

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Ruben Diaz, Sr.
Chair, Committee on For-Hire Vehicles



Report of the Finance Division on the
Fiscal 2019 Preliminary Budget and the
Fiscal 2018 Preliminary Mayor's Management Report for the
Taxi and Limousine Commission

March 8, 2018

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Taxi and Limousine Commission Overview

Taxi and Limousine Commission (TLC) ensures that that New Yorkers and visitors to the City have access to taxicabs, car services, and commuter van services that are safe, efficient, sufficiently plentiful, and provide a good passenger experience. The Agency Licenses and regulates all aspects of New York City's medallion yellow taxicabs, for-hire vehicles (community-based liveries and black cars), commuter vans, paratransit vehicles (ambulettes), certain luxury limousines and most recently the City's new Green Taxis.

TLC's goals include:

- To establish and enforce professional and uniform standards of for-hire car service and to ensure public safety;
- To ensure that all licensed vehicles meet safety and emissions standards; and
- To ensure all vehicles operating for-hire follow TLC rules and regulations, provide excellent customer service to licensees, and promote excellent customer services for passengers.

Powers and Duties. The Commission has the power and the duty to set and enforce rates of fare to be charged and collected. The Commission is also charged with, not later than the end of April of every odd-numbered year, holding a public hearing to assess the adequacy of the current fares and lease caps established under its Rules. Fare increases are meant to benefit drivers while lease cap increases are set to benefit fleet owners.

TLC Regulated Industries

Yellow Taxis. There are approximately 13,587 medallions with the right to run a yellow taxi within one of the three categories below:

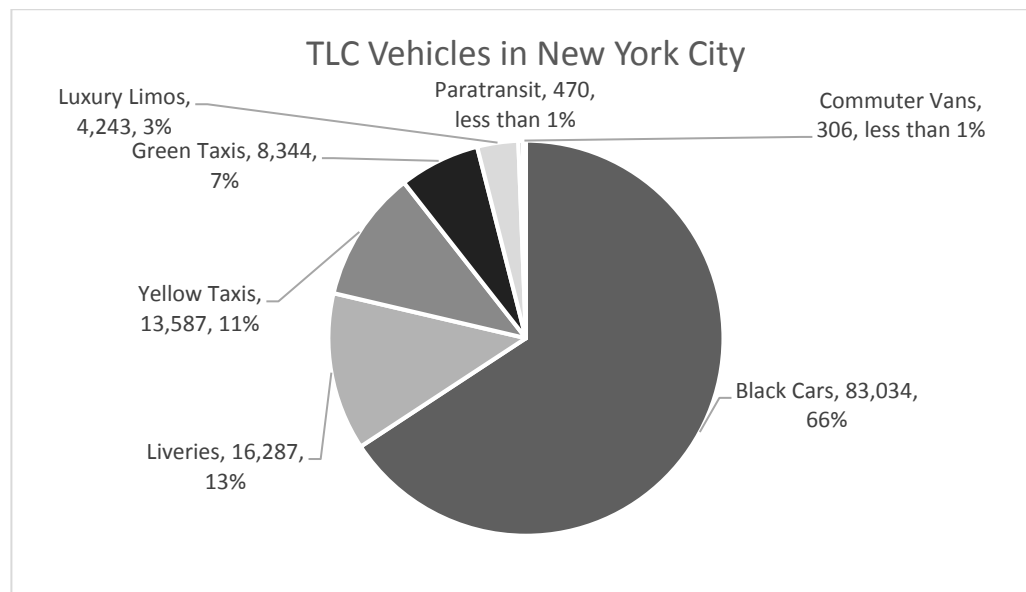
- **Fleets.** Run garages that own and operate many taxis. Drivers lease the taxi on a daily or weekly basis. The lease fee is capped according to TLC regulations.
- **Driver-Owned Vehicles (DOV).** Driver conditionally owns the car but leases the medallion from an agent who manages it for an owner.
- **Individual Owner-Operators.** Driver owns car and medallion.

Street Hail Livery (SHL). Street Hail Livery taxis (also known as Boro or Green taxis) were created as a new class of license in 2012 to provide legal, yellow-caliber taxi service to the boroughs outside of Manhattan Central Business District.

- SHLs are a hybrid service, providing both street-hail and prearranged for-hire vehicle service.
- There are approximately 8,344 SHLs.
- Up to 18,000 SHLs permits are available in total.
- SHLs are not permitted to pick up passengers in Manhattan below East 96th Street or West 110th Street or to serve airport taxi queues.

