

**STREETS DEPARTMENT
FISCAL YEAR 2015 BUDGET TESTIMONY
APRIL 8, 2014**

EXECUTIVE SUMMARY

The Streets Department's mission is to provide clean, *green* and safe streets. The Department accomplishes its mission through delivery of a variety of services provided through its Sanitation and Transportation Divisions. Our largest Division, Sanitation, manages the city's municipal solid waste plan, and develops and implements strategies to improve trash and recycling collection for its 540,000 households. The division has implemented a waste disposal contract that will nearly eliminate landfilling of waste and will embark on an assessment of alternative waste processing technologies.

The Department's curbside recycling program continues to set records, with 120,220 tons of recyclables collected in FY 2013, the seventh consecutive year reaching an all-time high in total tonnage and the trend is continuing. While the residential diversion rate now stands at 20 percent, the continuing trend could push the year-end rate to 22 percent and the division continues to meet its on-time recycling collection rate of 97%.

The Department is continuing its partnership with Recyclebank for management of the innovative Philly Recycling Rewards incentive and promotion program which grows resident engagement through redemption of rewards "points" and the Department was recently awarded for its work with Recyclebank at the 2013 U.S. Conference of Mayors. We continue to expand the network of Big Bellies, work with partner agencies on sustainable recycling efforts and other initiatives. With these efforts to reduce litter and increase recycling, the City of Philadelphia is well on its way to be the cleanest and greenest city.

The Department's Transportation Division has a wide and varied charge with responsibility for designing and maintaining a vast network of 2,525 miles of roads and bridges, an extensive traffic control and street lighting system with 100,000 street lights and 18,000 alley lights. The division also has primary responsibility for snow removal operations.

The Department continues to implement a variety of traffic calming strategies in support of safe transportation systems and in 2013, the Traffic Division, implemented a pilot tested on Kelley Drive where excessive speeds triggered a traffic signal change which resulted in reducing speeds.

In partnership with the Mayor's Office of Transportation and Utilities, the Department is in the process of establishing a fully integrated Traffic Operations Center (TOC) that will centralize traffic control and allow for real time adjustments to improve driver and pedestrian safety, increase the efficiency of the City's street system and lead to reduced fuel consumption.

In support of green and safe streets, the Department's Traffic group continues to seek new lighting technologies to lower energy consumption. The department along with Mayor's Office is improving safe streets through the implementation of the \$3.6 million dollar center city lighting project which will illuminate a quarter mile radius around City Hall and the department continues its work on alley lights.

The Survey and Design Unit plans and constructs city bridges and designs city streets, highways and one of the key projects includes the Delaware Avenue extension project. Streets is improving access for waterfront businesses and reducing truck traffic on streets in adjacent neighborhoods by extending Delaware Avenue along the river from Lewis St. to Buckius St. under a two-phase construction project which began in March 2014. The Delaware Ave. North Extension Project is the first new major roadway to be constructed by the City of Philadelphia in decades. When constructed, it will serve as a truck-and-people-friendly mover of commercial traffic along the Delaware Riverfront.

The Transportation Division's Highways Unit leads the City's snow removal efforts and has demonstrated incredible leadership during one of the worst winter seasons with a record breaking 18 events and the second snowiest winter in the City's history. These extreme events in FY14 have had an impact on the department's operations and its budget. Slowed collections, contaminated recycling, increased need for cleaning, deteriorating road conditions and increased down signals, signs and lights have created safety issues for public. The hard work of the employees of the department has been remarkable.

We will continue to consistently deliver services in an effective and cost efficient manner as clean, green and safe streets directly impacts the quality of life for all city constituents.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

The Streets Department requests a General Fund Appropriation of \$116,866,689, which represents a 1% (\$1,19 million) decrease over the FY14 Current Estimate which reflects the net effect of providing \$306,000 for increased disposal costs in FY15 and as a result of higher than expected snow removal costs in FY14, which are not budgeted for in FY15 as the City budgets according to a five-year historical average for contracted snow removal costs.

- The \$116 million General Fund allocation for FY15 includes \$66,970,101 for personal services in Class 100, \$46,033,455 for the purchase of services in Class 200, \$3,809,962 for materials, supplies and equipment in Class 300/400, and \$53,171 in Class 500.

The Streets Department requests a total appropriation of \$179,034,800 for the FY15 Budget.

- The FY15 overall appropriation accounts for an increase \$931,000 in appropriations for Special Gas Tax which will be used for the purchase of materials and equipment to account for the anticipated increase in funds from the Transportation Bill to bring our roads and bridges into a state of good repair.
- Also, the budget requests an increase of \$8,379,000 in Grant appropriations for anticipated Automatic Red Light Enforcement funds to be used for traffic calming and overall traffic safety improvements.

