

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Ydanis Rodriguez
Chair, Committee on Transportation



Report of the Finance Division on the
Fiscal 2018 Preliminary Budget and the
Fiscal 2017 Preliminary Mayor's Management Report for the
Taxi and Limousine Commission

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Taxi and Limousine Commission Overview

The Taxi and Limousine Commission (TLC) establishes and enforces professional and uniform standards of for-hire transportation service and ensures public safety. Currently, TLC licenses and regulates all aspects of New York City's medallion yellow taxicabs, for-hire vehicles (Borough Taxis, community-based liveries, and black cars), commuter vans, paratransit vehicles (ambulettes), and certain luxury limousines.

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.** 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 and is required to drive at least 210 shifts per year.

Borough Taxis. Borough Taxis were created in 2012 to provide legal, yellow-caliber taxi service to the boroughs.

- ✓ Borough Taxis provide a dual service, picking up both street-hail and prearranged for-hire passengers.
- ✓ 18,000 Borough Taxi permits are being issued in three groups of 6,000. The first group of 6,000 has been sold and the second issuance is underway.
- ✓ Borough Taxis 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) include:

- ✓ **Liveries (also known as Car Services or Community Cars).** Provide pre-arranged for-hire service. Currently there are approximately 500 base stations located throughout the five boroughs and 25,000 vehicles. The vehicles must be affiliated with a base station.
- ✓ **Black Cars.** Provide service mostly to corporate clients, setting fares by contract. There are about 80 base stations citywide and 10,000 vehicles.
- ✓ **Luxury Limousines.** Provide chartered service. Currently there are about 7,000 vehicles and 200 companies.
- ✓ **Paratransit.** Provide transportation to and from healthcare facilities. There are about 2,000 vehicles and over 200 paratransit providers citywide.

- ✓ **Commuter Vans.** Provide service for passengers along fixed routes. Currently, there are about 500 vehicles and 50 van authorizations.

This report provides a review of the Taxi and Limousine Commission's Preliminary Budget for Fiscal 2018. In the first section, the highlights of the \$58.2 million Fiscal 2018 expense budget are presented. The report then reviews initiatives included in the November and Preliminary Financial Plans and relevant sections of the Preliminary Mayor's Management Report for Fiscal 2017. Finally, appendices are included to highlight the Budget Actions in the November and Preliminary Plans.

Fiscal 2018 Preliminary Budget Highlights

The City's Preliminary Fiscal 2018 Budget is \$84.1 billion, \$2.6 billion more than the Fiscal 2017 Adopted Budget of \$82.1 billion. City funds (City tax and non-tax revenues) total \$61.6 billion, up \$1.7 billion from \$59.9 billion in the Adopted Budget.

The Taxi and Limousine Commission's (the TLC or the Commission) Fiscal 2018 Preliminary Budget totals \$58.2 million, funded entirely with City tax-levy funds; this represents less than one-tenth of one percent of the City's total Budget. The TLC's Fiscal 2018 Preliminary Budget is \$12.4 million less than the Agency's Fiscal 2017 Adopted Budget of \$70.6 million. The decrease is primarily result of the non-inclusion of OTPS funding associated with the City's Five-Boro Taxi initiative to help owners offset the cost of retrofitting or making their vehicles wheelchair accessible. However, the plan reflects an increase in \$1.9 million in Personal Services costs in Fiscal 2018 when compared to Fiscal 2017. This is because the Fiscal 2017 Adopted Budget includes a hiring plan adjustment of \$1.9 million which is not included in Fiscal 2018 and beyond.

TLC Expense Budget						
	2015	2016	2017	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2017	2018	2017 - 2018
Personal Services	\$33,084	\$34,622	\$38,474	\$37,771	\$40,384	\$1,910
Other Than Personal Services	19,362	13,309	32,139	32,819	17,824	(14,314)
TOTAL	\$52,446	\$47,931	\$70,612	\$70,590	\$58,208	(\$12,404)

*The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.

The Preliminary Budget includes \$874,000 in new needs for OTPS costs associated with the Commission's Electronic Summoning and Administration Program (ESAP) and Handheld upgrades.