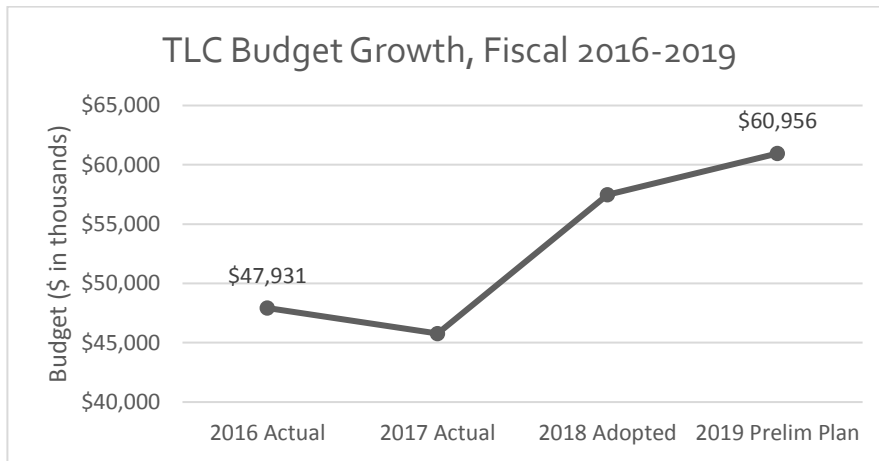
Other For-Hire Vehicles (FHVs).

- **Liveries (also known as Car Services or Community Cars).** Provide for-hire service by pre-arrangement. Currently there are approximately 416 base stations located throughout the five boroughs and 16,287 vehicles. The vehicles must be affiliated with a base.
- **Black Cars.** Provide service mostly for corporate clients, setting fares by contracts with clients. There are about 308 base stations citywide and 83,034 vehicles.
- **Luxury Limousines.** Provide chartered service - currently there are about 4,243 vehicles and 152 companies.
- **Paratransit.** Provide transportation for healthcare facilities. There are about 470 vehicles and over 95 paratransit bases citywide.
- **Commuter Vans.** Provide service for passengers along fixed routes. There are about 306 vehicles and 55 van authorizations presently.

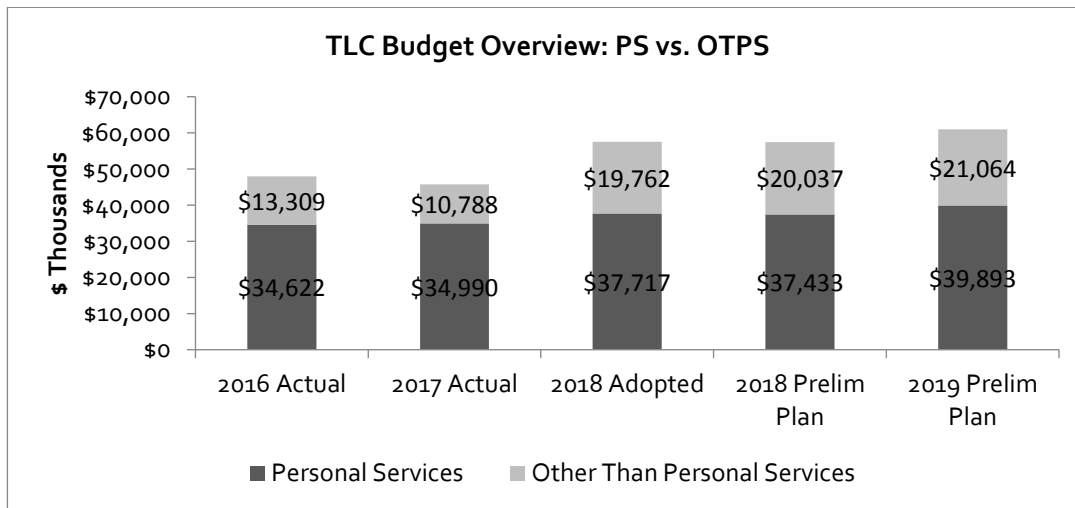


Fiscal 2019 Preliminary Budget Highlights

The Taxi and Limousine Commission's Fiscal 2019 Preliminary Budget totals \$61 million and is funded entirely with City tax-levy funds; this represents 0.07 percent of the City's total Budget of \$88.67 billion. TLC's budget has grown by 6 percent since the Fiscal 2018 Adopted Budget and 27 percent since Fiscal 2016. The budget growth in Fiscal 2019 is primarily due to funding rolls associated with the accessible portion of the SHL permits and an increase in funding for enforcement.



