



**New York City Council**

Christine C. Quinn, Speaker

**Finance Division**

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

**Hearing on the Mayor's Fiscal Year 2011 Executive Budget**

**Taxi and Limousine Commission**

May 21, 2010

**Committee on Finance**

Hon. Domenic M. Recchia, Jr., Chair

**Committee on Transportation**

Hon. James Vacca, Chair

Jonathan Rosenberg, Deputy Director, Finance Division  
Chima Obichere, Supervising Legislative Financial Analyst

# Summary and Highlights

## Taxi and Limousine Commission Financial Summary

*Dollars in Thousands*

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	Difference 2010–2011
Personal Services	\$20,396	\$21,660	\$22,865	\$23,929	\$24,324	\$1,459
Other than Personal Services	7,366	7,214	6,978	7,348	6,935	(43)
<b>TOTAL</b>	<b>\$27,762</b>	<b>\$28,874</b>	<b>\$29,843</b>	<b>\$31,277</b>	<b>\$31,259</b>	<b>\$1,416</b>

The Taxi and Limousine Commission's (TLC) budget is funded entirely with City tax-levy funds. The TLC's Fiscal 2011 Executive Budget totals \$31.3 million, which is \$1.4 million more than the Agency's Fiscal 2010 Adopted Budget amount of \$29.8 million. The Executive Budget includes \$400,000 in Programs to Eliminate the Gap (PEGs) and \$436,000 in other adjustments, of which \$201,000 is for programmatic rolls from Fiscal 2010 to Fiscal 2011. In addition, the Fiscal 2011 Executive Budget includes additional revenue of \$777,000 derived from two new revenue PEG actions.

The new revenue PEGs proposed in the Fiscal 2011 Executive Budget are:

- **Medallion Re-inspection Fee.** TLC anticipates additional revenue of \$667,000 in Fiscal 2011 and the outyears from a new \$35 vehicle re-inspection fee it will charge medallion owners.
- **Transfer Fees.** The TLC plans to charge plate and base transfer fee of \$25 for for-hire vehicles, commuter vans and paratransit vehicles beginning in Fiscal 2011. This action is anticipated to generate revenue of \$110,000 in Fiscal 2011 and the outyears.

Since the adoption of the Fiscal 2010 budget, specific actions affecting the TLC's budget include the following:

- **Administrative Efficiencies.** Savings of \$200,000 from the consolidation of administrative functions (see p. 3).
- **For-Hire Vehicle Savings.** Savings of \$201,000 in Fiscal 2011 resulting from delay in for-hire vehicle program (see p. 3).
- **Increase Administrative Enforcement.** TLC anticipates an additional \$3.4 million in Fiscal 2011 from administrative summonses to licensees who violate new TLC rules and regulations passed in April 2009 (see p. 3).
- **For-Hire Vehicle Inspections.** TLC has budgeted an additional \$1.1 million in Fiscal 2011 and the outyears to conduct State DMV safety and emissions inspections (see p. 3).
- **TLC Security Contract Increase.** Due to an increase in security costs resulting from a prevailing wage rate determination, the TLC has a new need of \$127,000 in Fiscal 2010 and Fiscal 2011 and the outyears (see p. 3).
- **Collective Bargaining.** The Taxi and Limousine Commission will receive additional City funding of \$253,000 in Fiscal 2010 and Fiscal 2011 and the outyears for collective bargaining costs (see p. 3).

# The Taxi and Limousine Commission

The Taxi and Limousine Commission (TLC) establishes and enforces professional and uniform standards of for-hire car service and ensures public safety. Currently, TLC licenses and regulates 13,237 medallion taxicabs, 39,164 for-hire vehicles, 2,320 paratransit vehicles, 341 commuter vans and 105,632 drivers. The Commission regulates 27 taximeter shops, 25 taxicab brokers and 69 taxicab agents and sets fares charged by medallion taxicabs.

### Key Public Services Areas

- Ensure the quality and safety of for hire-hire vehicle transportation service through effective regulation and administration of rules, standards, and licensing requirements.