Specific actions affecting the TLC's budget since the adoption of the Fiscal 2017 budget include the following new need:

- **ESAP and Handheld Update.** As a part of the November Financial Plan, TLC has a new need of \$874,000 in Fiscal 2017 for costs associated with upgrading its handheld summons issuing devices and software. (see p.3)

In addition to the above new need, other key actions affecting the TLC's Preliminary Budget include the following:

- **Savings from In-house Mailings.** The Fiscal 2018 Preliminary Plan anticipates savings of \$75,000 in Fiscal 2017 and in Fiscal 2018 and in the outyears. (see below)
- **Fingerprinting Services Savings.** The Fiscal 2018 Preliminary Plan includes savings of \$20,000 in Fiscal 2017, Fiscal 2018 and beyond from a fingerprinting services contract. (see below)
- **Lower IT System Maintenance.** The Fiscal 2018 Preliminary Plan anticipates savings of \$100,000 in Fiscal 2017 and \$133,000 in Fiscal 2018 and in the outyears as a result of lower IT system maintenance costs. (see p.4)
- **PS Savings.** The Fiscal 2018 Preliminary Plan includes Personal Services (PS) savings of \$801,000 in Fiscal 2017 and \$169,000 in Fiscal 2018 and in the outyears. (see p.4)

Financial Summary

TLC Financial Summary						
<i>Dollars in Thousands</i>						
	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services	\$33,084	\$34,622	\$38,474	\$37,771	\$40,384	\$1,910
Other Than Personal Services	19,362	13,309	32,139	32,819	17,824	(14,314)
TOTAL	\$52,446	\$47,931	\$70,612	\$70,590	\$58,208	(\$12,404)
Funding						
City Funds	\$52,446	\$47,931	\$70,612	\$70,590	\$58,208	(\$12,404)
TOTAL	\$52,446	\$47,931	\$70,612	\$70,590	\$58,208	(\$12,404)
Budgeted Headcount						
Full-Time Positions	543	523	701	700	690	(11)
TOTAL	543	523	701	700	690	(11)

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

Fiscal 2018 Preliminary Plan Actions

- **ESAP and Handheld Update.** As a part of the November Financial Plan, TLC has a new need of \$874,000 in Fiscal 2017 for costs associated with upgrading its handheld summons issuing devices and software in compliance with the City's Uniform Summons program. The goal of the uniform summons program is to create a standardized one style summons to be used by the City's enforcement agencies thereby ensuring that the public will always be able to find the essential information in the same place on any summons that they may receive.
- **Savings from In-house Mailings.** The Fiscal 2018 Preliminary Plan includes savings \$75,000 in Fiscal 2017 and in Fiscal 2018 and in the outyears from the implementation of in-house mailing. The TLC is performing vehicle operator renewal mailings in-house with existing employees and equipment, eliminating the need for outsourcing costs.
- **Fingerprinting Services Savings.** The Fiscal 2018 Preliminary Plan anticipates savings of \$20,000 in Fiscal 2017 and in Fiscal 2018 and in the outyears from

fingerprinting services costs. By engaging a contractor to provide fingerprinting services, the TLC will achieve savings on equipment and maintenance costs. Additionally, because the vendor provides more locations and flexible hours, service to licensees would be enhanced.

- **Lower IT System Maintenance.** The Fiscal 2018 Preliminary Plan anticipates savings of \$100,000 in Fiscal 2017 and \$133,000 in Fiscal 2018 and in the outyears as a result of the Automated Inspection System (AIS) upgrades and the ensuing lower IT system maintenance costs.
- **PS Savings.** The Fiscal 2018 Preliminary Plan includes Personal Services (PS) savings of \$801,000 in Fiscal 2017 and \$169,000 in Fiscal 2018 and in the outyears.

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 personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the Other than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

The City's Contract Budget, as proposed, totals \$14.39 billion in Fiscal 2018, a slight decrease when compared to the Fiscal 2017 Adopted Budget of \$15 billion. For the TLC, the contract budget for Fiscal 2018 is approximately \$2.9 million, including one contract valued at \$1 million for computer services.