**STREETS DEPARTMENT
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Financial Summary by Class - General Fund

	Fiscal 2013 Actual Obligations	Fiscal 2014 Original Appropriations	Fiscal 2014 Estimated Obligations	Fiscal 2015 Proposed Appropriations	Difference FY14 - FY15
Class 100 - Employee Compensation	\$65,090,112	\$65,970,101	\$67,470,101	\$66,970,101	(\$500,000)
Class 200 - Purchase of Services	\$40,508,813	\$45,727,455	\$46,727,455	\$46,033,455	(\$694,000)
Class 300 - Materials and Supplies	\$3,193,187	\$3,379,739	\$3,379,739	\$3,379,739	\$0
Class 400 - Equipment	\$337,240	\$430,223	\$430,223	\$430,223	\$0
Class 500 - Contributions	\$9,566,117	\$53,171	\$53,171	\$53,171	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$118,695,469	\$115,560,689	\$118,060,689	\$116,866,689	(\$1,194,000)

	Total	Minority	White	Female
Full-Time Staff	1709	84%	16%	14%
Executive Staff	11	45%	55%	36%
Average Salary - Executive Staff	\$98,580	\$84,214	\$110,552	\$83,339
Median Salary - Executive Staff	\$100,000	\$76,875	\$102,787	\$95,267

Employment Levels*

	Budgeted	Approved	Filled
Full-Time Positions	1778	1778	1709
Part-Time Positions	0	0	18
Executive Positions	11	11	11

Contracts Summary*

	FY09	FY10	FY11	FY12	FY13	FY14*
Total amount of contracts	\$51,496,462	\$50,311,519	\$64,908,761	\$79,249,531	\$66,975,297	\$61,869,350
Total amount to M/W/DBE	\$17,367,557	\$14,521,789	\$17,052,932	\$28,308,160	\$20,138,580	\$19,218,488
Participation Rate	34%	29%	26%	36%	30%	31%

*As of February 2014

**STREETS DEPARTMENT
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

The Streets Department reports on the following performance measures:

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Recycling rate	8.0%	19.0%	20.0%	5.3%	19.5%	21.0%	7.7%	23.0%	23.0%
On-time collections: recycling	98.0%	97.0%	97.0%	0.0%	96.5%	96.5%	0.0%	97.0%	97.0%
On-time collections: trash	98.0%	94.0%	96.0%	2.1%	95.0%	91.0%	-4.2%	96.0%	96.0%
Pothole response time (days)	0.8	1.4	1.3	-7.7%	1.3	1.5	9.8%	2.0	2.0

Philadelphia has experienced the greatest rise in recycling participation in its history, rising from just over 8% in FY08 to 20% for FY13 and 21% in the first half of FY14. The increase has been fueled by changes the Department has made in both the process of collection, implementation of single stream city wide, and addition of materials such as plastics, cardboard and various cartons, and offering Philadelphia Recycling Rewards. The Streets Department is on track to hit its FY14 targets for on-time recycling collection (97%) and pothole response time (under two days). On time trash collections increased from 94% in FY12 to 96% in FY13 but has decreased to 91% in the first half of FY14. Equipment shortages and winter weather that occurred in December contributed significantly to the decrease in on-time collections in the first half of FY14. The extreme winter weather will have a significant impact on performance trends in Q3 of FY14. Snow accumulation and extreme low temperatures, particularly after snowfall, have resulted in slowed trash and recycling collections, as the use of Sanitation employees and equipment to support snow removal efforts diverted resources away from collections. These factors have both contributed to overtime costs and decreased on-time collection times. In addition, often recycling becomes contaminated when there are delays in collections, and citizens have limited recycling storage capacity which impacts recycling rates.

DEPARTMENT CHALLENGES

SNOW: The Streets Department has faced challenges this fiscal year but, nothing has had a greater impact than snow and other winter weather events. The City of Philadelphia has seen one of its worst winter seasons in history. It has been the second snowiest and we have seen a record breaking number of events - nineteen. Thus, costs associated with snow removal efforts have been greater than any prior years.

Snow removal efforts included an expanded brining operation, mobilizing city forces and contractors to brine, plow and salt primary, secondary and tertiary streets throughout the City of Philadelphia. The latest labor costs for snow removal **alone** are in excess of \$4 million and contractor costs are over \$7.9 million.

Extreme temperatures and snow accumulation have resulted in slowed collections; and, the use of Sanitation employees and equipment to support snow removal efforts diverted resources away from collections. Alley collections were also significantly challenging since alleys were often iced over for weeks. These factors contributed both to overtime costs and decreased on-time collection times. There are other impacts as well.

Often recycling becomes contaminated when there are delays in collections and citizens have limited storage capacity which impacts recycling rates. As the snow melts away, debris and leaves have been uncovered creating a need for cleaning crews.