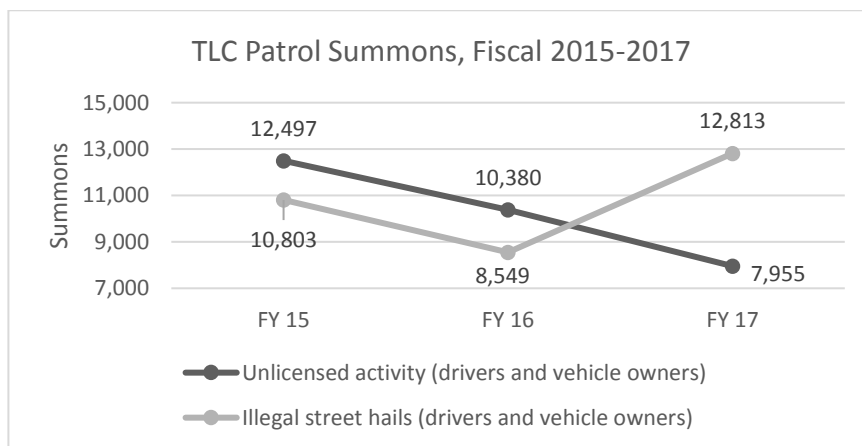
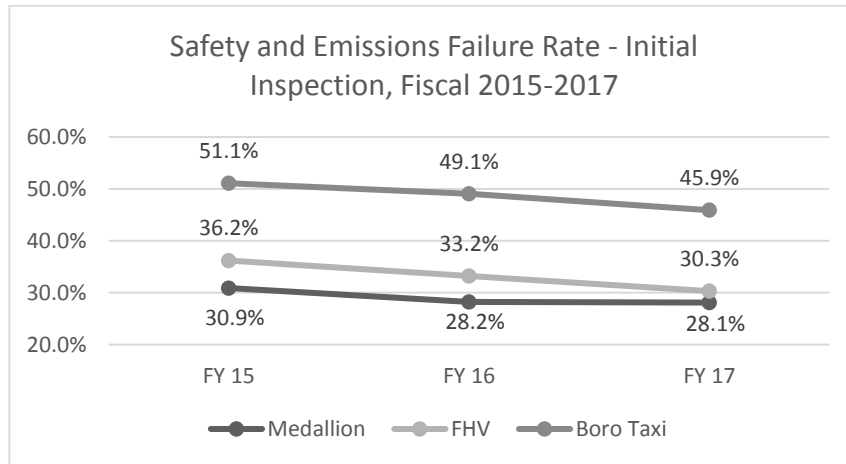
The Preliminary Budget includes \$39.9 million for personal services to support 690 full-time employees and \$21.1 million for Other Than Personal Services costs.



Highlights of TLC’s Fiscal 2019 Preliminary Budget

- **New Needs.** Since the Fiscal 2018 Budget was adopted last June, the Taxi and Limousine Commission has identified new needs of \$500,000 in Fiscal 2018, \$700,000 in Fiscal 2019, and \$500,000 in Fiscal 2020 and in the outyears for OTPS related costs.
- **Citywide Savings Program.** As part of the Citywide Savings Program, the Taxi and Limousine Commission anticipates to generate savings of \$1.5 million in Fiscal 2018, \$1.6 million in Fiscal 2019 and \$1.1 million in Fiscal 2020 and in the outyears. The savings highlights include the following.
 - **PS Savings.** Due to hiring delays, TLC anticipates savings of \$284,000 in Fiscal 2018 and \$512,000 in fiscal 2019 only from personal services costs.
 - **Relocation Savings.** Due to the TLC’s delay in moving their prosecution unit into the Long Island City facility, the Commission will realize savings of \$169,000 in Fiscal 2018 only.