TLC Fiscal 2018 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	Fiscal 2017 Adopted	Number of Contracts	Fiscal 2018 Preliminary	Number of Contracts
Cleaning Services	\$220,000	1	\$306,312	1
Contractual Services - General	736,812	14	813,364	14
Data Processing Equipment Maintenance	15,000	1	15,000	1
Maintenance and Repairs - General	120,000	2	120,000	2
Office Equipment Maintenance	1,000	1	1,000	1
Printing Services	100,000	3	100,000	3
Prof. Services - Computer Services	1,100,000	1	1,000,325	1
Security Services	600,000	2	431,250	2
Telecommunications Maintenance	140,000	2	129,320	2
Temporary Services	40,000	3	40,000	3
Training Program for City Employees	5,000	1	5,000	1
TOTAL	\$3,077,812	31	\$2,961,571	31

Revenue

TLC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	2015	2016	2017	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Taxi Licenses	\$42,864	\$56,425	\$39,955	\$59,438	\$33,820	(\$6,135)
Hail Licenses	6,274	1,741	3,620	3,620	2,400	(1,220)
Taxi Inspection & TLC Fees	9,699	10,256	9,000	9,000	9,000	0
STIP/Settlement Fines	15,342	16,275	10,500	8,118	8,245	(2,255)
Sale of Taxi Medallions	20,875	0	0	0	0	0
Tow Bonds	83	0	0	0	0	0
TOTAL	\$95,137	\$84,697	\$63,075	\$80,176	\$53,465	(\$9,610)

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

For Fiscal 2018 the TLC is projected to collect \$53.5 million from various miscellaneous revenue sources, a decrease of \$9.6 million when compared to the Fiscal 2017 Adopted Budget amount of \$63 million. The decrease is primarily due to a projected drop in the issuance of Street Hail Licenses (SHL or Hail licenses). In December 2011, the City received State authorization to issue 18,000 Street Hail licenses to serve areas outside of central Manhattan and to sell 2,000 additional yellow medallions. After a series of court challenges, the City won and began issuing Street Hail licenses in June 2013. Within days, the Commission sold the first 6,000 Hail licenses available for issuance in the first year, with 20 percent committed for use with wheelchairs. The second 6,000 Hail licenses became available for sale in June of 2014. Although, it was reported at the time that the waiting list for the permits had already surpassed 6,000, the sale of Hail licenses did not go as planned. This may be due to the requirement that for every block of 1,000 Street Hail licenses, 20 percent, or 200 Street Hail licenses for accessible livery cabs, must be sold first.

Of the projected Fiscal 2018 revenue amount, \$36.2 million will come from medallions and for-hire vehicles licensing; \$9 million from charges for taxi inspections and TLC transfer fees; and \$8.2 million from settlement fines.

The City's plan to sale additional yellow taxi medallions continues to be delayed. However, despite the delay, the anticipated revenue from the 2,000 medallions that were authorized by the State remains unchanged. In the Fiscal 2018 Preliminary Plan, \$107 million anticipated from the sale of medallions in Fiscal 2018 has been pushed to Fiscal 2019. Similarly, the revenue projections for Fiscal 2018 through Fiscal 2020 were also delayed. On November 14, 2013, the TLC began to auction the first batch of the 2,000 authorized yellow medallions with the auction of 200 medallions, another 168 medallions were auctioned on February 26, 2014 that was followed by the auction of 32 mini fleet medallions on March 25, 2014, bringing the total number auctioned to 400 medallions. Since the March 2014 auction, no new medallions have been sold.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
Active medallion taxis that are accessible	553	572	876	*	*	571	1,202
Active Boro Taxis that are accessible	492	1,240	1,393	*	*	1,339	1,417
Medallion safety and emissions inspections conducted	52,046	51,769	50,894	*	*	17,201	16,687
For-hire vehicle (FHV) safety and emissions inspections conducted at TLC facility	40,498	47,176	49,949	*	*	15,618	19,824
Boro Taxi safety and emissions inspections conducted	11,202	20,024	20,676	*	*	6,975	6,091
Medallion patrol summonses issued	7,676	12,141	16,687	*	*	4,939	3,574
FHV patrol summonses issued	41,939	49,531	45,403	*	*	17,695	13,604
★ Average wait time at Long Island City licensing facility (hours: minutes)	0:28	0:16	0:25	0:25	0:25	0:22	0:23
★ Average time to conduct a safety and emission inspection of a medallion taxi (hours:minutes)	0:53	0:50	0:48	1:00	1:00	0:42	1:01
★ Average time to conduct a safety and emission inspection of a FHV (hours:minutes)	1:00	0:57	0:49	1:00	1:00	0:42	1:14
★ Average time to conduct a safety and emission inspection of a Boro Taxi (hours:minutes)	0:57	0:55	0:51	1:00	1:00	0:46	1:15