Other divisions' labor and material costs have been similarly impacted by the weather - Traffic & Street Lighting have also realized an increase in overtime due to downed traffic and street lights which created public safety issues. Additional materials and labor are needed as crews continue work on signals, signs and street lights and must work Saturdays to address backlog issues.

The department has repaired over 20,000 potholes and the city is still facing deteriorating road conditions creating safety issues for the public. With the excessive pothole repairs, additional materials are needed.

EQUIPMENT: The Streets Department faces some significant challenges to carrying out its mission in the upcoming years. The primary obstacle to the effective delivery of core services is the department's aging fleet of vehicles. In the Sanitation Division, over one third of its collection of vehicles, are between ten and eighteen years old. The Office of Fleet Management has projected that the department will be required to relinquish the majority of these vehicles by the end of the current fiscal year thus, which will create a debilitating effect on rubbish and recycling collections.

Highways faces similar challenges as less than a quarter of their existing fleet of dump trucks is less than 10 years old. Other, specialized equipment used in the maintenance and repair of our city streets are in similar stages of their life cycle. This winter season has accelerated the relinquishment schedule of equipment and without an infusion of new equipment in the very near future, it may become impossible to continue current operations thus creating a situation where streets will become dangerous to motorists, bicyclists, and pedestrians.

STAFFING LEVELS

The Department is budgeted for 1,789 positions at peak times of year. To account for the seasonality of operations filled levels will fluctuate according to need. The Department is currently preparing for the increased operational activities in the spring and summer months. There are approximately 100 new hires in progress which should bring the department up to full capacity.

Number of new hires by ethnicity

FY14 New Hires

Race	Number of Employees	Percentage
White (Not Hispanic or Latino)	21	18%
Black or African American (Not Hispanic or Latino)	81	68%
Hispanic or Latino	3	3%
Asian (Not Hispanic or Latino)	11	9%
Two or More Races (Not Hispanic or Latino)	1	2%
Total	117	100%

Number of staff by language

The Department does not have language data to report at this time; however, the Streets Department is committed to serving citizens of this City. To that end, the department is seeking to hire Clean Block Officers who are fluent in Spanish, Cantonese and Vietnamese. (These languages were selected based on community need; CBOs will work with communities to educate and to enforce sanitation regulations.)

The Department is also initiating a customer satisfaction survey on snow operations and implementing mass text updates in multiple languages.

ONGOING INITIATIVES

Future Track: In January 2013, the Streets Department, in partnership with the Mayor’s Office, implemented the Philly Future Track program. Designed to engage 18-24 year olds not currently enrolled in higher education or employed, it aimed to improve public safety in neighborhoods by involving the young adults in the removal of litter and debris, while creating jobs, helping them earn a livable wage and preparing them for full time employment.

Participants of this program gained meaningful work experience and life skills, learned positive work attitudes, and developed professional work habits and behaviors that will help to ensure their preparedness for success in today’s workforce environment. The Department is currently leading the second administration of this exciting program and hopes to continue its efforts developing citizens and improving communities and looks forward to the next administration of the program in FY15.

Philly Future Track (through 1/14/14)

- Budget: General Fund - \$1.46 million
- Participants Hired: program high – 90; current 72
- Alleys cleaned: 383
- Solid waste removed: 1,248,360 lbs; 624.18

Future Track Trainees: Building on the success of the Future Track initiative, the Streets Department created a new program to build competencies and further develop the skills of Future Track graduates in various trades or specific areas such as, surveying. The inaugural class of Future Track *Trainees* is focused on building skills and preparing them for a career in the field of Land Surveying.

Selected graduates for the “Survey the Future” program all displayed marked professional improvement in the job readiness program, exceptional math aptitude, enthusiasm and teamwork. Future Track Trainees build their surveying competencies in this structured and supportive learning program through a variety of learning experiences including structured and interactive classroom activities, independent assignments, shadowing and fieldwork where they have the opportunity to apply concepts learned. All of the specialized training is lead by the Department’s Survey Bureau subject matter experts. Future Track Trainee participants also benefit from daily sessions with their assigned mentors to review problems and work through solutions. They also regularly meet with HR Professionals to help Future Track Trainees to meet their personal, educational and career goals and aspirations.

This unique program is funded by the Streets Department and is positioned to help the department bridge future knowledge gaps as the Department prepares for retirements of seasoned staffers and to supplement the workforce needed as the Department continues to support the Redevelopment Authority’s Land Back activities with the services of our expert surveying staff.

The Department is excited about the Trainee program and the continued success of its participants as Engineering Aides and hopes to expand the program possibly in connection with other city departments.

Philly Spring Cleanup

This is the Streets Department’s citywide cleaning effort which mobilizes volunteers and engages citizens to take an active role in their communities. A total of 13,198 volunteers participated in cleaning and greening projects across Philadelphia. The department led the City’s 6th Annual Philly Spring Cleanup in 2013 and had an unprecedented 565 projects, far surpassing previous records. Volunteers removed 1,014,540 pounds of trash and 23,341 pounds of recyclable material. This year’s cleanup is scheduled for April 5, 2014.