### Critical Objectives

- Promote industry standards through an efficient licensing process.
- Improve compliance with rules and regulations through ongoing monitoring.
- Increase compliance with safety and emissions standards through timely inspections.
- Provide a fair and timely review and hearing process

SOURCE: Mayor's Management Report

## Taxi and Limousine Commission Financial Summary

Dollars in Thousands

	2008 Actual	2009 Actual	2010 Adopted	2010 Exec. Plan	2011 Exec. Plan	*Difference 2010-2011
<b>Budget by Units of Appropriation Area</b>						
Personal Services	\$20,396	\$21,660	\$22,865	\$23,929	\$24,324	\$1,459
Other than Personal Services	7,366	7,214	6,978	7,348	6,935	(43)
<b>TOTAL</b>	<b>\$27,762</b>	<b>\$28,874</b>	<b>\$29,843</b>	<b>\$31,277</b>	<b>\$31,259</b>	<b>\$1,416</b>
<b>Funding</b>						
City Funds	\$27,762	\$28,875	\$29,843	\$31,277	\$31,259	\$1,416
<b>TOTAL</b>	<b>\$27,762</b>	<b>\$28,875</b>	<b>\$29,843</b>	<b>\$31,277</b>	<b>\$31,259</b>	<b>\$1,416</b>
<b>Positions</b>						
Fulltime Positions	370	378	404	416	414	10
<b>TOTAL</b>	<b>4,348</b>	<b>4,423</b>	<b>404</b>	<b>416</b>	<b>414</b>	<b>10</b>

## Fiscal 2011 Budget Actions

### PEG Program

As part of the Citywide PEG Program, TLC was required to come up with cost savings in its Fiscal 2011 expense budget. As a result of the agency's revenue generating ability, TLC was able to meet its PEG target through the implementation of additional fees. The agency's Fiscal 2011 Budget includes additional revenue of \$1.8 million in Fiscal 2010 and \$4.2 million in Fiscal 2011. The revenue sources include the following.

- **Increase Administrative Enforcement.** The Taxi and Limousine Commission will generate additional revenue of \$1.8 million in Fiscal 2010 and \$3.4 million in Fiscal 2011 through the issuance of administrative summonses to licensees who violate new TLC rules and regulations passed in April 2009. The revenue generated through this initiative is offset by \$420,000 in Fiscal 2010 and \$544,000 in Fiscal 2011 for related PS and OTPS costs.
- **Medallion Re-inspection Fee.** Beginning in Fiscal 2011, TLC will charge medallion owners a new fee of \$35 for vehicle re-inspection. Currently no fee is charge for this re-inspection, as such, it is anticipated that the new fee will generate additional revenue of \$667,000 in Fiscal 2011 and the outyears.
- **Transfer Fees.** The agency's Fiscal 2011 Executive Budget includes \$110,000 additional revenue in Fiscal 2011 and the outyears from plate and base transfer fees. The \$25 plate and base transfer fee will be levied on all for-hire vehicles, commuter vans and paratransit vehicles beginning in Fiscal 2011.
- **Administrative Efficiencies.** The Executive Budget includes savings of \$200,000 in Fiscal 2011 growing to \$205,000 in Fiscal 2014 from the consolidation of administrative functions within the TLC. This action will result in the elimination of two vacancy positions.
- **For-Hire Vehicle Savings.** The TLC anticipates savings of \$201,000 in Fiscal 2011 from the elimination of a for-hire vehicle program that is no longer needed.

### New Needs and Other Adjustments

- **For-Hire Vehicle Inspections.** The TLC has a new need of \$793,000 in Fiscal 2010 and \$1.1 million in Fiscal 2011 and the outyears for 12 positions in the Commission's For-Hire Vehicle Inspection Unit to conduct State DMV safety and emissions inspections.
- **TLC Security Contract Increase.** Due to an increase in security costs resulting from a prevailing wage rate determination, the TLC has a new need of \$127,000 in Fiscal 2010 and Fiscal 2011 and the outyears for costs associated with its security contract with Allied Barton for armed and unarmed guards. Similar to other agencies, TLC's security contract with Allied Barton is managed by the Department of Citywide Administrative Services (DCAS).
- **Collective Bargaining.** The Taxi and Limousine Commission will receive additional City funding of \$253,000 in Fiscal 2010 and Fiscal 2011 and the outyears for collective bargaining costs.
- **FHV Operational Savings Roll.** Due to delay in implementation, \$201,000 for a for-hire vehicle program has been rolled from Fiscal 2010 to Fiscal 2011.
- **Heat, Light and Power.** Due to re-estimates, the TLC anticipates a decrease of \$25,000 in Fiscal 2010 and an increase of \$5,000 in Fiscal 2011 and the outyears in heat, light and power costs.
- **Lease Adjustment.** Due to a funding re-estimate, TLC anticipates an increase of \$190,000 in Fiscal 2011 and the outyears for lease related costs.

