

**STREETS DEPARTMENT
FISCAL YEAR 2018 BUDGET TESTIMONY
APRIL 26, 2017**

INTRODUCTION

Good morning, President Clarke and Members of City Council. I am Carlton Williams, Commissioner of the Streets Department. Joining me today is Richard Montanez, Deputy Commissioner for Transportation, Keith Warren, Deputy Commissioner for Sanitation and Christopher Newman, Deputy Commissioner for Administration. I am pleased to provide testimony on Streets' Fiscal Year 2018 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Streets Department provides clean, green, and safe streets in a cost-effective and efficient manner. The Department delivers a number of City services that are critical to maintaining the public health and safety in Philadelphia's neighborhoods. Key services include curbside trash and recycling collection from over 540,000 households; maintenance of 2,225 miles of roadways, including paving, traffic control devices, street lighting and snow and ice removal; and construction and maintenance of 320 bridges.

Streets accomplishes this work through the following programs:

- **Solid Waste Collection and Disposal:** This program is responsible for residential and commercial solid waste collection and disposal, along with street cleaning.
- **Recycling Promotion and Processing:** This program maximizes collection and processing of recyclable materials. Diverting these materials from the solid waste stream reduces solid waste tonnage and increases cost-effectiveness and efficiency. The Department also develops and coordinates education and outreach programs to bolster recycling rates.
- **Sanitation Education, Enforcement and Compliance:** The Department monitors commercial and residential areas to enforce compliance with sanitation code and regulations, and performs outreach to neighborhoods and their representatives to conduct cleaning and beautification efforts.
- **Paving and Roadway Maintenance and Repair:** This program maintains streets, ADA ramps, and roadways by repaving and repairing deteriorating road conditions, including potholes. This program also removes snow and ice and scales back overgrown vegetation that affects traffic flow.
- **Right-of-Way Management:** This program ensures the safe egress of traffic, including vehicles, bicycles, and pedestrians, when streets and sidewalks are closed or detoured due to construction work. This program is also responsible for determining the location, time, method, and manner for openings or excavations of City streets for utility construction and repair.
- **Traffic Engineering, Maintenance and Management:** This program identifies problematic intersections and develops solutions to ensure traffic safety and efficiency in these areas. This program also oversees the installation and operation of traffic control devices and signage.
- **Street Lighting Maintenance and Repair:** This program is responsible for Philadelphia's 100,000 streetlights. Contractors respond to service complaints, inspect lights that are not working, and replace lamps and photo-controls. PECO powers all streetlights and repairs utility lines. City workers repair downed streetlight poles and broken luminaries and replace obsolete equipment.
- **Engineering Design and Construction:** This program coordinates, reviews, and approves private development and roadway, signal, and streetscape projects. Projects are opportunities to develop systemic efficiencies, reduce fuel consumption, and expand bike and pedestrian pathways.
- **City Street Plans and Surveying:** This program studies and revises the City's general street system plans while also maintaining maps of land use, the general system, and street names. This program also maintains street and surveying plans, which are available upon public request.

STREETS DEPARTMENT

- **General Administrative Support:** This program is responsible for agency-wide management, including finance, human resources, occupational health and safety, and planning and analysis.

Plans for Fiscal Year 2018:

Zero Waste Initiative: The Streets Department is continually innovating to improve the cost efficiency and effectiveness of the city's waste management operations, working on a systematic assessment of alternative methods and waste processing technologies that promise long-term operational, economic and environmental sustainability. Maintaining its traditional multi-faceted efforts towards improved waste management, Streets has joined an interdepartmental "Zero-Waste Litter Cabinet" task force comprised of several City departments and agencies, with the objective of establishing a combined, comprehensive approach to reducing litter and increasing waste diversion to other sources. These efforts will serve as the basis for a ten-year update to the City's Municipal Waste Plan.

Vision Zero/Safe & Complete Streets Initiative: Streets remains a vital component of the City's strategic Vision Zero approach to the city's overall safe and complete streets transportation network. Concept solutions are being developed in collaboration with the Office of Transportation and Infrastructure Systems (oTIS) focusing on the most dangerous and problematic intersections and corridors in order to implement various traffic calming and redesign measures to prevent speeding and to provide greater refuge to vulnerable pedestrians and bicyclists. A major part of this effort is the Department's Traffic Operations Center (TOC), which will centralize traffic control and intelligent transportation systems throughout the city. It will continue to expand and become integrated with significantly more signalized intersections. Interconnectivity between the TOC and signalized intersections allows for more real-time signal adjustments to improve driver and pedestrian safety and increase the efficiency of the city's street system.

