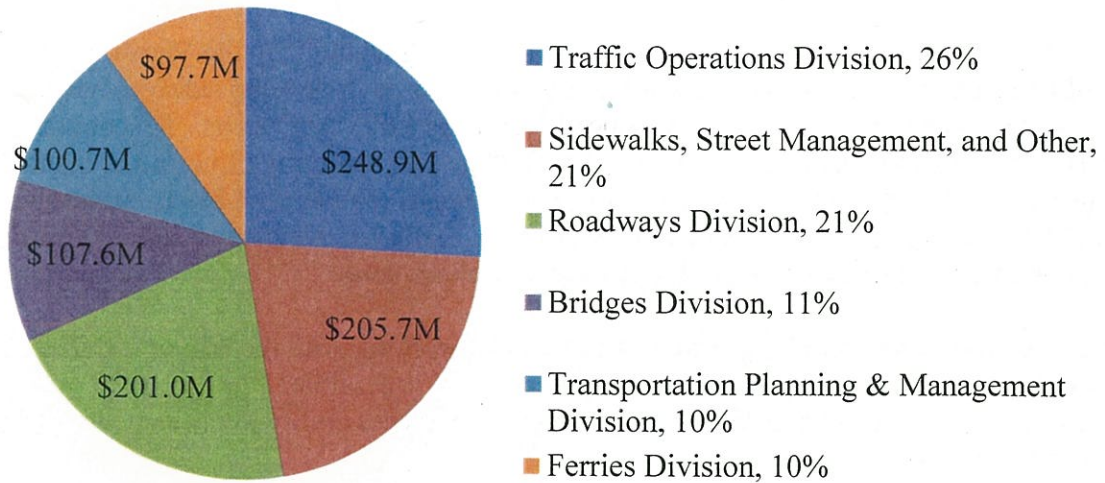


Turning to our expense budget, for DOT's FY18 Executive Budget the Mayor is proposing:

- \$249 million for traffic operations, including signals, streetlights, and parking;
- \$201 million for roadway maintenance;
- \$206 million for other DOT operations, including sidewalk management and inspection;
- \$108 million for bridge maintenance and inspection;
- \$101 million for transportation planning and management, including installation of street signs and roadway markings; and
- \$98 million for ferry operations and maintenance.



## DOT FY18 Expense Budget



### **EXECUTIVE BUDGET HIGHLIGHTS**

Now, first, let me go through a few new Vision Zero highlights. DOT's proposed budget dedicates an unprecedented \$2.4 billion to Vision Zero over the next ten years. This includes \$515 million in new capital funds, and \$7.2 million in new expense funds, rising to \$21.1 million by FY21.

As you know, this new funding will enable us to better maintain our street markings, continue our left turn traffic calming initiative, upgrade key intersections in the bike network, and install additional and enhanced streetlights.

We have built out a nearly 1,100 mile bike network to serve an ever growing number of New Yorkers and we are proud of our safe and innovative protected bike lane intersections. But we are committed to upping our game, so with this new funding we will be initiating a study focused on the next generation of designs. We will consider safety, traffic conditions, cyclist comfort and preferences, and international best practices. We will be dedicating a new staff member to focus solely on protected bike lane intersection design and analysis. Based on this study we will identify and upgrade 20 high priority intersections this year.

We are also re-assessing our plan for the reconstruction of 4th Avenue in Brooklyn to evaluate the inclusion of parking protected bike lanes. Since bike ridership has skyrocketed in Brooklyn, even in the five years since we originally scoped this project, and particularly as we have continued to expand Citi Bike, we think it makes sense to consider the addition of protected bike lanes to this once-in-a-generation roadway transformation.

DOT will combine funds previously allocated to 4th Avenue with \$43 million of the additional Vision Zero funding in the Preliminary budget to extend the project, which would have been

from 8<sup>th</sup> Street in the north to 60<sup>th</sup> Street in the south. Now with protected bike lanes, the project will go from Atlantic Avenue in the north to 65<sup>th</sup> Street in the south. We recently presented this concept in well attended community workshops and are looking forward to continuing the conversation.