★ Critical Indicator "NA" – means Not Available in this report * No Target

Source: Fiscal 2017 Preliminary Mayors Management Report

According to the Preliminary Mayor's Management Report (PMMR), the expansion of services for passengers with disabilities is continuing. The number of accessible Boro Taxis increased by 78 during the first four months of Fiscal 2017, from 1,339 to 1,417. The number of accessible medallion taxis increased to 1,202 from 571 this year as unrestricted medallion owners begin placing accessible vehicles into service as required by the Commission's rules.

During the first four months of Fiscal 2017, TLC conducted a total of 42,602 safety and emissions inspections — 16,687 medallions, 19,824 FHV's and 6,091 Boro Taxis — a seven percent increase when compared to the same period last year. The increase is primarily driven by the overall growth of the FHV industry. With more vehicles visiting TLC's inspection facility, the average time to conduct safety and emissions inspections grew across each industry to over one hour, with increases ranging from 19 to 32 minutes. However, the percent of medallion, FHV, and Boro taxis that failed initial inspection has continued to decrease for each sector.

During the first four months of Fiscal 2017, TLC issued 17,178 total enforcement patrol summonses to medallion and FHV drivers combined, a decrease of 24 percent. Also, during the same period, due to the number of visits at TLC's walk-in licensing facility, average wait times increased from 22 minutes to 23 minutes. According to the TLC, the higher volume of visits is largely due to an increase in new driver license applications.

Appendix A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2017			FY 2018		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of the Adopted 2017 Budget	\$70,613	\$0	\$70,613	\$58,582	\$0	\$58,582
New Needs						
TLC ESAP & Handheld Update	\$874	\$0	\$874	(\$11)	\$0	(\$11)
Subtotal, New Needs	\$874	\$0	\$874	(\$11)	\$0	(\$11)
Other Adjustments						
Reduction of Contracted Security Guards	(\$98)	\$0	(\$98)	(\$169)	\$0	(\$169)
TLC PS Savings	(703)	0	(703)	0	0	0
Cleanup of ESAP New Needs	0	0	0	0	0	0
Fingerprinting Services Savings	(20)	0	(20)	(20)	0	(20)
Lower IT System Maintenance	0	0	0	(100)	0	(100)
Savings from In-house Mailings	(75)	0	(75)	(75)	0	(75)
Subtotal, Other Adjustments	(\$896)	\$0	(\$896)	(\$363)	\$0	(\$363)
TOTAL, All Changes	(\$22)	\$0	(\$22)	(\$374)	\$0	(\$374)
TLC Budget as of the Preliminary 2018 Budget	\$70,590	\$0	\$70,590	\$58,208	\$0	\$58,208