State of Good Repair for Streets and Roadways: The Department plans to continue to augment roadway resurfacing capacity with the long-term objective of reaching 131 miles of resurfacing annually in order to maintain the local street network in a state of good repair. It is anticipated that the Department will achieve 131 miles of annual resurfacing within seven years. Streets is also enhancing winter storm operations by expanding brining operations and establishing brining deployment operations for each district, as well as experimenting with anti-skid roadway surfaces designed to hold brine and salt more effectively than conventional asphalt. For FY18, the Department expects to complete 75 miles of paving, an increase of 74% over FY17. As part of our overall roadway resurfacing operation and, in conjunction with grants received from State and Federal sources, Streets plans to look for opportunities to establish additional protected bike lanes in coordination with Council members and community organizations to thereby more efficiently expand the miles of protected bike lanes within the city.

Right-of-Way Strategic Focus: As part of overall safe and complete streets initiatives, Streets is strategically focusing on right-of-way management efforts for the safe and efficient egress of multi-modal traffic, when roads and sidewalks are closed or obstructed as a result of these activities. The Department is actively reviewing right-of-way management codes and regulations and intends to move forward in developing a comprehensive package balancing construction and development needs with the safe and efficient egress of traffic in the public right-of-way. New ROW enforcement policy changes will also be implemented which will result in right-of-way operations assuming increased responsibility for the review and inspection of commercial property and private development plans. These changes will ensure there is an increased focus on public safety as it pertains to development plans for the right-of-way.

STREETS DEPARTMENT

Recycling Promotion: Streets has recently been challenged in its efforts to further expand the City's recycling rate in the wake of stabilization to the recycling market over the last several years. The Department is working to expand opportunities to increase recycling participation by focusing on lower-performing areas of the city. A particular focus is on residential multi-family structures that the Streets Department provides collections services to (structures with between 2 and 6 dwelling units). This initiative features development of education and outreach materials targeted to property owners, landlords, and residents.

Increased LED Lighting: The Streets Department continues its ambitious plan to modernize the entire City-owned street lighting systems with energy-efficient LED lighting components, which produce significantly less power consumption, increased traffic safety and a sense of overall public safety. Converting city street lights to LED technology will continue to move forward and will involve testing new lighting designs in order to maximize light output and coverage while reducing energy consumption and increasing traffic safety and a sense of overall public safety.

Engineering Design and Construction: The Streets Department maintains a highly effective and successful capital program, completing an increasing number of innovative projects within project deadlines and coordinating and performing review and approval for multiple and varied private development and various roadways, bridges, signal and streetscape projects around the city. The Department's Capital Program work is strategically aligned with the City's Vision Zero and safe and complete streets initiatives and Streets is proactively working to restore multi-modal access to neighborhoods and closing the gaps to provide safe egress for pedestrians and bicyclists in key breaks to the city's multi-modal network.

STREETS DEPARTMENT

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2016)*				
	Total	Minority	White	Female
Number of Full-Time Staff	1712	1463	249	249
Number of Civil Service-Exempt Staff	3	2	1	0
Number of Executive Staff (division directors and above)	8	4	5	1
Average Salary, Full-Time Staff	\$41,047	\$39,214	\$51,384	\$41,561
Average Salary, Civil Service-Exempt Staff	\$129,792	\$139,688	\$110,000	N/A
Average Salary, Executive Staff	\$118,720	\$126,649	\$110,379	\$108,733
Median Salary, Full-Time Staff	\$37,105	\$36,948	\$45,382	\$36,948
Median Salary, Civil Service-Exempt Staff	\$129,375	\$139,688	\$110,000	N/A
Median Salary, Executive Staff	\$114,245	\$123,932	\$108,733	\$108,733

*Data is as of December 31, 2016.

Employment Levels (as of December 2016)*		
	Budgeted	Filled
Number of Full-Time Positions	1804	1712
Number of Part-Time Positions	0	0
Number of Civil-Service Exempt Positions	5	3
Number of Executive Positions	9	8
Average Salary of All Full-Time Positions	\$40,414	\$41,047
Median Salary of All Full-Time Positions	\$36,620	\$37,105

General Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$72,724,132	\$76,874,569	\$72,707,604	\$75,383,679	\$78,481,768	\$3,098,089
Class 200 - Purchase of Services	\$48,819,455	\$51,875,823	\$48,989,455	\$48,897,434	\$49,726,261	\$828,827
Class 300 - Materials and Supplies	\$3,369,739	\$3,049,662	\$3,349,738	\$3,365,776	\$3,049,738	(\$316,038)
Class 400 - Equipment	\$440,223	\$702,070	\$460,224	\$460,224	\$5,796,486	\$5,336,262
Class 500 - Contributions	\$53,171	\$12,910,311	\$53,171	\$53,171	\$53,171	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$214,000	\$0	(\$214,000)
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$125,406,720	\$145,412,435	\$125,560,192	\$128,374,284	\$137,107,424	\$8,733,140

Professional Services Contracts Summary						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2)
Total amount of contracts	\$79,249,531	\$66,975,297	\$78,051,537	\$66,717,219	\$64,328,495	\$54,196,387
Total amount to M/W/DSBE	\$28,308,160	\$20,138,580	\$23,984,238	\$22,440,638	\$20,721,266	\$20,042,213
Participation Rate	36%	30%	31%	34%	32%	37%

M/W/DSBE Contract Participation Goal			
	FY16	FY17	FY18
M/W/DSBE Contract Participation Goal	30%	30%	30%

STREETS DEPARTMENT

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2018 General Fund budget totals \$137,107,424, an increase of \$8,733,140 over Fiscal Year 2017 estimated obligation levels. This increase is primarily due to increase of funding for paving operations.

The proposed budget includes:

- \$78,481,768 in Class 100, a \$3,098,089 increase over FY17. This funding will pay for employee compensation in the Department, including salary and overtime. The increase is attributed primarily to a significant funding increase for roadway paving operations.
- \$49,726,261 in Class 200, an \$828,827 increase over FY17. This funding remains relatively stable and will pay for contracted services dealing with solid waste removal, recycling processing, snow plowing and disposal contractors, professional service contracts, the Department's Future Track program and training and development.
- \$3,049,738 in Class 300, a \$316,038 decrease over FY17. This funding will support the Department through the purchase of supplies and materials to help sustain our various operations. The decrease is primarily the result of a decrease in roadway line stripping funding which will be covered through a separate funding source.
- \$5,796,486 in Class 400, a \$5,336,262 increase over FY17. This funding will pay for equipment for the Department. The significant increase is primarily attributable to funding increases for the purchase of vehicle equipment to be used for roadway resurfacing.
- \$53,171 in Class 500, an equal amount with FY17. This funding will pay for contributions by the Department for the Philadelphia More Beautiful Committee (PMBC).
- \$0 in Class 800, an \$214,000 decrease over FY17. This funding will not be used for payments to other funds.

STREETS DEPARTMENT

STAFFING LEVELS

The Department is requesting 1,839 budgeted positions for FY18, an increase of 35 positions from last fiscal year. This increase is attributed to a significant staffing increase for our roadway paving operations. The additional positions will allow for the establishment of a second paving crew by the fall of 2017, a critical step towards the seven-year objective of reaching 131 miles of resurfacing annually. The Department's overall budgeted position levels provide the necessary staffing required for peak times of the year, accounting for the seasonality of operations which fluctuate according to need. Streets typically increases its hiring rates during the spring and summer months, as this represents the time period for the highest sustained collection tonnage rates as well as the bulk of the roadway paving season. The Department is currently in the process of hiring new sanitation workers in preparation for increased volume in the spring and summer months and additional highways workers for the paving season.

NEW HIRES

New Hires (from January 1, 2017 to April 17, 2017)				
	Total Number	Spanish	Malayalam	Arabic
Black or African American	21	0	0	0
Asian	2	0	1	1
Hispanic or Latino	2	1	0	0
White	5	0	0	1
Total	30	1	1	2

STREETS DEPARTMENT

PERFORMANCE, CHALLENGES, AND INITIATIVES

FY18 Performance Measures: Solid Waste Collection and Disposal				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Tons of refuse collected and disposed	574,330	277,640	571,145	565,500
On-time collection (by 3 PM): trash	84.3%	80.4%	93.0%	96.0%

FY18 Performance Measures: Recycling Promotion and Processing				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Recycling rate *	20.5%	21.2%	20.0%	21.0%
On-time collection (by 3 PM): recycling	95.8%	95.3%	97.0%	97.0%

* There is seasonality to this rate. Leaf collections in the fall inflate the tonnage, which then normalizes in the remaining months.

FY18 Performance Measures: Sanitation Education, Enforcement and Compliance				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Number of citations issued	88,075	38,333	111,905	109,667
Number of contacts and warnings	51,113	18,623	57,023	76,800

FY18 Performance Measures: Paving and Roadway Maintenance and Repair				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Miles resurfaced (1 mile = 17,250 sq. yds)	43.0	37.0	55.0	75.0
Pothole response time (days) *	2.0	2.0	3.0	3.0

* Following investment in repaving efforts, performance is expected to improve in future years.