- **Additional For-Hire Enforcement.** The TLC will generate savings of \$1.1 million in Fiscal 2018 and in Fiscal 2019 and in the outyears from increased field and administrative enforcement. The increased enforcement is to improve compliance with safety, accessibility, and consumer protection standards.
- **Miscellaneous Revenue.** The Preliminary Fiscal 2019 Financial Plan forecast for the Taxi and Limousine Commission includes miscellaneous revenues totaling \$164.4 million in Fiscal 2019 of which, \$107 million is from the sale of taxi medallions. Since March of 2014 there have been no new taxi medallions sold yet TLC still continues to carry a forecast of \$107 million.
- **Preliminary Mayor’s Management Report (PMMR) Highlights.** Notable performance metrics reported by the Taxi and Limousine Commission in the Fiscal 2018 PMMR include the following:
 - ✓ Taxi safety and emission failure rates, which have decreased for Medallion Taxis, FHVs, and Boro Taxis
 - ✓ Patrol summonses issued for illegal street hails
 - ✓ Patrol summonses issued for unlicensed activity



Financial Plan Summary

TLC Financial Summary						
<i>Dollars in Thousands</i>						
	FY16	FY17	FY18	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Spending						
Personal Services	\$34,622	\$34,990	\$37,717	\$37,433	\$39,893	\$2,175
Other Than Personal Services	13,309	10,788	19,762	20,037	21,064	1,302
TOTAL	\$47,931	\$45,778	\$57,479	\$57,470	\$60,956	\$3,477
Personal Services						
Additional Gross Pay	\$2,828	\$1,740	\$1,300	\$1,300	\$1,300	\$0
Full-Time Salaried - Civilian	28,076	29,526	32,763	32,479	34,938	2,175
Other Salaried & Unsalariated	2,415	2,417	2,076	2,076	2,076	0
Overtime - Civilian	1,086	1,079	1,230	1,230	1,230	0
P.S. Other	(3)	1	0	0	0	0
Amount to be Scheduled	0	0	204	204	204	0
Fridge Benefits	220	227	145	145	145	0
SUBTOTAL	\$34,622	\$34,990	\$37,717	\$37,433	\$39,893	\$2,175
Other Than Personal Services						
Contractual Services	\$6,184	\$4,071	\$3,836	\$5,137	\$3,439	(\$397)
Fixed & Misc. Charges	128	307	100	100	100	0
Other Services & Charges	5,033	4,615	13,607	12,541	15,199	1,592
Property & Equipment	860	757	573	703	573	0
Supplies & Materials	1,104	1,038	1,646	1,555	1,753	107
SUBTOTAL	\$13,309	\$10,788	\$19,762	\$20,037	\$21,064	\$1,302
TOTAL	\$47,931	\$45,778	\$57,479	\$57,470	\$60,956	\$3,477
Funding						
City Funds	\$0	\$0	\$57,479	\$57,470	\$60,956	\$3,477
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$47,931	\$45,778	\$57,479	\$57,470	\$60,956	\$3,477
Budgeted Headcount						
Full-Time Positions - Civilian	64	72	80	82	81	1
TOTAL	64	72	80	82	81	1

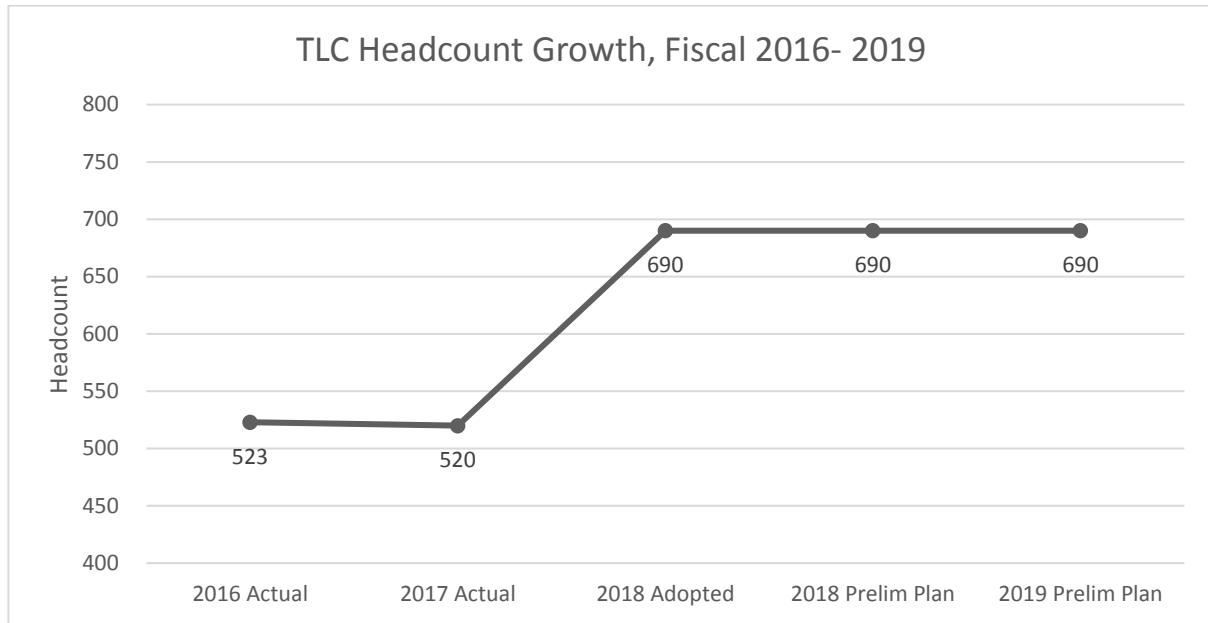
**The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.*