And I am proud that at a recent lively town hall in Long Island City the Mayor announced \$17 million of our additional Vision Zero funding will be used to develop safety enhancements on Thomson Avenue from Skillman Avenue to Van Dam Street in Queens. This corridor is used by tens of thousands of LaGuardia Community College students daily. Located at the foot of the Queensboro Bridge, the BQE, and several major arterial roadways, it has been the site of fatalities and long a source of community concern. We will be announcing other projects supported by these additional Vision Zero capital funds soon.

Turning now to accessibility, DOT and the Mayor, working with the Mayor's Office for People with Disabilities, are committed to making our streets accessible. I am proud to say we are proposing an unprecedented financial commitment to accessibility improvements in this Executive Budget.

We plan to more than double our total investment in pedestrian ramp construction and upgrades through FY27 to \$880 million. To do this, the Mayor proposes in this Executive Budget to add another \$130 million in capital funds to DOT's pedestrian ramp program on top of the \$480 million addition proposed in the Preliminary budget.

When it comes to signals, this budget also includes an addition of \$9 million to double the installation of accessible pedestrian signals over the next two years from 150 to 300.

On the sustainability front, I am proud to say the City recently announced an initial \$10 million capital investment to support charging infrastructure to increase the use of electric vehicles. Increasing the proportion of electric vehicles on the road is critical to the City's goal of reducing greenhouse gas emissions 80 percent by 2050. On April 20th, Mayor de Blasio announced a bold new target for 20 percent of the motor vehicles sold for use in New York City to be electric by 2025, up from less than 1 percent today.

As a first step, DOT, DCAS, and the Mayor's Office of Sustainability will work together on a citywide electric vehicle charging strategy, in consultation with Con Ed and other electric vehicle stakeholders. This strategy will identify the most efficient and effective ways City investment can help spur the development of on-street charging, off-street charging, and fast charging hubs. The strategy will look at both City property and private sites, and explore potential public-private partnerships with Con Ed and other charging companies. We hope to finalize it by December.

Finally, as the Mayor recently announced during his Staten Island week, DOT will be taking a simple but important step ferry commuters have long been asking for, lower level boarding during the morning rush at St. George terminal, in addition to Whitehall terminal, beginning this fall. To implement lower level boarding at the St. George terminal, DOT's Executive Budget includes \$900,000 for two deckhands and contract security staff.

And of course, DOT will be doing so much more. As I discussed in my previous testimony, in the year ahead this budget will allow us to continue our record setting repaving work, execute the next phases of our Great Streets program on the Grand Concourse, Queens Boulevard, and Atlantic Avenue, keep expanding protected bike lanes, proceed with construction of three new Ollis class ferries, implement a carshare pilot program as codified by the Council, complete our Citywide Transit Study, and so much more. And we will be partnering with the MTA to add more SBS routes, working with Motivate to expand Citi Bike in three boroughs, and coordinating with EDC to roll out new ferry service across the City, from Astoria to the Rockaways.

### **PROJECT DELIVERY AND STATE OF GOOD REPAIR**

As I said in my previous testimony, DOT is working to execute capital projects on time and on budget, even as we commit record amounts of contract dollars. We are working very hard to streamline our own internal procedures and we are eager to partner with our sister agencies and continue a conversation with the Council on improvements to the scoping, procurement, delivery, and oversight of capital projects.

For DOT, highlights of this year's capital program include work on some of our major bridges, the Queensboro and Manhattan Bridges, and moving forward with the replacement of the Unionport Bridge in the Bronx.

Finally, when it comes to delivering our largest and most complicated capital projects, the most urgently needed improvement to our process is the use of design-build. New Yorkers were recently happy to see the opening of the first of two new spans of the Kosciuszko Bridge to carry the BQE over Newtown Creek. And the innovative, striking design was completed in just two years, thanks to New York State's use of design-build.