FY18 Performance Measures: Right-of-Way Management				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Number of permits issued	21,646	13,460	23,500	24,000
Number of ROW inspections	13,865	6,234	12,000	13,200

FY18 Performance Measures: Traffic Engineering, Maintenance and Management				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Average days to repair traffic light	1.0	1.0	1.0	1.0
Average days to repair traffic sign	27	31	29	29

STREETS DEPARTMENT

FY18 Performance Measures: Street Lighting Maintenance and Repair				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Percent of repairs to knock down poles completed within 3 days	95.0%	95.0%	95.0%	95.0%
Percent of repairs to defective luminaries within 13 days	95.0%	95.0%	95.0%	95.0%

FY18 Performance Measures: Engineering Design and Construction				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Number of ongoing construction projects *	N/A	18	15	15
Number of ongoing designs *	N/A	32	20	20

* Lower FY17 estimates and FY18 targets indicate that the Department is completing projects. FY18 targets represent a more optimal workload.

FY18 Performance Measures: City Street Plans and Surveying				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Average days survey district response time *	34.0	35.0	40.0	50.0
Total cost of survey services provided to others**	\$2,409,317	\$1,291,437	\$2,120,000	\$1,800,000

* The workload volume for this program is expected to increase substantially going forward as a result of increased Streets construction projects. This is projected to significantly increase the overall response time.

** This represents survey services performed for developers and the general public. The variations are as a result of the workload volume increasing.

FY18 Performance Measures: General Administrative Support				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Number of operating invoices processed	N/A	2,104	5,000	5,000
Average days to process operating invoices	N/A	4.0	4.0	4.0

STREETS DEPARTMENT

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

A variety of grants and state funding allocations represent more than 35% of the Department's overall FY18 budget. This includes multiple state and federal grants, as well as the state provided Special Gas Tax, County Liquid Tax, and Title Registration Fee funding allocations.

As a result of Pennsylvania Act 89, comprehensive transportation legislation enacted by the state several years ago, the Department has received incrementally increased Special Gas Tax (SGT) formula funding. The Department has budgeted \$38 million in SGT funding for FY18 to reflect the allocation increases, representing a more than 49% increase in budgeted SGT amounts over the last five fiscal years. The state's annual County Liquid Tax Fund allocation is also included as part of the Department's FY18 budget at \$6.2 million. This includes \$2.5 million from new vehicle title registration fee revenues through a provision of Act 89 which enabled Philadelphia County to increase new vehicle title registration fees and direct the revenue generated the City's Streets Department for traffic safety and roadway maintenance purposes.

The Department's successful pursuit of available grants funding over the years has resulted in significant authorized grant-related appropriations. Grant appropriations have increased from 4% of the total operating budget in FY08 to the Department's requested 15% in FY18, a total of \$32,628,000. Grant funding increases have come principally from state funding associated with PennDOT's Automatic Red Light Enforcement (ARLE) funding program. Other PennDOT grant sources for FY18 include the Green-Light Go program, Safety and Enforcement program and LED Light Improvement program. The Department also receives a significant amount of grant funding from the state's Department of Environmental Protection for recycling program operations.

Federal grant funding is provided through the Department of Transportation under a Congestion Mitigation and Air Quality (CMAQ) grant and National Bridge Inspection grant. There is also a federally funded grant through the Delaware Valley Regional Planning Commission for supportive regional highway planning purposes.

STREETS DEPARTMENT

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY17											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits)	Waiver for Living Wage Compliance?
WASTE MANAGEMENT	WASTE REMOVAL	\$24,722,000	10/18/2011	7/1/2012	MBE: 25-50%	0%	\$0	40%	\$9,888,800	No	No
					WBE: 25-50%	40%	\$9,888,800				
					DSBE: 0%	0%	\$0				
COVANTA RECOVERY	WASTE REMOVAL	\$11,200,000	10/18/2011	7/1/2012	MBE: 25-50%	11%	\$1,232,000	26%	\$2,912,000	No	No
					WBE: 25-50%	15%	\$3,696,000				
					DSBE: 0%	0%	\$0				
LEVLANE ADVERTISING	ADVERTISING	\$2,545,000	3/7/2016	7/1/2012	MBE: 15-17%	0%	\$0	25%	\$636,250	Yes	No
					WBE: 10-12%	25%	\$865,300				
					DSBE: 0%	0%	\$0				
JAMES J. ANDERSON CONSTRUCT	CONSTRUCTION	\$2,843,650	9/13/2016	10/19/2016	MBE: 10-15%	8%	\$227,492	10%	\$284,365	Yes	No
					WBE: 10-15%	2%	\$56,873				
					DSBE: 0%	0%	\$0				
DAWOOD	ARCHITECTURE	\$2,000,000	6/23/2014	10/1/2014	MBE: 10-15%	85%	\$1,700,000	100%	\$2,000,000	No	No
					WBE: 5-10%	15%	\$300,000				
					DSBE: 0%	0%	\$0				