New Needs and Adjustments since the 2018 Adopted Budget

- Relocation Savings.** The Fiscal 2019 Preliminary Plan includes an additional savings of \$56,000 in Fiscal 2018 only due to a delay in moving the TLC's prosecution unit to the Long Island City office. This amount, when combined with the \$169,000 savings included in the Fiscal 2018 November Plan brings the total relocation savings to \$224,000 in Fiscal 2018.

- TLC OTPS New Needs.** The Fiscal 2018 November Plan included a new need of \$500,000 in Fiscal 2018, \$700,000 in Fiscal 2019, and \$500,000 in Fiscal 2020 and in the outyears. The majority of this funding is for IT costs related to new rules for handicap accessibility, vision zero, and driver income rules.
- Personal Services (PS) Savings.** The Fiscal 2018 November Plan included Personal Services savings of \$284,000 in Fiscal 2018 and \$512,000 in Fiscal 2019.

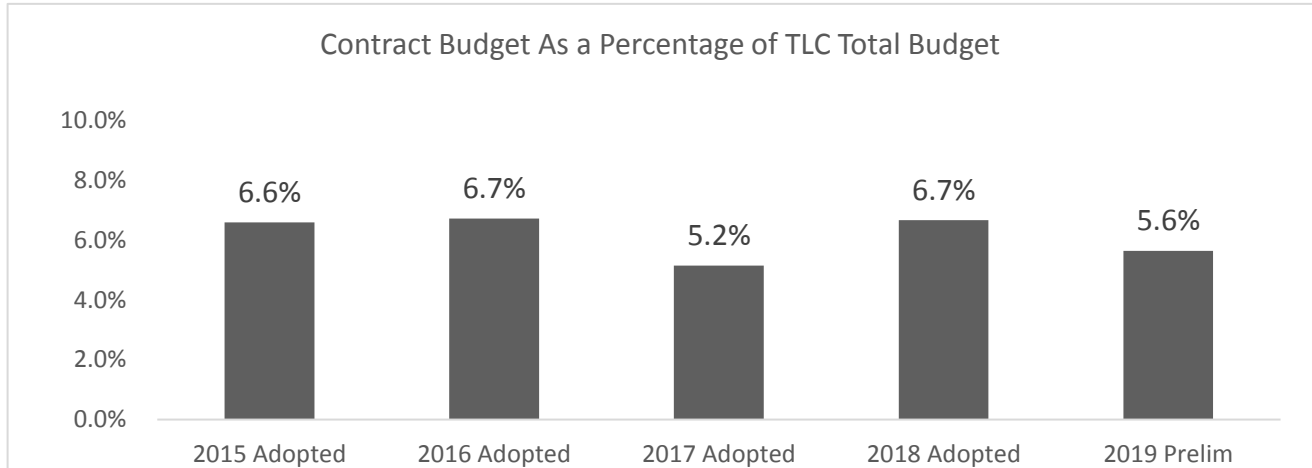
Headcount



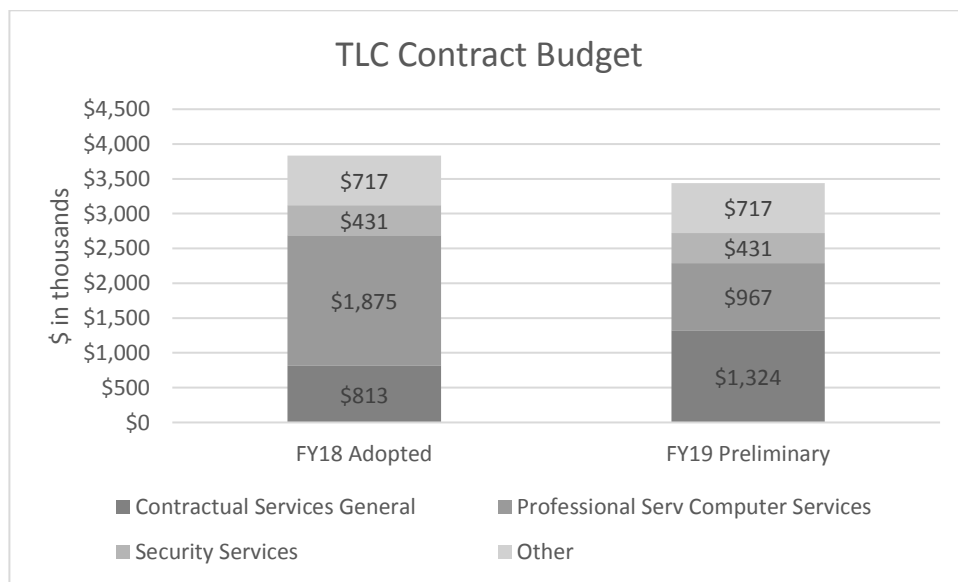
As illustrated by the chart above, the Taxi and Limousine Commission’s Fiscal 2019 Preliminary Budget provides for 690 budgeted headcount positions, remaining unchanged from Fiscal 2018. As of December 2017, TLC has a headcount vacancy rate of 21 percent, the majority of which are for inspector positions.

Contract Budget

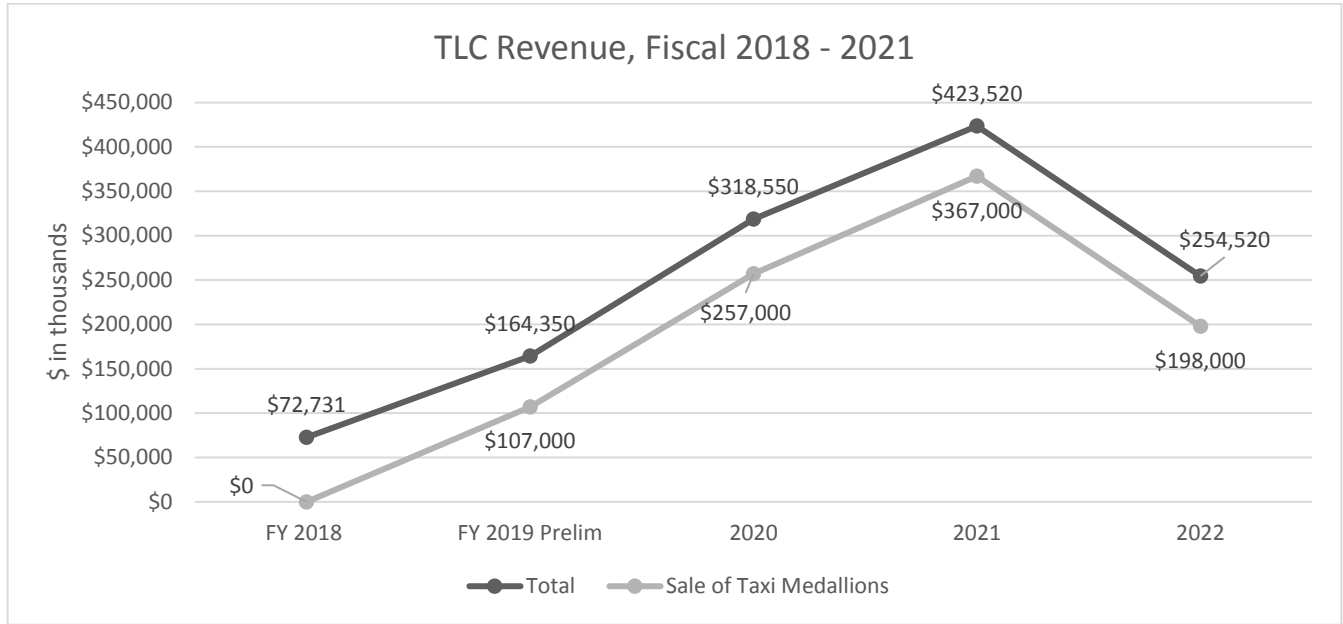
The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personnel service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City’s Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Citywide Fiscal 2019 Preliminary Contract Budget totals \$15.6 billion for procurement expenditures across all agencies.