Appendix B: Mayor's Management Report Performance Measures

AGENCY Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY17	FY18
Active medallion taxis that are accessible	553	572	876	*	*	571	1202
Active Boro Taxis that are accessible	492	1,240	1393	*	*	1,339	1417
Accessible dispatch median wait time in Manhattan (hours:minutes)	0:15	0:13	0:13	*	*	0:15	0:11
Accessible dispatch trips fulfilled as a percent of requested trips (%)	81.0%	88.7%	89.2%	*	*	88.5%	89.8%
Active medallion vehicles with hearing induction loops	312	668	1410	*	*	840	1662
Medallion safety and emissions inspections conducted	52,046	51,769	50894	*	*	17,201	16687
★ Medallion safety and emissions failure rate - Initial inspection (%)	33.0%	30.9%	28.2%	35.0%	35.0%	30.3%	28.1%
- Re-inspection (%)	7.9%	7.4%	6.5%	*	*	6.6%	6.8%
Medallion safety and emissions inspections completed on schedule (%)	96.0%	95.5%	95.6%	*	*	95.8%	94.7%
For-hire vehicle (FHV) safety and emissions inspections conducted at TLC facility	40,498	47,176	49,949	*	*	15,618	19,824
★ FHV safety and emissions failure rate - Initial inspection (%)	40.6%	36.2%	33.2%	45.0%	45.0%	33.7%	30.2%
- Re-Inspection (%)	14.4%	13.6%	12.5%	*	*	13.3%	11.3%
FHV safety and emissions inspections completed on schedule (%)	99.9%	99.8%	100.0%	*	*	100.0%	96.7%
Boro Taxi safety and emissions inspections conducted	11,202	20,024	20,676	*	*	6,975	6,091
Boro Taxis safety and emissions failure rate - Initial inspection (%)	49.7%	51.1%	49.1%	*	*	53.3%	48.6%
- Re-inspection (%)	13.0%	12.8%	12.4%	*	*	13.0%	12.4%
Medallion patrol summonses issued	7,676	12,141	16687	*	*	4,939	3,574
Administrative summonses issued to medallions	6,953	12,284	8721	*	*	3,119	3,087
FHV patrol summonses issued	41,939	49,531	45403	*	*	17,695	13,604
★ Summonses issued for illegal street hails and unlicensed activity	25,344	23,300	18929	*	*	8424	7,053
Administrative summonses issued to FHV's	6,403	14,328	16903	*	*	6,149	5,786
Violations admitted to or upheld at the Taxi and Limousine Tribunal at the Office of Administrative Trials and Hearings (%)	85.4%	91.5%	90.9%	*	*	95.3%	94.4%
★ Average wait time at Long Island City licensing facility (hours: minutes)	0:28	0:16	0:25	0:25	0:25	0:22	0:23
TLC driver licences issued	69,957	91,485	97,401	*	*	30,711	29,627
-new licences issued	19,991	34,981	29,870	*	*	7,877	9,259

AGENCY Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY17	FY18
Average time to receive a new driver license from initial application (calendar days)	NA	NA	63.21	*	*	59.1	59.8
-Average agency processing time	NA	NA	19.9	*	*	23.2	12.1
★ Average time to conduct a safety and emission inspection of a medallion taxi (hours:minutes)	0:53	0:50	0:48	1:00	1:00	0:42	1:01
★ Average time to conduct a safety and emission inspection of a FHV (hours:minutes)	1:00	0:57	0:49	1:00	1:00	0:42	1:14
★ Average time to conduct a safety and emission inspection of a Boro Taxi (hours:minutes)	0:57	0:55	0:51	1:00	1:00	0:46	1:15
TLC driver complaints received	20,075	19,257	23,927	*	*	8,602	7,332
-complaints that we eligible for prosecution	7,605	7,921	10,227	*	*	3,748	3,312
Medallion vehicles	13,587	13,587	13,587	*	*	13,587	13,587
For-hire vehicles (includes Boro Taxis)	51,145	65,016	78,814	*	*	71,219	84,097
- Boro Taxis	5,048	7,077	7,237	*	*	7,325	6,879
E-mails responded to in 14 days (%)	93%	99%	NA	80%	80%	NA	NA
Letters responded to in 14 days (%)	92%	99%	NA	90%	90%	NA	86%
Average call wait time (minutes:seconds)	NA	NA	NA	*	*	NA	22:49
Completed customer requests for interpretation	5,721	5,336	6880	*	*	NA	NA
CORE customer experience rating (1-100)	87	88	98	80	80	NA	NA
Percent meeting time to first action - For-hire Vehicle Complaint (14 days)	96%	61%	88%	90%	90%	73%	96%
Percent meeting time to first action - Lost Property (7 days)	87%	86%	72%	90%	90%	86%	81%
Percent meeting time to first action - Miscellaneous Comments (14 days)	84%	98%	84%	60%	60%	94%	89%
Percent meeting time to first action - Request for Information (14 days)	90%	98%	83%	60%	60%	95%	84%
Percent meeting time to first action - Taxi Complaint (14 days)	94%	61%	86%	90%	90%	70%	97%

*Continuation from previous page