BigBellys

The Street Department's Sanitation Division continues to build its network of BigBelly units which have substantially reduced collection frequency in the Center City section of the City from 17 per week to about 3 per week. Operational savings are realized as a result as well as a reduction in greenhouse gas emissions and fuel costs by reducing the number of vehicles required for collections. During the summer and fall of 2013, The Sanitation Division completed the installation of 65 additional BigBelly units along ten business corridors in coordination with the Commerce Department's business corridor streetscape development projects.

2013 BigBelly Program Update

- 971 BigBelly Units Installed Citywide
- Over 400 Recyclers Installed Citywide
- Center City Collections 3 times per week, down from 17 prior to BigBelly Program
- Outside Center City Collections 2 times per week, down from 5 prior to BigBelly Program

LEDs

To support “Greenworks” energy savings objectives, the Department is investigating new technologies for the City’s street lighting system that will minimize light pollution and energy usage and provide for improved livability of neighborhoods. Wherever possible, the Department is converting High Pressure Sodium (HPS) to LED thus lowering our energy consumption and increasing our light output to create safer walkways and streets for the safety of pedestrians, bikes and vehicles. The implementation of new lighting standards began FY14 , the first year of a multi-phase project to continue over ten years

NEW INITIATIVES

Recycling: The Streets Department is piloting a 3,000 household program in two neighborhoods to determine whether larger capacity and wheeled (for convenience) recycling bins help increase recycling participation and tonnage yields. Also being studied is whether closed containers have an impact on the litter index by containing materials such as paper.

Snow: Snow removal is an important aspect of safe transportation for citizens and visitors. The Streets Department is undergoing a study to analyze the effectiveness of its snow operations and to explore alternative treatments. The Department plans to develop a robust program which includes the expansion of brining and the introduction of more effective treatments such as magnesium chloride and calcium chloride.

Regulations:

Mattresses and box springs: In order to protect against the spread of bed bugs, new regulations were implemented on December 1 to require citizens to wrap items in mattress covers.

Set out times: Citizens are now able to set out rubbish and recycling at an earlier time of 5:00 pm the evening before the day of collection through fall and winter season (October through March). The summer schedule resumed on April 1.

Bandit signs: Bandit signs and illegal benches continue to blight the City. A program was implemented in 2013 designed to target corridors in communities where these illegal activities are creating significant blight. As of January, the department had written 816 violations for bandit signs and confiscated nearly 200 illegal advertising benches while continuing to partner with community leaders to remove bandit signs and benches.

CONTRACTING EXPERIENCE

M/W/DBE Participation on Large Contracts

FY14 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Waste Management	Waste Removal	\$25,600,000	12/3/11	n/a	MBE: WBE: DSBE:	0% 40% 0%	0 10240000 0	40% \$10,240,000	n/a y n/a
James J. Anderson Construction Co.	ADA Ramp Upgrade	\$12,691,990	5/23/13	8/14/13	MBE: WBE: DSBE:	16% 13% 0%	2030718.4 1649958.7 0	29% \$3,680,677	y y n/a
Covanta Recovery	Waste Removal	\$10,000,000	12/3/11	n/a	MBE: WBE: DSBE:	10% 10% 0%	1000000 \$1,000,000 0	20% \$2,000,000	y y n/a
LevLane	Advertising	\$2,690,000	4/27/12	7/1/13	MBE: WBE: DSBE:	10% 10% 0%	269000 269000 0	20% \$538,000	y y n/a
Dawood	Engineering Design	\$1,500,000	3/17/12	8/1/13	MBE: WBE: DSBE:	80% 20% 0%	1200000 300000 0	100% \$1,500,000	y y n/a

DEPARTMENT EMPLOYEE DATA

Staff Demographics

Full-Time Staff

Executive Staff

	Male	Female	Male	Female
Total	1469	240	7	4
% of Total	86%	14%	64%	36%
	African-American	African-American	African-American	African-American
Total	1114	199	3	1
% of Total	65%	12%	27%	9%
	White	White	White	White
Total	251	26	3	3
% of Total	15%	2%	27%	27%
	Hispanic	Hispanic	Hispanic	Hispanic
Total	39	5	1	0
% of Total	2%	0%	9%	0%
	Asian	Asian	Asian	Asian
Total	20	5	0	0
% of Total	1%	0%	0%	0%
	Other	Other	Other	Other
Total	45	5	0	0
% of Total	3%	0%	0%	0%
	Bi-lingual	Bi-lingual	Bi-lingual	Bi-lingual
Total	0	0	0	0
% of Total	0%	0%	0%	0%