### Revenue Summary

The Fiscal 2011 Revenue Budget for the Commission is projected to be \$39.8 million, an increase of 5.9 percent or \$2.2 million when compared to the Fiscal 2010 Adopted Budget amount of \$37.6 million. The

Commission anticipates additional revenues to be derived from increased enforcement of new TLC's rules and regulations, medallion re-inspection fee, plate and base transfer fees and possibly from conducting State DMV safety and emissions inspections on for-hire vehicles. Of the projected Fiscal 2011 revenue amount, \$27.6 million is derived from medallions and for-hire vehicles licensing fees, \$4.8 million is derived from taxi inspections and transfer fees, and \$7.3 million is derived from taxi fines and forfeitures.

### AGENCY REVENUE OVERVIEW

Agency Revenue Sources	Fiscal 2010 Adopted Budget	Fiscal 2010 Modified as of 5/7/2010	Fiscal 2011 Executive Budget
License, Permit & Franchises	\$27,600,000	\$27,600,000	\$27,600,000
Charges for Services	\$3,460,000	\$3,460,000	\$4,877,000
Fines and Forfeitures	\$6,500,000	\$6,500,000	\$7,300,000
<b>TOTAL</b>	<b>\$37,560,000</b>	<b>\$37,560,000</b>	<b>\$39,777,000</b>

## Appendix A: Budget Actions Since Fiscal Year 2010 Adoption

<i>Dollars in thousands</i>	FY 2010			FY 2011		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as per the June 2009 Plan</b>	<b>\$29,844</b>	<b>\$0</b>	<b>\$29,844</b>	<b>\$29,157</b>	<b>\$0</b>	<b>\$29,157</b>
<b>Program to Eliminate the Gap (PEGs)</b>						
Increased Administrative Enforcement	\$420	\$0	\$420	\$544	\$0	\$544
Administrative Efficiencies	0	0	0	(200)	0	(200)
For-hire Vehicles Savings	0	0	0	(201)	0	(201)
PEG 2						
<b>Total, PEGs</b>	<b>\$420</b>	<b>\$0</b>	<b>\$420</b>	<b>\$143</b>	<b>\$0</b>	<b>\$143</b>
<b>New Needs</b>						
For Hire Vehicle Inspections	\$793	\$0	\$793	\$1,140	\$0	\$1,140
TLC Security Contract Increase	127	0	127	127	0	127
NN 1						
<b>Total, New Needs</b>	<b>\$920</b>	<b>\$0</b>	<b>\$920</b>	<b>\$1,267</b>	<b>\$0</b>	<b>\$1,267</b>
<b>Other Adjustments</b>						
Collective Bargaining	\$258	\$0	\$258	\$258	\$0	\$258
Administrative Efficiencies	0	0	0	36	0	36
FHV Operational Savings Roll	(201)	0	(201)	201	0	201
Heat, Light and Power	(26)	0	(26)	6	0	6
Lease Adjustment	63	0	63	191	0	191
OA 2						
<b>Total, Other Adjustments</b>	<b>\$94</b>	<b>\$0</b>	<b>\$94</b>	<b>\$692</b>	<b>\$0</b>	<b>\$692</b>
<b>Agency Budget as per the Fiscal 2011 Executive Plan</b>	<b>\$31,278</b>	<b>\$0</b>	<b>\$31,278</b>	<b>\$31,259</b>	<b>\$0</b>	<b>\$31,259</b>