For the TLC, the Fiscal 2019 Contract Budget totals \$3.4 million for 31 contracts, accounting for 5.6 percent of the Commission’s total budget. The total contract value in the Preliminary Plan shows a slight decrease of \$477,000 or 0.4 percent when compared to the Fiscal 2018 Adopted Budget. As indicated in the chart below, the majority of the TLC contract budget is allocated towards Contractual Services General at \$1.3 million (38 percent), followed by Professional Service – Computer Services at \$967,000 (29 percent), Security Services at \$431,000 (12 percent), and all other remaining contracts at \$717,000 (21 percent).



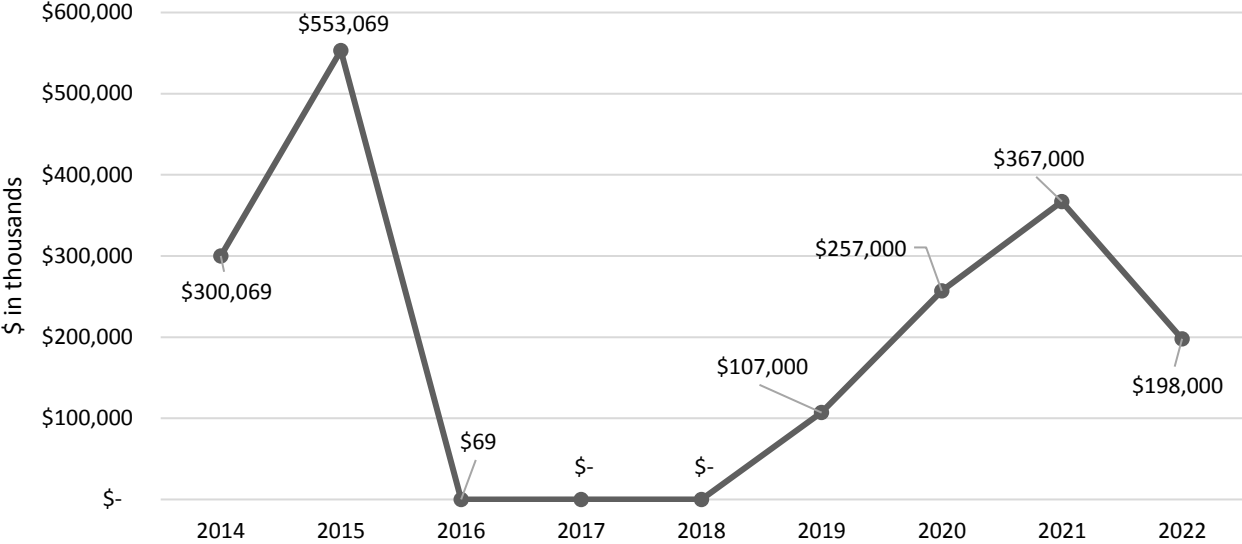
Miscellaneous Revenue



The Taxi and Limousine Commission plans to collect approximately \$164.4 million from Taxi Licenses, Hail Licenses, Taxi Inspection and TLC Fees, Stipulation or STIP/Settlement Fines, and Sale of Taxi Medallions, an increase of 126 percent from the Fiscal 2018 Adopted Budget. The steep increase is the result of anticipated revenue of \$107 million from the sale of taxi medallions, which represents 65 percent of all projected revenues in Fiscal 2019. TLC also projects \$49 million from Taxi License; \$9.5 million from charges for taxi inspections and TLC transfer fees; and \$11.6 million from settlement fines; and \$2.4 million from Hail Licenses in Fiscal 2019.

On November 14, 2013, the TLC began to auction the first batch of 2,000 authorized yellow medallions, with the auction of 200 medallions. Another 168 medallions were auctioned on February 26, 2014, followed by the auction of 32 mini fleet medallions on March 25, 2014. To date, no additional medallions were sold and TLC has halted further auctions. However, despite the delay, the anticipated revenue from these medallions remains unchanged. In last year's Fiscal 2018 Preliminary Plan, \$107 million anticipated from the sale of medallions in Fiscal 2018 had been pushed to Fiscal 2019. Similarly, the revenue projections for Fiscal 2018 through Fiscal 2020 were delayed and are represented in the current Fiscal 2019 Preliminary Budget. The chart below shows actual sales through the current year and projections moving forward. We will be interested to hear from the TLC how they support the higher levels of anticipated revenue in the outyears of the plan.