But as we all know, just a few miles down the road, New York City lacks state authorization to use the same process to reconstruct the triple cantilever. DOT believes we could reduce both the \$1.7 billion cost to taxpayers and the length of time necessary if we were allowed to use the same process the state gives itself, and we are continuing to seek that authorization in Albany.

### **EFFICIENCIES**

Turning to our ongoing effort to find efficiencies, on top of the savings identified in the November plan and the Preliminary Budget, DOT's Executive Budget includes \$15.5 million in additional new savings for, and \$6.2 million in savings as part of citywide initiatives.

DOT will save \$1.9 million a year in both FY18 and FY19 by performing underwater inspections of our Molinari class ferries in lieu of dry-docking. And while unfortunately we will not be able to replace the use of dry-docking entirely, especially on our older ferries, the new Michael Ollis and Sandy Ground ferries will be able to take advantage of this practice when they arrive in 2019 and 2020.

And we found even more savings from efficiencies realized through the rollout of our ParkNYC program that allows New Yorkers to pay for parking using their cell phones.



As we speak, ParkNYC is active in all of Manhattan and the Bronx. We will actually be going live in Brooklyn and Staten Island tomorrow and we expect completion of the rollout when Queens comes online later in the summer.

In my previous testimony, I reported that we expect to save about \$1.7 million in personnel costs and credit-card processing payments through the efficiencies of this program. We took another look during the Executive Budget process and determined that we can reduce an additional five positions, saving another \$200,000 annually starting in 2019.

In addition to these and other savings identified by DOT, we will make reductions of \$3.6 million annually in our fleet budget and \$2.6 million in overtime as part of a citywide savings initiative.

### **CONCLUSION**

In the year ahead, DOT will be focused on big transportation challenges and opportunities facing the city: the impending L train closure, emergency track repairs at Penn Station, plans to replace the Port Authority Bus Terminal, increased congestion in the Manhattan core and elsewhere, and of course the urgent need to continue driving down the number of fatal traffic crashes on our streets.

At the same time, DOT will be focusing on our everyday commitment to maintain our streets and sidewalks, a multitude of signs, signals, markings, and street lights, and so much more, from the Brooklyn Bridge to the Staten Island Ferry, that New Yorkers use every day.

As always we will be balancing the needs of all users of our streets while enhancing shared public space and expanding a transportation network that is safe, sustainable, equitable, and efficient to support the needs of our communities and the economy of the City and the region.

Thank you for the opportunity to testify before you today and I will now be happy to answer any questions.

**THE COUNCIL  
THE CITY OF NEW YORK**

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I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Stephanie Belisle

Address: \_\_\_\_\_

I represent: MTA

Address: 2350 Broadway, NYC, 10004

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Date: \_\_\_\_\_

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Name: Douglas Johnson

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I represent: MTA

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Name: Commissioner Meera Joshi

Address: \_\_\_\_\_

I represent: TLC

Address: \_\_\_\_\_

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Name: Assistant Commissioner Vincent Chin

Address: \_\_\_\_\_

I represent: TLC

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(PLEASE PRINT)

Name: Rebecca Zack

Address: \_\_\_\_\_

I represent: Acting Commissioner, Interagency, NYC DOT

Address: \_\_\_\_\_

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Name: Polly Trottenberg

Address: \_\_\_\_\_

I represent: Commissioner, NYC Department of Transportation

Address: \_\_\_\_\_

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Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Elisabeth Franklin

Address: \_\_\_\_\_

I represent: Acting Commissioner, Budget & Capital, NYC DOT

Address: \_\_\_\_\_

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Date: 27 April 10

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Name: Bettina Damiani

Address: 11 Park Place #701 10007

I represent: Good Jobs New York

Address: \_\_\_\_\_

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Date: 4/27/10

(PLEASE PRINT)

Name: JAMES PARROTT

Address: 11 Park Place

I represent: FISCAL POLICY INSTITUTE

Address: same

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☒ in favor ☐ in opposition

Date: 4/27/10

(PLEASE PRINT)

Name: John Petro

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I represent: Drum Major Institute

Address: \_\_\_\_\_

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