STREETS DEPARTMENT

EMPLOYEE DATA

Staff Demographics (as of December 2016)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	1,160	204	<i>Total</i>	2	0
<i>% of Total</i>	68%	12%	<i>% of Total</i>	25%	-
<i>Average Salary</i>	\$38,561	\$40,347	<i>Average Salary</i>	\$139,688	-
<i>Median Salary</i>	\$36,323	\$36,244	<i>Median Salary</i>	\$139,688	-
	White	White		White	White
<i>Total</i>	225	24	<i>Total</i>	4	1
<i>% of Total</i>	13%	1%	<i>% of Total</i>	50%	13%
<i>Average Salary</i>	\$51,475	\$50,562	<i>Average Salary</i>	\$110,790	\$108,733
<i>Median Salary</i>	\$45,486	\$40,755	<i>Median Salary</i>	\$109,167	\$108,733
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	42	7	<i>Total</i>	1	0
<i>% of Total</i>	2%	0.4%	<i>% of Total</i>	13%	-
<i>Average Salary</i>	\$41,210	\$37,700	<i>Average Salary</i>	\$118,489	-
<i>Median Salary</i>	\$37,283	\$36,594	<i>Median Salary</i>	\$118,489	-
	Asian	Asian		Asian	Asian
<i>Total</i>	20	8	<i>Total</i>	0	0
<i>% of Total</i>	1%	0%	<i>% of Total</i>	-	-
<i>Average Salary</i>	\$47,881	\$57,354	<i>Average Salary</i>	-	-
<i>Median Salary</i>	\$43,890	\$56,109	<i>Median Salary</i>	-	-
	Other	Other		Other	Other
<i>Total</i>	16	6	<i>Total</i>	0	0
<i>% of Total</i>	1%	0.4%	<i>% of Total</i>	-	-
<i>Average Salary</i>	\$40,062	\$43,770	<i>Average Salary</i>	-	-
<i>Median Salary</i>	\$36,090	\$42,756	<i>Median Salary</i>	-	-
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	71	18	<i>Total</i>	1	0
<i>% of Total</i>	4%	1%	<i>% of Total</i>	13%	-
<i>Average Salary</i>	\$43,742	\$50,602	<i>Average Salary</i>	\$118,489	-
<i>Median Salary</i>	\$39,392	\$42,272	<i>Median Salary</i>	\$118,489	-
	Male	Female		Male	Female
<i>Total</i>	1,463	249	<i>Total</i>	7	1
<i>% of Total</i>	85%	15%	<i>% of Total</i>	88%	13%
<i>Average Salary</i>	\$39,230	\$41,561	<i>Average Salary</i>	\$120,146	\$108,733
<i>Median Salary</i>	\$39,868	\$36,948	<i>Median Salary</i>	\$118,489	\$108,733

STREETS DEPARTMENT

NUMBER OF BILINGUAL EMPLOYEES

Number of Bilingual Employees																	
	Spanish	Greek	Tagalog	Arabic	Malayalam	Hindi	Gujarati	Cantonese & Mandarin	Punjabi	Urdu	Russian	Bengali	German	French	Italian	Japanese	Korean
Engineering/Surveys	2	0	0	1	4	3	1	0	0	2	1	1	0	2	0	0	0
Highways	4	0	0	3	1	2	1	0	1	1	0	0	0	2	2	1	1
Street Lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Traffic	5	0	2	3	1	2	1	1	0	2	0	0	2	2	0	0	0
Sanitation	17	2	0	1	0	0	0	0	0	0	1	0	3	1	0	0	0
Administration	1	0	0	0	2	0	0	2	0	0	0	0	1	0	0	0	0
Total - All Divisions	29	2	2	8	8	7	3	3	1	5	2	1	6	7	2	1	1
Total - # of Bilingual Employees	88																
Total - # of Languages Spoken	17																