TLC Projected Revenue from Taxi Medallion Sales, Fiscal 2014-2022



Appendices

A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY18			FY19		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of the Fiscal 2018 Adopted Budget	\$0	\$0	\$0	\$0	\$0	\$0
New Needs						
Relocation Savings	(56)	0	(56)	0	0	0
TLC OTPS New Needs	500	0	500	500	0	500
Subtotal, New Needs	\$444	\$0	\$444	\$500	\$0	\$500
Other Adjustments						
PS Savings	(284)	0	(284)	(512)	0	(512)
Relocations Savings	(169)	0	(169)	0	0	0
Subtotal, Other Adjustments	(\$453)	\$0	(\$453)	(\$512)	\$0	(\$512)
TOTAL, All Changes	(\$9)	\$0	(\$9)	\$0	\$0	\$0
TLC Budget as of the Fiscal 2019 Preliminary Budget	\$57,479	\$0	\$57,479	\$60,956	\$0	\$60,956

B: TLC Contract Budget

TLC FY19 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY18 Adopted	Number of Contracts	FY19 Preliminary	Number of Contracts
Contractual Services General	\$813	14	\$1,324	14
Telecommunications Maint	129	2	129	2
Maint & Rep General	120	2	120	2
Office Equipment Maintenance	1	1	1	1
Data Processing Equipment	15	1	15	1
Printing Contracts	100	3	100	3
Security Services	431	2	431	2
Temporary Services	40	3	40	3
Cleaning Services	306	1	306	1
Training Prgm City Employees	5	1	5	1
Professional Serv Computer Services	1,875	1	967	1
TOTAL	\$3,836	31	\$3,438	31

C: TLC Miscellaneous Revenue

TLC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY16	FY17	FY18	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Taxi Licenses	\$56,424	\$71,015	\$49,231	\$19,483	\$33,520	(\$15,711)
Hail Licenses	1,741	3,019	2,400	2,400	2,530	130
Taxi Inspection & TLC Fees	10,256	11,481	9,500	9,000	9,700	200
STIP/Settlement Fines	16,276	15,222	11,600	10,500	11,600	0
Sale of Taxi Medallions	0	0	0	0	107,000	107,000
TOTAL	\$84,696	\$100,737	\$72,731	\$41,383	\$164,350	\$91,619

**The difference of Fiscal 2018 Adopted compared to Fiscal 2019 Preliminary Budget.*

D: Mayor’s Management Report Critical Performance Measures

TLC Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Medallion safety and emissions failure rate - Initial inspection (%)	30.9%	28.2%	28.1%	35.0%	35.0%	28.1%	26.3%
-Re-inspection (%)	7.4%	6.5%	6.6%	*	*	6.8%	7.9%
FHV safety and emissions failure rate - Initial inspection (%)	36.2%	33.2%	30.3%	35.0%	35.0%	30.2%	26.8%
- Re-inspection (%)	13.6%	12.5%	10.1%	*	*	11.3%	8.1%
Boro Taxi safety and emissions failure rate- Initial inspection (%)	51.1%	49.1%	45.9%	45.0%	45.0%	48.6%	43.2%
-Re-inspection (%)	12.8%	12.4%	10.4%	*	*	12.4%	11.4%
Patrol summonses issued for illegal street hails (drivers and vehicle owners)	10,803	8,549	12,813	*	*	4,762	1,936
Patrol summonses issued for unlicensed activity (drivers and vehicle owners)	12,497	10,380	7,955	*	*	2,293	2,430
Average wait time at Long Island City licensing facility (hours:minutes)	0:16	0:25	0:19	0:25	0:25	0:23	0:12
Average time to conduct a safety and emissions inspection of a medallion taxi (hours:minutes)	0:50	0:48	0:58	1:00	1:00	1:01	1:02
Average time to conduct a safety and emissions inspection of a FHV (hours:minutes)	0:57	0:49	1:09	1:00	1:00	1:14	1:15
Average time to conduct a safety and emissions inspection of a Boro Taxi (hours:minutes)	0:55	0:51	1:11	1:00	1:00	1:15	1:22
Average time to close a consumer complaint (calendar days): TLC driver	NA	34.7	24.6	50	50	31.8	NA